

# **Stakeholder participation in policy reforms linked to PRS implementation**

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This paper is a contribution to the project “Participation in PRS Implementation”, conducted by the *Institute for Development and Peace (INEF)*, University of Duisburg-Essen / Germany, on behalf of The World Bank, *Participation and Civic Engagement Team (P&CE team)* in the Social Development Department. The author is research associate at the *University of Applied Sciences*, Düsseldorf, contact: [bettina.fuehrmann@fh-duesseldorf.de](mailto:bettina.fuehrmann@fh-duesseldorf.de)

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### **P & CE Team Project: Participation in PRS Implementation, Monitoring and Revision**

The elaboration of Poverty Reduction Strategies has seen a promising amount of stakeholder participation in many PRS countries, even if considerable quality problems are recognizable (exclusion of marginalized groups, speed and depth, ad hoc nature of participation events, macro-economic and structural policies being off-limits). Most countries have now started implementing their PRSP, with participation dwindling instead of being institutionalized. Some observers speak of a 'participation gap'. The situation seems to be slightly more promising for the issue of participation in monitoring & evaluation of PRS, as in many countries independent civil society monitoring or participatory monitoring arrangements are planned, although mostly not yet operational. Stakeholder participation in the revision process has been occurring in a number of countries, but not much is known about the way this is done. For most of these issues a systematic review of experience is not available at this stage.

Building on earlier work on participation in elaborating PRSPs, the Participation and Civic Engagement Team (P&CE team) in the World Bank Social Development Department has included in its FY06 work program a review of experience with participation in implementation, monitoring and revisions of PRSP. The German Institute for Development and Peace (INEF University of Duisburg-Essen) has been selected to support this review work. The overall objective is to increase the current understanding of the status, practice and challenges of participation in PRS implementation (incl. monitoring, evaluation, revisions, policy reforms, institutionalization) and to make conceptual as well as 'good practice' contributions to the current discussion.

Different types of reviews have been carried out to gain an overall idea of the status, experience and challenges related to the issue. Besides a review of the international debate (Siebold 2005) and a desk review of 15 PRS countries (INEF 2005), a set of four background papers has been produced to analyze the following specific topics:

- What does stakeholder participation in PRS implementation mean? Theoretical background and empirical evidence.
- Stakeholder participation in policy reforms linked to PRS implementation.
- Stakeholder involvement in PRS monitoring.
- Early experience with participation in PRS revision processes.

These four papers have informed two final products:

- the Synthesis Paper - synthesizing the findings and conclusions and discussing core conceptual aspects of the theme (Eberlei 2006)
- Guidelines for practitioners - based on lessons learned and conceptual developments, this task serves the purpose of guiding the actions of in-country stakeholders, the international community and the WB in particular (Rodenberg 2006).

The findings, interpretations and conclusions in these papers are those of the author(s) and do not necessarily reflect the views of the International Bank for Reconstruction / The World Bank Group.

### List of abbreviations

AAGDS	Accelerated Agricultural Growth and Development Strategy (Ghana)
ADLI	Agriculture Development Led Industrialization (Ethiopia)
CBO	Community Based Organization
CHW	Community Health Workers (Zambia)
CNE	National Energy Commission or National Education Council
CNU	National Universities' Council (Nicaragua)
CONPES	National Council for Social Economic Planning (Nicaragua)
CRDA	Christian Relief and Development Association (Ethiopia)
CSO	Civil Society Organization
DEEP	Distributive effects of Economic Modelling
DFID	Department for International Development (UK)
DTIS	Diagnostic Trade Integration Study (Ethiopia)
EMSAP	Ethiopia Multi-Sectoral HIV/AIDS Project (Ethiopia)
ESAF	Extended Structural Adjustment Facility
GPRS	Ghana Poverty Reduction Strategy
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)
HCC	Health Centre Committees (Zambia)
HSDP	Health Sector Development Program (Ethiopia)
IDA	International Development Association
IEO	Independent Evaluation Office (IMF)
IFI	International Finance Institutions
IMF	International Monetary Fund
INEF	Institut für Entwicklung und Frieden (Institute for Development and Peace)
ISODEC	Integrated Social Development Centre (Ghana)
JSA	Joint Staff Assessment
JSAN	Joint IDA -IMF Staff Advisory Note
LGRP	Local Government Reform Programme (Tanzania)
MDG	Millennium Development Goals
MGLSD	Ministry of Gender, Labour and Social Development (Uganda)
MTEF	Medium Time Expenditure Framework
MOH	Ministry of Health
MOLGD	Ministry of Local Government and Decentralization (Albania)
NCBPGG	National Capacity Building Programme for Good Governance (Zambia)
NDPC	National Development Planning Commission (Ghana)
NGO	Non-Governmental Organization

NHC	Neighbourhood Health Committee (Zambia)
NPRS	National Poverty Reduction Strategy (Cambodia)
NSSED	National Strategy for Social and Economic Development (Albania)
ODI	Overseas Development Institute
PAI	Program for the Implementation of the Growth and Poverty Reduction Strategy (Nicaragua)
P&CE	Participation and Civic Engagement (Group, The World Bank)
PEAP	Poverty Eradication Action Plan (Uganda)
PNDS	Plan National de Développement Sanitaire (Burkina Faso)
PPA	Participatory Poverty Assessment
PR	Progress Report
PSIA	Poverty Social and Impact Analysis
PSN	Politique Sanitaire Nationale (Burkina Faso)
PRGF	Poverty Reduction and Growth Facility
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PSIA	Poverty and Social Impact Analysis
SAA	Stabilization and Association Agreement (Albania)
SDIP	Social Development Sector Strategic Plan (Uganda)
SILAIS	Local Integrated Health Care Systems (Nicaragua)
SP/CPSA	Permanent Secretariat for the Coordination of Agriculture Sector Policies
SWAp	Sector Wide Approach
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WAEMU	West African Economic and Monetary Union
WB	World Bank
WHO	World Health Organization

## 0. Summary

The purpose of this desk-based study is to establish how stakeholder participation is practiced in poverty relevant policy reforms as part of the PRSP process. The questions addressed in the study are as follows:

- What are the major policy reforms mentioned in the PRSPs? And: were these reforms already ongoing before the PRS process started or were they actually induced by the PRSP?
- Is participation identified in the PRS as a key factor in creating effective national-level policy reforms and, if so, how is the participation of different stakeholders realized?

The study comes to the following conclusions:

- Generally, while much has been written about participation in development projects and in the PRSP formulation, research on the link between policy reforms and PRSPs in general, and about participation in policy reforms in particular, is a blind spot. There has been no systematic, global study on this subject.
- The major reforms mentioned in the PRSP are (1) **macroeconomic framework reforms**, (2) **structural reforms** like (i) trade liberalization, (ii) removal or reduction of price controls, (iii) public enterprise reforms (privatization of state-owned enterprises and industries), (iv) fiscal restraint to achieve macroeconomic stability, (v) reforms in public finance management, (vi) civil service reform, (vii) institutional and legal reforms, (viii) decentralization. (3) **Sector reforms** in areas like agriculture, health, infrastructure and education.
- In only a few evaluated PRSPs is there some information on whether the reforms existed before the PRSP or were actually induced by the PRSP. However, it is not always absolutely clear if policy reforms were ongoing or had been induced by the PRSPs. In general, the link between policy reforms and the PRS is weak.
- In most of the PRSPs, participation is not identified as a key factor in creating effective national-level policy reforms. With a few exceptions, the PRS documents do not make any explicit statement on the extent, degree and level of stakeholder involvement in reform processes.
- Generally, the impression is, that participation in policy reforms is largely limited to sector reforms (especially on social issues); some examples can also be found for participation in structural reforms. However, the macroeconomic reforms are dominated by (central) government with the strong influence of the World Bank, the IMF and other donors. An open debate on macroeconomic goals and policies is largely excluded from the consultation processes. With one exception (Uganda) there is limited dialogue on economic policy (discussions of alternative policy options with respect to the macroeconomic framework and related structural reforms).

## 1. Introduction, Background and Methodology

1. A major challenge facing developing countries is to identify and carry out policy reforms that foster growth and reduce poverty. In the early 1990s influential literature asked why (economic) policy reforms that should potentially benefit the society at large were not enacted. The dominant message of the reform literature was, *inter alia*, that societal participation in policy formulation hampers and delays reform prospects. The more interests are involved in the policy process, the less reform will take place as the various potential losers distort, dilute, or siphon off reform initiatives. This consensus has been eroding since the mid-1990s and replaced by an alternative view: Participation is now recognized as a key factor in creating effective national-level policies and programmes (Brinkerhoff/Goldsmith 2003: 687, Morrison/Singer 2004). The most striking evidence of this is the Poverty Reduction Strategy Paper (PRSP) initiative of the World Bank and the International Monetary Fund (IMF). Through the mechanism of Poverty Reduction Strategy Papers, they are seeking to incorporate a participatory process into macroeconomic management (Booth 2001, World Bank 2000). Multi-stakeholder involvement is expected: to ensure inclusiveness and transparency of the complex and dynamic reforms, to overcome entrenched interests opposed to reform, to achieve greater country ownership and sustainability in the long-term, and to develop country-led tailor-made solutions to a country's problems by using local people's knowledge about local conditions in solving problems more efficiently.

2. With this in mind, it seems to be of specific interest to look at how stakeholder participation is practised in poverty-relevant policy reforms as part of the PRSP process, as this paper intends to do. The questions addressed in the study were as follows:

- What are the major policy reforms mentioned in the PRSPs? And: were these reforms already ongoing before the PRSP or were they actually induced by the PRSP?
- Is participation identified in the PRS as a key factor in creating effective national-level policy reforms and, if so, how is the participation of different stakeholders realized (who participates, at which level of participation, where in the process)?

