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Civil Society Participation in Poverty Reduction  
Strategy Papers (PRSPs)

**Report to the  
Department for International Development**

**Vol I: Overview and Recommendations**

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### **Accompanying volumes**

#### **Vol. II: Ghana Case Study**

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## PREFACE

This Report was commissioned by the Department for International Development (DFID) to advise how development agencies might facilitate and support effective civil society involvement in drawing-up Poverty Reduction Strategy Papers (PRSPs). The Terms of Reference are attached at Annex A.

In the last two years the international community has made poverty reduction the primary objective for financial support to poor countries.

In 1999, the World Bank and IMF, backed by the donor countries, announced a new framework for international assistance, expressed through the Comprehensive Development Framework (CDF) and the PRSPs. Debt relief and concessional flows are, in future, to be based on explicit poverty reduction programmes, with each country responsible for setting its own plans – rather than the IMF or World Bank. Furthermore, civil society should be involved in drawing up and monitoring those policies – each country would need a Poverty Reduction Strategy, set by Government following broad participation from society at large.

The purpose of this report was to examine the issue of civil society participation in the PRSPs, and make recommendations to DFID on how best to support this.

In carrying out the review, the consultants met with other donors, including the European Commission, World Bank and UNDP, and with DFID and FCO officials. Three case studies form the core of the work: Ghana, Vietnam and Zambia. In total, more than 150 individuals and institutions were consulted, including representatives from civil society structures: the business community, unions, churches, NGOs and the media. Meetings were also held with the relevant ministries in each country, as well as other official bodies with a stake in the budget process, such as Parliament. A list of persons and institutions consulted is attached at Annex B.

While we hope that the case studies will be useful in the respective countries, their main purpose is to suggest wider lessons for the advancement of popular participation in developing national poverty strategies through the PRSPs.

We would like to thank the following for their help: Father Peter Henriot, of the Jesuit Centre for Theological Reflection (JCTR), which acts as the Secretariat for Jubilee 2000-Zambia; Charles Abugre of ISODEC in Ghana; Bridget Crumpton, a consultant in Vietnam; Liz Muggerridge of Africa Consulting; and Rosemary McGee at IDS. The Report was written by Steve Godfrey, Tim Sheehy, and Eileen Sudworth.

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### Disclaimer

The report, although based on consultations with a wide range of people, does not necessarily reflect the views of DFID or of any of the individuals listed in Annex B.

## EXECUTIVE SUMMARY

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1 The Report examines how to support effective civil society involvement in drawing-up Poverty Reduction Strategy Papers (PRSPs). The PRSP approach was introduced by the World Bank and IMF in 1999 to promote poverty reduction strategies that are (a) country-driven; (b) results-oriented; (c) comprehensive; (d) partnership-based; and (e) framed within a long-term perspective.

2 The PRSP strategy is linked to two other initiatives, the Heavily Indebted Poor Countries (HIPC) initiative, launched by the international community in 1996 to reduce debt levels of poor countries; and the Comprehensive Development Framework (CDF) approach, also introduced by the World Bank in 1999.

3 The CDF and PRSP are intended to be mutually reinforcing. The CDF seeks long-term vision and strategy over twenty years; enhanced country ownership; more strategic partnership among stakeholders; and accountability for development results.

4 The early development of PRSPs is being driven by the link with HIPC, since countries need an interim, and subsequently, full PRSP to qualify for debt relief or new IMF adjustment loans. The countries in the first wave of the PRSP train are completing them in line with these timetables, and in about half time the span of two years initially expected.

5 The PRSP constitutes a radical challenge to the way development planning has been conducted by donors and governments alike over several decades, and needs – in the words of OECD Ministers – “a fundamental change in the mindset of development agencies”. The absence of a clear body of practice on civil society participation, or firm criteria, creates challenges:

5.1 a tension between the need to move forward quickly so that countries can obtain timely concessional assistance and debt relief, and the need

to secure country ownership based on broad participatory processes.

5.2 no common understanding of the meaning of participation, which is a more comprehensive concept than consultation, or how to ensure that civil society organisations play their role.

5.3 antipathy, widespread in civil society organisations and some governments, towards the HIPC initiative, and the perception that the PRSP process is dominated by the World Bank and IMF.

5.4 concern over flexibility – on how far the macroeconomic framework can integrate poverty reduction concerns, the perspectives which civil society brings on the equity and distributional effects of growth, and the short- and long-term poverty effects of structural policies.

6 Section Two presents three case studies – Ghana, Vietnam and Zambia – which describe civil society engagement with government in the PRSP, and analogous national policy planning exercises.

7 In Ghana, based on its experience to date, civil society expressed doubts about the Government's commitment seriously to involve civil society structures. This finding is at odds with the generally received view within the World Bank and elsewhere, that civic participation in the development of Ghana's Comprehensive Development Framework (CDF) has been exemplary. Civil society hopes the PRSP will create an improved framework for its participation.

8 In Vietnam the most important avenues for participation for the majority of people are local government and the mass organisations, which are tied closely with the Communist Party. There are a number of NGOs, both local and international, and a growing number of Community Based Organisations (CBOs). Vietnam is an interesting model which illustrates effective institutional co-operation

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arrangements between the Government and the other actors to develop a poverty reduction strategy over a three year period.

9 In Zambia, there is a general view in civil society that Government has not treated it as a genuine partner in previous consultations, and lacks commitment to sharing information. There is a willingness on the part of government and civil society to work together in preparing the PRSP.

10 Section Three draws together lessons learned from the case studies and other source material. Most countries have already developed poverty reduction strategies, and have experience of government-civil society relationships. The PRSP process, because of its direct link to new development assistance and debt relief, has increased the standing of civil society in setting of national economic goals. However, governments are cautious towards the implication of working with civil society, and recognise that it carries political risks. The level of commitment of leaders and senior officials is an important barometer for the prospect of effective civil society participation.

11 One constraint is Governments' general lack of experience in how to manage civil society engagement. The absence of assessment criteria for participation makes it relatively easy to demonstrate 'consultation', but much is unsatisfactory with limited impact. It tends to be technical, limited to 'meetings' to consider plans already drawn up, with the danger that the process is a technocratic exercise which adds little value.

12 Transitions from interim to full PRSPs are taking place more rapidly than expected – around one year. In some cases, even donors find it hard to track dialogue between the World Bank/IMF and governments, given the short timetable. It is unrealistic to plan and conduct innovative participation in this timeframe, even if a strong government-civil society working relationship is already in place. Time pressure creates an

unfavourable backdrop in which to build new civil society-government relationships.

13 Roles and responsibilities on both sides need to be clear. Successful civil society participation requires both the active involvement of all key civil society stakeholders, and clear leadership and management of the process by Government.

14 The various civil society groups have different interests, but there is a willingness to co-operate together, and with government, to advance pro-poor policies. The issue of how well civil society groups represent the views of the poor needs to be addressed by mechanisms through which poor communities participate directly.

15 The necessary human and financial investment required of civil society will take many years to develop. Civil society capacity for participation is limited, and organisations do not have sufficient analytical, advocacy and research capacities. Therefore, their ability to provide meaningful input in the short term is limited. Translating the perspective of the poor into a complex policy arena is a difficult task, and calls for greater 'economic literacy' skills.

16 Each national strategy is sui generis. Efforts to systematise and catalogue generic approaches to the involvement of civil society are at best heuristic. The PRSP needs to reflect the basic principle of the CDF – local ownership. This has implications for how DFID and donors more generally should manage support for civil society participation in PRSPs.

17 Section Four looks ahead. Although the objective of the PRSP is poverty reduction, its main innovation is to challenge the traditional roles and responsibilities of main development agents – the recipient governments, donors, and civil society.

18 The constructive involvement of civil society in these processes should not be assumed, and is likely to prove difficult and complex to manage. There

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remains a great deal of uncertainty around the PRSP, at every level of government, within civil society and between the two. Participation will only be secured if civil society institutions are convinced donors and governments are willing to countenance real participation and produce tangible results. Donors have a key role to play in encouraging a good climate for government and civil society to work together.

19 In order to achieve this, the primary objectives of the PRSP should be reviewed, with emphasis placed on supporting the goals and principles of the CDF and the International Development Targets, rather than the shorter-term objectives of the enhanced HIPC initiative. Unless this is done, there is a danger that the potential for participation will be undermined.

### **Recommendations to DFID**

20 DFID should develop a policy framework for civil society participation in the PRSP process. A draft of this is included, and addresses the governance and institutional environment; entry points; information; capacity building for government and civil society; and donor coordination.

21 While flexibility is important, some form of performance criteria on participation, as well as broad economic objectives, need to be included within each PRSP.

22 DFID should continue to assist the development of NGO networks, and interaction among professional bodies in order to strength 'economic

literacy' skills – in the area of macroeconomic and budget analysis.

23 No specific criteria have been laid down for civil society participation in the PRSP. It would be helpful, therefore, if DFID could sponsor a consultative process for civil society itself to develop best practice in this area. This should include support for independent regional learning and policy networks which have been established by developing country NGOs to monitor and assist work on the PRSPs.

24 As a key PRSP supporter within the donor community, DFID itself should track the experience of civil society participation in the PRSPs. This is especially important in the first two years, while the policy is still in a developmental phase. DFID should establish a policy network, based on a minimum of a dozen countries in which it is engaged in the PRSP, for this purpose.

25 Civil society includes a large variety of individuals and organisations, and there are high transactional costs to DFID involved in supporting it. Civil society is an important lever for the policy environment, and DFID management systems should enable it to work closely with this constituency.

26 DFID should continue to view British and international NGOs involved in the PRSP as important partners, and should establish a joint DFID-civil society working group to identify ways in which the UK based NGOs can assist support for the PRSP process in individual countries. This would be a useful mechanism to support and develop further a series of national programmes.

### POVERTY REDUCTION STRATEGY PAPERS (PRSPS) AND GLOBAL DEVELOPMENT STRATEGY

1.1 The last year of the millennium saw fundamental changes in how the international community intends to tackle global poverty. In September 1999, the World Bank and the IMF (the IFIs) endorsed a new framework to achieve what has become their core task - sustainable poverty reduction. This approach, involving the preparation of country-led poverty strategies through the Poverty Reduction Strategy Papers (PRSPs), is closely related to two other international policy initiatives: the Heavily Indebted Poor Countries (HIPC) initiative, launched by the international financial institutions in 1996; and the Comprehensive Development Framework (CDF) approach, also introduced by the World Bank in 1999.

1.2 The first section of this report sets out the relationship between these instruments, and the challenges which they pose, most particularly for the involvement of civil society.

1.3 1999 was a watershed for the World Bank and the IMF. For the first time they sought to put in place the more holistic approach to development which had evolved during the decade. This initiative was stimulated, in particular, by a series of important UN Conferences<sup>1</sup>, given greater urgency by the accelerated pace and depth of the globalisation process and crystallised by the international community in the International Development Targets

(IDTs). Poverty elimination – or at least its substantial reduction – has now taken centre stage in the development efforts of the multilateral and bilateral donor community. The new approach is reflected both in the World Bank's 2000 Annual Report, and, systematically, in the World Bank's World Development Report 2000-2001 *Attacking Poverty: Opportunity, Empowerment and Security*.

1.4 More than two years in the making, the World Development Report is the World Bank's most detailed study to date of global poverty and draws on a large body of research, including a background study, *Voices of the Poor*, which sought the personal accounts of more than 60,000 men and women living in poverty in 60 countries. This development approach is based on a heightened awareness of the multifaceted nature of poverty – involving not simply a question of income, or even one of meeting basic social needs but encompassing such concepts as powerlessness, vulnerability, marginalisation, gender inequity and social exclusion. There is increasing recognition that development is a highly complex process, and poverty involves more than lack of income.

1.5 This approach found expression in the Comprehensive Development Framework (CDF) introduced in January 1999. The May 2000 Ministerial Meeting of the OECD's Development Assistance Committee (DAC), and the G8 Summit in Okinawa in July 2000, endorsed both the CDF and the PRSPs. At the same time, developing countries are positively embracing these new initiatives<sup>2</sup>.

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1. The UN Conferences include: the World Conference on Education for All (Jomtien, 1990); the UN Conference on Environment and Development (Rio de Janeiro, June 1992); the World Conference on Human Rights (Vienna, June 1993); the International Conference on Population and Development (Cairo, September 1994); the World Summit for Social Development (Copenhagen, March 1995); the Fourth Conference on Women (Beijing, September 1995); and the Second UN Conference on Human Settlements (Istanbul, June 1996).
  2. See the September 2000 review of progress in implementing the CDF in pilot countries, *Comprehensive Development Framework Country Experience, March 1999 – July 2000*, published September 2000 by the World Bank.

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1.6 The Poverty Reduction Strategy Papers are thus regarded as an essential development tool both in determining concessional financial flows and debt relief and, in a broader sense and sui generis, in concretising and implementing the new Comprehensive Development Framework (CDF).

## **PRSPs AND THE COMPREHENSIVE DEVELOPMENT FRAMEWORK**

1.7 The CDF is currently being piloted and tracked in 12 countries<sup>3</sup> and is based on four interrelated principles and objectives - which, it is stressed by the World Bank and the IMF, also underpin the PRSPs:

- a long-term vision and strategy - a prerequisite for sustainable development;
- enhanced country ownership of development goals and actions;
- more strategic partnership among stakeholders; and
- accountability for development results.

1.8 In a joint note the Bank and IMF describe the Comprehensive Development Framework<sup>4</sup> as:

“a means by which countries can manage knowledge and resources to design and implement effective strategies for economic development and poverty reduction. It... is centred on a long term vision - prepared by the country through a participatory national

consultation process - that balances good macroeconomic and financial management with sound social, structural and human policies. The CDF, however, is not a blueprint. It is voluntary, and each country must decide on, and own, its priorities and programs. In order to ensure the most effective use of human and financial resources, the CDF emphasises partnerships between government (at the national, and local levels), civil society, the private sector, and external assistance agencies”

1.9 The note goes on to stress that the CDF and PRSP should be mutually reinforcing:

“The PRSP process will focus the attention of a large number of governments on CDF principles. It will also ensure more effective collaboration between the Bank and the Fund in supporting countries, as specifically requested by their major shareholders.”<sup>5</sup>

## **PRSPs AND THE HIPC INITIATIVE**

1.10 In 1997 the total debt of developing countries was estimated at US \$2.2 trillion and is particularly acute for low-income countries, mostly in Africa. The Highly Indebted Poor Countries Initiative (HIPC) was launched in 1996 in recognition of the direct link that exists between indebtedness, impoverishment and poor development prospects. Following the G8

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3. The West Bank and Gaza, Bolivia, Côte d’Ivoire, the Dominican Republic, Eritrea, Ethiopia, Ghana, Kyrgyz Republic, Morocco, Romania, Uganda and Vietnam. Other countries are adopting the CDF approach, including Zambia which is an informal pilot country.

4. The Comprehensive Development Framework (CDF) and Poverty Reduction Strategy Papers, by James D. Wolfensohn, World Bank President, and Stanley Fischer, then Acting Managing Director of the IMF

5. This interlinkage is underscored in the September 2000 CDF Country Experience Report cited earlier: “The CDF goal of achieving faster, sustainable development for poverty reduction recognises that poverty has multiple facets: income, physical security, environmental sustainability, and the ability of poor people to confront their future with confidence. Given the breadth of the development challenge, for a country to achieve sustainable development it needs to implement all the CDF principles, perhaps over a 20-year



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meeting in Cologne and the autumn 1999 meetings of the World Bank and the IMF, the enhanced HIPC initiative was launched, to accelerate, deepen and broaden the original HIPC scheme<sup>6</sup> and 'link' debt relief more firmly and transparently to poverty reduction.<sup>7</sup> This would be achieved, in the first instance, through a process involving the preparation of Interim Poverty Reduction Strategy Papers (I-PRSPs) and, shortly thereafter through the PRSPs. The principal difference between an I-PRSP and a PRSP centres on the question of consultation and participation. Broad participation is not required for the I-PRSPs, but is for the full PRSPs.

1.11 The Enhanced HIPC initiative covers 41 countries (See Annex D). The IMF states:

"It has been well recognised that the external debt situation for a number of low-income countries, mostly in Africa, has become extremely difficult. For these countries, even full use of traditional mechanisms of rescheduling and debt reduction – together with continued provision of concessional financing and pursuit of sound economic

policies - may not be sufficient to attain sustainable external debt levels within a reasonable period of time and without additional external support".<sup>8</sup>

1.12 This statement is both a recognition of the impossible debt burden faced by many countries and an acknowledgement of the failure of traditional structural adjustment programmes, renamed the Enhanced Structural Adjustment Facility (ESAF), and currently known as the Poverty Reduction and Growth Facility (PGRF).

1.13 The first Africa-EU Summit, held under the aegis of the OAU and the EU in Cairo in April 2000, also acknowledged both the seriousness of the debt crisis and its negative impact on poverty eradication. The EU renewed commitment to development assistance in addition to debt relief. The Summit noted that even on conservative estimates, African economies need to grow at 7% to significantly reduce poverty, and that this posed an enormous challenge if the mutually accepted international goal of halving absolute poverty by the year 2015 were to be achieved.

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time frame, though progress will not necessarily be at the same speed on all fronts. These actions need to be built on a sound macro-economic framework and institutions – good government, an effective legal system, a well-organised and supervised financial system, social safety nets and social programs. An overall conceptual framework, or shared vision, that captures the country's development aspirations, is needed to provide direction, consistency, and focus. The vision needs to be complemented by a strategy that sets out how the country will make progress. Such a holistic framework allows for more strategic thinking and better sequencing of policies, programs, and projects as well as better pacing of reform."

6. Although at a Joint Press Conference in Prague on September 28, 2000 with James D. Wolfensohn and Horst Köhler, new Managing Director of the IMF, doubts were raised regarding the degree of 'enhancement' of the HIPC initiative when James Wolfensohn, in response to a question on debt relief, stated: "There were high expectations, indeed, by some, but our expectations were to advance the implementation of the second round program of the enhanced HIPC facilities. There was no indication that I'm aware of, given by Horst or myself, that we were going to get deeper or broader. That was certainly something that Jubilee 2000 and many others had been hoping for."

7. The Enhanced Initiative for Heavily Indebted Poor Countries – Review of Implementation, prepared by the Staffs of the IMF and the World Bank, September 7 2000.

8. Debt Initiative for the Heavily Indebted Poor Countries (HIPC), September 5 1999.

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1.14 The World Bank and the IMF released its latest assessment of HIPC on September 7<sup>9</sup>. The report which takes into account 39 countries, with costing figures for 32 countries<sup>10</sup>, notes that, as of early September 2000:

“Ten countries will have reached their decision point (Benin, Bolivia, Burkina Faso, Honduras, Mali, Mauritania, Mozambique, Senegal, Tanzania and Uganda). Total debt service relief committed to these countries will amount to more than US\$16 billion or US\$9.2 in Net Present Value (NPV) terms. Added to this should be Côte d’Ivoire and Guyana which had reached their decision points under the original HIPC framework but have not yet been reassessed under the enhanced framework (bringing the total to US\$17.4 billion or US\$9.8 billion in NPV terms).

“Preliminary reviews under the enhanced framework will have been completed for seven countries (Cameroon, Chad, Guinea, Malawi, Nicaragua, Rwanda and Zambia). Preliminary costings indicate that debt service relief for these seven would amount to US\$15 billion or US\$8.3 billion in NPV terms. In addition Ethiopia and Guinea Bissau, considered under the original framework, will be reassessed under the enhanced framework. Three countries (Yemen, Ghana and Lao PDR) do not wish

to pursue relief under the enhanced HIPC initiative.”

1.15 The HIPC/PRSP connection is evident from the fact the ten countries noted in the first category are the vanguard of those completing PRSPs, with the second group the next wave completing I-PRSPs.

## THE BASIC FRAMEWORK OF THE PRSP

1.16 The PRSP’s objective is to promote poverty reduction strategies that are (a) country-driven; (b) results-oriented; (c) comprehensive; (d) partnership-based; and (e) framed within a long-term perspective. According to the Bank, a fully developed PRSP will offer a thorough discussion of the country’s progress on four main fronts:

- in poverty diagnostics based on good indicators of poverty reduction;
- shared societal vision on desired poverty reduction goals, reached through a participatory process;
- priority-setting in public action, focused on poverty reduction outcomes; and
- participatory processes to monitor implementation and progress in poverty reduction.

1.17 The minimum requirements for an Interim PRSP are:

- a) a commitment on the part of the authorities to poverty reduction;

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9. The Enhanced Initiative for Heavily Indebted Poor Countries – Review of Implementation, Staffs of the IMF and the World Bank, September 7, 2000.

10. Of the original 41 HIPC countries, Equatorial Guinea has been removed since it has a GNP per capita in excess of \$1,500, whilst the Gambia has been added. Both Ghana and the Lao PDR are excluded from the costing exercise since they have indicated that they will not seek assistance under the HIPC initiative. Hence the 39 countries in the costing exercise. However, an additional seven countries are excluded from the costing figures: a) Yemen, Angola, Kenya and Vietnam – whose debt is expected to be sustainable after the application of traditional debt relief mechanisms and b) Liberia, Somalia and Sudan due to the time it will take to resolve their protracted arrears with multilateral creditors and weak databases.

b) a summary of current knowledge about and analysis of poverty;

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- c) a description of the existing poverty reduction strategy;
- d) a three year macroeconomic framework and policy matrix;
- e) a description of the process for producing a fully developed PRSP in a participatory fashion<sup>11</sup>.

1.18 The World Bank recognises that the transition from an I-PRSP, which can be prepared using existing data and procedures, to a full PRSP could be a somewhat lengthy one:

“A period of transition is essential if PRSPs are to be developed without disrupting concessional assistance to low-income countries, including the assistance under the HIPC Initiative. The length of the transition period will vary according to country circumstances, including the starting position and progress in developing a poverty reduction strategy. Most countries will probably take up to two years to elaborate a PRSP.”<sup>12</sup>

1.19 The Bank has set out a number of instruments through which it can assist developing countries in preparing PRSPs. These are set out in Annex C.

1.20 Based on the recent World Bank/IMF progress report, the current level of experience is limited and primarily confined to interim PRSPs<sup>13</sup>. By the time of the spring meetings, the Boards had considered I-PRSPs for Bolivia, Mozambique and Tanzania, and HIPC Decision Point documents with PRSP content

for Mauritania and Uganda. As of September, the Boards had considered an additional twelve country documents – the first two full PRSPs for Burkina Faso and Uganda and 10 I-PRSPs (eight in Africa, one in Europe and Central Asia, and one in the western hemisphere). Countries such as Cameroon, Guyana, Nicaragua and Yemen are moving forward with the process and it is anticipated that, by mid 2001, some thirty additional I-PRSPs are expected, with ten or more full PRSPs.

1.21 It is noticeable, however, that the majority of countries in the first wave of PRSPs are completing, or plan to complete the transition from interim to full PRSP in a much shorter period than two years. Thus, of the eleven countries scheduled to complete new PRSPs before June 2001, three will move from I-PRSP to PRSP in 12-15 months; six in 9-12 months; and three in 6-9 months<sup>14</sup>. This is well inside the indicative two year period referred to above, and it poses particular challenges to the quality of participation.

### Civil Society Participation in PRSPs

1.22 It is notoriously difficult to define civil society since it is intrinsically pluralist, diverse and varied and any rigid definition would tend to be exclusive rather than inclusive. The World Bank defines:

“...civil society as the space among family, market and state; it consists of not-for-profit organisations and special interest groups, either formal or informal, working to improve the lives of their constituents. In

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11. According to Poverty Reduction Strategy Papers – Progress in Implementation, prepared by the Staffs of the World Bank and IMF, September 7, 2000.