3. The empirical basis of the present study is comprised of two components. First, a desk study of the available PRS documents (Full PRSPs and Progress Reports) from fifteen countries<sup>1</sup>. Secondly, this desk study is supplemented by a review of some secondary documents relating to participation in policy reforms, and a number of stakeholder interviews (government, civil society, private sector, donor community) that were conducted in the Senegal in October 2005.

4. It is important to note, however, that the desk study can only capture the situation as it is officially portrayed "on paper". This may not always reflect with absolute accuracy the real implementation status of the strategies/the real process of participation<sup>2</sup>. A certain methodological problem

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<sup>1</sup> Albania, Armenia, Burkina Faso, Cambodia, Ethiopia, Ghana, Honduras, Kyrgyz Republic, Nicaragua, Niger, Senegal, Tanzania, Uganda, Vietnam, and Zambia.

<sup>2</sup> In addition, the countries are at different stages of their respective PRS processes, and the fifteen countries themselves are extremely diverse. They represent different continents, with different histories of colonialism and domination, different political systems, different economic models, as well as different levels of aid dependency, economic growth and poverty. What they have in common is the experience of struggling against poverty, of relying heavily on foreign aid (albeit to different degrees) and, most recently, developing and implementing PRSPs. Furthermore, a certain lack of precision is sometimes inevitable because of the wide variation in the quality of the documents. Frequently, the documents represent something of a compromise reached under tight constraints of time in a consultative process subject to a range of weaknesses.

results from the fact that the study of participation in policy reforms is a blind spot. There is an almost inexhaustible number of publications dealing with stakeholder participation in PRS processes, especially with the participation of civil-society actors in general. However, there is remarkably little systematic work on the role and use of stakeholder participation in policy reforms. Debates around the role of non-state actors in policy reforms, for example, have often focused on the nature of the non-governmental organizations themselves. Usually, other national reforms and programmes are topics of the study rather than the reforms mentioned in the PRSPs. This approach makes it difficult to assess accurately the influence different stakeholders have on policy reforms.

5. These two factors mean that the quantitative results obtained can only be interpreted as reflecting broad trends. Therefore, the paper has to be seen first as a very rough approximation of this issue. To analyze to what extent and how stakeholder participation is practiced, more detailed specific research is necessary. The paper points to new directions and raises research questions for future work that would need to be explored in more detail.

6. This paper is organized into three further sections: Section 1 provides a conceptual framework for participation in policy reforms. It gives a definition and some categories of policy reforms, discusses the relationship between the PRS and policy reforms, and deals with the question of what stakeholder participation in policy reforms means. Section 2 gives an overview of the results of the desk study, and some early experience with participation in different policy reforms linked to PRS, based on a review of secondary literature. Section 3 summarizes conclusions and puts forward recommendations.

## **2. Framework for analyzing participation in policy reforms**

### ***2.1 Policy reforms***

7. Participation has been used to mean different things in different contexts. Thus, an attempt to define participation in the context of policy reforms has to start with a definition or delineation of the process of policy reforms itself.

8. Although references give no unequivocal definitions, *policy reforms*<sup>3</sup> can be defined as a process of making significant changes to overcome agreed weakness/ existing circumstances and put into better condition. Most reforms are targeted at improving economic, social and political conditions. ‘Change and improvement’ imply a ‘policy process’ that commonly refers to “processes of making policy, of decision-making, and ways of putting issues on the agenda as matters of public concern, along with often rather intangible processes of the way issues are thought of and talked about” (Keeley 2001: 5). Policy processes in general, and policy reforms in particular, encompass:

- Formulation, involving information gathering, analysis and decision-making.
- Adoption
- Implementation, generally involving a set of rules, regulations and institutions to achieve the goals of the policy.
- Monitoring / evaluation of the formulation and implementation of the reform (Karl 2002: 4).

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<sup>3</sup> Generally, *policy* can be defined as ‘a course of action designed to achieve particular goals or targets’ (Pollard/Court 2005: 2). Public policy is made by government to achieve particular national outcomes.

9. There are numerous theories of policy which describe policymaking as a rational, logical process that moves through sequential stages<sup>4</sup>. However, in real life situations, policy processes tend to be more complex: They are often dynamic and distinctly non-linear, inherently political and contested, incremental and haphazard (Keeley 2001: 9). Unlike projects and programmes, which have relatively clearly defined sets of activities and components, the boundaries for policies tend to be fuzzy, to shift over time, and to be open to interpretation. Policy processes are affected by political, social and economic circumstances; therefore no single model of policymaking is universally applicable. How policy is made depends on the context.

10. Moreover, policy reform affects different groups in different ways. Changes in policies usually involve imposing costs on some societal groups while benefiting others. This feature clearly applies to macroeconomic policy: For example, trade reforms (in most cases) benefit exporters, privatization benefits investors, and health-sector and pension reforms benefit private insurers. Fiscal adjustment, civil-service reforms and privatization impact variously on the welfare of groups engaged within and outside the public sector and in the different geographic regions. This means that policy reforms often become highly politicized (Keeley 2001: 13).

## ***2.2 Policy reforms linked to PRS***

11. According to the theory, all PRSPs should outline an overall strategy to reduce poverty, including a macroeconomic framework and structural reforms such as privatization and trade liberalization as well as specific poverty-related reforms. In preparing PRSPs, countries were encouraged to use existing national and sectoral strategies and available diagnostics and not to “start from scratch” (IDA/IMF 2002: 17). As a comprehensive strategy document, a PRSP ideally provides a reference point and framework for a wide variety of governmental decisions about policy measures and institutional reforms (ibid.: 18).

12. Given the limited scope of this study, in the following I will only analyze those policy reforms, that are explicitly mentioned in the PRSPs: (1) a macroeconomic framework related to the overall economic targets; (2) structural reforms like liberalization, privatization, civil service reform, institutional and legal reforms, (3) sector reforms like agriculture, health, infrastructure and education reforms. According to the theory, these should be reforms with the objective of alleviating poverty, so-called pro-poor policies<sup>5</sup>.

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<sup>4</sup> For a more in-depth examination of concepts and theories of policy and policy processes, see e.g. Grindle/Thomas 1990, Juma/Clark 1995, Lindblom 1993, Sutton 1999.

<sup>5</sup> References do not give a consistent definition of pro-poor policies. A recent British White Paper (2000) defines ‘pro-poor policies’ as “decisions, programmes and processes that put poor people at the centre of development policy and focus on empowering and enabling poor people to take charge of their futures.” (cited in Goldsmith 2005: 33). Pro-poor policies may benefit the poor directly or indirectly. In general, so-called “targeted policies”, which refer to specific programmes such as social safety nets, have a direct impact on poverty (Robb/Scott 2001: 18). In contrast, policies with economy-wide effects (e.g. macroeconomic policies and structural reforms) affect existing distributive relations and institutional structures and, as such, have (indirect) poverty and social impacts. They are designed to influence the general economic and institutional environment in order to promote growth from which the poor will benefit. They aim to promote the necessary conditions for growth, for example, macroeconomic stability, and an enabling institutional framework that will attract private investment and generate employment. The impact of macroeconomic and structural policies on poor people is complicated and multidimensional, and affects a wide range of diverse socio-economic groups in different ways. The effects of such policies will change over time, and people will fall into and out of poverty as their circumstances alter. Therefore, the poverty impact of such policies may sometimes be difficult to quantify. Sectoral

13. Given the (theoretical) PRSP context with regard to the relationship between the PRS and policy reforms, it is possible to distinguish between three types of reform:

- Reforms which were already ongoing before the PRSP (and usually continue without much change)
- Reforms which were already ongoing before the PRSP (and continue with change)
- Reforms which were actually induced by the PRSP via a new policy priority and direction.

The PRSPs will be analyzed with regard to this different time perspective to see if they were formulated on the basis of existing national and sectoral strategies or “started from scratch”.

### **2.3 What does “stakeholder participation in policy reforms” mean?**

14. A critical assessment of participation requires consideration of ‘who’ participates. Many previous exercises in participation were concerned with development projects, and in this context participation is intended to cover those affected by the projects. Another type of participation is Participatory Poverty Assessments (PPAs), which are aimed to ascertain what the poor themselves believe about their condition. In this case, it is the poor people who participate. But policy reforms and PRSPs are different from both these approaches, being centrally concerned with policy (see para 9 and 10). These policies tend to be decided and implemented by central political authorities and executive agencies, because the final responsibility in a democratic society rests with the elected bodies – the legislative and/or executive. “A ‘joint-decision-making’ between a government and civil society actors is – constitutionally speaking – not possible” (Eberlei 2006: 18).

15. But a democratic government should – as it is common in stable democracies – communicate and discuss alternative policy choices and their social content to the citizens clearly and simple before such policies are adopted. In this case the civil society can act as ‘communicative intermediary’ between ‘the state’ and the people’ (ibid.). Civil society actors can improve the information basis for policy decisions, mobilize and channel otherwise neglected interests, and increase the transparency of policymaking.

Therefore the options and the mode of participation in policy reforms are different from participation in projects or PPAs and the simple scaling-up of the ‘participation ladder’ (information-sharing, consultations, joint-decision making, empowerment or initiation and control by stakeholders) from the project level to the national is misleading (Eberlei 2006: 18). Rather it is assumed that civil society actors can participate in policy reform processes through information-sharing and consultations, while decision-making and implementation of reforms is part of the elected bodies (box 1 gives an short overview of the potential roles, which different stakeholders can play in policy reforms).

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policies, in contrast, are more specifically in focus, and benefit both the poor and the non-poor (e.g. universal access to primary education). They are not just confined to the social sectors (health and education) but include, for example, rural development and land reform (ibid.). Furthermore, there are administrative reforms which have only indirect poverty and social impacts. Nevertheless, they are important because they have a strong impact on the policy process. Civil service reforms, which strengthen transparency and accountability, for instance, can make a significant contribution towards the fight against corruption – and thus actually address one cause of poverty (Eberlei/Führmann 2004: 11).

### **Box 1: Potential role of stakeholders in policy reforms**

- Central ministries, e.g. ministries of finance, planning, etc., are usually in charge of leading the development of long-term, aggregate development strategies and macroeconomic reforms. As elected bodies they have the final responsibility for all kind of policy reforms.
- Line ministries are the key actors, especially in the case of the formulation of sectoral and structural reforms and ultimately bear responsibility for implementing the reform. They have better knowledge of the specific constraints and challenges the sector faces, more direct access to data and information about sectoral outputs.
- Local/regional structures should have an important role in reforms relating to decentralization of administrative functions, financial flows and/or service provision. Furthermore, they are often considered to be closer to the people than central government units, and could thus be a vehicle for promoting participation at the local level.
- Parliaments: particularly where they are the democratically elected representatives of the citizens, they have legislative, monitoring and budgetary functions pursuant to their constitutions.
- Civil society organizations can improve the information basis for policy decisions, mobilize and channel otherwise neglected interests, increase the transparency of policymaking, and promote participation and ownership of groups affected by the reform. Civil society participation in fiscal policy, for example, can take place on two sides: Civic involvement on the expenditure side focuses on priorities for public spending – who gets what services, and how generously those services are funded; as well as on efficiency, effectiveness, and equity issues related to spending for services. On the revenue side, civic participation concerns the level and structure of taxes – who pays and how much (Brinkerhoff/Goldsmith 2003, McGee with Norton 2000: 14-15).
- The private sector (domestic and foreign) and service providers play a significant role in the implementation of sector reforms. Very often the intricacies of the reform and the probabilities of successful implementation are better understood at the lower end of the agency chain.
- Bi- and multilateral donors play a significant role as advisor and as financier of some of macroeconomic, structural and sectoral policy reforms.

*Source:: Schnell et al. 2005*

16. Given the above-mentioned key characteristics of policy reforms (see para 8f.), the following benefits are anticipated from multi-stakeholder participation:

- Ensuring inclusiveness and transparency of the complex and dynamic reform process by promoting an open dialogue around policy options/reforms. Overcoming entrenched interests opposed to reform. Where it is not always necessary or possible to build a consensus, a transparent and inclusive dialogue helps to uncover the conflicts based on differences of opinion and competing interests groups (Morrison/Singer 2004: 5).
- From this follows a contribution to greater country ownership and sustainability in the long-term. The more stakeholders are involved in the design of policy reforms, are better informed about their potential impacts and trade-offs and can have a say in their shaping, the greater is the likelihood that the reform will succeed and be sustainable over time. Particularly where potential losers are plentiful and well connected, reforms will be resisted<sup>6</sup>(Morrison/Singer 2004: 5).
- Developing country-led tailor-made solutions to a country's problems. The participation of multiple stakeholders in sector reforms makes it easier to allocate resources according to preferences, and can improve the efficiency as well as equity of resource use. Moreover, partici-

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<sup>6</sup> Since the benefits of the reforms accrue only in the medium to long run it is necessary for the government to be committed. In the absence of commitment reforms cannot to be sustained, with reversal likely in the face of political opposition .

pation makes it possible to utilize local people's knowledge about local conditions in solving problems more efficiently (Osmani 2000: 6, Robb 2003: 11, World Bank 2004: 5). For example, there is a consensus that public debate about adequate macroeconomic frameworks can help identify the most appropriate policy combination to promote growth and poverty reduction (Robb 2003: 11), and that getting input from the poor into policy decisions helps to minimize adverse impacts of policy reforms on this group.

### 3. Participation in PRS-related policy reforms: early experience from PRS countries

#### *3.1 What are the major reforms mentioned in the PRSPs? And: were these reforms already ongoing before PRSP or were they actually induced by the PRSP?*

17. This section will analyze the reform content of the PRS documents on a comparative basis, whereby I aim to identify those reform policies that have been commonly proposed by the PRSPs. Table 1 above gives an overview of the most relevant policy reforms for all of the 15 PRSPs. All of the PRS documents comprise all three categories of policy reforms. The key elements the PRSPs propose to accelerate growth are, first, the promotion of a stable macroeconomic environment; second, structural and institutional reforms, and third, sectoral reforms. It is noticeable, that all of the analyzed PRS have substantial similarity in their macroeconomic framework and the chosen sector reforms:

18. **Macroeconomic policies:** Even though in some cases strategies adopt the language of different approaches, the substance of the policies of all sample PRSPs are still strongly focused on economic growth and macroeconomic stability. Accordingly, they all have clearly stipulated growth targets. Having established **growth** as key factor in contributing to overcoming poverty, the PRSPs recognise that although growth is necessary condition for poverty reduction, it is not sufficient. All PRSPs stress the need for macroeconomic stability, the focus is on price stability and fiscal balance. The Papers expect to achieve a stable macroeconomic environment through the adoption of 'prudent' or 'strict' macroeconomic policies, particularly in the monetary and fiscal domains.

19. Indeed, some degree of variation can be found across proposed frameworks. At one extreme, one can find Burkina Faso, Niger and Senegal. These countries are members of the West African Economic and Monetary Union (WAEMU) and have agreed to the WAEMU Convergence, Stability, Growth and Solidarity Pact. Consequently, these countries' room for action on fiscal matters is extremely limited, as their commitment to converging towards the WAEMU criteria takes away any flexibility for adopting their fiscal framework to their particular circumstances and needs. On the other extreme, one can find Vietnam for focusing on revenue increase rather than on expenditure cuts to achieve fiscal balance (Gottschalk 2004: 21).

20. Practically all PRSPs strongly emphasize their commitment to undertaking **financial reforms**, seen as necessary for the development of the financial sector and growth enhancement. These reforms include strengthening the banking system via more competition, and improving prudential banking regulation and supervision (ibid).

21. All final PRSPs also possess a set of core **structural reforms**: For instance, most of them (except Kyrgyz Republic, Senegal, and Tanzania) endorsed trade liberalization (the reduction of tariff and non-tariff barriers to trade, and a greater commitment to integration into the world economy through increased import liberalization). Most PRSPs lay emphasis on the removal or reduction of price controls on such items as gas, cotton, petroleum, transport, electricity, water, telecommunications, seeds,

financial capital; user fees to recover costs in the provision of health and water services, as well as increased reliance on private-sector provision of these services, although some PRSPs intend to cut user fees or strengthen exemptions (e.g. Uganda). The majority of PRSPs give a key role to public enterprise reforms (privatization of state-owned enterprises and industries).

22. As Table 1 shows, virtually all PRSPs articulated governance issues and public sector reform, namely, civil service downsizing; anti-corruption policies; decentralization of government services. Reforms in public finance management are accordingly integrated into most of the PRSPs that have been put forward. Only one country, Senegal, does not address this subject at all. It therefore seems to play a relatively major role in the sample countries. Civil service reform is another key theme in most of the PRSPs put forward. Only four documents make no reference to it (Eberlei/Führmann 2004: 46-47).

23. All PRSPs focus strongly on **sectoral policies**. All strategies also aim to improve access of the poor to education, health and clean water, in terms of both coverage and quality (although exact definitions vary from country to country). Vietnam's PRSP, for example, is committed to ensuring the 20/20 initiative is implemented – 20 percent of aid and 20 percent of government expenditure is to be spent on basic social services. Similarly, Nicaragua's and Uganda's PRSPs aim to make additional investments in water and sanitation, while the Armenian PRSP has allocated social spending according to positive discrimination criteria for the first time, favoring the poorest municipalities. Agriculture reforms take also center stage in the analyzed PRSPs (e.g. the *Agricultural Development Led Industrialisation* (ADLI) in Ethiopia, or agricultural liberalization in Armenia, Burkina Faso, Nicaragua, Tanzania and Vietnam). Interestingly, only in the PRS of Zambia and Cambodia there is explicitly mentioned an industrial sector reform.