12. Internal Guidance Note, World Bank, April 2000.

13. Poverty Reduction Strategy Papers – Progress in Implementation, prepared by the Staffs of the IMF and the World Bank, September 7, 2000.

14. Possible Country Timelines for PRSP, Interim PRSP, CAS, PRGF and HIPC Decision and Completion Points through June 2001, World Bank, August 2000.

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this sense, the Bank considers research and policy design organisations, labour unions, the media, NGOs, grassroots organisations, community-based organisations, religious groups and many others typical examples of the actors that comprise the dynamic web known as civil society”.<sup>15</sup>

1.23 For the purposes of this review, we have employed a wider definition, including the business community, since in most communities, business is not separate from the network of other social organisations.

1.24 In the PRSP process the nature of civil society participation has been left undefined. The IFIs have emphasised ‘national ownership’ in the PRSP which, they argue, obviates the need for more detailed criteria. The rationale for this is that it is difficult, if not impossible, to specify universal standards, given the widely varying levels of democratisation/participation, and the unique cultural and social conditions of each country. The formal position adopted by the Boards of the IMF/Bank, therefore, is that PRSPs will include a description of the civil society participation, but neither Secretariat will evaluate the quality of participation.

1.25 The Social Development Division has drafted a framework and set of criteria, but the Boards did not adopt these as a formal requirement<sup>16</sup>. In the suggested approach, a three country typology is proposed, ranging from a high level of civil society capacity/engagement to limited capacity, and then setting appropriate indicators which are described as

‘challenges/outcomes’. An elaborated list of tasks associated with each stage of the PRSP process has also been produced, together with an indication of possible inputs/outputs. Further a set of possible constraints and remedies is outlined.

1.26 This aspect of the Bank’s work, through which advice is offered to interested countries and civil society organisations, provides a useful theoretical framework for engaging civil society participation. It represents a strand of thinking which sees the PRSP as at the earliest stage of an iterative process, which will increasingly enable civil society to influence public choices within the budget allocation process. In practice, given the time constraints noted above this is not easy. A 1999 survey of World Bank managers showed that 93% of the managers surveyed about participation cited lack of resources, time pressure for processing operations and inadequate time as the major problems. 74% believe that participatory processes improve preparation, design and implementation.<sup>17</sup>

1.27 In conclusion, the state of play regarding the status of civil society involvement in PRSPs is fluid, and there is not a settled understanding of how this will be dealt with. The IFIs, by insisting on country ownership of PRSPs with a civil society involvement, and placing this at the centre of the policy evaluation, have to some extent lowered their own exposure and accountability for national policies; but, by not specifying the public participation criteria explicitly, have created, at least in the absence of any body of practice at this early stage, significant room for manoeuvre<sup>18</sup>.

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15. Working Together: The World Bank’s Partnership with Civil Society, World Bank, September 2000.

16. See Participatory Processes in the Poverty Reduction Strategy (draft) and Technical Notes, World Bank, April 2000. This approach is being used with some governments and CSOs to help design PRSP processes.

17. Task Manager Survey, World Bank, 1999.

18. For example, whether a military government could develop an argument that it has consulted civil society and met this PRSP requirement in the absence of any electoral accountability or choice is an

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## KEY CONCEPTUAL CHALLENGES

1.28 Whilst the PRSP is still in its infancy, it is increasingly evident that this initiative provides a useful framework and practical tool in the overarching goal of achieving sustainable poverty reduction and eventual elimination. Nevertheless, there are a number of areas, both conceptual and empirically based, which are worthy of further analysis and reflection.

### The PRSP as a Process

1.29 The role of PRSPs as a development instrument in achieving the long-term, locally-owned sustainable development goals of the Comprehensive Development Framework (CDF) and the idea of it as an instrument tied as a conditionality to the HIPC initiative, designed to provide rapid debt relief, are not compatible. Indeed, arguably they run counter to each other. This is tacitly recognised by the World Bank, which states<sup>19</sup>:

“The PRSP process is as important as its content. Sustained and meaningful public consultation in formulating, implementing, and monitoring the PRSP is essential. By definition, this activity must be locally driven.”

1.30 This is underscored in the recent CDF review which states unequivocally:

“Fundamentally, the CDF is about societal transformation. Over the long term, the criterion for judging the success of the CDF is better achievement of development goals.

At this stage, given the long term nature of the changes sought by the CDF approach, its comprehensiveness, and the short time span since the pilots began to be tracked, it would be difficult to link specific development results directly to CDF activities.

As the CDF itself recognises, however, the key to better development results lies in the processes that are put in place, so an early assessment of progress with the CDF must be vitally concerned with changes in process.”<sup>20</sup>

1.31 This inherent tension between an emphasis on process and the production of ‘quick fix’ results, which still places traditional macro-economic thinking at the forefront, is explicitly recognised in the September 2000 progress review by the IMF and World Bank:

“First, there is a tension between the need to move forward quickly with strategy preparation so that countries can obtain timely concessional assistance and debt relief, and the need to secure country ownership based on broad participatory processes. But the issue of the expected timeframe for moving from I-PRSPs to full PRSPs is increasingly coming to the fore. Both governments and development partners have expressed concern that preparation will require more time than is currently envisaged.”<sup>21</sup>

1.32 However, it is far from obvious that a simple extension of the time frame will, per se, be sufficient to fully address this inherent tension. Arguably, a

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interesting one. If so, it would suggest a highly technocratic approach to public participation. However, there may be countries with important geopolitical standing in just this position (e.g. Pakistan).

19. World Bank Guidance Notes, *ibid*.

20. Comprehensive Development Framework: Country Experience, World Bank, September 2000.

21. Poverty Reduction Strategy Papers – Progress in Implementation, prepared by the Staffs of the World Bank and the IMF, September 7, 2000.

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revisiting of the primary objectives of the PRSP should be undertaken, with emphasis placed on the goals and principles of the CDF and the International Development Targets rather than the shorter-term objectives of the enhanced HIPC initiative.

### Quality versus Speed

1.33 In addition to the 'speed and ownership' issue, is the tension between 'speed and quality'. The PRSP progress review points out:

“Countries have also noted that participation is a much more comprehensive concept than consultation, that governments will need to disseminate timely information to civil society organisations, and that efforts would be needed (including by development partners) to ensure that these organisations can play their important role in the process. NGOs have emphasised the need for genuine participation that involves a cross section of civil society including the poor. In the longer term, this approach would provide broader based support for policy change.”

1.34 This issue of 'speed and quality' refers both to the breadth and depth of participation and to data collection and analysis. The question is also relevant to the important developmental goal of enhancing the democratisation process. For the PRSP to be truly effective, democratic processes must be firmly rooted; culturally and gender sensitive; and proceed at an appropriate pace. In this regard, the kind of 'force feeding' demanded by the exigencies of speedy debt relief may prove counter-productive to good civil society-government relationships in the longer term.

### Development Choices

1.35 Over and above the question of time-frame, is the inherent tension between the principle of local ownership which underpins the CDF and the PRSPs,

and the fact that the IMF and the World Bank retain the prerogative of taking the decision on debt relief and concessional flows. The PRSP Progress Report states:

“Countries and partners see the PRSP as an important vehicle for placing poverty reduction at the top of the development agenda, for promoting the goal of 'pro-poor growth' and for encouraging a multidimensional approach to the realisation of this goal that includes raising rates of economic growth, investing in social sectors, and supporting governance objectives. However, partners have noted, as countries move from I-PRSPs to PRSPs, the need for detailed analysis between growth and poverty reduction, the role of institutional constraints, and the impact of past and present structural reform efforts on the poor, women and the environment. Donors and NGOs have expressed concern that the focus on short-term economic stability often comes at the expense of long-term sustainable development”<sup>22</sup>.

1.36 This is more explicitly noted in the progress report on the CDF and which states:

“Notwithstanding progress, the Bank will need to ensure that it provides active support to countries to fully incorporate the CDF principles in the PRSP process, in the same way that the principles should shape its own financial support. Before the introduction of the PRSP, the Bank and Fund had often not explicitly recognised the paramount importance of country ownership in a way that is operationally relevant. The challenge for their own programs and policy advice is to reflect this broader, more balanced approach with more time and policy space granted to client countries. To quote the July 21, 2000

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22. *ibid.*

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Okinawa G-7 Statement, ‘The Comprehensive Development Framework (CDF) and the Poverty Reduction Strategy Papers (PRSPs) should become the basis for table programmes that have strong ownership by the recipient countries’.”<sup>23</sup>

### Debt, HIPC, Ownership and Civil Society

1.37 It is important to record the widespread antipathy, among civil society groups and some governments, towards the HIPC initiative. The debt lobby – which has swelled into a global movement encompassing a whole spectrum of organisations – has fundamentally divergent views from the World Bank and the IMF on the HIPC initiative. This in itself poses a question of participation. As the PRSP progress report notes:

“there remains a perception that the PRSP process is dominated by the Bank and Fund, and uncertainty about prospects for change in this regard.”

1.38 Indeed, this point is addressed unequivocally in the progress review of the Comprehensive Development Framework which states:

“The Bank and development partners generally need to show more confidence in country ownership, by allowing the time and space needed for ownership to be expressed, and being prepared to let go.”<sup>24</sup>

1.39 It is interesting at this point to note that Ghana, one of the first countries, together with Bolivia to embrace the CDF process, and which is considered by the Bank at least, an exemplary case in

terms of participatory approaches by the World Bank<sup>25</sup>, has withdrawn itself from the HIPC initiative.

1.40 The overall scepticism regarding this issue of ‘letting go’ and changing the approach of the World Bank and the IMF, particularly to harmonise its approach with overall CDF and PRSP principles is well articulated in the September 2000 PRSP progress report:

“Some development partners are concerned that there will be limited flexibility and change in IMF supported programs in PRSP countries. NGOs have stated that IMF macro-conditionality for these countries remains stringent; that recent PRGFs are not different from previous ESAFs (for example in Tanzania and Honduras); that there are no references to changes in the macroeconomic framework with respect to integrating poverty reduction concerns, and that it remains unclear how full PRSPs will integrate a fully costed poverty reduction strategy into a consistent macroeconomic framework. Both donors and NGOs also stress that analysis of the equity and distributional effects of growth remains limited. Development partners in general recognise that structural weaknesses or distortions in land ownership, financial markets, the civil service, and the foreign trade regime can limit the extent to which the poor can contribute to, and share more fully in, economic growth. At the same time, many express concerns over the lack of analysis regarding the appropriate sequencing of structural reforms, the short- and long-term poverty effects of structural

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23. Comprehensive Development Framework: Country Experience, issued by the World Bank in September 2000.

24. *ibid.*

25. *ibid.*

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policies, and the action needed to offset any temporary adverse effects of reforms on the poor.”

1.41 Clearly these issues need to be taken on board if constraints on broad-based participation are to be overcome. Civil society organisations (and indeed governments) with limited capacity and scarce resources need to be convinced of the value of the exercise - that the game is worth the candle. This is particularly important since civil society is a very important reservoir of knowledge and perspectives on the very aspects of poverty which the new strategy seeks to include: sustainable livelihoods, marginalisation, and vulnerability.

## Conclusions

1.42 The increasing adoption of the CDF and the PRSP presents formidable challenges – to developing country governments, national non-state actors and, importantly, the donor community. The World Bank’s preliminary assessment of the CDF experience cites the support of the CDF given by the OECD DAC Ministerial Meeting held in May 2000. In articulating this support, the report states:

“Ministers recognised that CDF principles can be difficult to put into practice, because they may require fundamental change in the mindset of development agencies. However, they also stressed the need for such changes in order to make the most of the new development partnership, including through better engagement with local civil society, the use of sector-wide approaches, the simplification and harmonisation of procedures, and the delegation of authority where possible to field level staff. In this regard, they emphasised that there should be full coherence between the CDF and the Poverty Reduction Strategy Papers, which are to be prepared in accordance with CDF principles.”<sup>26</sup>

1.43 The PRSP constitutes a radical challenge to the entire development community. To meet its objectives will require a major shift in how development planning has been conducted over several decades; this is a challenge which will require consistent and durable application of effort in often difficult terrain. The following section illustrates the practical experience of this shift from civil society’s point of view in the case of three individual countries.

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26. *ibid.*



## SECTION II: THREE CASE STUDIES: GHANA, VIETNAM, ZAMBIA

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2.1 Section One sets out the background to the PRSP strategy; this Section presents three case studies - Ghana, Vietnam and Zambia – which describe the reality of civil society engagement with government in the PRSP process; and, since the PRSP is new, examines analogous interaction under the Comprehensive Development Framework (CDF) and other national policy planning exercises.

2.2 The case studies are based on extensive consultations with civil society institutions, government officials and donor agencies in the three countries. The fieldwork took place in April and May, for Ghana; May, for Zambia; and July, for Vietnam<sup>27</sup>. The consultants also visited Washington to discuss this work with the World Bank. A total of 120 individuals were interviewed for the case studies. The case studies were conducted at different times over a three month period, and there will, obviously, be subsequent changes to each national picture which the report does not capture.

2.3 The three countries vary in their success in addressing poverty. Vietnam has made the biggest recent strides in reducing poverty in the past decade, with Ghana seeing more modest gains; whereas Zambia has seen an almost unremitting growth in poverty over three decades. Each country, however, shares the fact of having a majority of its population live under or near the poverty line.

### GHANA

2.4 Although the problem of poverty throughout the country remains acute, there have been improvements in recent years in some areas and among certain groups.

2.5 The percentage of the Ghanaian population defined as poor fell from about 51% in 1991-92 to about 43% in 1998-99<sup>28</sup>. The decline, however, is not evenly distributed geographically, with poverty reduction being concentrated in Accra and in rural forest localities. In other localities poverty fell only very modestly, apart from the urban savannah where the proportion of the population defined as poor increased during the period. Corroborating this finding, a recent study reports that the perception of the poor is that their “problems have become more severe over the last decade and ...if current conditions prevail the problems will worsen in the future.”<sup>29</sup>

2.6 Increasing the impact of poverty reduction programmes is seen, therefore, an urgent priority for government action.

2.7 In 1986 the Government introduced its Programme of Action to Mitigate the Social Cost of Adjustment (PAMSCAD) to help the poor and vulnerable groups who suffered as a result of the economic policies implemented under the economic recovery programme and its constituent Structural Adjustment Programmes (SAPs).

2.8 Since the introduction of the PAMSCAD, the Government has undertaken a number of policies, programmes and projects especially aimed at improving the welfare of the poor. This has included Ghana's Poverty Reduction Strategy (GPRS) developed in 1995, which lays emphasis on economic growth, integrated rural development, the expansion of employment opportunities for the urban poor, and improved access to basic services such as education, health, water and sanitation and family planning services.

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27. The full case studies are included in Volume II.

28. The most recent Ghana Living Standards Survey, GLSS4.

29. Poverty Reduction in Ghana: Guidelines and options for the preparation of an agenda and strategy. Paper prepared for the Technical Committee on Poverty, National Development Planning Commission, Kweku. O.A Apiah, May 2000.

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2.9 The focus on poverty is being addressed through various planning processes, including the updating of the GPRS, the preparation of the second Five-Year Development Plan and the annual preparation of the Government's three-year budget framework, the Medium Term Expenditure Framework. Efforts are being made to co-ordinate these exercises, all of which should contribute to the PRSP.

### **Ghana's Poverty Reduction Strategy Paper**

2.10 The focus on poverty is part of the wider consensus building process involved in the preparation of the Ghana Vision 2002 and the updating of Ghana's Poverty Reduction Strategy (GPRS). These initiatives will be integrated into one process so that poverty reduction will be the main focus of district and sector plans. Guidelines are being prepared to assist District Assemblies and sector ministries in the preparation of their respective plans.

2.11 An important input into this work will be the Policy Focus for Poverty Reduction and the Accelerated Poverty Reduction Programme, a costed programme of poverty focused activities, arising from the Consultative Group meeting, which took place in November 1999.

2.12 Once the Second Medium Term Development Plan (MTDP) and Ghana's Poverty Reduction Strategy (GPRS) are complete, the Ministry of Finance will use these documents to prepare the Poverty Reduction Strategy Paper for presentation and approval to the Boards of the World Bank and the IMF.

2.13 In the meantime, the Government instructed a team of officials, supported by the local World Bank Office, to prepare a working draft of the PRSP. At that time, it was envisaged that the Paper would be based on existing sources, notably the documentation developed in preparation for the World Bank's Comprehensive Development Framework for Ghana.

2.14 The initial outcome of this work, entitled Development Strategy for Poverty Reduction, which it is envisaged would provide the core of the PRSP, was submitted to the IFIs in February/March 2000<sup>30</sup>. The paper formed part of the Government's contribution to the development of Ghana's Country Assistance Strategy (CAS)<sup>31</sup>; and, as such, represented an integral part of the negotiations to secure support from the Poverty Reduction Growth Facility (PRGF).

2.15 The draft PRSP, among other things, emphasises the need to strengthen civil society organisations and NGOs in order to "reinforce a durable partnership with the state" and identifies the following issues which need to be addressed:

- building and improving access to public information;
- capacity building for civil society organisations, including the role of civil society at the local level;
- developing the ability of rural people to participate in and influence policy-making beyond elections;
- creating a transparent legal regime for media practice; and
- capacity building for responsible journalism.<sup>32</sup>

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30. This was considered necessary in order not to delay the presentation of the new Country Assessment Strategy (CAS) to the World Bank.

31. The CAS will consist of a statement of Ghana's development strategy, presented to the Board by the Government itself, followed by an assessment from the Bank staff.

32. Paragraph 85, Development Strategy for Poverty Reduction, March 2000.

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2.16 According to the original timetable, the draft Interim Poverty Reduction Strategy Paper (PRSP) was to be finalised in January 2001 and the definitive paper formally presented to the IMF and World Bank in April 2001.

### Updating Ghana's Poverty Reduction Strategy

2.17 The Government has recently initiated consultations to update the 1995 Ghana Poverty Reduction Strategy (GPRS). This initiative will:

“employ participatory processes and, as far as possible, avoid the creation of parallel participatory processes that are not integrated into existing social and political structures. It will utilise the institutionalised structures, deepening the scope and role of stakeholders to ensure ownership and commitment to the process”<sup>33</sup>.

2.18 The process, which is being co-ordinated by the National Development Planning Commission (NDPC), recognises the need to ensure wide participation in the process including through:

- consultations on the situation analysis;
- consensus building workshops/meetings;
- public information campaign using the print and electronic media;
- provision of information through religious bodies, unions, citizens groups, traditional leaders, Non-Governmental Organisations (NGOs), and Community Based Organisations (CBOs);
- field visits, interviews, focus group discussions; and

- a Consultative group meeting on the final GPRS<sup>34</sup>

2.19 A number of core teams are being established to prepare the proposed situation analysis, to advise on policy development, and to identify targets. The Teams will be responsible for work on the following broad themes:

- Macroeconomic framework
- Employment
- Human Resource Development
- Vulnerability
- Governance

2.20 The core teams will comprise representatives of Government, the donor community and civil society. In addition it is proposed that fieldwork be undertaken to secure the views and needs of the poor. At each stage in the process the intention is to have wide consultation with civil society and other stakeholders.

### Civil Society Perspectives

2.21 In May, knowledge within the civil society organisations about the PRSP process was scant, with few people even having heard of it. However, the concept was welcomed by civil society bodies and there was a strong desire to participate actively in preparing the Poverty Reduction Strategy Paper.

2.22 This desire, however, was tempered by a concern that any such exercise must be more than just a formality: more than ‘window dressing’. There was a highly consistent view from civil society institutions that previous efforts to engage with

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33. ‘Updating Ghana's Poverty Reduction Strategy’, Address by Mr Kwamena Ahwoi, Minister of Planning, Regional Economic Co-operation and Integration, Accra, July, 2000.

34. See the draft Participation Strategy and Framework for Engagement, which sets out the approaches to be used in updating the GPRS.

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Government on issues of this nature have proved disappointing.

2.23 In particular, NGOs complained about a lack of commitment on the part of Government to the current Structural Adjustment Participatory Review Initiative (SAPRI), as well as to the difficulties experienced in securing transparency from, and effective participation in, the various Government-initiated poverty reduction programmes described above.

2.24 The churches expressed concern about the excessively adversarial and polarised nature of national politics, especially at the local level, and the lack of accountability in public life. The need for more political maturity was, in the eyes of the churches, linked to the potentially destabilising impact of the growing gap between the rich and the poor. Senior church people expressed concern that the impact of these problems meant that the Government was unnecessarily sensitive to criticism – particularly in regard to the economy. As a result, consultation, when it happens, tended to be little more than a formality. The religious bodies, however, remain keen to play a more active role in a national debate about poverty reduction.

2.25 The private sector is seriously concerned about the levels of poverty and accepts that sustainable poverty reduction should be the primary objective of economic policy. Although committed to the idea that the private sector must provide the vehicle for growth, the private sector feels that Government has been slow in taking it into its confidence on economic policy. There are meetings but little real opportunity to influence policy. Business leaders complained, for instance, that – even though they had been warning for some time of an impending foreign exchange crisis – the Government was unwilling to take notice.

2.26 The trade union movement, although keen to play an active role, was also sceptical about the Government's commitment to seriously involving civil society in the formulation of the PRSP, and had no idea how the Government was planning to manage this process. TUC officials complained that participation in Government sponsored fora often proved difficult – meetings were convened at short notice and sometime invitations arrived after the event had already taken place. Participation was also frustrating because, as in the case of the National Economic Forum,<sup>35</sup> there is often no political will to implement the agreed conclusions and recommendations. Initiatives are taken but there is no follow-up.

2.27 The Chairman of the Finance Committee of Parliament strongly supported the need to increase the effective involvement of civil society in the development of macro-economic policy in general and on poverty issues in particular. The Chairman recognised that there was a need to develop a national consensus on poverty reduction. This process, initially at least, must be locally driven and not involve the donors. However, it was problematic for the Committee to undertake its monitoring role effectively because of the difficulty of obtaining information from Government Ministries, a problem which applied equally to members from the majority parties as to the opposition. It was hoped that the Medium Term Expenditure Framework (MTEF), which was greatly welcomed by the Committee, would make the budgeting process much more transparent and easier to monitor.

### Comments and Observations

2.28 Large sections of civil society, therefore, expressed doubts about the Government's commitment seriously to involve civil society structures in the design and implementation of

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35. The National Economic Forum, September 1997, promoted and funded by USAID, was attended by some 400 delegates.

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poverty reduction strategies. This finding is at odds with the generally received view within the World Bank and elsewhere, that participation in the development of Ghana's CDF has been exemplary. Traditionally, economic policy and government expenditure has been hostage to a highly adversarial approach to politics. This is even more the case in regard to poverty. In the view of many, a new commitment would be required to alter this situation – amounting to little less than a change in political culture.

2.29 Ghanaians welcome the involvement of donor agencies, and the IFIs, even though they believe that such institutions must share the blame for the parlous state of the Ghanaian economy; and realise that, without such external support, the poverty situation would deteriorate rapidly. However, there were definite questions about the sincerity of the international community towards consultations. Thus, although the World Bank has made considerable efforts to consult with the trade union movement, particularly over the past twelve months, there was a lingering doubt about whether it was truly 'convinced' of the importance of this process, or whether it is looking for a 'quick fix': to secure support for its policies without really opening-up to a serious critique of its policies from civil society.