**Table 1: Major reforms mentioned in PRSP**

	<b>Macroeconomic framework</b>	<b>Sectoral reforms</b>	<b>Structural reforms</b>
<b>Albania</b>	<ul style="list-style-type: none"> <li>• Macroeconomic stability</li> <li>• (Strict) monetary policy</li> <li>• (Strict) fiscal policy</li> </ul>	<ul style="list-style-type: none"> <li>• Health sector reform</li> <li>• Education sector reform</li> <li>• Rural Sector Reform</li> <li>• Energy sector reform</li> <li>• Water sector reform</li> <li>• Private and Financial Sector Reform</li> </ul>	<ul style="list-style-type: none"> <li>• ['continuing'] Privatization</li> <li>• Liberalization</li> <li>• Institutional reforms ['ongoing']:</li> <li>• Reform of judicial system ['this reform will be implemented on basis of an Action Plan for an Effective Work of Judiciary System in Albania (2000)']</li> <li>• 'Deepening' public administration reform</li> <li>• 'Deepening' of the decentralization reform</li> </ul>
<b>Armenia</b>	<ul style="list-style-type: none"> <li>• Macroeconomic stability</li> <li>• 'Prudent' fiscal policy</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture sector reforms</li> <li>• Health sector reform</li> <li>• Education sector reform</li> <li>• Infrastructure development (road, water, energy)</li> </ul>	<ul style="list-style-type: none"> <li>• Privatization</li> <li>• Liberalization</li> <li>• Tax reform</li> <li>• Structural and functional reforms in public administration</li> <li>• Civil service reform</li> <li>• ['Strengthening'] Reforms in financial management system</li> <li>• Reform of Judicial System</li> </ul>
<b>Burkina Faso</b>	<ul style="list-style-type: none"> <li>• Stable macroeconomic framework</li> <li>• Prudent budgetary policy</li> <li>• Strict fiscal policy</li> <li>• Financial Sector Reform</li> </ul>	<ul style="list-style-type: none"> <li>• Education sector reform ['ongoing']</li> <li>• Health sector reform ['ongoing']</li> <li>• Agriculture sector reform ['ongoing']</li> <li>• Water sector reform</li> </ul>	<ul style="list-style-type: none"> <li>• Privatization</li> <li>• Trade liberalization</li> <li>• Institutional reforms:</li> <li>• Decentralization ['ongoing']</li> <li>• Reform of the judicial system ['ongoing']</li> <li>• Global reform of public administration</li> </ul>
<b>Cambodia</b>	<ul style="list-style-type: none"> <li>• Macroeconomic stability</li> <li>• Strict monetary policy</li> <li>• Strict fiscal policy</li> <li>• Exchange rate policy</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture sector reforms</li> <li>• Health sector reforms</li> <li>• Education sector reforms ['ongoing']</li> <li>• Water sector reform</li> <li>• Private sector development (industrial sector)</li> </ul>	<ul style="list-style-type: none"> <li>• Liberalization</li> <li>• (Privatization)</li> <li>• Governance Action Plan:</li> <li>• Civil service reform</li> <li>• Legal and judicial reform</li> <li>• Administrative reform and deconcentration</li> <li>• Decentralization and Local Government</li> <li>• Public finance reform</li> <li>• Anti-corruption</li> </ul>
<b>Ethiopia</b>	<ul style="list-style-type: none"> <li>• Macroeconomic stability</li> <li>• Financial sector reform</li> <li>• Monetary reform</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture sector reform ['ongoing': ALDI]</li> <li>• Education sector reform</li> <li>• Health sector reform ['ongoing']</li> <li>• Private sector and export Development</li> <li>• Infrastructure/Road</li> <li>• Electricity</li> <li>• Water sector reform</li> </ul>	<ul style="list-style-type: none"> <li>• Privatization</li> <li>• Liberalization</li> <li>• Civil service reform</li> <li>• Decentralization</li> <li>• Reform of the justice system and civil service reform ['ongoing']</li> </ul>

	<b>Macroeconomic framework</b>	<b>Sectoral reforms</b>	<b>Structural reforms</b>
<b>Ghana</b>	<ul style="list-style-type: none"> <li>• Prudent monetary policy</li> <li>• Prudent fiscal policy</li> <li>• Financial sector reform</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture sector reform ['ongoing' AAGDS]</li> <li>• Education sector reform</li> <li>• Health sector reform</li> <li>• Infrastructure reform</li> <li>• Environment reform</li> </ul>	<ul style="list-style-type: none"> <li>• Privatization</li> <li>• Liberalization</li> <li>• Decentralization</li> <li>• Public sector reform ['ongoing']</li> <li>• Public finance management reform ['ongoing']</li> <li>• Civil service reform ['ongoing']</li> </ul>
<b>Honduras</b>	<ul style="list-style-type: none"> <li>• Strict monetary policy</li> <li>• Strict fiscal policy</li> <li>• Liberalization of exchange rates</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture sector reform</li> <li>• ['deepen'] reforms in the health sector</li> <li>• Education sector reforms</li> <li>• Financial sector liberalization</li> </ul>	<ul style="list-style-type: none"> <li>• Privatization</li> <li>• Liberalization trade</li> <li>• ['Deepen'] structural reforms, modernization of public administration and decentralization</li> <li>• Reforms in the systems of civic representation</li> <li>• Civil Service Reform Law</li> <li>• Justice system reform</li> <li>• Electoral reform</li> </ul>
<b>Kyrgyz Republic</b>	<ul style="list-style-type: none"> <li>• Macroeconomic stability</li> <li>• Strict monetary policy</li> <li>• Strict fiscal policy</li> <li>• Reform of fiscal system</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture sector reforms</li> <li>• Education sector reforms</li> <li>• Health sector reforms</li> <li>• Infrastructure reforms</li> <li>• Energy sector reform</li> <li>• Improve legal framework for tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Privatization ['ongoing']</li> <li>• Public administration reforms:</li> <li>• Judicial reform</li> <li>• ['Continuing'] decentralization</li> <li>• Civil service reform</li> <li>• Reforming state financial management</li> </ul>
<b>Nicaragua</b>	<ul style="list-style-type: none"> <li>• Solid macroeconomic framework</li> <li>• Strict monetary policy</li> <li>• Strict fiscal policy</li> <li>• Financial sector reforms</li> </ul>	<ul style="list-style-type: none"> <li>• Health sector reforms</li> <li>• Education sector reform</li> <li>• Agriculture sector reform</li> <li>• Infrastructure reform</li> <li>• Environmental sector reform</li> <li>• Water sector reform</li> </ul>	<ul style="list-style-type: none"> <li>• Privatization</li> <li>• Trade and price liberalization</li> <li>• Good governance (fight corruption) ['ongoing']</li> <li>• Decentralization</li> <li>• Public sector reform ['ongoing']</li> </ul>
<b>Niger</b>	<ul style="list-style-type: none"> <li>• Strict fiscal policy</li> </ul>	<ul style="list-style-type: none"> <li>• Education reform ['ongoing']</li> <li>• Health reform</li> <li>• Water reform</li> <li>• Rural sector development ['ongoing']</li> </ul>	<ul style="list-style-type: none"> <li>• Privatization</li> <li>• Liberalization</li> <li>• Reforms to promote good governance ['ongoing']:</li> <li>• Public finance management reform</li> <li>• Fight against corruption</li> <li>• Decentralization</li> </ul>
<b>Senegal</b>	<ul style="list-style-type: none"> <li>• Sound macroeconomic framework: promote acceleration of growth</li> <li>• Prudent monetary policy</li> <li>• Strict fiscal policy</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture reform</li> <li>• Education reform</li> <li>• Health reform</li> <li>• Infrastructure reform</li> <li>• Private sector reform (e.g. tax reform)</li> <li>• Water reform</li> </ul>	<ul style="list-style-type: none"> <li>• Privatization</li> <li>• Reforms to promote good governance (anti-corruption)</li> <li>• Legal and regulatory reforms</li> <li>• Decentralization ['ongoing']</li> </ul>
<b>Tanzania</b>	<ul style="list-style-type: none"> <li>• Macroeconomic stability</li> <li>• Strict monetary policy</li> <li>• Strict fiscal policy</li> <li>• Financial sector reform</li> </ul>	<ul style="list-style-type: none"> <li>• (Primary) education sector reform</li> <li>• (Basic) health sector reform</li> <li>• Agriculture sector reform</li> <li>• Water sector reform</li> </ul>	<ul style="list-style-type: none"> <li>• Privatization</li> <li>• Reform of the public sector</li> <li>• Local Government Reform Programme (LGRP)</li> </ul>

	<b>Macroeconomic framework</b>	<b>Sectoral reforms</b>	<b>Structural reforms</b>
<b>Uganda</b>	<ul style="list-style-type: none"> <li>• Macroeconomic stability</li> <li>• Strict monetary policy</li> <li>• Strict fiscal policy</li> <li>• Financial system reform</li> </ul>	<ul style="list-style-type: none"> <li>• Education sector reform</li> <li>• Health sector reform</li> <li>• Agriculture sector reform</li> <li>• Commercial sector law reform</li> <li>• Water and sanitation</li> </ul>	<ul style="list-style-type: none"> <li>• Trade liberalization</li> <li>• Public enterprise reform</li> <li>• Reforms to promote good governance:</li> <li>• Democratization and Decentralization</li> <li>• Financial sector reform</li> <li>• Criminal justice reform</li> </ul>
<b>Vietnam</b>	<ul style="list-style-type: none"> <li>• Macroeconomic stability</li> <li>• Strict monetary policy</li> <li>• Tax reform</li> </ul>	<ul style="list-style-type: none"> <li>• Health sector reform</li> <li>• Agriculture sector reform</li> <li>• Education sector reform</li> </ul>	<ul style="list-style-type: none"> <li>• Trade liberalization</li> <li>• State-own enterprise reform</li> <li>• Comprehensive Administration Reform Programme:</li> <li>• Institutional reform</li> <li>• Administration reform</li> <li>• Personnel reform</li> <li>• Public financial reform</li> </ul>
<b>Zambia</b>	<ul style="list-style-type: none"> <li>• Strict monetary policy</li> <li>• Strict fiscal policy</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture sector reform ['ongoing']</li> <li>• Industrial sector reform</li> <li>• Education sector reform</li> <li>• Health sector reforms</li> <li>• Water and sanitation reforms</li> </ul>	<ul style="list-style-type: none"> <li>• Privatization</li> <li>• Liberalization</li> <li>• Reforms to promote good governance:</li> <li>• Fight against corruption</li> <li>• Decentralization</li> <li>• Public Service Reform Programme</li> <li>• Constitutional and legal reforms</li> <li>• Parliamentary reforms</li> <li>• Legal reform</li> </ul>

24. Most of the evaluated PRS-related documents do not make any explicit statement about whether these reforms were already ongoing before PRSP or were actually induced by the PRSP. Only some of them describe the one or other reform as “ongoing” (for example, the health sector reform in Burkina Faso<sup>7</sup> and the *Accelerated Agricultural Growth and Development Strategy* (AAGDS) in Ghana<sup>8</sup>), or mention plans to “deepen” some reforms (e.g. the public administration reforms in Albania<sup>9</sup>). In preparing their PRS, some countries revert to existing national plans: For example, Mozambique reverts to its *Action Plan for the Eradication of Absolute Poverty and Associated Action Plan* (PARPA); Tanzania to its *National Poverty Eradication Strategy*; the Ethiopian Government implements the umbrella-strategy of its *Agriculture Development Led Industrialisation* (ADLI) within the

<sup>7</sup> “The Government is in the process of revising its national health sector policy (Politique Sanitaire Nationale - PSN) and preparing a 10-year sector development program (Plan National de Développement Sanitaire - PNDS). This ongoing process is participatory, eliciting the inputs of national stakeholders and donors” (IMF/World Bank 2000: Joint Staff Assessment (JSA) of the PRSP, Washington D. C., p. 4).

<sup>8</sup> “The Accelerated Agricultural Growth and Development Strategy (AAGDS) was formulated as a new agricultural strategy to improve human welfare and reduce poverty in the country [...]. In the context of the Ghana Poverty Reduction Strategy, it is important to note that on-going AAGDS projects that are consistent with the GPRS will continue to be implemented” (Government of Ghana 2003: Poverty Reduction Strategy Paper, Accra, p. 70).

<sup>9</sup> “The reform in the public administration is now based on a basic legal and normative framework, such as the Law on the civil servant status and the bylaw acts (January 2000). The government is now engaged in the stage for the full implementation of this program. The public administration reform is a fundamental part of the institutional reform and is also part of the government's obligations in the framework of the Stabilization and Association Agreement, and the plan of anti corruption measures. The government enjoys the support of the EU, WB and some other donors for the implementation of this reform” (Republic of Albania/Council of Ministers 2001: National Strategy for Socio-Economic Development, Tirana, p. 58).

new framework of the PRS; and Vietnam to its Five-Year Plan. In Uganda, the PRSP developed out of the *Uganda Poverty Eradication Action Plan* (PEAP), and the sectoral implications of the PEAP are reflected in the design of sectoral strategies, which in turn guide the expenditure allocations made each year under the MTEF (IDA/IMF 2002: 20).

25. It is difficult to appraise, if the ongoing reforms continue without or with little change or if they new direction. However, they are some examples of reforms that have been integrated in the PRSP with some modification. The health component of the Ghana PRSP, for example, was not developed as a totally new document but was duly and adequately related to existing health policies and sector policies. One of the basic documents for formulation of the PRSP health component has been a study on inequities in health conducted by the Ministry of Health (MOH) in 1999/2000 (Buckle 2003: 1). In the Zambian PRS the 'good governance' element of the PRS is a key component of the *National Capacity Building Programme for Good Governance* (NCBPGG), which the government launched in 2000. This program is at the same time the government's key document concerning the importance of good governance. However, the PRSP does point out that, given the limited resources, it will not be possible in the medium to long term to implement all the points specified in the programme. Consequently, the PRSP presents a compressed version of the NCBPGG (Eberlei/Führmann 2004: 35).

26. It is not clear when the reforms are new ones. There are only few policy reforms in the PRSPs that are explicitly characterized as being new ones (e. g. health sector reforms in Uganda<sup>10</sup> and Zambia<sup>11</sup>). Hence, without in-depth country studies, it is very difficult to estimate whether, how and to what extent PRSP countries link policy reforms to the PRS and whether these reforms are old or new ones. But these findings suggest that existing reforms are not reflected in the PRSP and, furthermore, that there is a weakness in the link between national reforms and the PRSP content. This appraisal will be confirmed by various studies that deal with the question of how the PRS is generally linked to other national policies/programmes: While there are some positive examples, they conclude that PRSPs are weakly linked to other national policy processes and decisions, and the PRS process runs parallel to or displaces the domestic decision-making process (see for example: CIDSE/Caritas International 2004a: 2, IDA/IMF 2002: 21, IMF/World Bank 2005: 63).

27. The reasons behind this weakness in the interlinkage between PRS and national policy reforms are complex and depend on the country. First of all, this has to do with the weak inter-governmental communication during PRS formulation and the PRSP process itself: In many countries, the ministry of finance is responsible for preparing the PRSP and steering the PRS. In some countries (e.g. Tanzania, Honduras, Niger and Ghana), steering of the PRS processes is solely in the hands of the president's offices (INEF 2005: 3). They tend to operate as enclaves. On the other hand, incentives for sector line ministry engagement in the PRS process are often unclear, with both officials and ministries fearing loss of control over sector priorities, targets and indicators (Driscoll with Evans 2005: 10).

28. Clearly a great deal also depends on the starting point: if a sector plan is ready, it is used quite naturally by the PRSP team; if no previous work on the sector is available, the influence of the minis-

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<sup>10</sup> "Health care is being coordinated by the new health strategic plan" (Ministry of Finance, Planning and Economic Development 2000: Uganda's Poverty Eradication Action Plan, Kampala, p. 17).

<sup>11</sup> "Zambia has been implementing health reforms since 1992 under the framework of the Sector Wide Approach (SWAP), which takes a holistic development view of the sector" (Government of Zambia 2002: Zambia Poverty Reduction Strategy Paper, Lusaka, p. 83).

try at different levels of the PRSP preparation process is low, priority program actions identified in the PRS tend to be ignored or receive little attention in the implementation of the strategy (ibid.). Positively, there is some evidence that some countries, as PRS implementation unfolds, refine their development programmes and better align them with existing national strategic plans/reforms. In Tanzania, for example, sector strategies have been further developed and incorporated into the overall development agenda (IMF/World Bank 2005: 34).

### ***3.2 Stakeholder participation***

29. It is difficult, if not impossible, to generalize about the range of actors consulted in PRSPs, given the diversity of country experience. The PRS documents cannot provide much clarity on the extent, degree and level of stakeholder involvement in the process. There are only limited statements on stakeholder participation in policy reforms. In sum, only in seven (Albania, Burkina Faso, Cambodia, Ethiopia, Nicaragua, Uganda, and Zambia) of the fifteen examined PRSPs there is any statement of participation in policy reform processes (see Annex), in the other PRSPs there are only a few declarations of intent to strengthen stakeholder participation. These statements refer (with the exception of the decentralization reforms in Albania and the industrial development strategy of Ethiopia) solely to social reforms. It is conspicuous, that there isn't any statement on participation in macroeconomic policy reforms. This allows the conclusion that in most of the sample PRSPs participation is not identified as a key factor in creating effective national-level policy reforms. Without a detailed analysis at country level, it is impossible to assess who, how and to what extent stakeholders have participated in policy reforms. But the following few examples will illustrate how participation of different stakeholders is practised in selected policy reforms.

#### ***3.2.1 Stakeholder participation in macroeconomic reforms***

30. Various reports (see for example CIDSE/Caritas Internationalis 2004a: 6, CIDSE/Caritas Internationalis 2005: 15, IMF/World Bank 2005: 49) reflect the findings that participation (in terms of information-sharing with and consultation of civil society actors) has not extended into the macroeconomic framework. Macroeconomic decisions are still made between a limited number of officials from the Ministry of Finance/ Central Bank and the IMF, and information on the conditionalities and policies agreed in these discussions is not easily accessible to non-governmental stakeholders like CSOs.

31. The key actors in setting the macroeconomic framework and in formulating and implementing structural reforms are the ministry of finance, the central bank, and a PRSP technical secretariat. There is almost no information available about **intra-governmental participation** in macroeconomic policymaking (Bliss 2005: 13). But the fact that so little variation in macro policies exists across an extremely broad range of countries, and that country programmes are conditional on IMF and World Bank endorsement before qualifying for new lending, suggests low national control over macroeconomic policies. There is only little discussion of sound alternative macroeconomic scenarios and related structural policy choices and trade-offs in the sample PRS. Only four of the fifteen countries (Albania, Burkina Faso, Tanzania and Uganda) have included a limited discussion of their macroeconomic framework, or have elaborated more on the links between their macroeconomic and structural policies and poverty reduction. Another aspect of PRSP policies that raises doubts about the level of ownership is the lack of explicit links between macroeconomic policies and poverty reduction goals. Stewart and Wang (2003) state that in many countries' documents, poverty analysis and the

macroeconomic strategies are two independent sections of the PRSP with few explicit links between the two. Only in a handful of countries (e.g. Uganda, Burkina Faso) do strategies explicitly consider the impact of structural policies on poverty (p. 20).

32. In most countries, budgets have been mainly the responsibility of national or sub-national governments. Representative institutions such as **parliaments** or district assemblies have a role in the budgetary processes through parliamentary debates and their votes on the budget. They have to approve the external debt, loans taken from World Bank and/or IMF, the federal budget and concerned with endorsing development policies and strategies etc. Consequently, in some countries (e.g. Ethiopia) they have a say in a number of reforms within the PRSP framework. However, sometimes the role of such representative institutions can be limited because of the governance framework of a country. There is, for example, no evidence in the sample countries that parliaments play any role in the discussion of the macroeconomic framework. Only in Vietnam does the parliament follow up the PRS implementation process and discuss policy reforms. Here, parliament participates in the merging of national socio-economic development planning and the two existing PRSs (Bliss 2005: 14).