2.30 The issue of information is critical. The difficulties of gaining access to Government information, even that which is already in the public domain, was also highlighted by civil society organisations, as was the lack of credibility of much of the information which is provided by Government. The information provided by the Centre for Economic Policy and Analysis (CEPA), and other research bodies is considered more reliable than

Government sources but these institutions have limited resources. It was suggested that an independent facility, located within civil society, should be established to finance information collection and analysis around the issues of poverty. This facility should also have the resources to make such information generally available in a manner accessible to all sections of civil society<sup>36</sup>. The facility could commission work from existing research institutions, consultants, or appropriately qualified NGOs.

2.31 Even though the independence of the non-governmental sector is respected, the determination of who most appropriately represents civil society in general, and the poor in particular, is complex. In Ghana, there are some NGOs that are perceived as 'government-linked'. For example, the TUC said that the Government preferred to consult with more sympathetic institutions, like the Civil Servants Union (which is not a member of the TUC), than with bodies which carry real weight within civil society. Other organisations, rightly or wrongly, are seen by the Government as little more than a mouthpiece for the opposition. It is important to clarify the qualifications for participation. There is, for instance, a proliferation of NGOs some of which have little substance (even though they may be able to attract funding).

2.32 The organisations and individuals consulted hope that the PRSP process will have the effect of creating more space for civil participation in government decision-making and helping to overcome the increasing polarisation of society. For this to happen, however, considerable efforts will need to be made to create an improved framework.

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36. A similar idea was proposed by NGOs with the proviso that such a facility should focus on 'innovative' approaches to carrying out such research; and, in particular, deepen the involvement of poor people in such activities (e.g. through later generation Participatory Poverty Assessments).

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## VIETNAM

2.33 Vietnam had the best record in poverty reduction among developing countries during the 1990s. Overall, the total number of people living below the poverty line fell from 57% in 1993 to 37% in 1998. Growth has delivered improvements to poor people because of Vietnam's commitment to equity – but recent growth has slightly increased inequality, because urban development has outpaced that of the rural areas. The gains are impressive, but fragile: many millions are bunched just over the poverty line, and vulnerable to economic shocks or a downturn in the economy.

2.34 The PRSP was not introduced in Vietnam until the middle of 2000 in order to avoid complicating the planning already under way within the CAS/CDF. Its acceptance in 2000 as a planning framework by Government signals that an adjustment loan is likely to be sought from the Bank and IMF. The PRSP will require a diagnosis of poverty and how to reduce it, as well as structural reform policies in the area of banking, trade and state owned enterprises, and targeted programmes for the poor to address vulnerability and to address the adjustment costs. As part of this process, there are also joint donor and government working groups on the key sectors – rural, urban, transport, energy, health and education.

In essence, if, as seems likely, Vietnam opts for a PRSP, Government will simply 'slot in' the relevant work already carried out to produce a Comprehensive Poverty Reduction Strategy.

2.35 The country has a strong tradition of national planning. The national process currently involves three overlapping planning instruments: a five year plan for 2001-2005, due for adoption at the 9th Congress of the Communist Party in March 2001; a socio-economic development strategy for the period 2001-10; and a vision for the period to 2020. As noted above, these are the locus of Vietnam's social and economic planning.

2.36 In 1998 work began with the international community to develop a Country Assistance Strategy (CAS)<sup>37</sup>, and this was followed in March 1999 by a Comprehensive Development Framework (CDF)<sup>38</sup>, when Vietnam elected to become a pilot country for this World Bank programme. Vietnam is only required to produce a PRSP, if it chooses to borrow funds for structural adjustment.

2.37 When the Country Assistance Strategy (CAS) was prepared in 1998, normal World Bank practice was that consultation with government and the resulting documentation be confidential, although this practice is changing<sup>39</sup>. In contrast, in Vietnam,

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37. The CAS also spelt out a policy reform agenda that the Bank would be prepared to support through a structural adjustment loan. Planning of this moved very slowly from late 1998 to 1999 (because of disagreement within government and party on the direction and pace of reforms). Though these differences have gradually been resolved, it was not possible to submit the adjustment proposal to the Bank and IMF Boards during 1999. The Government of Vietnam has asked the Ministry of Planning and Investment (MPI) to start preparing this, and to have a document ready later this year.

38. The Comprehensive Development Framework (CDF) process is described below.

39. The complexity of this dynamic is illustrated by the following recent remarks by James Wolfensohn, World Bank President at the Prague meetings in September 2000: "Now about 85 percent of our CASs are now made public. We have said that so far as the Bank is concerned, we would make all of them public... and, in fact, we are trying to reach out and have discussions on the creation of country assistance strategies. In some cases, they are effective; in some cases, some members of civil society say this is Hollywood, there is no real substantial discussion. And it varies, frankly, by the country, by the people

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the CAS was prepared employing wide consultation, with International NGOs, mass organisations, local NGOs and donors, in co-ordination with the UN system's strategic planning exercise, and the final CAS was published.

2.38 The CAS put poverty reduction (in particular through rural development) as the central objective of the lending and analytical work for the future, and announced that the 1999 Vietnam Development Report (that the Bank prepares each year for the Consultative Group meeting) would be on poverty.

2.39 To guide the preparation of this report the Bank also initiated the Poverty Working Group (PWG), comprising representatives of relevant government agencies, donors, and INGOs. Early in this process, it was decided that the poverty report should be a report of this PWG, not of the Bank – like the publication of the CAS, this was also a first for the Bank. Vietnam: Attacking Poverty is the output of the PWG.

2.40 Early in 1999, the Government invited the Poverty Working Group (PWG) to advise it on a poverty strategy for incorporation into its 5-year plan and 10 year strategy to be submitted to the 9th Party Congress in March 2001. This was formalised by the Consultative Group (CG), and the Prime Minister has instructed the responsible Ministry to work with the PWG to prepare a Comprehensive Poverty Reduction Strategy (CPRS), which will inform the government's planning process, and thereafter would be agreed by government and donors in June 2001 – in effect, turning it into a donor support strategy for the government's poverty effort as set out in the 5 year plan.

2.41 The report Vietnam: Attacking Poverty is a joint government, donor and NGO initiative is forms the centrepiece of the innovative policy exercise involving the international community and Government. It is part of the work of the Poverty Working Group (PWG) and builds on the Government's quantitative measures of poverty in the Vietnam Living Standards Surveys (VSSL) by adding a qualitative assessment of poverty through Participatory Poverty Assessments (PPAs) – jointly designed and managed.

2.42 The four PPAs involved four international NGOs, the Vietnam-Sweden Mountain Rural Development Program, ActionAid Vietnam, Oxfam GB and Save the Children Fund (UK), and involved more than a thousand households. This work brings into the policy debate input from a wide range of poor Vietnamese, and hundreds of decision makers at various levels of society – from local and provincial officials, mass organisations, and local Vietnamese professionals and NGO structures. The major strength of this exercise is that it has been translated into policy issues in a way that offers options and challenges to the Government, without being prescriptive. Its significance in policy terms is enhanced by its timing – providing potential input to the development of the next five-year plan for Vietnam.

2.43 The report will be followed up through the continuation of the Poverty Working Group, which will prepare a draft comprehensive poverty strategy for the December meeting of the Consultative Group. As the report states “while the process of working on (the) Report has led to a shared perspective on the nature of poverty-related problems and their causes,

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that I have in the field and by the NGOs. Sometimes they get on and there can be discussions.....As to the question of transparency and disclosure, you have got to understand that I report to a Board of Directors. The Board of Directors is not homogeneous. Some of the members of the Board of Directors feel warmly to civil society. Others of them feel a lot less warmly. They regard the function of putting projects together as being a government function. So, what we are doing is trying to bring the Board along with an ever-increasing amount of disclosure” Prague, September 22, 2000, World Bank website).

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there has yet to emerge a shared view on the strategy needed to move forward". It appears that the issues raised in the report have prompted reflection, debate, and are contributing to internal policy discussions under way within Government.

2.44 The next stage in the process is for the Poverty Working Group to provide input on the sectoral strategies and their impact of poverty reduction in the comprehensive poverty reduction strategy to be put in place for early 2001, at which point Vietnam would be ready to submit an Interim PRSP. As of June 2000, Government had yet to agree with the Bank the process by which this would be completed.

2.45 As noted above, the roots of the innovative aspect of the poverty reduction discussions between Vietnam and the international community lay in the decision to develop the joint, comprehensive anti-poverty strategy in 1998, and the subsequent establishment of the Poverty Working Group (PWG). While the work to date is impressive, the real output will only be known once the 5 year plan is finalised and there has been an opportunity to evaluate it in operation. For example, the Prime Minister has told the Bank that the Government wishes to produce a shortened version of Vietnam: Attacking Poverty for national distribution in Vietnamese – it will be important to see how this official version deals with the implicit critiques of the current poverty reduction strategy.

### **Civil Society Perspectives**

2.46 The Communist Party, which establishes the policy framework within which the Government operates, sets policy goals.

2.47 The most important avenues for participation for the majority of people are local government structures and the mass organisations (MO). These structures are all tied in closely with the Communist Party and debate on policy options outside the confines of the Party and Government are unusual.

There are also a number of non-governmental organisations, both local and international, involved in community development and poverty related work.

2.48 Few of these bodies have had any exposure to the PRSP (since this has not until recently been a formal subject matter within government) before the middle of 2000. There is, however, significant involvement on the issues of poverty and social welfare throughout society.

2.49 The principal mass organisations – women, youth, labour and farmers – are the major social institutions in Vietnam, involving million of citizens. The mass organisations are closely integrated with the Government and Party. Together with local government they provide a strong link with government, and are both a parallel delivery mechanism for welfare and credit programmes, and an important source of feedback on the impact of government programmes.

2.50 NGOs are a relatively new phenomenon, and there are still only a handful of independent Vietnamese bodies that are engaged in social and development work. They are mainly situated in Hanoi and Ho Chi Min City, but some have regional outreach. There has been a growth of Community Based Organisations (CBOs), through the establishment of special purpose co-operatives, savings and credit associations, water user's associations, medical volunteers, village development committees, and bodies such as committees for the protection of street children. The character of these varies – some are quite independent of government, others include the direct involvement of local and provincial officials, and representatives from the mass organisations. The growth of CBOs and NGOs is likely to accelerate as the government seeks to encourage communities to take a greater practical and financial role in development projects.



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2.51 Local NGOs are required to register under the relevant national scientific or research association, which is part of the network of mass organisation. Although they operate without restrictions, and there have recently been legal initiatives to allow the formation of the equivalent of local charities<sup>40</sup>, they lack full recognition, or a shared understanding of their role. Many prefer to be described as “social organisations”, since the term “non-governmental” may be seen to imply estrangement from the state.

2.52 The Government did not agree to inclusion of local NGOs in a NGO Forum held in June 2000 as a part of the preparatory work for the Consultative Group. Government agreed to a Donor-NGO Consultation, but told the Bank only to include international NGOs, not local ones, and instead invited some Mass Organisations’ representatives to the meeting.

2.53 Notwithstanding these constraints, there are plenty of examples of good co-operation between Vietnamese NGOs and government structures, particularly at the local level, and through their working relationships with donors and international NGOs. Furthermore, although the Government has been hesitant to involve local NGOs directly in its formal discussions with international partners, several have been, and remain, important contributors in the Poverty Working Group (PWG). Some of the most important input to the seminal report Vietnam: Attacking Poverty was made by professionals from these bodies, through their work on the participatory poverty assessments.

### Comments and Observations

2.54 At the apex of the Poverty Working Group, the process has involved a sufficiently wide range of actors – from the mass organisations, NGOs and poorer communities – to bring their views into the

debate about the nature and causes of poverty within the country, and, at least implicitly, has set out choices facing Vietnam in choosing policies that are capable of meeting the needs of the poor. This consultative process is healthy, but is still at an early stage, and its real impact will not be fully measurable for some time.

2.55 The perspectives of CBOs and local NGOs have been included in the development of poverty strategy. However, this not been achieved by formal representation of their views in a consultative structure. It has mainly been through the mediation of their partnership with international NGOs and donors, via the PPAs and the Poverty Working Group. In this way, they have strengthened the input of poor communities without requiring a formal change in the organisational structures.

2.56 International NGOs (INGOs) in Vietnam occupy an unusual position. They are playing a direct role in the development of a comprehensive poverty reduction strategy. Their good standing with the Government is based partly on commitments made by some of the most active agencies when Vietnam was still isolated by most western countries, and by their commitment to development over many years. The international NGOs have also been critically supportive of the poverty focus of the World Bank and official donors, and their involvement in the Poverty Working Group and in bringing the perspective of local partners into its work made a particularly important contribution to this. British NGOs have played a role in this work, with three of the four participatory poverty assessments facilitated by them.

2.57 There has been good donor coordination. DFID has made an important contribution to the poverty reduction strategy by supporting its at the earliest stage, through the provision of technical

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40. Decree No 177/1999 on “Promulgating the Regulation on Organisations and Operations of Social Funds and Charity Funds”.

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assistance to the Bank, and has followed this up by funding the PPAs, and remaining close to the overall policy process as it has evolved within the Bank and Government coordination.

2.58 In terms of the participation of civil society, its involvement has been helped by the initiatives that the Government itself is taking to promote greater participation in Vietnamese governance. But the CAS/CDF/PRSP process has not really contributed either way to the emerging institutional complexity of civil society – the governance environment – which, while still dominated by structures tied to the Party and Government, is gradually becoming more

diverse. This change is taking place on a larger canvas than the PRSP can occupy.

2.59 Vietnam is an important case study for poverty reduction, because of its overall economic success, and because it illustrates effective institutional co-operation arrangements between the Government and other actors in developing poverty reduction strategy. It has taken almost three years to complete this cycle of work – including the time taken to set up the working arrangements. However, the fact that Vietnam is a one-party state complicates the extension of general lessons learned to other countries; although the institutional model is replicable.

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## ZAMBIA

2.60 Zambia is profoundly poor. Key social indicators place it in the bottom portion of the list of countries (with an HDI ranking of 153 out of a total of 174 countries), and it is the only country in the world not at war whose Human Development Index (HDI) is falling. Between 1975 and 1997, GDP per capita fell by more than 30%, with the past fifteen years seeing one of the most rapid economic declines in sub-Saharan Africa. The latest official survey shows that poverty is still rising, with rural poverty at 83% and the national average 73% of the population.

2.61 The most important policy landmark, prior to the initiation of the PRSP process, was the launch in 1997 of a broad-based plan to cut poverty levels from 73% to 50%. The National Poverty Reduction Strategic Framework (NPRSF) prepared in 1998 was developed within the framework of Zambia's commitment to the Copenhagen Social Summit, with significant interaction with key civil society organisations. As part of the strategy, the Ministry of Community Development and Social Services was appointed as the focal point and coordinator for all poverty reduction programmes and charged with preparing the National Poverty Action Plan (NPAP). This was begun in late 1998, following further consultations with civil society and at the provincial level, and the draft was considered at a national consultative meeting in January 2000.

2.62 The NPAP is currently with Cabinet and has not yet been approved, and it appears likely that it will be subsumed into the PRSP process. The PRSP working document notes that the PRSP will rely heavily on the groundwork undertaken for the NPAP.

2.63 The working draft of the Interim PRSP (I-PRSP) was made available by the Government to NGOs and other civil society bodies in April. The unit managing the PRSP process, the Poverty Reduction Advisory Unit, met in April with NGO representatives, to outline the Government's

proposals for the preparation of the PRSP and to draw up the participatory framework for it.

2.64 The Government has stated that given time pressure, consultation on the I-PRSP has been confined to government institutions. At the same time, the Unit is making efforts to set the stage for the full PRSP consultation process, and has planned a series of seminars for "stakeholders" including parliament, the media and NGOs, to brief them and allow input into the planning process. There seems to be an acceptance all round that substantial issues of participation can only be addressed in the preparation of the full PRSP. This is in line with World Bank guidelines for the I-PRSPs and the PRSPs. Given limited capacity in government, external consultants will be appointed to assist in the latter, and donors have been asked to finance it.

2.65 The I-PRSP does, however, elaborate the proposed framework for participation. With overall policy established by a Committee of Ministers (the Steering Committee), it is envisaged that a Technical Committee of Permanent Secretaries will coordinate its preparations. This committee will spearhead the consultative process with stakeholders through the establishment of sub-committees and working groups in which representatives of civil society will participate.

2.66 The plan also envisages a stakeholders' seminar to review the process and to seek views on the proposed timeline. Additional consultation in rural areas is envisaged through seminars convened by District Administrators with experts, a representative of traditional leaders and NGO/church personnel. Government favours building on the existing civil society work on poverty issues in Zambia, rather than launching new initiatives which the World Bank has indicated it is willing to fund (for example, carrying out participatory poverty assessments).

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2.67 The draft strategy elaborates the key tasks of the consultations and consensus building which are to include:

- (a) development of the poverty profile;
- (b) setting priorities for poverty reduction;
- (c) designing public actions backed by the budgetary process; and
- (d) monitoring poverty, public expenditure and service delivery.

### Civil Society Perspectives

2.68 In June, although detailed knowledge was limited, there was an awareness of the new PRSP process among civil society structures in Zambia, and a discussion on this between Government and key organisations has begun. There is a willingness on the part of both sides to work together in preparing the Poverty Reduction Strategy Paper.

2.69 Over the past few years, there have been significant interactions between government and civil society structures on poverty, including a national conference on debt and poverty relief addressed by the Minister of Finance in February 2000, and on other areas of social policy, gender, and governance. A solid fund of experience of government-civil society consultation thus exists.

2.70 There is a universal view among those civil society structures consulted, that Government has not treated civil society as a genuine partner in these consultations. NGOs, churches, business and unions identified a lack of commitment on the part of Government to sharing information, or taking seriously their participation in the various Government-initiated dialogues. Some feel that the process has been a waste of time, since their input has been ignored.

2.71 The churches have taken a leadership role on the question of poverty, and much of the monitoring and documentation of living conditions in communities has been through the Justice and Peace Commission's Structural Adjustment Programme (SAP) Monitoring Project, which has produced regular analyses of poverty, and generated a budget monitoring programme to analyse government spending plans and performance for the past four years. The Ecumenical Steering Committee, and co-operating partners from the NGOs, unions and business, also form the Jubilee 2000-Zambia campaign on debt and poverty reduction. The debt campaign explicitly links debt cancellation<sup>41</sup> to poverty reduction by proposing a debt mechanism, whereby savings would be applied to new spending priorities identified and monitored jointly by civil society and Government. As a result of this work, relations between the church and government have at times been strained. Nevertheless, the Minister of

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41. On average, HIPC countries are only paying half their debt. Much of the debt which will be cancelled is not being serviced and therefore the cancellation will not release monies into governments' budgets. Whilst some countries' debt servicing will decrease – for example, Zambia's debt payments should halve – others will receive little benefit. This illustrates a serious problem in the HIPC initiative – debt cancellation is calculated on the basis of export earnings, rather than on how much debt cancellation a country needs in order to invest adequately in human development. Using a human development measure, it has been calculated that 10 African countries – including Tanzania, Ethiopia and Mozambique – would need a 100% debt cancellation. The potential benefits of a human development centred approach to debt relief which would free up resources for social sector investment are enormous. According to UNDP, a 1% increase in the portion of the government budget spent on health and education would reduce child deaths by 24%. See *Towards True Partnership: EU Africa Position Paper*, Trocaire, March 2000.

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Finance has publicly recognised and stated his appreciation for the role played by the church in the debt cancellation campaign.

2.72 The private sector and the unions participate in the debt coalition. The private sector's major lobbying effort with government is to promote economic conditions for growth. This reflects the preoccupation of the private sector with the difficult general economic environment: the high costs of production, poor infrastructure and a complex tariff environment which are hindering investment and seeing many company closures. The main concern of the unions is collective bargaining. Both expressed criticism of the government's lack of effective consultation with them on governance and economic policy matters.

2.73 The NGO community has played an important role in promoting a poverty focus in Zambia, particularly in relation to Zambia's participation and commitments relating to major international conferences, such as the Beijing Conference and the Copenhagen Social Summit – and in encouraging the development of concomitant national policies. The role of the civil society in promoting development and the poverty reduction agenda has thus been significant. With the exception of the business community, civil society has also challenged the emphasis on growth as the principal means to address poverty, and has joined Government criticism of the policy prescriptions of the IMF and World Bank<sup>42</sup>.

2.74 The NGOs are highly critical of the way in which the consultation exercise with government has worked over the past five years. They feel that there is a pattern in which NGOs are initially invited to provide input and, where government does not agree with suggestions, they are ignored; but the participation itself is used to lend legitimacy to the exercise.

2.75 The NGO strategy document on the PRSP process, states the “most important resource base needed for poverty reduction is the poor themselves”. The definition of poverty is an important first step before strategies to combat it are determined, as is the agreement of who should be consulted. In this regard, for example, all civil society structures were sceptical of the ability of district administrators, who are seen as party appointees, to effectively include the poor in rural consultations.

2.76 The media has provided significant coverage of debt issues and the poverty reduction strategy. However, the media is polarised – the government-owned media is seen to be controlled, whereas the independent media is seen by government to be irresponsible and biased. This creates a difficult environment for information and analysis as the basis for a genuine public debate. There is, in addition, a need to improve the capacity of journalists to handle the economic issues associated with the PRSP. There is also a need to provide funding to subsidise the costs of making information available in local languages. This is expensive and it is beyond the means of most civil society organisations to fund activities on the scale necessary for broad-based participation. Equally, the government lacks funds and the cost of information provision is an important obstacle to wider public participation in the PRSP process.

## Comments and Observations

2.77 All stakeholders are aware that underlying this problem is a lack of an established culture of consultation. In this context, it should be remembered that Zambia only ceased to be a one-party state a decade ago. The organisations of civil society itself are generally young, and do not speak with one voice. For government itself, public consultation is new. Tensions between Government and civil society have been, and will remain, complex.

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42. “... the policies (of the World Bank and IMF) emphasise economic growth without due regard to human development” NGOCC National Chairperson to IMF Public Affairs Seminar, April 26, 2000.

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The general climate of pluralism and respect for democratic values is an underlying issue for all Zambians.

2.78 There are two distinct issues here: first, measuring the level of commitment to consultation; second, assessing resources and skills which are needed by both sides to make consultation work. Civil society wants a process in which the Government provides a conducive environment for meaningful participation.

2.79 One outcome of the projects on poverty reduction is that the churches have established, over a period of several years improved economic literacy, and a basic capacity to analyse and engage with government on these issues, utilising the grassroots across the country. Taken together with the bases of the other civil society structures in the coalition, they are an important channel for the views of the poor. They also generate recommendations and analysis, which are novel and relevant to the poverty debate. The development of alternative approaches to growth, which emphasises the opportunities to use

poverty reduction as a focal point for growth, is a recurrent theme in much of the research work being carried out by academics associated with civil society, and is a potentially important source of ideas for pro-poor growth strategies.

2.80 Who represents civil society, and who represents the perspective of the poor? NGOs/CSOs do not have a single voice, and the review in Zambia concentrated on those which have an advocacy role rather than being concerned solely with service delivery. The World Bank's partnership with civil society is built upon the recognition that civil society organisations often have closer contact with the poor and can offer valuable insights and perspectives that differ from other stakeholders. CSOs may be better able than government or official actors to help the poor through provision of direct services and through assisting the poor to identify their most pressing needs and concerns. CSOs' local knowledge, expertise and ability to foster and promote people's participation often given them strong comparative advantages in addition to making them valuable and experienced allies in development.

3.1 In the light of the above, what, if anything, has the PRSP changed for civil society? The involvement of civil society organisations in national and global development policy has been growing throughout the past decade, as a natural consequence of both democratisation and globalisation. There are many constraints on this – some political and some practical. The PRSP approach is not unique in this respect, since the principle of civil society involvement is also reflected in the Comprehensive Development Framework (CDF), and other international policies.