**Civil society** participation seems to be very limited with regard to the macroeconomic framework. Not only (international) NGOs and academics, but also the IMF and the World Bank make mention of the limited dialogue on economic policy. Both recent and past implementation progress reports by the World Bank and the IMF, as well as the 2004 evaluation of the PRS approach by the Fund's *Independent Evaluation Office* (IEO), have concluded that the PRS process has had a limited impact in generating discussions of alternative policy options with respect to the macroeconomic framework and related structural reforms (IEO 2004, IMF/World Bank 2005: 12). In all of the sample countries non-governmental actors seem to be excluded from participating in macroeconomic and structural policy discussions. (ActionAid 2004: 24, McGee with Leve and Hughes 2002: 13, Robb/Scott 2002: 30, Zaman 2002: 8). Honduran NGOs, for example, complain of being excluded from workshops on the macroeconomic chapter of the PRSP, which was included in the final document without ever having been circulated to non-state actors or parliamentarians for discussion and input (ODI 2003: 12). Only in Uganda was limited civil society participation in policy formulation, and were consultations on the size of the fiscal deficit, impacts of the structural reform program, and budget allocations discussed (Robb/Scott 2001: 30).<sup>12</sup>

33. The **donor community**, especially the IMF, have heavy influence on macroeconomic policy-making, because the *Poverty Reduction Growth Facility* (PRGF) seems to play an important role in overall lending to countries. Administered solely by the IMF, they are credits to support monetary pol-

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<sup>12</sup> But it should keep in mind, that they are some civil society organizations that have worked independently towards getting engaged in macro-economic scenario discussions. Oxfam Armenia, for example, analyzed poverty in Armenia and presented macroeconomic policy recommendations. And in Ghana exists the so called "Distributive Effects of Economic Modelling (DEEP) Project" by ISODEC, a non-profit social development organization. "Its objective is to build a series of public available tools for informed discussion on macroeconomic policy options and tradeoffs open to the Government of Ghana, and for the assessment of impacts of government policies and external shocks on different population groups and sectors on the economy" ([www.isodec.org.gh/budget-advocacy/TheDEEP.htm](http://www.isodec.org.gh/budget-advocacy/TheDEEP.htm)). The project brings together different stakeholders (the project Technical Support Group comprise representatives of the Bank of Ghana, National Development Planning Commission, Ministry of Finance, Institute for Economic Affairs, the Center for Economic Policy Analysis and the Institute for Statistical, Social and Economic Research)) to discuss the impacts of macroeconomic policies and alternative policy options. Furthermore, the lead consultant working on the model presented a demonstration of the DEEP to selected staff of the Ministry of Finance and the Ghana Statistical Service (ibid.).

icy and fiscal reform. They are meant to be based on the PRSP and to integrate poverty reduction into macroeconomic policies. Although the IMF states that PRGFs should be ‘open for public discussion’ (IMF 2002), it appears in many cases that the reverse is true. Indeed, the available evidence suggests that little has changed in the style of negotiations – non-transparent and confined to a small number of policy actors – or in substance, with a close resemblance to ESAFs (Adam/Bevan 2001, IDA/IMF 2002: 47, Killick 2002).

34. The majority of countries have negotiated PRGFs before formulating a PRSP, and in many cases PRSP endorsement has been postponed as a result of countries’ missing targets under PRGF agreements. In most of the sample PRSPs, as well as in the related JSAs, the coherence with the PRGF is mentioned. In many cases, the government negotiated a PRGF with some of the most restrictive set of conditionalities in its lending history just before finalizing its PRSP. In others (e.g. Ghana and Nicaragua) the targets set out in the PRGFs have gone on to form the bases for macroeconomic benchmarks and performance targets (Trócaire 2002). Thus, rather than supporting the PRSP, the PRGF appears to be taking the more dominant role in many cases, with macroeconomic targets influencing poverty requirements rather than vice versa. Indeed, the IMF recognized the tendency for the PRGF to determine PRSP policy in its own (IMF 2002).

35. As the findings of the review demonstrate, in some cases governments do not open the discussion to cover macroeconomic policy choices, and these issues remain outside the spaces open to civil society participation. According to a study of CIDSE/Caritas Internationalis to a certain degree, this is a consequence of the central role the IMF plays in low-income countries over macroeconomic decisions (CIDSE/Caritas Internationalis 2004a: 7). But it is too easy to conclude that donors and governments ignore arguments from other stakeholders because they are only interested in preserving their own interests. Rather, it is also important to recognize that to some extent the participation in macroeconomic policymaking is limited due to a lack of capacity in both the governments and non-governmental stakeholders.

36. For some governments, this lack of capacity prevented them from conducting effective participatory processes. As previous studies on the participation process and policymaking in developing countries show, national governments often do not have any experience of how to organize dialogues with non-governmental stakeholders, have only little understanding of participatory methodologies, have extremely limited technical capacities to share information in time, and do not have any knowledge and/or clear rules of how to integrate proposals from non-governmental stakeholders into the final policy decisions.

37. Non-state actors, on the other hand, have no capacity to effectively engage in macroeconomic discussions. Many non-state actors involved in PRSP processes are aware of their lack of experience and knowledge of macroeconomic issues. This situation reflects the limited degree of consultations and public discussion of poverty and policy issues in the past, and the lack of accessible information on the impact of macroeconomic and structural reforms on poverty. These limitations meant that many non-state actors were not able to conduct rigorous analyzes on policy or budget documents or propose realistic policy alternatives (Christian Aid: 2001, McGee with Leve and Hughes: 2002). Only some larger NGOs, for instance, are able to put forward alternative policy choices; the majority of smaller civil society organizations do not yet have the capacity to turn queries or disagreement into credible and viable policy proposals (Curran 2005: 8). Their capacity in dialogue on complex policy issues,

such as the macroeconomic framework, the sequencing of structural reforms, and policy trade-offs, was limited. It was often the case that non-state actors, especially CSOs, felt more comfortable discussing the ‘soft policy’ areas such as health and education, of which they had direct knowledge through their service delivery experience, than the macroeconomic policy (ibid.: 15).

### 3.2.2 Stakeholder participation in structural reforms

38. Although structural reforms play a significant role in the PRSP, little information is available about stakeholder participation in these reforms. However, a good example for multi-stakeholder participation is the *National Forum on Justice* in Burkina Faso (see box 2 below).

39. The central **government** plays a key role in the formulation, implementation and monitoring of structural reforms. But there is only limited information available on inter-governmental participation: In Albania, for example, there exists a *National Decentralization Committee*, which is composed of representatives of both, central and local governments and which has adopted a three-year action plan for the implementation of the decentralization reform (Government of Albania 2001: 61).

#### Box 2: National Forum on Justice in Burkina Faso

“The National Forum on Justice was held in Ouagadougou on October 5-7, 1998, for the purpose of reflecting in depth on the problems besetting the judicial system and the steps required for an improvement in its performance. The Forum brought together approximately 500 representatives of the judiciary, ancillary services, civil society, and the private sector. The report summarizing the work of the Forum reveals the various aspects of “the crisis” in the judiciary. First, there is a crisis for judges themselves, in terms of their identity, status, and ethics. Second, the crisis is organizational and functional. To deal with this crisis, the report puts forward possible solutions, while at the same time emphasizing that they will only be effective if a resolute political will to implement them exists. The proposals have to do with texts needing to be revised, reread, or applied more effectively; the financial, material, and human resources that need to be strengthened, and the institutions that need to be rethought. These recommendations were incorporated into the justice system reform plan recently adopted by the Government. As for the judicial branch, and based on the recommendations of the national Forum on Justice, the Ministry of Justice has prepared a judicial reform strategy and national action plan covering the period 2000-04.” The plan was approved by the Council of Ministers on April 12, 2000 and is part of the PRSP.

Source: Government of Burkina Faso 2000: Poverty Reduction Strategy Paper, Ouagadougou, p. 47

40. There is little information about the participation of **parliament** in structural reforms, but in most countries they have to approve trade liberalization and regional integration issues etc.

41. **Civil society:** In some countries a strong participation of civil-society representatives can be noted in one or two reforms; for example, policy reforms within the legal and judicial system of Tanzania. In Tanzania, the government highlights participation in the revamping of the legal and judicial system. Labeled a “pilot scheme for community participation”, involving communities in the rehabilitation of district courts in the *Arusha* and *Manyara* regions is expected to provide a model for the reform of the whole legal sector (INEF 2005: 42). One of the most important policy reforms in the PRSP of Senegal is decentralization. The government of Senegal, with the support of the GTZ, is furthering the decentralization process. Most of the persons interviewed stated that the potential of decentralization is far from exhausted, because to date the PRS process is highly centralized and fixed at the national level. Although the decentralized political decision-making structures are assumed to be more pro-poor, in most cases, three-quarters of the participatory and the decision-making processes took place in the capital cities of the countries concerned. These local service delivery mechanisms are believed to be potentially more pro-poor because the recipients are able to come face-to-face with the delivery mechanisms. Expenditure at the local level would also seem to be more transparent and easier

to monitor because, for instance, recipients have easier access to information concerning resource utilization and distribution.

### 3.2.3 Stakeholder participation in sectoral reforms

42. The value of participation in the development and implementation of sector reform programmes and sector policies has been highly acknowledged for many years – even though the practical lessons learned have not yet been sufficiently evaluated and the issue of institutionalized participation has not yet been adequately addressed.

43. **Intra-governmental participation:** Usually line-ministries are included through sector and/or inter-ministerial working groups in the formulation and implementation of the PRS and therewith of the sector reforms (see for example the case of Albania, Ghana, and Senegal in box 3)

#### Box 3: Good practices: Participation of sector ministries in sectoral reforms

**Albania:** In the context of the Albanian Water Sector Reform the different line ministries (Ministry of Territory Adjustment and Tourism, Ministry of Local Government and Decentralization, Ministry of Economy and the Ministry of Finance) play a key role in the formulation and implementation of the reform. The Ministry of Territory Adjustment and Tourism, for example, is responsible for designing water sector strategy and policy, the Ministry of Local Government and Decentralization (MOLGD) plays the leading role in the implementation and coordination of the decentralization reform in all sectors, including decentralization of the water sector (Beddies et al. 2004: 16-17).

**Ghana:** The Ministry of Health was involved in formulating the health component of the PRSP: First, the National Development Planning Commission (NDPC) GPRS Division provided the framework for the poverty reduction strategy for all sectors, including health. Later, a team from the MOH met with health partners to review what was presented in the health component of the GPRS and revised it according to the relevant policy and existing sector priorities taking cognizance of the poverty issue to be addressed. Lastly, the revised health component was resubmitted to the NDPC and incorporated into the final GPRS. Furthermore, during the implementation phase, the agencies of the MOH were asked to prepare their policies and strategic direction for the budget year (Buckle 2003: 1, 6).