3.2 However, its link to debt relief, to new loans, and to a resonant goal – poverty reduction – has given the PRSP a higher political profile and status. It is assuming a position of *primus inter pares* within an array of official development assistance policies.

3.3 This section draws together lessons learned from the three case studies as well as other source material. These indicate that the PRSP process, because of its direct link to new development assistance and debt relief, has increased the attention of governments to the role of civil society in the setting of national economic goals.

3.4 The following sets out some of the findings on various aspects of civil society participation: the governance environment; whether there are patterns to civil society involvement; consultation versus participation; the timeframe; ground rules; capacity; implementation; and the role of donors. It concludes with a summary of key points.

### **A Supportive Governance Environment**

3.5 A clear picture of the governance environment, and the degree to which the government is willing to engage with social actors on policy issues is essential in order to develop strategies designed to enhance civil society participation. The nature of interaction between the State and civil society depends on the prevailing system of governance – of rights to

information, accountability and transparency – and respect for democratic practice. This provides an important backdrop for the PRSPs, and is a factor that needs to be addressed substantively within each PRSP.

3.6 In many countries, there is a significant recent history of civil society engagement with global development policies in general, and poverty reduction strategy in particular. This is due in part to the efforts of NGOs and others to assert themselves in the policy debate. More recently, international efforts – from Copenhagen and Beijing – as well as the lending framework of the World Bank and IMF, have made such interaction a *sine qua non*. The issue of civil society participation, therefore, is not new, nor was it created by donors – it is the PRSP that is new.

3.7 The level of political commitment to participation is a critical factor which influences the freedom of manoeuvre of the public service, and its ability to create an effective partnership with civil society structures. Unless the process is supported at Cabinet level, or Head of Government, or at least, there is willingness not to obstruct a new participatory process, the output from participation will be limited.

3.8 The private opinions of officials confirm that government often has seen the consultative process within the PRSP more as a technical requirement to access loans, than as a novel way of helping to define national economic and social priorities.

3.9 No government is, however, monolithic. The three case studies indicate that the preparation of a poverty strategy creates opportunity to improve co-operation and innovation. Even when previous experience has been disappointing, for example in Zambia, consultation is still seen as a worthwhile objective on all sides. The same applies in Ghana.

3.10 Thus even in difficult environments there may be openings due to the willingness of a Minister, or

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senior official, or the skills of a persistent NGO, to get a process moving. For example, although it did not form part of this study, evidence from the PRSP process in Kenya shows that it has been creative and productive; despite a generally poor atmosphere of relations between the Government and civil society. Similarly, civil society organisations in Lesotho, despite successive governments' patchy record of consultation with them, have agreed to propose a poverty reduction forum, and to participate in the committee set up to prepare the PRSP.

3.11 On both sides there are likely to be differences in the level of commitment to co-operation. The strategy to support civil society participation needs to be able to identify and reinforce the efforts of supporters on both sides.

3.12 The role of Parliament and parliamentary institutions is important. Two entry points in parliament are – Finance and Account Committees (for budget oversight and public accountability), and individual members of Parliament (who should be aware of local priorities). Their participation significantly enhances the scope of civil society engagement. There can always be a question over the democratic legitimacy of civil society bodies, and the involvement of elected representatives, including local leaders, and Parliamentary institutions helps to broaden the inclusivity of the participation process, and support for the PRSP strategy.

3.13 The involvement of media is critical if there is to be enough information to sustain national debate about priorities.

### **Civil Society – Patterns of Involvement?**

3.14 Drawing general conclusions, on patterns of civil society involvement, on the basis of a few examples is risky. In each country local judgements are required.

3.15 The character of the NGO community engaged with poverty strategies including the women's movement and specialist organisations dealing with rights, is unique in each country. In some respects, in terms of civil society participation the three case studies illustrate this point well. In Zambia, the churches have been the leading player in civil society engagement on poverty and debt. In Ghana, the local NGO community. In Vietnam, international NGOs have played a critical role as facilitators, bringing the views and perspectives of their local development partners to the table. The acceptability of any – of churches, local NGOs and international NGOs – would vary widely in any country discussed.

3.16 The private sector and unions see job creation and employment as the key to tackling poverty. The private sector tends to give priority to the need for macroeconomic stability and puts emphasis on growth as the key to poverty reduction. Unions have a social and economic policy role, but their primary interest as collective bargaining bodies with the State is more critical for them, especially in poorer countries in which the civil service is the major employer.

3.17 The exclusion of the private sector from the definition of civil society by the World Bank is technical, reflecting an effort to separate non-profit from profit making bodies. The local business sector is drawn from the community, especially in poorer and more disadvantaged communities, and its inclusion in the wider civil society equation is important. The evidence of the three case studies shows that the business community can and should be accommodated within the civil society coalitions.

3.18 The churches and faith communities are potentially important for a number of reasons. First, most have a long experience of managing relations with the State, and are well attuned to the constraints and opportunities of interaction with government. Secondly, they have played an important international role in the debt campaign,



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which has partly caused the creation of the PRSP framework (although the debt campaign has specifically rejected the link between debt relief and the PRSP, arguing for debt cancellation, rather than measures to manage it). Thirdly, they have large constituencies at the grassroots and a measure of independence from government and donors due to the extensive international church networks.

3.19 Does Civil Society represent the Poor? It is important that this question be asked in the process of the PRSP, and that the process of gathering information and perspectives invest enough time to allow disempowered communities to express their views. Mass-based organisations – churches, trade unions, the women’s movement – are best at providing channels to the poor. NGOs can help to bring resources and capacity, but themselves may not adequately reflect the interests of poor communities. In general, the wider the civil society coalition, the less the danger of making assumptions. This argues for broadly based coalitions with a wide range of institutions at the local and national level.

3.20 Participatory Poverty Assessments (PPAs) are an important tool for understanding the dynamics in poor communities. The case studies offer one insight into the use of PPAs. In Zambia a well-regarded PPA was carried out in 1994, but it was not mentioned in the consultations with either civil society or government. In Vietnam, the conduct of the PPAs within the framework of the Poverty Working Group (PWG) – as a mandated exercise of all partners, including government – embedded it at the heart of the policy dialogue. Joint commissioning and assessment of work was a key factor in overcoming government scepticism of previous PPAs – helping ensure that it did not become just another report on a shelf.

3.21 In each of the countries reviewed there were effective working relations between the churches, NGOs, business and labour. This suggests, therefore, that it is possible to build wide coalitions of civil society around poverty issues.

3.22 One lesson emerging from the case studies is that for civil society to engage there needs to be a focal point for the work – an organisation which can coordinate and develop the work of a coalition or network – and which has the resources to do this job. This improves effective interaction with the government, but can take time to establish.

### Consultation and Participation

3.23 The review highlighted the inherent weakness in narrow consultative models – where government brings a variety of actors together often on an ad hoc basis, to comment on major social and economic policy documents. The weakness of this type of consultation – which relies on ‘meetings’, ‘workshops’ and little else, is shown in the case of both Ghana and Zambia. This type of consultation may make sense where both sides have an established relationship, clear policy positions, and there is a relatively narrow scope for decisions; but in relation to setting major national priorities, creating public understanding and support, and managing loosely-defined relationships between participants, is not surprisingly, ineffective. Its ineffectiveness is precisely the reason that many in civil society see this type of ‘consultation’ as tokenism.

3.24 It is useful to contrast this type of ‘consultation’ with a broader concept of ‘participation’. Vietnam illustrates this, but Uganda with its structured arrangements for popular participation around poverty reduction, is another case. The characteristics of this type of approach are well described in the recent IDS Working Paper on participation in poverty reduction strategies<sup>43</sup>. This

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43. Participation in Poverty Reduction Strategies, Rosemary McGee with Andy Norton, Working Paper 109, IDS, May 2000.

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spells out increasing levels of participation in a 'ladder of participation' from information sharing, to consultation, joint decision making and finally, initiation and control by stakeholders.

3.25 This typology is not exhaustive, nor does participation have to proceed through definite stages. In the case of Vietnam, the participatory model has at its core the sharing of information, tasks, and assessment of output; diversity of institutional partners; and finally, clear control exercised by the Government in managing the process. Real consultation is a multifaceted process taking place over a number of years, and not a series of ad hoc workshops.

3.26 There is a danger that the trilateral partnership<sup>44</sup> envisaged in the PRSP – between the international community, civil society and government, with the latter at its apex, is supplanted with a set of bilateral relationships. While there is a natural tendency of the IFIs to work directly with both government and civil society to help meet deadlines, this pattern is counterproductive – the most important relationship is between government and civil society – not, as seems to be a fairly common situation, between the IFIs and the government.

### What Time Frame?

3.27 The success of the Poverty Reduction Strategy process depends crucially on a more inclusive governance system. However, the development of democracy and pluralism, as well as the growth of civil society institutions are long-term phenomena, which require sustained support.

3.28 The timescale for the debt relief envisaged within the Poverty Reduction Strategy Process, and that required to build good interaction with civil society around spending priorities and service delivery are of a quite different order – the former has timetable over 1-3 years, the latter is an historical process within a society.

3.29 The argument for placing the PRSPs in a long time frame is compelling. In the case of Vietnam, two to three years was required to build a joint management process, to commission work and to formulate policy issues. By contrast in Burkina Faso the HIPC/PRSP process was to be dealt with in a "consultation with donors and civil society" lasting only one and half hours – subsequently reviewed by government after comments by the European Commission<sup>45</sup>. The EU has recorded concerns, especially in West African countries that the PRSP has commenced "with an initial focus on getting documents in place quickly and an insufficient attention given to the issue of both attention and donor coordination"<sup>46</sup>. This example itself illustrates the pressure which the HIPC train has placed on many governments.

3.30 The danger of proceeding too quickly is directly linked to the HIPC timetable. As the EU Development Commissioner stated in a letter to the IMF "the drive to put PRSPs in place, for example because of the demands of HIPC, often (leave) us (and I suspect other donors) trailing in the wake of the Fund and Bank".<sup>47</sup> If the donors find it hard to keep up, how much more difficult for civil society.

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44. It is beyond the scope of this report to examine the concept of 'partnership' in detail. For a full consideration see *Partners, Collaborators or Patron-Clients: Defining Relationships in the Aid Industry. A Survey of the Issues*, Charles Abugre – ISODEC, Ghana.

45. European Commission, *Poverty Reduction Strategy Paper, Guidance Note to Heads of Mission*, May 2000.

46. *ibid.*

47. Letter from Commissioner Nielson to IMF Managing Director (Undated), EU Website.

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## The Need for Explicit Ground Rules

3.31 An effective participation exercise for the PRSP should have two definite characteristics. First, the active involvement of key civil society stakeholders, and second, be clearly led and managed by Government. Without these it is unlikely to succeed.

3.32 Whatever the scope of involvement the Government decides is appropriate, it is important that the ground rules should be simple, clear, and comprehensive, and be respected by all sides.

3.33 The ground rules for engagement for civil society participation in the PRSP and other processes need to be discussed and agreed in advance by Government and representative civil society structures. These consultations should include the criteria for participation, where preference should be given to civil society bodies which – through their structures – give an effective voice to the poor, and the rights (for instance, to access to information) and the responsibilities (for instance, in regard to confidentiality).

3.34 Time is required for material to be prepared in accessible form, including local languages. A Government commitment to provide information, and report back on the decisions taken for the final document is needed. As a minimum, the time needed for documents to circulate in advance of discussion also needs to be agreed.

## Capacity

3.35 An assessment of the organisational capacity of both government and civil society to carry out basic research, and to translate this learning into a policy framework (i.e. to connect it to current government policy, and to define future options) is vital.

3.36 Capacity within Governments needs to be strengthened in:

- Policy analysis;
- Data collection, including gender-disaggregated data, for policy analysis, monitoring and evaluation;
- Consultative and participatory processes; and
- Dissemination of information.

3.37 The existence of a solid statistical base on living conditions was a critically important platform for policy development Vietnam. Doubt about the objectivity of statistical information have hindered co-operation between the State and civil society in Ghana.

3.38 It should be said, however, for countries which may lack a good statistical base, that this is not a sine qua non for identifying the causes and dynamic conditions which make people poor, and that the type of PPAs carried out in Vietnam and previously in Zambia in the mid-1990s are important to supplement statistical measures of poverty – especially in identifying vulnerability and opportunity for poor people. Ideally, both types of information are required.

3.39 Whatever happens around the PRSP, there is a need for the Government to improve its ability to generate and disseminate information about economic development. This should include information on: new initiatives (such as the PRSP); changes in policy direction; policy targets; budget information (planned expenditure and actual expenditures); and performance in reaching agreed targets.

3.40 Government needs support to manage the consultative process. In Vietnam, it has taken more than two years to build the co-operation arrangements, and generate some policy options; but the process of budget analysis is in its infancy. In Zambia, the machinery for civil society participation proposed in the I-PRSP is superficial. In Ghana there

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has been considerable mutual engagement, but civil society points to the lack on the part of government of a culture of real engagement.

3.41 The key issues for civil society are:

- co-ordination, and a focal point;
- capacity building, in particular the development of research and analysis capabilities and advocacy skills, especially around budgeting;
- funding and partnerships.

3.42 All three case studies point to the need for a focal point for civil society engagement. There is also a need for significant additional resources to allow this role to be carried out, and to ensure that there is scope for new research and policy work to be undertaken. Funding for capacity building is a priority.

3.43 Budget skills – there is a discernable effort, especially in such countries as Ghana, Uganda, South Africa, to develop a local capacity for analysis and advocacy on budget issues. In Zambia civil society budget monitoring<sup>48</sup> is just beginning to gain status. Such a capacity, however, takes a long time to build.

3.44 In order for civil society structures to participate effectively in these processes, they need to understand the policy formation and budget process within Government and to have access to the information on which policy positions are being developed.

3.45 The PRSP process throws the spotlight on civil society relationships with the State and places both sides under pressure to define and agree on responsibilities, expectations, and outcomes. In these circumstances, and especially given the current PRSP timescale, the application of externally imposed methodologies for participation will almost certainly

be counterproductive – both to the quality of the PRSP, the principle of local ownership and the long term interests of civil society's relationship with government. Some of the ways in which civil society can contribute to the PRSP are set out in Box A.

3.46 Although stressing the need to avoid prescriptive approaches, it is possible to identify a number of areas where civil society groups can play an important role in the process, building on the stages in the process identified above i.e. analytical and diagnostic work; formulation; approval; implementation; and impact assessment or evaluation.

### **Equal emphasis on Implementation, Monitoring and Evaluation**

3.47 The development of capacity to monitor the PRSP process is critical, if the newly adopted plans are to be meaningful, and the process is to be adapted to allow mutual learning throughout the implementation of the PRSP programme. The follow up to participation in the policy analysis and formulation process is as important as the participation itself. The weakness of the consultative process to date in Ghana and Zambia is that consultation has been sporadic, one-off, and without direction. It is important that all effort not be put into designing the PRSP, and then leave monitoring the crucial follow up stage vaguely defined. This is the period in which the most productive lesson learning should be taking place.

### **The role of donors**

3.48 Donor coordination within the PRSP is important per se. But the prospects for civil society engagement are also affected by the level and effectiveness of donor co-operation, which lends weight and resources to the policy objective of – as

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48. The experience in South Africa, where civil society monitoring of budgets in relation to gender and poverty, are quite sophisticated, also shows that this takes several years to develop.

opposed to the precise mechanism for – civil society engagement. Donors are in a key position to help both government and civil society to work effectively together, first and foremost by building capacity, through the provision of advice, encouragement, funds and as also as partners in assessing the appropriate criteria for civil society participation.

3.49 The potential of the PRSP process, which was generally recognised and welcomed, will be enhanced if the International Financial Institutions, and donors generally, encourage substantial engagement and less tokenism; and if civil society structures decide to exploit the potential space that this process opens up for their intervention. In such circumstances, support for both governments and NGOs to enhance their participation is important.

3.50 There is general agreement that the PRSP should be built on and extend existing government processes. The review suggests a number of challenges for donors to consider:

- the willingness to ‘let go’ and allow developing countries to take the driver’s seat;
- the willingness to consider alternative policy options that may arise through the process, even those which challenge current orthodoxy;
- a readiness to consider innovative methods of funding, including broad based sectoral and budgetary support;
- a commitment to co-ordinating, streamlining and simplifying donor procedures;
- the importance of sustained support to governance and democracy development to improve the context for dialogue;
- planning and the provision of long term support to both sides in developing capacity to work together on PRSPs, including

### **Box A: Types of Civil Society Participation in the PRSP Process**

#### **Defining the objectives, rules of engagement and methodologies**

As CSOs will often have experience of designing and implementing participatory processes with a wide range of stakeholders, they can play a useful role in facilitating the process of defining the objectives, rules of engagement and methodologies to be used.

#### **Understanding the nature of poverty**

Local and International NGOs tend to have more experience of participatory research approaches than governments and they can assist in the design and implementation of Participatory Poverty Assessments and other participatory methods of understanding the nature of poverty and the needs of the poor.

#### **Analysing policy options and strategies for poverty reduction**

Local research organisations will often have more capacity (human and time) for undertaking specific research activities than government departments. These organisations can be contracted to undertake research and analyse the results of PPAs for example. However it would be important to ensure that government departments are involved fully in these research activities, so as to ensure that the issues covered meet the needs of the government processes and that similar capacity can be developed within government departments.

#### **Dissemination of information on policy options**

CSOs with advocacy experience and expertise can play a useful role in facilitating public debate at all levels of the proposed policy options.

#### **Implementation of poverty policies and strategies**

Local and international NGOs, as well as religious bodies already play a key role in the delivery of services to the poor. Their involvement in the PRSP preparation should enable them to question and assess whether these services are effective in reaching the poor and meeting their needs, thus future service delivery should be improved. Their genuine participation in the process should have the added advantage of increasing their interest in improving the levels and quality of service delivery.

#### **Monitoring and evaluation**

Similarly those CSOs with participatory research capacity can assist in the design and implementation of participatory monitoring and evaluation processes, and those with advocacy skills can facilitate the processes of feeding these results back to policy makers and civil society.

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### **Box B: Civil Society and Government Consultation in Vietnam: Some differences**

There is effective donor co-ordination (managed by the World Bank local office).

The Bank has worked differently in Vietnam: in 1998 the CAS was made public, and an independent policy group on poverty strategy established with government, donor and civil society participation.

With support from DFID (technical assistance and funding) substantive poverty assessments were carried out involving local partners (through the facilitation by four international NGOs) (This is not my definition of local partners).

Underpinning all this: the strong working relationships between government, the international community (official and non-governmental) and Vietnamese citizens well managed by the Bank and Government. By building on these, rather than importing off-the-shelf methodologies, a genuine process has begun.

The work is already three years old, and began independently of the PRSP – there is no shortcut to building State-civil society relationships. Since the PPAs were based on a set of relationships between provincial, local and international organisations which were already in place for many years, the origins lie even further back.

The contribution of donors and International NGOs, led by the Bank, has been based on a solid understanding of the governance environment in Vietnam, and effective leadership based on confidence between the Government and the Bank, and between these and the other institutions – a clear and systematic analysis of this environment has helped to advance civil society participation, and handle difficult issues such as local NGO participation.

poverty surveys and analyses, public finance management systems etc.;

- funding for the costs of public outreach and information; and
- assistance to civil society to build its capacity to involve poor communities, and strengthen analytical and policy presentation skills.

3.51 The Vietnam case study illustrates how things can work well (see Box B). But there is a significant cost – in terms of time and money- to establishing effective consultation. Whereas in Vietnam, the Bank and donors have effectively involved NGOs, in Ghana NGOs expressed criticism of donors for not listening to their views, and sending too many consultants who do not report back. In Zambia, there is limited involvement with or support for civil society structures engaged in poverty reduction – the lack of resources and long term support needs to be addressed.

### **Summary**

3.52 Most countries have already developed some form of poverty reduction strategies, and also have experience of government-civil society relationships. The policy history, and the current framework, is often complex. In some cases, even donors find it hard to track the dialogue between the IFIs and government. For civil society, this can prove even more difficult.

3.53 Government interest in meaningful civil society participation is relatively new. Although it has accelerated over the past decade, all three case studies demonstrate that the State is cautious towards the implication of working with civil society, and recognises that it creates political risks.

3.54 The absence of any clear criteria for assessing participation provided by the international financial institutions makes it relatively easy for governments

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to demonstrate a 'participatory process' – to go through the motions. The two African case studies illustrate that much recent experience in 'consultation' is unsatisfactory, and has limited impact; but that the PRSP seems to offer further scope to empower civil society and to assist governments to advance pro-poor policies.

3.55 The link to HIPC is a constraint. In general, all stakeholders show understanding about the difficulty of developing clear participation in the I-PRSP, given the constraints. But transitions from interim to full PRSPs are taking place more rapidly than expected – around one year, as opposed to the two year window anticipated by the Bank. Again, this is understandable, given the urgent need which many countries face to obtain some debt relief. However, this short timetable creates an unfavourable backdrop in which to build new civil society – government relationships. It is unrealistic to plan, conduct and evaluate innovative participation in under two years, unless a strong government-civil society working relationship is already in place.

3.56 Roles and responsibilities need to be clear, and should be marked by two major characteristics. First, the active involvement of key civil society stakeholders, and second, clear leadership and management of the process by Government. Without both of these it is unlikely to succeed.

3.57 One constraint on effective civil society participation is Government knowledge of how to manage consultation. As a consequence, consultation plans tend to be technical and limited to 'meetings' to consider plans drawn up. The case studies illustrate the danger of the participation process becoming a technocratic exercise which is, in essence, an empty shell.

3.58 The necessary human and financial investment required of civil society cannot be created in months. Civil society capacity for participation is limited, and organisations do not have the necessary analytical,

advocacy and research capacities. Therefore, their ability to provide meaningful input is limited. Translating the perspective of the poor into a complex policy arena is a difficult task, and calls for greater 'economic literacy' skills in the community. Developing this capacity of a long term task.

3.59 The various civil society groups have different interests, but there is a willingness to co-operate. However, the issue of how well these groups represent the needs of the poor needs to be addressed through the creation of mechanisms to enable the poor themselves to participate in the process.

3.60 Each national strategy is *sui generis*. Efforts to systematise and catalogue generic approaches to the involvement of civil society are at best heuristic. The individuals consulted, both from government and from the civil society in each of the countries, were sceptical of the value of generic prescriptions for consultation which run counter to the basic principle underpinning the CDF and the PRSPs – that of local ownership. This has implications for how DFID and donors more generally should manage support for civil society participation in PRSPs.

3.61 In summary, there is an opening for creative partnership between government and civil society around the PRSP. However, a meaningful input to national policy needs to improve on the practice of recent years both by strengthening capacity (both government and civil society) and in a radical mind shift on all sides, particularly government and donors, on the implications of participatory processes. In this context it is useful to contrast the idea of consultation, in which views are simply sought, and participation, which implies a more open exercise in which there is more joint definition of goals, and expected outcomes. While emphasising the need to avoid a prescriptive approach, the final Section presents some of issues that need to be addressed in developing an effective PRSP process.

## SECTION IV: CONCLUSIONS AND RECOMMENDATIONS

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### CONCLUSIONS

4.1 Although the objective of the PRSP is poverty reduction, its primary innovation is to challenge the traditional roles and responsibilities of main development agents – the recipient governments, donors, and civil society – and the relationships between them, by insisting on country-ownership, donor co-ordination, and civil society participation.

4.2 Securing a strong civil society role within the policy process is a major challenge and requires a long-term term commitment on the part of governments.

4.3 The study also shows that the active involvement of civil society in these processes should not be assumed and is likely to prove difficult to achieve and complex to manage. There remains a great deal of uncertainty around the PRSP, at every level of government, within civil society and between the two. Participation will only be secured if civil society institutions are convinced that both donors and governments are willing to countenance real participation and produce tangible results.

4.4 The evidence of the case studies shows that developing participation as a way to encourage poverty reduction and meet key international goals, such as the International Development Targets (IDTs), will only be possible over the medium to longer term. The inclusion of the PRSP as part of HIPC conditionality is at odds with this broader objective; whereas its function in helping to develop and implement the Comprehensive Development Framework (CDF) could be productive.

4.5 Thus, in providing support, emphasis should be placed on assisting in the development of the process, rather than in helping draw-up a PRSP document which will impress the IFIs. It should ensure that implementation maximises national participation in line with available international best practice; and

facilitates the influence of civil society in the process, rather than merely recording its voice.

4.6 The position of international NGOs is complex – in certain circumstances, national government and even local civil society organisations resent their potential influence. Generally speaking, however, their involvement is valued.

4.7 Most of the important British developments NGOs, while remaining critical of the HIPC link, are supportive of the PRSP as a valuable instrument for poverty reduction. NGOs, furthermore, with their myriad relationships with civil society throughout the developing world and their commitment to capacity building, are important partners in efforts both to strengthen civil society capacity and to build a constituency of support for the PRSP at home.

4.8 The management costs of engaging with civil society – in terms of analysis, defining support and monitoring this – are high. DFID will need, therefore, to invest significantly in managing its own contribution to this process if real progress is to be achieved.

4.9 The main recommendations of the report, therefore, focus on the need to provide sustained support to strengthen the partnerships necessary to make it possible to achieve these objectives.

### RECOMMENDATIONS

#### Participation

4.10 The primary objectives of the PRSP should be reviewed, with emphasis placed on supporting the goals and principles of the CDF and the International Development Targets, rather than the shorter-term objectives of the enhanced HIPC initiative. Unless this is done, there is a danger that the issue of participation will be oversimplified, and that real



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opportunities to build new partnerships between governments and civil society may be lost by the desire to meet deadlines.

### **Developing Criteria**

4.11 No specific criteria have been laid down for civil society participation in the PRSP. It would be helpful, therefore, if DFID could sponsor a consultative process for civil society itself to develop best practice in this area. This would provide a more solid basis for the assessing the quality of the participation process. It would also help to stimulate a better-informed debate on these policy issues at a global level.

4.12 While flexibility is important, some form of performance criteria on participation, as well as broad economic objectives, need to be included within each PRSP.

### **Tracking Experience**

4.13 It will be important for DFID itself to continue supporting work to track and document the experience of civil society participation in the PRSPs. It is especially important to ensure quick feedback and monitoring, especially in the first two years, while the policy is still in a developmental phase. The analysis should capture best practice and identify challenges. This will help DFID to provide effective, critical policy support to the process. The work already being carried out, with DFID support, by IDS is important.

### **Establishment of a policy network**

4.14 It is recommended that DFID establish a policy network, based on a minimum of a dozen countries in which it is engaged in the PRSP, to exchange experience. The selection of the countries should not be based solely on those with a proven track record of commitment to the participation process, but also include cases where difficulties are likely to be

experienced. Such a process would help support high quality policy work on civil society participation, and would also be a practical help to civil society organisations, many of which actively welcome access to best-practice.

### **Capacity building**

4.15 For the PRSP initiative to succeed, it is essential that both government and civil society actors have the human and financial resources to engage in effectively with each other. The key to success, therefore, is capacity building – both public sector and in regard to civil society.

4.16 Effective civil society participation works best where there is a competent and committed public sector interlocutor. As a matter of policy therefore, DFID capacity building support should be tailored in tandem. This also makes good sense in terms of encouraging each side to recognise that they have shared responsibilities and mutual interests.

### **Strengthening DFID Support**

4.17 Given that the PRSP addresses economic, social and political issues, as well as involving a variety of actors, it is essential that DFID's key departments, geographic desks, and country offices work closely together and co-ordinate effectively.

### **Developing relations with civil society**

4.18 The most critical links in this chain are those who operate directly at the country level. They need to be pro-active in developing dialogue with the main actors in civil society as well maintaining their traditional contacts in government. In order to strengthen the DFID engagement at this level, it is recommended that a framework for support to civil society involvement in the PRSP is developed and guidelines for such engagement elaborated.

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## **Need for a new policy framework**

4.19 Among the issues to be addressed in such a policy framework are:

- DFID's objectives in supporting civil society organisations in the PRSP process;
- the types of civil society organisations to be supported and the range of support that might be provided;
- guidance on the ways in which local offices should relate to local and international civil society organisations in order to identify, capitalise on and reinforce any opportunities that may exist for working more effectively with the national government on these issues;
- Guidance would also be required on ways in which DFID is supporting or will support governments in the PRSP process, so that these efforts can be integrated and mutually supportive.

A working draft of the framework is included below.

## **Keeping DFID's field offices informed**

4.20 DFID field offices expressed the need to receive more specific and detailed briefings from London about the PRSP in general, and the issues surrounding civil society participation in particular.

## **Programming versus engagement**

4.21 Those responsible for managing DFID country programmes are currently not always well placed to be engaged in these processes, because their primary responsibilities are increasingly directed to the management of more focused, larger scale government programmes designed to improve the overall development environment in line with CDF principles.

4.22 In the case of the PRSP, however, where the key players may include a large variety of individuals and often relatively small organisations, there is bound to be a high management cost involved in effective participation. This must be explicitly recognised by DFID and provided for in decisions relating to human and financial resources.

## **Providing assistance**

4.23 In many countries, both governments and civil society organisations will require technical and financial assistance, if the PRSP is to prove more than a mere formality and become a significant, truly locally owned initiative.

## **Build on what exists**

4.24 In providing support to governments or non-governmental agencies, priority should be always be given to funding existing structures and avoiding the creation of expensive new bureaucratic structures.

## **Use local consultants**

4.25 Wherever appropriate, local consultants should be recruited. Where external consultants are required, they should play the role of facilitators rather than assuming responsibility for preparation of the PRSP documents.

## **Help create networks**

4.26 It is recommended that DFID should continue to assist the development of independent NGO networks and interaction among professional bodies in order to help diffusing skills in the area on macroeconomic and budget analysis in particular, and PRSP processes in general.

4.27 Support should also be provided for regional learning and policy networks which have been established by developing country NGOs to monitor and assist work on the PRSPs. In addition, the main

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intergovernmental sub-regional organisations are important. They allow policy issues relating to the PRSP to be addressed in a more neutral environment than is often possible nationally, and they should be encouraged to play this role.

### **International NGOs**

4.28 DFID should continue to view British and international NGOs involved in the PRSP as important partners. It is recommended that DFID establish a small joint f-civil society working group to identify ways in which the UK based NGOs can assist support for the PRSP process in individual countries. This would be a useful mechanism to support and develop a series of national programmes.

### **Need for a long-term commitment**

4.29 The success of the PRSP, and similar policy initiatives which encourage a new relationship between the State and its citizens, depend on investment in creating an enabling environment and in strengthening the development of democratic processes.

4.30 The importance of strengthening civil society participation in the development process, and specifically within the framework established by the PRSP, should be explicitly acknowledged and explored in the new White Paper on Globalisation.

## **THE PRSP: STRENGTHENING CIVIL SOCIETY INVOLVEMENT: A DRAFT POLICY FRAMEWORK**

4.31 The PRSPs must be, by definition, nationally tailored programmes. The civil society component of this process should also, therefore, be assessed individually on a country specific basis.

### **Learning from the past**

4.32 As a first step, an assessment of the experience of recent consultations between government and civil society is important, since the recent past is the best guide to opportunities and constraints. This review should ideally be conducted jointly by government and civil society, with the imprimatur of the donor community to help increase its standing as a national exercise. There will, however, undoubtedly be cases where such an exercise can be best carried out by an independent body.

4.33 This review should lead to an assessment of the prevailing climate of governance, the political commitment to participation and the scope for participation of civil society. Informally, it should identify which individuals on each side are likely to be most active in supporting participatory processes. It should help identify benchmarks for the process.

### **Assessing capacity**

4.34 The PRSP makes demands on both the public sector and the civil society. An assessment of the overall capacity of both sides to address poverty issues within a macroeconomic framework may also be required. These issues are set out in greater detail in Box C.

### **Donor co-ordination**

4.35 The scope and arrangements for donor co-ordination, and how to achieve this, is an important backdrop to the prospects for an environment conducive to for civil society. There is also a need to streamline and simplify donor procedures, and limit the demands on consultation. For example, some of the requirements for civil society to participate at a national level in UN Development Reports, or the post-Cotonou requirements for civil society participation in European development programmes, could be addressed in a co-ordinated manner within the PRSP.

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## Strengthening PRSP partners

4.36 The priority should be given to reinforcing capacity on each side in order to improve the prospects for securing agreement on a jointly owned plan.

4.37 Techniques will need to be developed which encourage joint planning, implementation, monitoring and evaluation processes between government and civil society and setting agreed objectives in the participation process.

4.38 Clearly this is a big undertaking and will require – if it is to be effective – a large investment of human and financial resources, both on the part of government and in regard to non-state actors.

## Support to Government

4.39 Of crucial importance to the success of this enterprise is the government machinery's ability to plan and manage the PRSP process and to facilitate the participation of civil society organisations.

4.40 It is clear, even from the – albeit limited – PRSP experience to date that there are enormous capacity constraints for developing countries governments with regard to the institutional and technical demands and the administrative costs of preparing PRSPs, especially in the light of apparently rising expectations of coverage.

## Civil society

4.41 Effective co-operation depends on both sides being able to manage their respective roles – it is important, therefore, that civil society develop its

### Box C: Assessing the Institutional Environment for Poverty Reduction

#### Government Sector

Does the government provide or have mechanisms in place to provide reliable poverty data, including gender disaggregated data?

Do the Government Budget estimates provide a clear picture of resource allocation that enables an assessment on poverty, and of poverty spending? Are donor resources included in the estimates?

What level of donor involvement is there in policy formulation? Does the government have freedom to modify policy?

Does the government have the capacity for policy analysis and research?

Does the government produce accurate and timely accounts to Parliament? Are these reports produced during the year and for both central and local government? (much of the poverty focused expenditures take place at the local government level)

Does the Auditor General produce annual reports on government expenditures and revenues? Are the recommendations in these reports acted upon?

Is there a Public Accounts Committee that meets regularly and takes action? Are there Parliamentary Finance Committees?

Does the Government disseminate information on the Budget in a form which is easily understood by the public at the time of the Budget approval and during the budget year?

Are the causes and implications of fiscal crises explained to the public?

#### Civil Society Capacity and Readiness

Is there a sufficiently wide range of Civil Society Organisations to reflect the views and needs of society?

Are there CSOs that directly represent or articulate the needs of the poor?

Is there a range of CSOs with capacity in research, facilitation, advocacy, governance and democracy?

What roles have CSOs played: policy formulation and debate processes; service delivery; advocacy; research, etc?

How effective have these roles been? Has the participation of CSOs led to changes in government and/or policies or strategies?

How effective is the media in communicating policy issues and the requisite information for informed debate to all members of the public?

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own capacity and not be solely dependent on the State or on donors. Even so, in most countries significant external funding will be required for co-ordination, participatory research, analysis and advocacy activities.

### **What to fund...**

4.42 Long-term support to civil society should emphasise three key areas:

- enhancing professional macroeconomic and budgetary analysis skills;
- funding for appropriate communication and community participation exercises; and
- building longer-term advocacy skills.

4.43 A critical first step is the willingness to finance the co-ordination and management of the civil society input, which it is difficult for single organisations to carry.

4.44 Such interventions should be designed to enhance civil society's ability to engage at:

- the policy level;
- in participatory poverty assessment; and
- monitoring of performance.

### **...and how**

4.45 Funding civil society initiatives may involve a large number of small projects which are relatively costly to administer. In some cases, organisations will require assistance in the design phase.

4.46 It may be necessary, therefore, to identify existing or establish new partnership arrangements with suitable organisations to simplify the management of support within country.

4.47 Care is needed in identifying the most appropriate organisation that has sufficient local credibility and that will ensure that the needs of the

poor are addressed. This is a particularly delicate exercise since imposed co-ordination will not work – it needs to be based on a local process of consensus building based on trust. And it should be recognised that the pace of this cannot be forced if it is to take root.

### **Information**

4.48 Access to good data is crucial. It is essential to ensure an effective and reliable data collection, collation and analysis and including, in particular, gender disaggregated data, on poverty.

4.49 A major obstacle to public information campaigns is the cost of broadcasting and dissemination of information in a form and language that is easily understood by the target audience. In this regard the media, particularly the use of radio, have a key role to play in ensuring an informed public debate.

4.50 Donors themselves also need to improve their own record in providing the necessary information for effective analysis of poverty spending and impact. Support for exchange of methodology – information sharing mechanisms such as websites can provide a useful input for countries to learn from others who have used successful civil society participation processes. Experience shows that governments and civil society organisations want to learn from their colleagues in other countries who are implementing similar processes.

### **Entry points**

4.51 It will be important to encourage the development of programmes which strengthen the involvement of independent entry points (especially Parliament and the media) in the PRSP process. Parliament is a critical partner since its members have a democratic legitimacy which individual civil society bodies do not.

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4.52 Participation from civil society, however, needs to include other actors such as the private sector and local government.

4.53 The PRSP progress report, whilst acknowledging that participation will vary according to the political economy, proposes over time to bring in groups such as parliament, local government, local

representative bodies, civil society, the private sector, and excluded segments of society<sup>49</sup>. An effective PRSP process would include direct consultations with groups of the poor which can contribute towards a PRSP in substance (analysis of poverty), process (participation in policy making) and implementation (monitoring of results).

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49. Poverty Reduction Strategy Papers – Progress in Implementation, prepared by the Staffs of the World Bank and IMF, September 7 2000.

### Background

A framework for enabling countries benefiting from the HIPC debt relief initiative to develop poverty reduction strategies and to strengthen World Bank and IMF support for their efforts was recently approved by the World Bank and IMF Board of Directors. The framework envisages building the capacity of countries to develop a comprehensive understanding of poverty and its determinants, to choose public actions that have the highest poverty impact, and to use outcome indicators that are locally set and monitored. The initiative emphasises broad based participation of civil society in the adoption and monitoring of the poverty reduction strategy in each country.

Poverty Reduction Strategy Papers for each country will be a particular product of this process of capacity building in all HIPC countries in the next two years. The precise content of these papers is still under discussion in the Bank and IMF, but will be more elaborate than the World Bank's Policy Framework Paper, which the PRSP replaces.

In the past, many new initiatives have been promoted by donors but did not gain local legitimacy. This undermined implementation and sustainability. Consequently, there is considerable concern that these papers, and the underlying analysis and discussion of policy options, should be owned by the country as a whole (not just the government). This will require civil society participation in the process of agreeing the PRSP. Each country would be expected to encourage the participation of civil society actors in the discussion of poverty strategies. The two year time period for the production of the papers provides a constraint on creating sustainable capacity in a country to engage civil society in the discussion of poverty strategies.

There are possible solutions to this dilemma of the time constraints such as the initial PRSPs will be a reduced version of the full PRSP; or that while the

initial consultation with civil society will be less than comprehensive, there might be longer term actions to build capacity in this area of civil society participation.

DFID wishes to support these processes. Consequently, we need to understand the present institutional arrangements that involve civil society actors in the discussion and implementation of policy change in different countries. In particular we need to understand: the linkages between those civil society actors close to the policy process and those groups representing the poor; how the media and other intermediaries provide a mechanism for converting increased voice for the poor into effective influence over the policy process; and how potential conflicts between these different actors are resolved.

### Consultants' role

Consultants will undertake a review of the different institutional arrangements for involving civil society organisations in poverty reduction strategies in a selection of countries involved in the HIPC initiative. The purpose of the review is to consider the different means by which donor agencies might be able to support the work of civil society organisations in facilitating the engagement of the poor in the development of PRSPs.

The main output of the review will be a report to DFID. The report should provide an overview of the lessons learned regarding the engagement of civil society actors in policy change, with an assessment of the implications for the PRSP process. It should also give recommendations for how DFID might support the process of civil society engagement both in the short term and also in longer term capacity building.

### Activities and Methods

The consultants should select countries to represent regions with broadly similar institutional structures. Consideration would also be given to those countries

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with innovative arrangements (e.g. Uganda) that may have lessons for others.

The PRSP process may be too recent for there yet to be significant lessons of civil society engagement. In this case, the consultants may focus on a limited number of key areas of policy change in the area of poverty reduction, where there are lessons to be drawn for the involvement of civil society organisations and the development of poverty reduction strategies. Attention may therefore be given to identifying those civil society organisations involved in poverty reduction activities and assessing their effectiveness in influencing policy. In particular, it will be important to assess the effectiveness with which civil society organisations facilitate the participation of the poor in decision-making processes.

In undertaking this assessment of the effectiveness of civil society organisations, it is suggested that the consultants take account of different areas of potential engagement of civil society in the poverty reduction strategy process:

- Policy legitimisation and constituency building around a strategy. How do different civil society actors engage with the policy process at an early stage when policy makers are seeking to legitimate proposed policy changes and build support for the initial suggestions?
- Resource accumulation and mobilisation. How and to what extent do different types of civil society organisation become engaged in

the accumulation and redirection of resources to take forward the proposals?

- Organisational modification. What inputs do different civil society organisations have into this aspect of policy change?
- Impact monitoring. How effective are different civil society organisations in generating information on impact to feedback into policy change? In particular, seek examples of good practice by the media and other civil society intermediaries in providing information to the poor and facilitating their influence over decisions that affect their lives and livelihoods.

In undertaking these assessments, the consultants will:

- Review, briefly, the general literature on capacity building of civil society institutions.
- Consult the DFID project database for relevant programmes.
- Consult DFID staff in London, East Kilbride and overseas offices regarding their understanding of the PRSPs and participation of civil society.
- Undertake short missions to 3 countries to gather detailed information about the institutional mechanisms for civil society engagement.
- Take note of other activities concerning civil society participation with PRSP, notably in the World Bank.



## ANNEX B: LIST OF PERSONS CONSULTED

<p><b>Ghana</b></p> <p>Commodore Steve Obimpeh, Chair, Finance Committee, Parliament</p> <p>Angela Farhart, National Development Planning Commission (NDPC)</p> <p>Sadick Sam, Secretary, Technical Committee on Poverty, NDPC</p> <p>J.W.K de Graft-Johnson, Development Director, Christian Council of Ghana</p> <p>Daniel Awmlan-Asante, Christian Council of Ghana</p> <p>C.T. Akumiah, Christian Council of Ghana</p> <p>Rev. Msgr Jonathan Ankrah, Secretary-General, National Catholic Bishop's Conference Secretariat</p> <p>Abudullah Ayyub, Ahmadiyya Muslim Mission</p> <p>S.A. Wahab, President, Muslim Relief Association of Ghana (MURAG)</p> <p>Mrs. Hamdallah Issah, MURAG</p> <p>Aliym T. Quanye, MURAG</p> <p>Alhanji Baba Ishmail, Amasama Muslim Community</p> <p>Abdul Karim, Amasama Muslim Community</p> <p>A. Issa, Amasama Muslim Community</p> <p>Brother Ibn Teye Akunnor, Muslim Community, Dodowa</p> <p>Mohammad Issake Adam, Muslim Community, Dodowa</p> <p>Ibrahim Watara, Muslim Community, Dodowa</p> <p>Mohammed Issake Adam, Weija Islamic Movement</p> <p>Charles Gavi, Homes</p>	<p>Mr. Jallah, Vision Youth</p> <p>Mohammed S. Adam, Ghana Muslim Youth Movement</p> <p>Mrs Iddrism Wadda, Kwashiemana Muslim Women's Group</p> <p>Chief Issah, Chief of Agomanya</p> <p>Alex Opoku, Concerned Muslim Organisation</p> <p>Binfa Ali, Muslim Women's Group, Zonzo</p> <p>K. Adu-Amankwah, Deputy-Secretary General, Trade Union Congress (TUC)</p> <p>J.H. Anquandah, Deputy Head</p> <p>J.K. Ankamah, International Department, TUC</p> <p>Mike Atiadevey, Press Officer, TUC</p> <p>Marianna Nyameky, Secretariat, TUC</p> <p>Oscar Kwadzode, National Head Office, ICU</p> <p>Joseph B.Y. Denteh, National Secretariat, HSWU</p> <p>E.A. Meneah, Deputy Secretary-General, GTPCWU</p> <p>Winifred G. Aonngi, MEC Member, Teachers and Educational Workers Union (TEWU)</p> <p>Elizabeth Quantey, Secretary, TEWU</p> <p>Issac A. Oboh, Acting General Secretary, REU</p> <p>Victoria Ayettey, SIRO, ICU</p> <p>Samuel Kamgah, National Secretary, Ghana Agricultural Workers Union (GAWU)</p> <p>Adwoa Sakyi, National Women's Co-ordinator, GAWU</p>	<p>F.Y. Abankwah, 1st Trustee, RWU</p> <p>Mr Kwasi Abeasi, Director General, Private Enterprise Foundation (PEF)</p> <p>Kwamina Amoasi Andoh, Executive Director, Ghana Employers Association (GEA)</p> <p>Ms Jane E. Turkson, New Times Corporation</p> <p>Charles Osei-Bonsu, Standard Chartered Bank</p> <p>T. A. Domkor, Nestlé Ghana Ltd</p> <p>E.D.D Addo, Social Security and National Insurance Trust, (SSNIT)</p> <p>K. Ampadu Yeboah</p> <p>S.R. Asiedu</p> <p>H.R. Amonoo</p> <p>Mr Charles Abugri, Executive Director, ISODEC</p> <p>Mr Bishop Akolgo, Deputy Executive Director, ISODEC</p> <p>Mrs Beatrice Duncan, Programme Officer, SAPRI</p> <p>Balertey Gormey, Green Earth Organisations</p> <p>Alhiji Alhassan Abdulai, Islamic Council for Development &amp; Humanitarian Service (ICODEH)</p> <p>Dr I.K. Acheampong, University Teachers Association of Ghana</p> <p>G.K. Bedzrah, Ghana National Association of Farmers and Fishermen</p> <p>Kofi Gbedemah, Volta Regional Association of NGOs</p> <p>Faustina Fynn, Christian Council of Ghana</p> <p>Christie Carl Oparebea, TUC</p>	<p>Mr Gregg Ram, Save the Children Fund (UK), Ghana Country Programme</p> <p>George Ahadzie, Chief Executive Officer, Ghana Association of Private Voluntary Organisations in Development (GAPVOD)</p> <p>Euphemia Akos Dzathor, Institute of Cultural Affairs</p> <p>Frempong Manso Stephen, Institute of Cultural Affairs</p> <p>Emilia Oguuah, African Centre for Human Development</p> <p>Jean-Michel Vigreux, CARE International</p> <p>David Atieku, Africa Unification Movement</p> <p>Paul Sono, ADRA – Ghana</p> <p>Bridget Kysematen-Darko, Aid to Artisans Ghana</p> <p>Angela Dwamena-Aboayye, The Ark Foundation</p> <p>Mrs Susan Sabaa, National Co-ordinator, Ghana NGO Coalition on the Rights of the Child (GNCRG)</p> <p>Evelyn Oduro-Wiredu, Regional Co-ordinator, GNCRG, Greater Accra</p> <p>Diana Ansa-Agyei, Coalition Secretariat Programme Office, GNCRG</p> <p>Albert Agya Anochie, Executive Director, Social Network for Development</p> <p>Rev Philip Ebo Mensah, Executive Director, Needs Care International</p> <p>Kofi Agbenaza, Executive Director, Ambition 2000 &amp; Beyond Foundation</p> <p>Prof. W. Kwadwo Asenso-Okyere, Director, Institute of Statistical Social and</p>
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## ANNEX C: HEAVILY INDEBTED COUNTRIES INITIATIVE (HIPC)

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In 1996, a group of 41 developing countries were classified as being the Heavily Indebted Poor Countries. This included, for analytical purposes, 32 countries with a 1993 GNP per capita of US \$695 or less and 1993 present value of debt to exports higher than 220 percent or present value of debt to GNP higher than 80 per cent.