**Senegal:** Since 2003 twenty-four ministries are in charge of developing and monitoring sector action strategies, and report to the *Cellule de Suivi du Programme de Lutte contre la Pauvreté* (CSPL). Responsibility for regional implementation lays with 'PRS regional steering committees', consisting mainly of local government actors (Republic of Senegal/Ministry of Economy and Finance 2004: 17). For the purpose of implementing the PRS, the objectives and policies have been turned into Sector Operation Programmes, which are the principal tools for the implementation of the PRS. These documents incorporate the objectives and lines of action in the matrix of measures for activities and projects, together with budgets and timetables. The elaboration and execution of sector action strategies lie mainly with the sector ministries and partly with regional governments.

44. There is little information about the participation of **parliament** in sector reforms. In Albania, for instance, parliament votes on the laws in the context of the water and sanitation reform.

45. **Participation of civil society:** In some countries, a strong participation of civil society representatives can be noted in one or two sectors. However, in the same countries other sectors that are also PRS relevant were planned and implemented without any stakeholder participation (Bliss 2005: 14). For example, investments in the *Health Sector Development Program* (HSDP) of Ethiopia and the educational sector in Nicaragua (see box 4) have been areas for cooperation between different stakeholders. Generally, civil society organizations and the private sector play a central role as service providers in the implementation of sector reforms (especially in the social sector). In Ethiopia, NGOs play key roles in improving the health status of the population and providing access to health services. They finance curative and preventive services, and provide curative, preventive and drug supply related services. But they have limited participation in health policy formulation and national program evaluations, though there are some indications of a trend towards improvement (CRDA 2004: 15-16).

#### **Box 4: Participation of non-governmental stakeholders in the education sector**

In several instances the education component of the PRS has been significantly determined by the *National Education Strategy* (e.g. Cambodia, Nicaragua, Tanzania) prepared on the basis of a sector diagnosis, more often than not with the participation of donor representatives. Other stakeholders – the CSOs, representatives of education NGOs, and more generally the education stakeholders (teacher unions, academics, associations of teachers and students) – did affect, albeit to a lesser extent, the formulation of the education component of the PRS by contributing national, regional and thematic consultations. This is the case, for example, in Nicaragua, where teachers, parents and students have been involved; in Albania, where half of the members of the education sector working group were teachers, professors and education NGOs. Examples illustrate the contribution of the education stakeholders in the formulation of the PRSP: In Honduras, consultations have led to the compilation of a list of priorities, and in Vietnam, free access to primary education for the poor has been put on the agenda.

Source: Caillods/Hallak 2004: 42-43.

46. An innovative approach to increasing participation in policy reform processes is the creation of the *Open Forum* in Armenia. The first *Open Forum* was held in *Tekeyan* in April 2005 to discuss the increase in drinking water tariff rates. “The objective of the *Open Forum* was to find out whether the new tariff rates were in agreement with the PRSP policy and to identify a possible social impact, particularly on socially vulnerable groups. The Forum had around 80 participants from water government structure, PRSP state entities, NGOs, independent experts, international organizations and other stakeholders” ([www.prsp.am](http://www.prsp.am)) (INEF 2005: 13).

47. Another positive example is the participation of economic stakeholders in the tax reform in Senegal: To promote private investment and boost economic competitiveness, the government has done a lot to elicit input from various economic stakeholders on the subject of tax reform. In-depth discussions in the Presidential Council on Investment produced 35 measures, most of which are in the early stage of implementation. As a result, the *General Tax Code* has been amended, and a new *Investment Code* adopted. The marginal corporate tax rate has been reduced, and small company taxation has been simplified to boost the resources of local authorities and adapt to further decentralization. In Uganda, NGOs at least participate in monitoring in the health, water and sanitation sectors. One key instrument for this is the *Poverty Action Fund*, through which almost one-third of public investment expenditure now flows. Studies have demonstrated that the proportion of public funds wasted or stolen has been reduced significantly following the introduction of this monitoring system (Brinkerhoff/Goldsmith 2003: 696, Gariyo 2000).

48. The **donor community** is an active, strong and influential stakeholder when it comes to the development and implementation of sector policies which are, in many cases, up to 100 per cent funded by them. In the health sector reform in Ghana, for example, there were discussion forums about the budget formulation process with development agencies and bi- and multilateral partners (DFID, USAID, WHO, IMF/WB, UNDP) and service providers through monthly meetings hosted by the World Bank. Contributions were made to address priority issues. The bilateral partners strongly supported the inclusion of a substantial amount of resource allocation to human resource development. They focus on health insurance, the exemptions program, and the development of community health planning and services was championed by Danida particularly with support from the WHO and DIFD (Buckle 2003: 6-7). The donors, especially the World Bank, play a significant role in sector reforms by using the *Poverty and Social Impact Analysis* (PSIA) to analyze ex-ante the distributional impact of policy reforms on the welfare of different stakeholder groups.

#### 4. Conclusions

49. The comparative analysis of PRS documents shows, that all of them comprise the three categories of policy reforms. The key elements the PRSPs propose to accelerate growth are, first, the promotion of a stable macroeconomic environment; second, structural and institutional reforms, and third, sectoral reforms.

50. In only a few of the PRSPs (e.g. those of Albania, Burkina Faso and Ghana) is there some information on whether the reforms existed before the PRSP or were actually induced by the PRSP. However, it is not always absolutely clear whether policy reforms were ongoing or had been induced by the PRSPs. Although there are a few examples (e.g. health sector reforms in Uganda and Zambia) of new "induced" policy reforms, most PRSPs include ongoing reforms.

51. In general, the link between policy reforms and the PRS is very weak. With the exception of some good practices, as in Ghana and Zambia, where the Health Sector Reform and the NCBPGG, respectively, were successfully in feeding into the PRS, most of the ongoing reforms are not effectively integrated in the PRSPs. One of the main shortcomings seems to be that the sector strategies are inadequately reflected in the PRSPs. Obviously, the PRS process and the 'normal' policy process exist in parallel, as various studies have shown. While to some extent this reflects a lack of sector preparedness, it may also be dependent on the process of PRSP preparation. In many countries, the poverty reduction debate on the one hand and the policy reform processes on the other are two only weakly interlinked phenomena.

52. In most of the PRSPs, participation is not identified as a key factor in creating effective national-level policy reforms. With a few exceptions, the PRS documents do not make any explicit statement on the extent, degree and level of stakeholder involvement in reform processes.

53. Generally, participation in policy reforms is different from participation in the well-known development projects because the final responsibility of policy decisions in a democratic society rests with the elected bodies – the legislative and/or executive.

54. The **government** plays the central role in the formulation, implementation and monitoring/evaluation of all kinds of policy reforms. However, its influence seems to be limited in macroeconomic decisions because there exists little variation in macro policies across an extremely broad range of countries and there is only little discussion of sound alternative macroeconomic scenarios and related structural policy choices and trade-offs in the sample PRS. Moreover, the country programmes are conditional on IMF and World Bank endorsement before qualifying for new lending, this suggests low national control over macroeconomic policies.

55. **Sector ministries** are usually responsible for the formulation, implementation and monitoring/evaluation of sector strategies and they are integrated into the PRS-process through sector working groups, for example. In Ghana, for instance, the Ministry of Health was involved in the formulation of the health component of the PRSP by consultation.

56. There is little information about the participation of **parliament** in policy reforms, but in most countries they have a role in the budgetary processes through parliamentary debates and their votes on the budget. In a few countries they even have to approve the external debt, loans taken from World Bank and/or IMF etc. Consequently, in some countries they have a say in a number of reforms within the PRSP framework. However, sometimes the role of the representative institutions can be limited

because of the actual governance situation in a country (see for example the gap between the constitutional theory and the actual reality in Ethiopia). There is, no evidence in the sample countries that parliaments play any significant role in the discussion of the macroeconomic framework.

57. **Civil society** participation seems to be very limited with regard to the macroeconomic framework. Not only (international) NGOs and academics, but also the IMF and the World Bank make mention of the limited dialogue on economic policy (discussions of alternative policy options with respect to the macroeconomic framework and related structural reforms). There is only one exception, Uganda, where in consultations with civil society the size of the fiscal deficit, impacts of the structural reform programmes and budget allocations were discussed. The PRS process has had very limited impact in generating open public discussions of alternative macroeconomic policy options and related structural reforms, although there are several recent examples of more flexible macroeconomics discussions between government officials and Fund staff (IMF/World Bank 2005: 49).

58. Compared to the limited participation of civil society in macroeconomic reforms, participation in sector reforms (and partly in structural reforms) is broader. There are some positive examples of CSO participation in sector reforms (like in the HSDP in Ethiopia or in the education sector in Albania, where half the members of the education sector working group are teachers, professors and education NGOs) and structural reforms (e.g. in Tanzania, where the government highlights participation in the revamping of the legal and judicial system, and involves communities in the rehabilitation of district courts in the *Arusha* and *Manyara* regions). CSOs and the private sector often indirectly influence the implementation of policy reforms, being the primary agents responsible for instituting policy shift and making it effective 'on the ground'. In Ethiopia, for example, NGOs play a key role in the implementation of the health strategy, but they have limited participation in health policy formulation and the evaluation of national programmes

59. The **international donors**, and especially the IMF, have significant influence on macroeconomic policymaking, because the *Poverty Reduction Growth Facility* (PRGF) plays an important role in overall lending to countries. The donors are also a active, strong and influential stakeholders as advisors and financiers when it comes to the development and implementation of sector policies which are, in many cases, up to 100 per cent funded by them.

60. Non-governmental stakeholders, on the other hand, have often quite fundamental positions, but limited understanding of complex policy processes and economic arguments, meaning that they are often unable to engage effectively in discussions; e.g. in connection with concrete proposals, how to include pro-poor interests in a specific sector policy development. For many non-governmental stakeholders in PRSP countries, the PRSP process was their first experience of engaging directly with the policy process, and it was viewed as an important opportunity to present evidence of the impact of policies on reducing poverty and to influence the policy content of future national poverty reduction plans.