Also included were nine countries that received, or were eligible for, concessional rescheduling from Paris Club creditors. However, any other country meeting the requirements of the Initiative could be considered for HIPC Initiative Assistance.

The group of 41 countries comprises: Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Equatorial Guinea, Ethiopia, Ghana, Guinea, Guinea Bissau, Guyana, Honduras, Kenya, Lao PDR, Liberia, Madagascar, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Nigeria, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Vietnam, Yemen and Zambia

Source: IMF, Debt Initiative for the Heavily Indebted Poor Countries (HIPC), 5 September 1999.

The Bank has indicated the following areas in which it can provide assistance in the preparation of PRSPs.

### **Poverty Assessments (PAs)**

Poverty Assessments provide information on the profile of poverty, including urban-rural and regional disparities and occupational and educational characteristics, and they assess trends over time and the links between macroeconomic and sectoral policy changes.

### **Public Expenditure Reviews (PERs)**

The purpose and scope of Public Expenditure Reviews have broadened in recent years to include an analysis of both spending patterns (the Public Expenditure Reviews original subject) and the institutions for public expenditure management. In Africa, the scope has broadened further to become public finance management reviews, which often provide recommendations on how to make government policies and expenditures more effective, transparent, and responsive to the needs of the poor. They have led in some cases (for example, Uganda) to stronger monitoring by citizens of government's budget disbursements.

### **Fiduciary and Safeguard Reports**

These include country procurement assessment reports, financial accountability assessments, and environmental action plans. Such reports can substantiate the two-way relationship between poverty on the one hand and corruption or environmental degradation on the other hand. They can contribute to a better diagnosis of the causes of and solutions to poverty, and underpin lending relationships between the country and the Bank and other partners also in many cases.

### **Monitoring and Analysis**

Drawing on its experience in assisting countries to set up poverty monitoring mechanisms, the Bank can provide advice on the use of household budget surveys, such as Living Standards Measurement Surveys and Integrated Surveys; quick survey tools, including Priority Surveys and Core Welfare Indicators Questionnaires such as the one recently carried out in Ghana; and participatory poverty assessments.

### **Tool Kits**

Regional research networks are developing tool kits to assist country counterparts in articulating their PRSPs. The focus is on user-friendly methods for linking poverty outcomes, their determinants, and the design of public actions. The tool kits will cover outcome indicators; poverty determinants; poverty monitoring systems and impact evaluation; participation; and the links between poverty and macroeconomic stability, human development, governance and decentralization, infrastructure, environment, private sector development, and urban and rural development.

In addition, it is anticipated that technical assistance and training will be available through the World Bank Institute (WBI). The Institute will train country teams in the key PRSP concepts and relationships, including high-level officials of the countries who will be responsible for PRSP preparation and implementation. Second, the World Bank Institute will offer more in-depth follow-up training needed for the development and implementation of the sectoral agendas emerging from the CDF/PRSP process. In all these efforts, World Bank Institute will draw on the regional research networks, and partner training institutions as co-trainers and/or trainees.

## ANNEX E: PUBLICATIONS AND SOURCES

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### General

Comprehensive Development Framework: Country Experience, March 1999–July 2000, published September 2000 by the World Bank.

The Comprehensive Development Framework (CDF) and Poverty Reduction Strategy Papers, James D. Wolfensohn, World Bank President, and Stanley Fischer, Acting Managing Director of the IMF.

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### Ghana

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Ghana Bishops Speak: A Collection of Communiqués, Memoranda and Pastoral Letters of the Ghana Bishop's Conference, Department of Social Communications, National Catholic Secretariat, January 1999.

SAPRI First National Forum, Report of the Rapporteur General, Accra, November 1998.

Ghana Country Report, Creating a Framework for Reduction Poverty: Institutional Processes and Process Issues in National Poverty Policy, David Booth, Special Assistance Programme, 1999.

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## **Vietnam**

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Ho Chi Minh City – A Participatory Poverty Assessment, Save the Children (UK) in partnership World Bank and DFID (UK), November 1999.

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Key Note Speech by Deputy Prime Minister Nguyen Manh Cam, Opening Ceremony, 1999 Consultative Group Meeting for Vietnam.

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An Introduction, Rural Development Services Centre, April 1999.

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Vietnam: New Challenges for Growth, Equity and Poverty Reduction (draft), Oxfam GB, June 2000.

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ODAP Workshop N°1: Resettlement in Ho Chi Minh City, Workshop Report, April 2000 ODAP.

Linking Participatory Poverty Assessments to Policy and Policymaking: Experience from Vietnam, Carrie Turk, World Bank, Vietnam Office.

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## **Zambia**

Will Debt Relief Mean Poverty Relief?, Jubilee 2000, National Conference Report, CCJP/JCTR Debt Project, February 2000.

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'An Estimated Food Basket for a Family of Six', JCTR May 2000.

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Cost of Living of Primary School Teachers: The Case of Lusaka Province, Mumble P Nakamba, Department of Economics, University of Zambia Economic and Social Development Research Project of the JCTR, June 2000.



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Civil Society Participation in Poverty Reduction  
Strategy Papers (PRSP)

**Report to the Department for  
International Development**

**Vol II: Ghana Case Study  
Accra, May 2000**

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## PREFACE

This Report provides one of three country profiles which form an integral part of a study commissioned by the Department for International Development (DFID) to advise how development agencies might facilitate and support effective civil society involvement in drawing up Poverty Reduction Strategy Papers (PRSPs).<sup>1</sup> In total, three case studies were conducted: Ghana, Vietnam and Zambia, respectively Volumes II, III and IV.

The field work for the Ghana study took place from 26 April to 1 May 2000 and updated during August 2000.

More than fifty individuals and institutions were consulted, including a broadly representative group of people from the Churches, the business community, the trade union movement, and the NGOs. Meetings were also held with the Government's National Development Planning Commission (NDPC) and the Chairman of the Finance Committee of Parliament.

While we hope that the report will be helpful in each of the countries concerned, its main purpose is to suggest wider lessons for the advancement of popular participation in developing national poverty strategies through the PRSPs.

The case study briefly resumes the national policy framework for poverty reduction, and then described the civil society perspectives on this process. It concludes with some observations on the national process. Annexes of persons consulted and publications are included.

We would like to thank all those who contributed to this work and gave their time generously, particularly Liz Muggeridge of African Consulting. The terms of reference of the work, and the main conclusion and recommendations, are contained in Vol I: Overview and Recommendations. Any comments, or requests for further information, can be obtained by email to: [steve.godfrey@sgts.co.uk](mailto:steve.godfrey@sgts.co.uk) or [tim.sheehy@sgts.co.uk](mailto:tim.sheehy@sgts.co.uk).

SGTS & Associates  
October 2000.

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a. The report, although based on consultations with a wide range of people, does not necessarily reflect the views of DFID or of any of the individuals listed in Annex A.

## OVERVIEW

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1. Although during the field visit knowledge about the PRSP process was scant, with few people even having heard of it, the concept was warmly welcomed by civil society bodies and there was a strong desire to participate actively in preparing the Poverty Reduction Strategy Paper.
2. This desire, however, was tempered by a concern that any such exercise must be more than just a formality: more than 'window dressing'. According to civil society organisations, previous efforts to engage with Government on issues of this nature have proved disappointing. The TUC mentioned, in this regard, 1980's Programme of Assistance to Mitigate the Social Costs of Adjustment (PAMSCAD). Others pointed to the inadequate follow-up to the National Economic Forum, which took place in September 1997. NGOs complained about a lack of commitment on the part of Government to the current Structural Adjustment Participatory Review Initiative (SAPRI), and to the difficulties experienced in securing transparency from and effective participation in the various Government-initiated poverty reduction programmes.
3. The overwhelmingly critical nature of the comments received from civil society institutions was remarkably consistent across the sector. This may in part be put down to the frustration caused by the current economic crisis and the impact which this crisis is having on society as a whole – especially on the most vulnerable groups – as well as to the heightened political atmosphere arising from the forthcoming elections.
4. Even though Ghana is better off than many other countries in Africa, the poor are by no means a small minority. Almost 43% of Ghanaians are below the poverty line and cannot meet their basic nutritional needs. With the best will in the world, the capacity of any government to meet this challenge is severely limited – however committed it might be to poverty reduction.
5. Large sections of civil society, however, doubt the Government's commitment to seriously involve non-governmental structures in the design and implementation of poverty reduction strategies. Traditionally, economic policy and government expenditure have been hostage to a highly adversarial approach to politics. This is even more the case in regard to poverty. In the view of many, a new commitment would be required to alter this situation – amounting to little less than a change in political culture. This Report suggests some approaches which might facilitate such a change in direction.
6. Ghanaians welcome the involvement of donor agencies, and the IFIs, even though they believe that such institutions must share the blame for the parlous state of the Ghanaian economy; and realise that, without such external support, the poverty situation would deteriorate rapidly.
7. Among the key civil society institutions consulted, there is, however, a feeling that is demeaning to be lectured by donors about how lucky they are to be living within a stable democracy. They believe that although the political situation has improved immeasurably – and is better than in many other parts of the continent – there is still much that needs to be done to deepen democratic participation and strengthen transparency and openness. Ghanaians from all sections of society believe strongly that they can and must develop a more mature approach to democratic participation. In view of the strong identification of the PRSP process with international initiatives, this sentiment needs to be handled with sensitivity.
8. In sum, organisations and individuals consulted hope that the PRSP process will have the effect of creating more space for civil participation in government decision-making and helping to overcome the increasing polarisation of society. For this to happen, however, considerable efforts will need to be made to create an acceptable framework for consultation.

1.1 The Poverty Reduction Strategy process is not, of course, being introduced into a policy vacuum and the focus on poverty in Ghana is not new.

### A Commitment to Poverty Reduction

1.2 The Government in 1986 introduced its Programme of Action to Mitigate the Social Cost of Adjustment (PAMSCAD) to help the poor and vulnerable groups who suffered as a result of the economic policies implemented under the economic recovery programme and its constituent Structural Adjustment Programmes (SAPs).

1.3 Since the introduction of the PAMSCAD, the Government has undertaken a number of policies, programmes and projects especially aimed at improving the welfare of the poor. This has included the Poverty Reduction Strategy developed in 1995, which lays emphasis on economic growth, integrated rural development, the expansion of employment opportunities for the urban poor, and improved access to basic services such as education, health, water and sanitation and family planning services.

1.4 Poverty reduction has also been the major emphasis of the issues presented at the November 1999 Consultative Group meeting, including an Accelerated Poverty Reduction Programme setting out a costed programme of poverty focused activities.

The focus on poverty is to be integrated into the wider consensus building process, started through the preparation of the Ghana Vision 2020<sup>1</sup> and through the updating of Ghana's Poverty Reduction Strategy (GPRS).

### Poverty Reduction Strategy Paper

1.5 It is the Government's view that, since poverty reduction is 'a' main priority for the Ghana Vision 2020: Second Step<sup>2</sup>, the preparation of the Poverty Reduction Strategy Paper (PRSP) can be comfortably integrated into the ongoing policy formation and consultative process<sup>3</sup>.

1.6 At the end of January 2000, the Government of Ghana formed a team of experts drawn from the Ministry of Finance, the National Development Planning Commission and Ghana Statistical Services<sup>4</sup> to prepare an interim PRSP. The Paper, it was proposed, should be based on existing sources notably the documentation developed in preparation for the World Bank's Comprehensive Development Framework for Ghana.

1.7 The initial outcome of this work, entitled Development Strategy for Poverty Reduction, which it is envisaged would provide the core of the PRSP, was submitted to the Bretton Woods institutions in February/March 2000<sup>5</sup>. The paper formed part of the

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1. "The long-term vision for Ghana is that by the year 2020, Ghana will have achieved a balanced economy and a middle income country status and standard of living. This will be realised by creating an open and liberal marked economy, founded on competition, initiative and creativity, that employs science and technology in deriving maximum productivity from the use of all our human and natural resources and in optimising the rate of economic and social development with due regard to the protection of the environment and to equity in the distribution of the benefits of development." Extract, Vision 2020, Accra.
  2. Paragraph 105, Development of Strategy for Poverty Reduction, Ministry of Finance, March 2000.
  3. Issues of poverty are being managed by the Inter-ministerial Committee on Poverty Reduction, through its Technical Committee on Poverty (TCOP), which is serviced by the National Development Planning Commission.
  4. With the support of the local World Bank Office in Accra.
  5. This was considered necessary in order not to delay the presentation of the new Country Assessment Strategy (CAS) to the World Bank.

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Government's contribution to the development of Ghana's Country Assistance Strategy (CAS)<sup>6</sup>; and, as such, represented an integral part of the negotiations to secure support from the Poverty Reduction Growth Facility (PRGF).

**1.8** The paper, among other things, emphasises the need to strengthen civil society organisations and NGOs in order to "reinforce a durable partnership with the state" and identifies the following issues which need to be addressed:

- building and improving access to public information;
- capacity building for civil society organisations, including the role of civil society at the local level;
- developing the ability of rural people to participate in and influence policy-making beyond elections;
- creating a transparent legal regime for media practice; and
- capacity building for responsible journalism<sup>7</sup>.

### **Updating Ghana's Poverty Reduction Strategy**

**1.9** Since the initial field work in April, the Government launched a process of updating of the GPRS through a meeting between Government, the donor community and civil society representatives chaired by the Ministers of Finance and Planning, Regional Co-operation and Integration in July 2000. This process is to build on work already undertaken in preparation of the Policy Focus for Poverty

Reduction prepared for the Consultative Group meeting and will employ participatory processes and, as far as possible, avoid the creation of parallel participatory processes that are not integrated into existing social and political structures. It will utilise the institutionalised structures, deepening the scope and role of stakeholders to ensure ownership and commitment to the process<sup>8</sup>.

**1.10** The process is being co-ordinated by the National Development Planning Commission (NDPC) through the Technical Committee on Poverty (TCOP) and managed by the TCOP Secretariat, the Poverty Reduction Unit of the NDPC. Recognition of the need to ensure wide participation in the process has led to the preparation of a draft Participation Strategy and Framework for Engagement, which sets out the approaches to be used in updating the GPRS, including:

- Consultations on the situation analysis;
- Consensus building workshops/meetings;
- Public information campaign using the print and electronic media;
- Provision of information through religious bodies, unions, citizens groups, traditional leaders, Non-Governmental Organisations (NGOs), and Community Based Organisations (CBOs);
- Field visits, interviews, focus group discussions; and
- Consultative group meeting on the final GPRS.

**1.11** These approaches are to compliment a detailed situational analysis and policy/strategy/target

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6. The CAS will consist of a statement of Ghana's development strategy, presented to the Board by the Government itself, followed by an assessment from the Bank staff.

7. Paragraph 85, Development Strategy for Poverty Reduction, March 2000.

8. Address by Mr Kwamena Ahwoi, Minister of Planning, Regional Economic Co-operation and Integration on the Occasion of the launching of the process of Updating Ghana's Poverty Reduction Strategy, Ministry of Finance, 19th July, 2000.

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development by a number of core teams responsible for the following broad themes:

- Macroeconomic framework;
- Employment;
- Human Resource Development;
- Vulnerability;
- Governance.

**1.12** The core teams will comprise representatives of Government, the donor community and civil society. It is recognised that these teams may not represent the views of the poor, and additional field work as set out in the Participation Strategy is to be undertaken by Ghanaian consultants in order to incorporate the views and needs of the poor. At each stage in the process the intention is to have wide consultation with civil society and other stakeholders.

### Implementing Ghana's Vision 2020

**1.13** The Government, through the Ghana Vision 2020 process, is seeking to develop a national consensus in support of the medium and long-term development goals to ensure that "the benefits of development are equitably distributed and gross deprivation and hard core poverty are eliminated".

**1.14** To achieve such a consensus, the Government is committed to consulting with 'all' stakeholders in:

**1.15** "the determination of national goals and policies, preparation of plans and programmes, identification of national priorities, setting achievable targets and review of performance."<sup>9</sup>

**1.16** Flowing from this vision, a new National Development Policy Framework (NDPF) and medium-

term plan for the economy is being developed, covering the period 2001 to 2005. In the words of the President, Jerry Rawlings:

**1.17** "All stakeholders, from government, the private sector, NGOs, etc. are being consulted. This time, the donor community is also invited to participate."<sup>10</sup>

**1.18** To achieve such participation, eight Cross-Sectoral Planning Groups (CSPGs) were established bringing together expertise from Government structures and a range of civil society bodies. The Groups were to be:

**1.19** "assembled from a wide span of Ghanaian society including participants from central and local government, the private sector, academic and research institutions, community-based organisations, religious and traditional institutions, the print and electronic media, as well as people with varying ethnic and political affiliations"<sup>11</sup>.

**1.20** The eight groups, initially expected to complete the preparation of the sector inputs by February 2000, cover: (i) macro-economic policy; (ii) human development; (iii) production, technology and competitiveness; (iv) rural and urban development; (v) infrastructure; (vi) enabling environment; (vii) financing the development plan; and (viii) regional co-operation and integration. Each team, which met regularly for a number of months, has its own analytical support.

**1.21** It was envisaged that the first draft of the National Development Policy Framework (NDPF) should be produced in early April. In fact, there has been some slippage in this timetable and as at the end of August the synthesis report is to be finalised.

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9. Paragraph 100, Development of Strategy for Poverty Reduction, Ministry of Finance, March 2000.

10. Face to Face: What of the Future, Mr. President?, 'Focus on Ghana', The Times, London, April 18 2000.

11. See Consensus Building on Policies for Ghana Vision 2020: The Second Step: 2001-2005, Cross-Sectoral Planning Groups (CSPGs), National Development Planning Commission (NDPC), Accra.

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**1.22** The document, to be reviewed by all stakeholders through the CSPGs, will include policies, targets and strategies for each of the eight sectors and will analyse their impact on poverty reduction. A national workshop of stakeholders is planned to review the draft NDFP which will provide the basis for the preparation of District and Sector development plans, to be synthesised into The Second Medium Term Development Plan, 2001–2005 (MTDP).

**1.23** The intention is to integrate the preparation of the GPRS and the MTDP into one process so that the poverty reduction is the main focus on District and Sector plans. Guidelines are being prepared to assist District Assemblies and Sector Ministries in the preparation of their Plans.

**1.24** Once the MTDP and GPRS are complete, the Ministry of Finance will use these documents to prepare the Interim Poverty Reduction Strategy Paper for

presentation and approval to the Boards of the World Bank and the IMF. According to the original timetable for this process the draft document was to be finalised in January 2001 and the definitive paper formally presented to the IMF and World Bank in April 2001.

### **Monitoring and Evaluation**

**1.25** Documents produced by the NDPC outline measures to develop appropriate monitoring and evaluation processes. The updating of the GPRS will involve updating and developing indicators, and “Community participation in monitoring and evaluation will be a core process in the GPRS. Participatory Poverty Assessments already undertaken will form the baseline for participatory monitoring to enable communities to track changes in their situation. A feedback mechanism will be provided as part of the GPRS to ensure that the results of the monitoring and evaluation inform review processes.<sup>12</sup>”

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12. Updating Ghana’s Poverty Reduction Strategy: Process and Content, NDPC, undated.



## CIVIL SOCIETY RESPONSE

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2.1 As of the end of April 2000, civil society seemed largely unaware either of the Poverty Reduction Strategy process or of how the Government of Ghana was proposing to handle this issue. There seemed, in addition, a lively scepticism both about the desire and the ability of the Government to engage substantively with civil society and the seriousness with which it is willing to tackle problems of poverty<sup>13</sup>.

2.2 Attitudes to the state of politics in Ghana, and the impact of the political culture on civil society engagement with Government, varied. Generally speaking there was confidence in the stability and open nature of the political system. This is evidenced by the outspoken and critical nature of many civil society organisations and their clear desire to expand the scope and nature of the social dialogue which has developed in recent years.

### Parliament

2.3 The Chairman of the Finance Committee of Parliament complemented opposition members for the positive and constructive role they play on the Committee<sup>14</sup>. He strongly supported the need to increase the effective involvement of civil society in the development of macro-economic policy in general and on poverty issues in particular. The Chairman recognised that there was a need to

develop a national consensus on poverty reduction and emphasised that the process, initially at least, must be locally driven and not involve the donors.

2.4 The Chairman complained, however, that it was problematic for the Committee to undertake its monitoring role effectively because of the difficulty of prising information from Government Ministries. Economic policy making is often opaque. The difficulty of securing information applied equally to members from the majority parties as to the opposition. It was hoped that the Medium-Term Expenditure Framework (MTEF), which was greatly welcomed by the Committee, would make the budgeting process much more transparent and easier to monitor.

### Religious bodies

2.5 The Churches however, were less sanguine about the health of political life. They complained about the excessively adversarial and polarised nature of national politics, especially at the local level, and the lack of accountability in public life<sup>15</sup>. One-partyism was argued to have attractions across the political spectrum and it was emphasised that people need to understand that, in a mature democracy, political competition should not be interpreted as an act of

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13. Many interlocutors expressed concern about the growing poverty of the most vulnerable groups in society and the widening gap between rich and poor: and many had horror stories of one kind or another about Government policy. It was suggested, for instance, that stories concerning the embezzlement of funds from the District Poverty Alleviation Fund had undermined confidence. The distribution of resources from Parliament's Common Fund, designed to be accessed by parliamentarians to support development initiatives in their areas, was generally thought to unfairly benefit the majority party.

14. Two thirds of the Committee are from the majority party. This reflects the overall composition of Parliament.

15. "At the end of the day, it appears that the transition to constitutionality has made little impact on the practice of most institutions and officials who in the practice lack accountability, transparency and openness." Communiqué of the Ghana Catholic Bishops' Conference, July 1997. "Closely associated with the twin evils of bribery and corruption are many social vices such as nepotism, favouritism, 'oldboyism' and shades of tribalism, etc. These, rather than merit, tend to be the parameters for granting of positions and contracts." Advent Pastoral Letter, 1997.

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disloyalty. This would involve a greater effort to encourage the idea of a loyal opposition<sup>16</sup>.

**2.6** This need for more political maturity was, in the eyes of the Churches, linked to the potentially destabilising impact of the growing gap between the rich and the poor<sup>17</sup>. Senior church people expressed concern that impact of all these problems meant that the Government was unnecessarily sensitive to criticism – particularly in regard to the economy.

**2.7** Consultation, when it happens, was seen to be little more than formality – “they have already made up their minds”. It was suggested that, for “political reasons”, the Government wishes to keep the churches away from issues of economic planning<sup>18</sup>. And, as a result, the Churches themselves had tended to become docile and uninvolved. The religious bodies, however, given their deep roots in poor communities throughout the country, and the fact that their adherents are active in all political parties, are keen to play a more active role in a national debate about poverty reduction.

**2.8** It was suggested that proposals for greater public participation in the formation, implementation and monitoring of macro-economic policy have the potential of aggravating tensions in society. The management of the PRSP process, therefore, will need to be handled sensitively. In Ghana, there are some NGOs which are perceived as ‘government-linked’. Others, rightly or wrongly, are seen by the Government as little more than a mouthpiece for the opposition.

**2.9** Even though the independence of the non-governmental sector is respected, the determination of who most appropriately represents civil society in general, and the poor in particular, will need to be carefully considered. The religious bodies, however, consider themselves to be an essential element in any such initiative. Community and youth leaders from the Muslim community, for example, provided graphic descriptions of the damaging impact of the growing poverty in many parts of the country. Family life is being progressively destroyed and young people are attracted to prostitution and criminality in order to survive.

**2.10** The religious bodies are deeply concerned to have a voice in the development of a national consensus on economic policy and poverty reduction. It will, however, take maturity on all sides, but particularly from the government, to engage in such debates without rancour.

## **The Private Sector**

**2.11** The private sector is seriously concerned about the levels of poverty in the country; and especially in the rural areas. The influx of street children into Accra was cited as a clear indication of the level of depravation. People with initiative are leaving the rural areas in droves. The business community, which understands well the economic difficulties experienced even by its own employees, accepts that sustainable poverty reduction should be the primary objective of economic policy<sup>19</sup>.

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16. One churchman talked about the need for confidence building initiatives. It would be good, for instance, if the President could invite senior opposition figures to breakfast to exchange views on economic policy.

17. One religious leader suggested that growing poverty was undermining confidence in democracy. The view is growing that “democracy is expensive” and provides little for no relief to those at the margins of society.

18. In regard to the delivery of services to poor communities, however, the government would like to see the Church bodies using their international networks more effectively to mobilise additional assistance.

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**2.12** Although committed to the idea that the private sector must provide the vehicle for growth, the Government has been slow in taking the business community into its confidence on economic policy. There are regular and cordial meetings with the Vice President, Professor John Atta Mills, who co-ordinates the economic Ministries, but little real opportunity to influence policy<sup>20</sup>. There is a perception that the Government wants to keep such matters to itself: “you have your say, we will have our way”. This approach, it was suggested, is in part a matter bureaucratic inertia rather than political diktat.

**2.13** But it is also a political problem. The whole issue of economic and development policy and practice, it was stressed by a number of businessmen, is too highly politicised: an unhealthy ‘winner takes all’ mentality prevails. The political culture in Ghana is characterised by seeing people as belonging to a particular team and from that, everyone realises, flows important consequences about likely access to state resources or influence. The ‘one of us’ culture is seen to pervade society.

**2.14** The private sector has been involved in the preparation for the new Plan, and participated in a number of the CSPGs. There is some concern, however, about the extent to which this process has a real impact on the formulation of economic policy. The National Development Planning Commission

(NDPC), it was argued is not a powerful or influential body within Government.

**2.15** Public resources, it was suggested are often used in a crude manner to consolidate political support and to attract new members. This distorts development priorities, encourages a dependence culture, and means that scarce resources are misapplied. An example was mentioned of the relative importance given to the provision of electricity and of water. Although water was the higher priority for most rural communities, emphasis tends to be given to investment in electricity because it has greater public relations impact.

**2.17** The difficulties of gaining access to Government information, even that which is already in the public domain, was highlighted<sup>21</sup>. As was the credibility of much of the information which is provided by Government. In negotiations on the minimum wage, for instance, the Government, the employers and the TUC come up with widely varying statistics on the cost of living.

**2.18** Sometimes, it was argued, macro-economic information is massaged for the particular audience. That which is for local consumption often varies from what is designed for the international community. Donors often seem to have better access to official information.

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19. Others would argue that the middle class is not notably interested in poverty reduction as an objective of economic policy; or is, at least, sceptical of any direct interventions to assist the poor. Professor W.K. Asenso-Okyere, the Head of Institute of Statistical, Social and Economic Research, for instance, in his Inaugural Lecture “abhors laziness and therefore discourages intervention programmes and remittances that give hand-outs to able bodied persons who do not want to do productive work”. Instead, he argues for “the accumulation of wealth and its utilisation by individuals” (27 April 2000, Abstract).

20. Business leaders complained, for instance, that – even though they had been warning for some time of the impending foreign exchange crisis – the Government was unwilling to consult. As a result, the measures recently announced to address the crisis were largely unhelpful or worse.

21. Although one businessman suggested that the real problem is that the Government simply does not have any information: “it’s not there”.

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**2.19** It was recommended that it would be helpful, therefore, to have a truly independent body with the capacity to provide reliable economic data. The information provided by the Centre for Economic Policy and Analysis (CEPA), and other research bodies such as the Institute of Statistical, Social and Economic Research (ISSER)<sup>22</sup>, is considered more reliable than Government sources, but these institutions have limited resources.<sup>23</sup>

**2.20** The private sector would like to work more closely with other elements of civil society in a common effort to overcome poverty and deprivation. There is, however, little opportunity for this kind of interaction. The Speaker's Breakfast was mentioned as good vehicle to initiate such dialogue. It was suggested, however, that the Government might be wary of anything which looked like "a conspiracy" from civil society.

**2.21** Emphasis was placed on clarifying the qualifications for participation in such a process. There is, for instance, a proliferation of NGOs some of which have little substance (even though they may be able to attract funding). It was argued that the business community, the trade unions, the Churches and the major NGO networks should, however, be fully involved.

**2.22** It was suggested that an independent facility, located within civil society, should be established to finance information collection and analysis around the issues of poverty. This facility should also have the resources to make such information generally available in an accessible manner to all sections of civil society<sup>24</sup>. The facility could commission work from existing research institutions, consultants, or appropriately qualified NGOs.

### Trade Unions

**2.23** The trade union movement, although keen to play an active role, was also sceptical about the Government's commitment to seriously involving civil society in the formulation of the PRSP. They had no idea how the Government was planning to manage this process.

**2.24** The TUC serves on three CSPGs, convened by the National Development Planning Commission (NDPC), including on "macro-economic policy" and on the "enabling environment". The experience of participation in these groups varied but the TUC did not believe that they provided an adequate framework to co-ordinate civil society input into the PRSP.

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22. ISSER was established in 1962 at the Institute of Statistics. Its mission is to carry out activities that would promote the socio-economic development of Ghana in particular and Africa in general; and, in particular, "monitor and evaluate the effects of development policies, projects and programmes both in terms of their objectives and general consequences".

23. It was striking that, as this discussion was taking place, the Daily Graphic was preparing to print a letter strongly attacking CEPA. The nature of the attack, however, focused not on the substance of CEPA's contribution to debate but on the political pedigree of the Executive Director: "Is Dr. J.L. Abbey the same Dr. Abbey who was one of the core of government economists during the revolution and the PNDC era? Was he the same man who held various sensitive positions including Secretary for Finance at the Ministry of Finance? . . ." In the mind of senior business leaders, this attack was almost certainly "planted" by the Government. Whether or not this is the case, the incident again highlights the extremely polarised nature of debate.

24. A similar idea was proposed by NGOs with the proviso that such a facility should focus on "innovative" approaches to carrying out such research; and, in particular, deepen the involvement of poor people in such activities (e.g. through later generation Participatory Poverty Assessments).

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**2.25** The TUC had been unable to attend the first meeting of the 'macro-economic' group and had heard nothing since. The group had established a number of sub-committees but it had not been invited to participate in any of them. Involvement in the 'enabling environment' group had been more active with the Congress participating at four meetings. There was, however, little focus on the issues of poverty at the meetings and no mention of the PRSP. The meetings were not attended by any NGO or Church representatives. It was suggested that the activities of the group on 'financing the development plan' had, for the time being, come to a halt.

**2.26** TUC officials complained that participation in Government sponsored forums often proved difficult. Meetings were convened at short notice and sometime invitations arrived after the event had already taken place. It was suggested that the Government preferred to consult with more sympathetic institutions, like the Civil Servants Union (which is not a member of the TUC), than with bodies carry real weight within civil society.

**2.27** Problems about the approach of the International Finance Institutions (IFIs) were also raised. Although the World Bank had made considerable efforts to consult with the trade union movement, particularly over the past twelve months, there was a lingering doubt about whether it was truly "convinced" of the importance of this process. What the Bank is looking for is a "quick fix": to secure

support for its policies without opening-up to a serious critique from civil society.

**2.28** The TUC believe that it is necessary to clarify what exactly is meant by "participation". Who speaks for the poor? Many initiatives fail because the poor are in effect excluded. Participation was also frustrating because, as in the case of the National Economic Forum<sup>25</sup>, there is often no political will to implement the agreed conclusions and recommendations. Initiatives are taken but there is no follow-up.

**2.29** Experience has shown that securing effective participation will require a more assertive approach from civil society. It was argued that those who work directly with and seek to represent the interests of the poor will need to "raise their voices" if they are to be heard.

### **Non-Governmental Organisations**

**2.30** As at April 2000, the twenty-five member Civil Society Co-ordinating Council (CiviSoc)<sup>26</sup>, established to help improve understanding of the impact of structural adjustment policies and to strengthen civil society involvement in policy formulation, had not seen the March 2000 paper on Development Strategy for Poverty Reduction which had been presented to the World Bank and the IMF<sup>27</sup>.

**2.31** CiviSoc were not involved at any stage in the drafting of this document. Nor had they been involved in any discussion, either with the

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25. The National Economic Forum, September 1997, promoted and funded by USAID, was attended by some 400 delegates.

26. CiviSoc, established at a national workshop in April 1997, provided the framework for Ghana's participation in the Structural Adjustment Participatory Review (SAPRI) a joint project of the World Bank, governments and a global network of NGOs and civil society organisations. The eight participating countries are Bangladesh, Ecuador, Hungary, El Salvador, Mali, Uganda, Zimbabwe and Ghana.

27. According to the timetable, the paper should have been distributed to the Cross-Sectoral Planning Groups (CSPGs) on 7 March 2000.

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Government or the Bank, on how civil society participation in the PRSP process was to be structured. The same applied to the Ghana Association of Private Voluntary Organisations in Development (GAPVOD)<sup>28</sup>, the Ghana Coalition of the Rights of the Child (GNCRC)<sup>29</sup>, as well as the Forum of Religious Bodies<sup>30</sup>, the private sector, and the TUC.

**2.32** Civil society bodies expressed a number of specific concerns about their participation in macro-economic policy dialogue.

### **Commitment to Participation**

**2.33** Although formally involved with the World Bank and civil society in the Structural Adjustment Participatory Review Initiative (SAPRI), Government officials give little impression that they take this process seriously. Participation by such officials is erratic and their contribution to the discussion lacks substance.

**2.34** The most significant area for civil society involvement in policy formation seems to be the CSPGs. Although civil society structures are very marginally involved in these groups there was little confidence that this provides an adequate framework for such engagement or meets the consultative requirements of the PRSP<sup>31</sup>.

**2.35** The World Bank has proved considerably more diligent than the Government in its efforts to encourage participation. Recent experience of civil society involvement in the drafting of the Country Assistance Strategy (CAS) marked a significant improvement on previous efforts<sup>32</sup>. Even so, a number of problems were identified. In practice, participation requires acceptance of the broad parameters of Bank policy and criticism of the current orthodoxy is generally ignored. Although nominally a tripartite exercise, the Government was largely absent. Civil society participation took place only at the earlier stages of drafting. The final text was not even made available to those who had been involved in the process.

**2.36** At present, the so-called tripartite structures of consultation, involving the Government, civil society and the Bank are problematic. In reality, this is not a tripartite structure but two bilateral processes. The Bank engages with each of the parties and then interprets one to the other. There is very little space for substantive interaction among the three parties. A priority for civil society, therefore, is to strengthen its dialogue with Government rather than with the Bank in order to develop an agreed approach to poverty reduction.

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28. GAPVOD membership comprises a broad range of local and international NGOs. They are concerned about problems of poverty. The Secretariat is funded by DFID, as well as other donors.

29. GNCRC is a body of child rights focused NGOs and other civil society group. It is recognised and works closely with the Department of Social Welfare and, Ghana National Commission on Children, Women and Juvenile Unit of the Police Service, and Women's Lawyers Association. It has more than on hundred members and volunteer co-ordinators in nine regions.

30. The Forum includes: Christian Council of Ghana, National Catholic Secretariat, National Association of Charismatic and Christian Churches, Ghana Pentecostal Churches, Federation of Muslim Councils, and Ahmadiyya Muslim Mission, Ghana.

31. The Forum knew nothing about the CSPGs.

32. NGOs also welcomed the consultations initiated by the World Bank around the Comprehensive Development Framework, including eight Regional Workshops.

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2.37 What is needed, according to CiviSoc, is a national process. Not one necessarily mediated by donors.

### Access to Information

2.38 In order for civil society structures to participate effectively in these processes they need to understand the policy formation and budget process within Government and to have access to the information on which policy positions are being developed.

2.39 According to our interlocutors securing information from Government officials is like extracting teeth. The natural bureaucratic tendency to secrecy seems to be reinforced by a lack of any clear policy of openness. The Government, through its Draft Comprehensive Development Framework Towards Ghana Vision 2020, has accepted in principle that “civil society should be given access to information”<sup>33</sup>. There is as yet, however, little sign of this policy having an impact on the Ministries. It was argued, furthermore, that donor officials have greater access to information about Ghana in their

headquarters than people in Ghana, particularly the NGOs.

2.40 These difficulties, it was suggested, are also linked to fundamental weaknesses in the information available to the Government itself on which its planning process rests. The delays and difficulties experienced in undertaking a national census, an essential tool for planning, were highlighted as an important example. As was the quality and availability of poverty data and analysis from the Ghana Statistical Services<sup>34</sup>.

2.41 At the District level, the lack of transparency about the operations of the Poverty Alleviation Funds was highlighted<sup>35</sup>. The criteria for access to these funds, as well as the information about the loans provided, are not widely disseminated in the area. Similar concerns were expressed about the Social Investment Fund<sup>36</sup>.

2.42 Little effort, it was suggested, has been made to inform the general public and civil society structures about major policy issues. The lack of information concerning the PRSP was cited as an example. Also,

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33. See paragraph 40, ‘Good Governance’, A First Draft Comprehensive Development Framework Towards Ghana Vision 2020, Tenth Consultative Group Meeting, Accra, November 1999.

34. The poverty monitoring work being undertaken by the Ghana Statistical Services, such as the Core Welfare Indicators Questionnaire (CWIQ), was not mentioned. It is not clear how widely available this work is, what impact it has on the policy process, and the extent to which it is independently evaluated.

35. The District Assemblies are responsible for locally provided public services, excluding health and education which have their own local structures. They control the Common Fund (DACF) which nationally accounts for some 5% of tax revenues, 20% of which must be spent on poverty reduction projects. Although NGOs strongly support the process of decentralisation, many are unhappy with the structure of the District Assemblies. One third of the members of these Assemblies are nominated by government. In addition, the Chief Executive is appointed by the President with the approval of the Assembly. As a result all Chief Executives, it was suggested, are members of the majority party. Local communities accept this because they are concerned that, otherwise, funds will not flow into their areas.

36. The fund, initially piloted in two districts, was established under limited liability by guarantee status with support from UNDP and the ADB. In principle has a Participatory Impact Monitoring and Evaluation System (PIMES) but there seemed little awareness of or confidence in this arrangement to ensure effective targeting of funds.

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there is also lack of knowledge about the implications of the METF for transparency and accountability in budgeting. Such information needs to be provided by the Government in an accessible form.

### **Analytical Capacity**

**2.43** To engage effectively with government in the policy debate, civil society not only needs access to relevant, up-to-date information, it also requires sophisticated analytical capacity.

**2.44** In order, for instance, to challenge the assumption about the likely impact of economic policy on the poorer sections of society, NGOs believe it would be necessary to undertake detailed, participatory surveys. Such work, furthermore, will need to be revisited periodically to see how such policies play out over time.

**2.45** Although there is within the country a capacity and experience to undertake such work, it is not happening. The NGO representatives suggested two reasons: first, the linkages between the NGOs and civil society structures, on the one hand, and the relevant research institutions, on the other, are weak; second, there is a lack of resources to finance such activities.

**2.46** The Institute of Statistical, Social and Economic Research (ISSER), at the University of Ghana, which has an economic consultancy arm, would be keen to participate in such initiatives. There are other institutions and individuals which could be involved in this work<sup>37</sup>.

**2.47** The involvement of analysts and policy experts in structures such as CiviSoc is often frustrating. The level of knowledge, expertise, and economic literacy varies considerably among groupings which can range from grass roots, community-based structures to national development NGOs. Furthermore, the

technical committee of CiviSoc has no resources to commission research.

**2.48** There are other institutions and individuals that have experience of participatory planning and consultation. For example ISODEC has carried out training programmes for improving civil society understanding of the budget processes, ActionAid have used participatory approaches for District planning, and CEDEP are working with the Ministry of Health to carry out participatory research with local staff on constraints facing poor people on getting access to high quality services. A key role that these organisations can play is in providing information to the poor on their entitlements from Government.

**2.49** Public debate about economic policy and its impact on the poor is limited by the inability of the media, especially the print media, to provide in-depth comment and analysis. Media representatives suggested that training programmes could be undertaken through the relevant professional bodies. It was also suggested that the school of journalism should become a University institution.

### **Time for Consultation**

**2.50** Governments are always under pressure. This need for haste, furthermore, is often reinforced by pressure from donors who have their own priorities and work to a different agenda.

**2.51** This need for haste means that the time consuming process of consultation with poor communities or people living in inaccessible areas is impossible. Once government has decided it wishes to consult, the process must happen immediately.

**2.52** For instance, one NGO network invited to review an important policy document – part of the preparations for the Plan – was given two days to read

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37. Participatory Poverty Assessments (PPAs) were undertaken under the framework of SAPRI in 1993-4.



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and digest the document. Although a second draft was then circulated for comment, the final text was not distributed to participants. Even this level of consultation, however, would not have happened without the intervention of a donor agency.

**2.53** The in depth research required to challenge some of the assumptions on which economic policy is based takes time and cannot be rushed. The preparation of documentation which is accessible to poorly educated people, and in the language they understand, is not an easy task. The organisation of workshops, necessary to ensure that people throughout the country have information about these processes and understand what is involved, is also time consuming. The logistics of organising, at a national level, consultative meetings to discuss policy issues cannot be completed overnight. It all takes time.

### **Need to Co-ordinate**

**2.54** NGO representatives emphasised the need to coordinate their conclusions and recommendations with other like-minded bodies, once civil society structures have engaged their respective constituencies in the policy debate. It is difficult, if not impossible, for governments to engage in serious dialogue across a broad range of issues with a wide variety of NGOs and civil society bodies. They stressed that the impact of dialogue, furthermore, is much greater if the civil society structures speak with a single voice. It is important, therefore, to strengthen co-ordination arrangements, such as CiviSoc.

### **Government Capacity**

**2.55** The preparation of the PRSP, given that it forms part of the process involved in drawing up the new Plan, falls under the responsibility of the National Commission for Development Planning (NCDP). The Commission has been viewed both by the private sector and by NGOs as a rather weak institution with only marginal impact on economic policy making. However, views were expressed that given the appointment of a full Cabinet Minister to head the Commission its influence on policy is likely to increase.

### **Role of Donors**

**2.56** Doubt was expressed about whether donors are serious in wishing to support civil society in its engagement with the Government on issues around poverty and macro-economic policy. In practice, they show little interest in consulting seriously with civil society structures<sup>38</sup>. Donors, it was claimed, much prefer to fund discrete projects which have a direct impact on poverty reduction. This is easy to explain and justify to their taxpayers and political masters. Policy dialogue, on the other hand, is too closely linked to the political process for donors to feel comfortable about intervening.

**2.57** Concern was also expressed about the use of donor resources in the country. Trade unionists, querying where the money was going, asked why so little is channelled to those who work directly with the poor. NGOs argued that the policies of donors – including DFID – to increase funding for Sector Support Programmes was having the indirect effect of marginalising civil society initiative<sup>39</sup>.

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38. It was suggested, for instance, that although a large number of DFID consultants visit the country, they never meet with representative structures of civil society.

39. The counter argument, that the sector approach – which has an explicit poverty reduction focus – allows DFID to deal with poverty as a mainstream issue rather than in an ad hoc and disconnected manner, was not articulated. This may in part, no doubt, arise out of NGO self-interest but also reflects concern about the capacity of government structures to deliver services to the poor in an even-handed and transparent manner.

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## CONCLUSIONS

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### Commitment to Consultation

**3.1** The policy statements from Government, the Ghana Vision 2020 process, the arrangements for updating the Ghana Poverty Reduction Strategy (GPRS) and preparing the second Medium Term Development Plan (MTDP), and the Structural Adjustment Participatory Review Initiative (SAPRI), all suggest that there is already in place an effective mechanism for consultation between Government and civil society. The findings of the fieldwork indicate, however, that this is not the view of the civil society organisations themselves.

**3.2** They suggest that a truly participatory process involving substantive discussions about poverty reduction will be difficult to manage and may be fraught with tension. It will require little less than a change in the political culture by all sections of society: an essential element of the process of the “societal transformation” that is an integral to development.

**3.3** It is also the view of civil society that it is only Ghanaians themselves who can address these issues. It may be helpful, however, for outsiders – but not necessarily donors – to help to facilitate the process, if so requested.

**3.4** Such informal consultations should help lay the groundwork for a more structured discussion on how best to involve civil society. They will make it possible to identify and articulate the concerns of civil society and any apprehensions there may be on the part of Government, about the GPRS / MTDP / PRSP processes.

### Rules of Engagement

**3.5** While the NDPC has drafted a Participation Strategy and Framework for Engagement in the GPRS process, the document does not define the detailed rules of engagement, i.e. the criteria for participation, identification of those civil society

bodies which – through their structures – give an effective voice to the poor, and the rights (for instance, to access to information) and the responsibilities (for instance, in regard to confidentiality).

**3.6** The rules of engagement would also define more clearly the nature of participation and the responsibilities of the Government to provide access. Is participation a matter simply of sharing information and listening to the concerns of civil society or are such bodies to be more deeply involved in the policy processes? The nature of participation — which can range from information sharing, consultation, joint decision making or initiation and control of stakeholders — needs to be spelt out; and the draft Participation Strategy and Framework for Engagement should be developed further with civil society organisations to define the detailed “rules of engagement”. It is important that the ground rules which emerge from these consultations should be simple, clear, and comprehensive. And that all parties should respect them.

### Building on Government Processes

**3.8** There is general agreement that the PRSP should be built on but extend existing government processes, including the preparations for the updating of the Ghana Poverty Reduction Strategy (GPRS), The Second Medium Term Development Plan, 2001-2205 (MTDP), co-ordinated by the National Commission for Development Planning (NCDP), and The Medium Term Expenditure Framework (MTEF) under the Ministry of Finance.

### Time for Participation

**3.9** The current timetable for the preparation of the GPRS and the plans to be prepared by Ministries, Departments and Agencies (MDAs), as well as the District Assemblies, and incorporated into the draft MTDP envisage that the first draft would be completed by February 2001. As a result, if the

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current schedule is maintained, there will be little time for effective consultation with those who truly represent the needs and views of the poor.

### **Government Capacity Building**

**3.10** Government institutions will need to learn new skills about how to manage such a process in a manner which, while protecting the integrity of national decision-making processes, maximises substantive debate without degenerating into acrimony. In order to engage effectively with civil society, Government ministries will need to be strengthened.