## **Governments**

61. Given the weak link between policy reforms and the PRS, it will be crucial to build up the link between sector line ministries and the ministries and agency charged with PRS design. Such interaction could enable a more fluid dialogue on sector issues and poverty to take place between stakeholders (e.g. Ghana), and would help foster greater integration of the sector agenda within the PRS.

62. Given the limited/exclusive macroeconomic debates, it would seem appropriate to adopt options for ‘partnership forums’ with broad stakeholder participation, including government, parliament, civil society, and donors. To overcome the underlying communication difficulties in some countries, it would be helpful to establish a communication strategy for stakeholder participation early on so as to ensure effective participation throughout the process (a good example would be the *Open Forum* in Albania or the *National Forum on Justice* in Burkina Faso).

63. The government should advance their capacities to organize dialogues with non-governmental stakeholders, to learn of participatory methodologies, and enhance their technical capacities to share information in time.

### **Non-governmental stakeholders**

64. The PRSP does provide the opportunity to open a space for policy dialogue and enables non-governmental actors to participate in policymaking. But there is work for non-governmental stakeholders, especially CSOs (including private-sector representatives), to make sure that they will take part in macroeconomic policymaking. An important part of this will be to improve their analytical capacity on macro-economic issues. This will require civil-society organizations to invest in development of analytical capacity on macroeconomic issues as well as education and mobilization of grass-roots communities (cf. CIDSE/Caritas Internationalis 2004: 27). One opportunity to enhance analytical capacities could be a dialogue between NGOs of the North and South or co-operations with research institutes and think tanks.

### **Donors**

65. The weak integration of national policy reforms within the PRS could be improved if the World Bank and the IMF focused more strongly on this issue in their JSANs on PRS documents (and, thereby, creating more debate on this ‘blind spot’).

66. The IMF and the World Bank should support open and participatory debates on proposed policy contents with all stakeholders, including civil society. An improved macroeconomic policy debate does require considering various (alternative) policy options.

67. Donors could play a role in supporting both non-governmental actors and governments. They should support governments to improve their technical capacities to share information in time, to develop advisory services for establishing a conducive framework for open public debate on policy choices, including macroeconomic policies. While *Poverty and Social Impact Analyses (PSIA)* are not a panacea, and significant technical and capacity issues remain, PSIA can help to stimulate debate around reform trade-offs, redesign policies based upon potential poverty impact where necessary, increase the understanding of reforms, and eventually promote legitimacy of debated and redefined reforms, and create a forum where stakeholders can raise their concerns. Donors should also provide consistent, long-term support to civil society to facilitate the building of civil society capacity for macroeconomic policy analysis and formulation. They should also improve the availability of information, and assist non-governmental actors in the political analysis of information.

## 5. References

The PRSP country documents quoted in the present study and identified in the corresponding footnotes are all documented here: [www.worldbank.org/poverty/index.htm](http://www.worldbank.org/poverty/index.htm)

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**Table 2: Stakeholder participation in policy reforms mentioned in PRS-related documents**

	<b>Structural reforms</b>	<b>Sectoral reforms</b>
<b>Albania</b>	<p>“The decentralization reform is being carried out through a participatory process of the local government authorities, the civil society, and the local communities. The National Decentralization Committee, which is composed of representatives of both central and local governments, and the Expert Group have adopted the 3-year action plan for the strategy's implementation” (PRSP 2001: 61).</p> <p>“Different interest groups and main stakeholders at a local level took part in the drafting of the Regional Strategies for Social and Economic Development. In numerous work-shops and round tables debate was focused on the NSSD, the MDG and the SAA, thus increasing the awareness of the NSSD among interest groups and the public. In 2004, this process is foreseen to take in eight other regions so that they can draw up their own Regional Strategies for Social and Economic Development” (PR 2004: 107-108).</p> <p>“The deepening of institutional and legal reforms was one of the main priorities of NSSD implementation during 2002. These reforms have been drafted and implemented through an stronger analytical process based on more robust information, consultation, and public participation” (PR 2003: 1).</p>	
<b>Burkina Faso</b>		<p>“One element of the health system is user and community participation in the management and development of activities” (PR 2001: 15).</p> <p>“With respect to Objective 3, the reforms will concentrate on efforts to ensure greater consistency among the measures adopted by the various ministries involved in rural development. The establishment of the Permanent Secretariat for the Coordination of Agricultural Sector Policies (SP/CPSA) is an important step towards improving the vision and consistency of the various action plans in the agricultural sector. Efforts to ensure that all rural development stakeholders (agriculture, animal husbandry, environment and water, and rural infrastructure) are allowed to have their say in the discussions aimed at ensuring that the various action plans function together effectively as a cohesive whole is a prerequisite for enhancing the impact of these measures on poverty alleviation in rural areas” (PR 2001: 28-29).</p>

	<b>Structural reforms</b>	<b>Sectoral reforms</b>
<b>Cambodia</b>		<p>“In September 2002 the Ministry of Education, Youth and Sports held extensive consultations to prepare and review their strategic plan. This was actively participated by NGOs and donors. It was from these consultations and the revised ministry wide strategic plan that the NPRS education inputs are based. Similarly, the Ministry of Health also held extensive consultations with civil society and international donors to develop their recent Health Sector Strategic Plan (August 2002) from which the NPRS inputs are based” (PRSP 2002: 10-11).</p>
<b>Ethiopia</b>	<p>“The overhaul of the tax legislations is designed to encourage capital investment and development, establish a sustainable domestic revenue base and ensure equity, fairness and consistency in the administration of the tax laws. In order to ensure that the contributions of the various stakeholders were considered, an extensive consultation process on the comprehensive tax reform measures commenced in early 2002 and is ongoing” (PR 2003: 36).</p>	<p>“The key actors in the implementation of EMSAP are government agencies at federal and regional levels, community based Organizations, NGOs, FBOs and private sector. EMSAP is a unique project that pioneered a multi-sectoral approach in the fight against HIV/AIDS with government leadership and the direct participation of the community and the private sector“ (PR 2003: 91). “The 2002/03 also witnessed enhanced community and other stakeholders’ participation. NGOs, FBO, CBOs professional associations and the private sector have been actively involved in the multi-sectoral activities. Community-based organizations like <i>Idirs</i>, Women's and Youth Associations, Anti AIDS Clubs, have been intensively working in prevention and care and support activities. Professional Associations like the Ethiopian Public Health Association, Ethiopian Medical Association, Journalist and Teachers’ Associations have been playing significant roles“ (PR 2003: 93).</p> <p>“Industrial development strategy was discussed with the private sector and trade unions. This is key complementary strategy to ADLI - with its focus on rural transport. Extensive discussions were held with the business community before the introduction of the new income tax and VAT Proclamations. Discussion on Youth Policy was also extensive especially with the youth. The New Coalition for Livelihood &amp; Food Security for Ethiopia was very much an outcome of broad-based multi-stakeholder discussion. Multi-stake holder conference was also held on the significance of leadership in HIV/AIDS control and prevention. Broad based discussions were held at the National Population Conference organized to mark the tenth anniversary of the issuance of National Population Policy (April 1993). A draft Diagnostic Trade Integration Study (DTIS) has been completed and a conference was held in November 2003 to provide forum for different stake-holders, both government and non-state actors to review the findings and recommendations in the DTIS, which included technical assistance action plans” (PR 2003: 3).</p>

	<b>Structural reforms</b>	<b>Sectoral reforms</b>
<b>Nicaragua</b>	<p>“CONPES has been strengthened and broadened with the inclusion of new participants from civil society (Autonomous Regions of the Atlantic) and notables. During this period, CONPES has reviewed and analyzed the recommendations from the Presidential Commission for the Reform of the Judiciary and the regulations for the Law for Autonomy of the Atlantic Coast and it has drafted a strategy for the fight against corruption and begun a social audit in 11 municipalities of the PAI Program. It put forward recommendations for the draft of the Annual Budget Law for 2002, its later reform, and did the same for 2003. More recently, CONPES has begun to review the proposals for constitutional reforms of the judiciary and electoral banches“ (PR 2002: 22).</p>	<p>“The reform and modernization program of the health system to be implemented during 1998-2002 was widely publicized by mid-1998. Workshops were held at seventeen Local Integrated Health Care Systems (SILAIS) and country hospitals, with the participation of different sectors of Nicaraguan society; the social and economic ministries, universities, NGO’s, labor unions, the business community, the National Health Council and donors (PRSP 2001: 60).</p> <p>“The national education strategic plan was developed through a number of meetings at the national level that began in December 1998. Some of the participants were the Nicaraguan Initiative for Education and Human Development Forum, the National Pedagogic Movement and about three thousand people, among them teachers, parents, students, university professors, members of CNE, CNU, and churches’ representatives” (PRSP 2001: 60).</p>
<b>Uganda</b>		<p>“The leading role in the sector is taken by the Ministry of Gender, Labour and Social Development (MGLSD). Actions are guided by the Social Development Sector Strategic Plan (SDIP), which was formulated over a three-year period under the leadership of the MGLSD with the participation of key stakeholders including local governments, CBOs, NGOs and the donor community” (PR 2001: 174).</p>
<b>Zambia</b>		<p>“Structures for community participation in decision-making have also been established at neighbourhood, health centre, and district levels. There are Neighbourhood Health Committees (NHCs) which are composed of about 5 to 15 members, of which at least half should be women, and Health Centre Committees (HCC). Activities carried out by these committees include collecting and maintaining community-based health management information system data, providing a link between the community and the health post, health centre and other development agents, mobilising communities, selection of community health workers (CHWs), and contributing to strategic plans“ (PRSP 2002: 85).</p> <p>“Among the principles of the Health Reforms is partnership at various levels, i.e. community participation, inter-sectoral collaboration, and international cooperation. In this regard, community involvement is fostered through the creation of a board“ (PRSP 2002: 86).</p>