**3.11** Improved methods of participation will need to be developed, building on experience in Ghana and elsewhere, including through the Ministry of Finance through the Medium-Term Expenditure Framework (MTEF). At the same time, the division of responsibility between the Ministry of Finance and the National Development Planning Commission (NDPC) will need to be clarified. Developing such expertise will take time. It may be helpful if an experienced local or African institution be invited to develop and run a programme of workshops and related initiatives designed to strengthen the capacity of the NDPC and the Ministry of Finance in participatory processes.

### **Provision of Information**

**3.12** Whatever happens about the PRSP there is a need for the Government to improve its ability to generate and disseminate information about

economic development. This should include information on: new initiatives (such as the PRSP); changes in policy direction; policy targets; budget information (planned expenditure and actual expenditures); and performance in reaching agreed targets. Initiatives currently under way to strengthen the capacity of the Ghana Statistical Services, the Ministry of Finance and the National Development Planning Commission to generate, analyse and disseminate such information should be implemented as a matter of urgency – and carefully co-ordinated.

**3.13** An informed debate about issues relating to poverty and economic development is part of the democratic process. At present, the ability of the media to play its full role in this process is limited, and there is a need to determine what measures might be put in place to strengthen the capacity of the press and electronic media to improve its coverage of such issues.

### **Civil Society Co-ordination**

**3.14** At present, there is no consultative mechanism bringing together the various elements of civil society concerned with the impact of economic policy on poverty reduction. There is, however, a desire that such a mechanism be established. The churches, the business community and trade union movement, as well as the NGOs, could set-up, in consultation with Government, a national coordinating mechanism on poverty to oversee civil society participation in the PRSP process<sup>40</sup>. This can be built on the experience of CiviSoc.

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40. Such a forum might consider the use of scenario planning to create a common language and vision between civil society and the state. Though this is a long-term process it may help to bring about the desired changes by bringing together a group of participants that reflect the various sectors of society. Such an approach has been used, for instance, in Kenya and Colombia. The Kenya Scenarios Project is a joint initiative of the Society for International Development and the Nairobi-based Institute of Economic Affairs. This project brought together over 80 representatives from different sectors, backgrounds and generations to develop future scenarios for the country (<http://www.kenyasenarios.org/>). Destino Colombia scenarios was a broad-based scenario building process that offered four scenarios for the future of Colombia, created by a team of 43 influential leaders drawn from almost all sectors of Colombian society (<http://www.destinocolombia.norma.net/>).

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### **Civil Society Capacity Building**

**3.15** There are also problems concerning the capacity of civil society to engage with the Government in such a process.

**3.16** It will be important therefore to provide assistance to finance a secretariat for the proposed coordinating mechanism; to finance the participation

of those civil society institutions which would find it difficult otherwise to engage in this process; and that local and international donors make available resources over a period of years to finance poverty related research and policy analysis. Such funding, which can draw on the services of local institutions and consultants, should be under the authority of the civil society forum. This work should be carefully coordinated with related Government activities.

## ANNEX A: LIST OF PERSONS AND INSTITUTIONS CONSULTED

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Mr. Jallah  
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Chief Issah  
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## ANNEX B: PUBLICATIONS

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Development Strategy for Poverty Reduction, Ministry of Finance, Accra, 1st March 2000.

The First Medium-Term Development Plan (1997-2000), National Development Planning Commission (NDPC), Government of Ghana, July 1997.

The Budget Statement and Economic Policy of the Government of Ghana, Hon. Kwame Peprah, Ministry of Finance, 5 February 1999.

A First Draft Comprehensive Development Framework: Towards Ghana Vision 2020, Ministry of Finance, November 1999.

Tenth Consultative Group Meetings, Volume Two, Government of Ghana Poverty Reduction Programme, November 1999, Accra.

Terms of Reference (TOR) for CSPG Group Consultants, Consensus Building on Policies for Ghana Vision 2020 (The Second Step: 2001-2005), National Development Planning Commission (undated).

Poverty Reduction Strategy Papers: Operational Issues, World Bank and IMF, Washington, December 1999.

Poverty Reduction Strategy Papers: Internal Guidance Note, World Bank, Washington, April 2000.

A New Approach to Country-Owned Poverty Reduction Strategies, World Bank & IMF, Washington, January 2000.

Participation in Poverty Reduction Strategies: A synthesis of experience with participatory approaches to policy design, implementation and monitoring, Rosemary McGee, IDS, Sussex, March 2000.

Ghana Bishops Speak: A Collection of Communiqués, Memoranda and Pastoral Letters of the Ghana Bishops' Conference, Department of Social Communications, National Catholic Secretariat, January 1999.

SAPRI First National Forum, Report of the Rapporteur General, Accra, November 1998.

Ghana Country Report, Creating a Framework for Reduction Poverty: Institutional Processes and Process Issues in National Poverty Policy, David Booth, Special Assistance Programme, 1999.

Report of a mission to Ghana to review possible DFID Support to Poverty Monitoring, March 6th-17th 2000, Mick Foster, Andy Norton, Andrew McKay, ODI, 2000.

Focus on Ghana, The Times, 18th April 2000.

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Civil Society Participation in Poverty Reduction  
Strategy Papers (PRSP)

**Report to the Department for  
International Development**

**Vol III: Vietnam Case Study  
Hanoi, June 2000**

SGTS & Associates, 20 Gladstone Court, 97 Regency Street, London SW1P 4AL

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## PREFACE

This Report provides one of three country profiles which form an integral part of a study commissioned by the Department for International Development (DFID) to advise how development agencies might facilitate and support effective civil society involvement in drawing up Poverty Reduction Strategy Papers (PRSPs).<sup>1</sup> In total, three case studies were conducted: Ghana, Vietnam and Zambia, respectively Volumes II, III and IV.

While we hope that the report will be helpful in each of the countries concerned, its main purpose is to suggest wider lessons for the advancement of popular participation in developing national poverty strategies through the PRSPs.

The field work for the Vietnam study took place from July 5–13 2000. Meetings were held with Government; a range of civil society structures

including mass organisations, local and international NGOs; and with the international donor community, including the World Bank<sup>2</sup>. The case study briefly resumes the national policy framework for poverty reduction, and then described the civil society perspectives on this process. It concludes with some observations on the national process. Annexures of persons consulted, and publications are included.

We would like to thank all those who contributed to this work and gave their time generously, particularly Bridget Crumpton who made the arrangements for the programme. The terms of reference of the work, and the main conclusion and recommendations, are contained in Vol I: Conclusions and Recommendations. Any comments, or requests for further information, can be obtained by email to: [steve.godfrey@sgts.co.uk](mailto:steve.godfrey@sgts.co.uk) or [tim.sheehy@sgts.co.uk](mailto:tim.sheehy@sgts.co.uk).

SGTS & Associates  
October 2000

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1. The report, although based on consultations with a wide range of people, does not necessarily reflect the views of DFID or of any of the individuals listed in Annex A.
  2. A list of those consulted is included in Annex A.

## SECTION I: INTRODUCTION

**1.1** Vietnam had the outstanding record in poverty reduction among developing countries during the 1990s. Per capita income rose 41% in the period 1993 to 1998<sup>3</sup>, and all indicators of human development confirm the rise in living standards<sup>4</sup>. The incidence and depth of poverty declined in all regions of the country and sectors of society. Overall, the total number of people living below the poverty line fell from 57% in 1993 to 37% in 1998; and the number below the food poverty line<sup>5</sup> declined from 25% to 15%. Other indicators, such as school enrolment, child malnutrition, access to infrastructure and ownership of consumer durables show marked improvement. Almost no other country has shown such a sharp reduction in poverty in such a short time.

**1.2** However, poverty remains widespread, with the preponderance of the poor in rural areas (45%) and urban poverty estimated around 10%. Growth has delivered improvements to poor people because of Vietnam's commitment to equity – but recent growth has slightly increased inequality, because urban development has outpaced that of the rural areas<sup>6</sup>.

**1.3** This impressive achievement was underpinned by growth rates of 8% between 1990 and 1997: the East Asian crisis saw this rate fall to 4% in 1998,

although the growth rate is expected to rise to about 6% in 2000. There has been a significant fall in Foreign Direct Investment (FDI), and the World Bank has also highlighted weak competitiveness, a weak banking system, and an inefficient state enterprise system as threats to continued progress in economic growth and poverty reduction.

**1.4** The country has a strong tradition of integrated national planning, and just over decade ago adopted the economic renewal programme *doi moi* which has seen significant liberalisation of the economy. A major part of Vietnam's success has derived from the immediate benefits of liberalisation under *doi moi*, especially decollectivisation of land. The gains are impressive, but fragile: many millions are bunched just over the poverty line, and vulnerable to economic shocks or a downturn in the economy. Further reform, including dealing with the restructuring of state enterprises, may be a more difficult path, with the loss of protected employment for many workers.

**1.5** The Government has is currently drawing up a new five year plan for 2001-2005, which is the fulcrum for national planning. In 1998 work began with the international community to develop a Country Assistance Strategy (CAS), and this was

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3. Unless otherwise stated the figures in this report are based on the two Vietnam Living Standards Surveys (VLSS) from 1992/3 and 1997/98, and the Vietnam Development Report 2000, which is also known by its title *Vietnam – Attacking Poverty*.

4. For example, the UNDP Human Development Report 2000 shows a third straight improvement in Vietnam's HDI position, to 108th.

5. Based on income equivalent to less than 15kg rice in rural and mountainous regions; 20kg in the Delta and Midlands regions; and 25kg in urban areas. This measure is the one most frequently used in public by the Government.

6. The Report shows that between 1993-98, there was a modest increase in the measure of inequality, the Gini Coefficient, from 0.33 to 0.35; but that Vietnam remains a country with only modest inequality. There was also a widening of the income gap between the poorer three (northern) provinces, and that of the richest around Ho Chi Minh City.

followed in March 1999 by a Comprehensive Development Framework (CDF)<sup>7</sup>, when Vietnam elected to become a pilot country for this World Bank programme. Vietnam is only required to produce a Poverty Reduction Strategy Paper (PRSP), the new all-encompassing framework for countries seeking debt relief or access to structural adjustment funds from the World Bank and IMF, if it chooses to borrow funds for structural adjustment<sup>8</sup>. No formal decision on this has been taken by Vietnam, but it is likely that it will seek structural adjustment support, and require a PRSP. If this is the case, it is likely that the comprehensive poverty reduction strategy which is being developed with the Ministry of Labour Invalids and Social Assistance (MOLISA) will simply 'slot into' the PRSP without changes.

**1.6** Vietnam is a socialist state, with a single party system. The country's history of resistance to foreign intervention has left a legacy of strong community values (and concern about poverty), and determination to maintain national control and

direction of its policies. Virtually all significant policy debate is conducted within the confines of government and party. The issues surrounding public participation in national policy making are therefore radically different from those in the majority of developing countries, which are multiparty democracies.

**1.7** Vietnam is an important case study for poverty reduction, because of its overall economic success, and because it illustrates an effective cooperative relationship between the Government and other actors in developing poverty reduction strategy. However, the fact that Vietnam is a one party state complicates the extension of lessons learned to other countries. This case study aims to describe some of the factors which have contributed to the effective inclusion of pro-poor perspectives within the country's policy-making, without, in any way, claiming to provide a detailed characterisation of the social and political features that make up modern Vietnam.

7. The Comprehensive Development Framework (CDF) process is described below.

## SECTION II: PARTNERSHIPS FOR POVERTY REDUCTION AND COMPREHENSIVE DEVELOPMENT PLANNING

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2.1 Vietnam's social and economic planning mechanisms, as a socialist state, mean that it is accustomed to comprehensive economic planning instruments – the current five year plan ends in the year 2000. The national process currently involves three overlapping planning instruments: a five year plan for 2001-2005, due for adoption at the 9<sup>th</sup> Congress of the Communist Party in March 2001; a socio-economic development strategy for the period 2001-10; and a vision for the period to 2020. As noted above, these are the locus of Vietnam's social and economic planning. The international donor community accepts that the PRSP will be a derivative of this indigenous process. In this regard, there is no danger that Vietnam will fail to meet the requirement that the PRSP be a nationally-owned programme.

2.2 What is the relationship between this national process, and arrangements for the agreement of a Comprehensive Development Framework (CDF), and, subsequently, a PRSP?

### Vietnam, the Bretton Woods Institutions and the Donor Community

2.3 The programmes under which concessional flows to Vietnam have been discussed and managed are unusual. The underlying process shows a consistent and clear pattern: the roots are in Vietnam's successive development plans, and the framework for current approaches being ushered in by the adoption of the economic renovation strategy *doi moi* in 1988.

2.4 The interaction between international institutions and development agencies (both bilateral and NGOs), through the Consultative Group (CG)

has some genuinely innovative features, one of which is the partnership with international NGOs, and through them local development structures and poor communities. The CG itself has become an important platform for donors and government to try to develop integrated development planning and poverty reduction strategies. Although there are a number of rubrics under which the international cooperation programmes have developed – from Country Assistance Strategy (CAS) to Comprehensive Development Framework (CDF) to Poverty Reduction Strategy Paper (PRSP) – the nature of the underlying process in Vietnam since 1997 has remained consistent: with a clear emphasis on a Comprehensive Poverty Reduction Strategy (CPRS). This process is described below.

### The Framework for Government Donor Planning; 1997-2000

2.5 As part of the World Bank's own restructuring of its operations, the first Country Director (and expanded country team) was posted in Hanoi in late 1997. This team decided to make poverty reduction the central objective of the program, and to emphasise a partnership approach – with donors, NGOs, private sector etc as well as government. The Government also requested donors to streamline procedures and untie aid. Donors in turn indicated a willingness to move away from a project-by-project approach, to an approach based on sector strategies and increased transparency on budgeting<sup>9</sup>. These themes were therefore central to the Country Assistance Strategy<sup>10</sup> (CAS) which was prepared in the first few months of 1998.

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8. Vietnam is considering a loan from the Bank/IMF Poverty Reduction and Growth Facility, the renamed structural adjustment fund (ESAF II), to assist banking reform, trade reform and restructuring of state enterprises.

9. For the first time, the Government has made available basic budget information for 2000; but the Medium Term Expenditure Framework is not available.

10. The CAS is the standard planning document of the Bank, and is a rolling, strategic plan for the Bank's programme of both lending, analytical, policy dialogue work over the coming years. One is produced for every bor-

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2.6 In contrast to the normal Bank practice at that time, where the CAS was prepared in consultation with the government, IMF and perhaps the larger donors, and remained a confidential document, the CAS was prepared employing wide consultation, with INGOs, mass organisations, local NGOs and donors, and in coordination with the UN system's strategic planning exercise. A concept note outlining the main messages of the CAS formed the basis of this consultation, and the final CAS was published<sup>11</sup>. The CAS put poverty reduction (in particular through rural development) as the central objective of the lending and analytical work for the future, and announced that the 1999 Vietnam Development Report (that the Bank prepares each year for the Consultative Group (CG) meeting) would be on poverty. To achieve this the Bank initiated two critical inputs for this poverty report in 1998:

- The first was a household survey with the Government Statistics office, the Vietnam Living Standards Survey (VLSS).
- The second was the series of four Participatory Poverty Assessments with the NGOs and the MRDP.
- To guide the preparation of this report the Bank also initiated the Poverty Working Group (PWG) comprising representatives of relevant government agencies, donors, and INGOs. Early in this process, it was decided that the poverty report should be a report of this PWG, not of the Bank – like the publication of the CAS, this was also a first for the Bank. Vietnam: Attacking Poverty is the output of the PWG.

2.7 While a number of government-donor sectoral working groups already existed, the Bank initiated a more systematic approach, leading to additional working groups being formed, which together with the stronger overall framework of government-donor coordination, and the poverty and partnership emphases, came together at the December 1999 CG. The central theme was poverty (with Vietnam: Attacking Poverty as the main document), and how to develop a long term and comprehensive strategy involving all stakeholders to tackle it.

2.8 Significantly, and well before the CG, the Government invited the PWG to continue in existence to advise it on a poverty strategy for incorporation into its 5 year plan and 10 year strategy to be submitted to the 9th Party Congress in March 2001. This was formalized at the CG, and the Prime Minister has instructed officials to work with the PWG to prepare a Comprehensive Poverty Reduction Strategy (CPRS), which will inform the government's planning process, and thereafter would be agreed by government and donors in June 2001 – in effect, turning it into a donor support strategy for the government's poverty effort as set out in the 5 year plan. This was all in place before any mention of the acronym 'PRSP' in Vietnam.

2.9 The Bank organized international and national workshops on partnership approaches to development in 1998 and 1999 and, after the President of the World Bank, James Wolfenson, announced the launch of the pilot Comprehensive Development Framework approach, Vietnam elected in March 1999 to be one of some dozen country pilots for the CDF. This increased the significance of the exercise as a model, although for Vietnam, this was simply a confirmation that the Bank, other donors,

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rower - with a frequency depending on the size of borrowing. The CAS describes the gov't's development strategy, social and economic context, recent shifts/developments, the Bank's proposed strategy, and hence the proposed lending program over the next few years. The CAS is a precursor to the Comprehensive Development Framework (CDF) – which is more like a business plan for the CAS.

11. It was also published in Vietnamese – a first for the World Bank .

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NGOs and government had all agreed that it was important to have a more integrated and coordinated approach to development and ODA planning in future.

**2.10** The main aims of the CDF, which like the PRSP must be 'country owned', include the requirement that development interventions are paced within a broader, more comprehensive policy and institutional context, address longer term structural constraints on development, and improve partnerships between countries and the international community. As part of this process, a Public Expenditure Review (PER) was also agreed at the CG Meeting in June 1999.

**2.11** The CAS also spelt out a policy reform agenda which the Bank would be prepared to support through a structural adjustment loan. This scenario envisages a parallel IMF loan, and ADB, Japan, UK, Netherlands, Sweden and Denmark co-funding for the adjustment operation. The emphasis of this adjustment programme would be to promote a stronger and broader-based economic growth through SOE and trade reform, backed by reforms in the banking system, greater transparency and other measures relating to trade.

**2.12** Planning of this moved very slowly from late 1998 to 1999 (because of disagreement within government and party on the direction and pace of reforms). Though these differences have gradually been resolved, it was not possible to submit the adjustment proposal to the Bank and IMF Boards during 1999. In September 1999, the Annual Meetings of WB/IMF agreed that from January 2000 all adjustment operations and HIPC debt reductions should be accompanied by PRSPs to demonstrate how the loan/debt reduction would be used to fight poverty. Assuming the GoV wants an IMF/WB adjustment support, it will need to submit an Interim-PRSP (which would be all that is necessary for a first tranche loan this calendar year) and eventually a full PRSP. The GoV has asked Ministry of Planning and

Investment (MPI) to start preparing this, and to have a document ready later this year.

**2.13** The PRSP as an overarching strategy was not initially introduced in Vietnam, in order to avoid complicating the discussion already under way within the CAS/CDF. Its acceptance in 2000 as a planning framework by Government signals that an adjustment loan is likely to be sought from the Bank and IMF. However, in substance, this alters little in terms of the work under way on poverty reduction strategy, although it gives greater prominence to this as a central goal of overall economic policy, and will, because of the conditionality of the PRSP, place more emphasis on international monitoring of poverty reduction in ensuing years. The PRSP will require a diagnosis of poverty and how to reduce it, as well as structural reforms policies in the area of banking, trade and state owned enterprises, and targeted programmes for the poor to address vulnerability and to address the adjustment costs. As part of this process, there are also joint donor and government working groups on the key sectors – rural, urban, transport, energy, health and education. In essence, if Vietnam opts for a PRSP, it will simply 'slot in' the Comprehensive Poverty Reduction Strategy developed under the CAS.

### **The *Attacking Poverty* Report – An Innovative Process**

**2.14** The roots of the innovative aspect of the poverty reduction discussions between Vietnam and the international community lay in the decision to develop the joint, comprehensive antipoverty strategy in 1998, and the establishment of the Poverty Working Group (PWG). The report *Vietnam - Attacking Poverty* is the first fruit of this initiative.

**2.15** Vietnam – *Attacking Poverty*, which is a joint government, donor and NGO initiative is the centre piece of the innovative policy exercise involving the international community and Government. It forms part of the work of the Poverty Working Group

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(PWG) set up in 1998 to assist the Government to develop a comprehensive poverty reduction strategy for the CAS. It is important to note that the initiative for this work predates both the formal agreement to produce a CAS, and current discussions about the PRSP. The exercise builds on the Government's quantitative measures of poverty in the Vietnam Living Standards Surveys (VSSL) by adding a qualitative assessment of poverty through Participatory Poverty Assessments (PPAs) – jointly designed and managed.

**2.16** The four PPAs involved four international NGOs, the Vietnam-Sweden Mountain Rural Development Program, ActionAid Vietnam, Oxfam GB and Save the Children Fund (UK) and involved more than a thousand households.<sup>12</sup> This work is extremely important in that it brings into the policy dialogue input from a wide range of poor Vietnamese, and hundreds of decision makers at various levels of society – from local and provincial officials, mass organisations, and local Vietnamese professionals and NGOs structures. However useful this input, the real benefit of this information is that this has been translated into policy issues in a way that offers options and challenges to the Government, without being prescriptive. Its significance in policy terms is enhanced by its timing – providing potential input to the development of the next five year plan for Vietnam.

**2.17** The *Attacking Poverty Report* is the foundation for the diagnosis of poverty<sup>13</sup> required by the PRSP, and sets out a three part approach to reducing poverty – creating opportunity, reducing vulnerability

and ensuring equity. The report is a powerful tool, not only because it documents conditions, but because it illustrates the dynamic processes at work in both reducing poverty, and perpetuating it, within Vietnamese society.

**2.18** The report identifies critical issues relating to resource allocation within Vietnam, including issues which are tough ones for the Government. It is beyond the scope of this case study to outline these in full, but the report translates the perspectives of poor and very poor people about the administrative, economic and political factors which affect their daily lives, into a set of challenges which face the Government in lifting more people above the poverty line. Among the policy issues which are identified, for example, are:

- the problem of internal migrants who move without papers to inner cities, and are 'missed' by the official poverty alleviation measures;
- the need to shift access to credit away from relatively privileged sectors of the economy, such as state enterprises, to the majority of poor people living in rural areas, in order to stimulate off-farm production;
- the difficulty of involving the poorest sectors of society in decision making, and making local government structures more accountable and responsive – the PPAs showed that many poor people do not receive information about government decisions and programmes, and are not consulted about decisions that affect them;

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12. The four studies covered communities in Lao Cai Province, Ha Tinh Province, Tra Vinh Province and Ho Chi Minh City to represent the diversity of the social, physical and geographic features of the country. In each case, the NGO provided access to local communities and government structures with which it had been working for a number of years. Funding for the PPAs was provided by the World Bank and DFID.

13. It characterises the poor as: mainly farmers, with low education and large families; and low access to resources: land, credit and services. There are three specially vulnerable groups: ethnic minorities, unregistered migrants and children.



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and, in particular, there is a need to address gender inequalities which disempower women<sup>14</sup> within the household and the community;

- the need to improve inadequate targeting of poverty alleviation programmes, and link such measures more closely to the restructuring of the economy by addressing problems of vulnerability – for example, retrenchments caused by privatisation of state enterprises, the impact of user fees of access to health and education;
- how to help the upland regions – with their ethnic minority population – catch up, and ensure that poverty reduction is spread more evenly; and
- that while there has been a steady reduction in poverty, a very large number of people are poor or very poor at some stage due to the vulnerability that poor people cite – at both community and household level – to shocks such as cyclones, disease, animal disease, droughts, etc. – and need for prevention measures and insurance.

**2.19** The Report does not shy away from these difficult issues, not try to prescribe the exact policy measures needed to address them. Overall, its findings appear to have reinvigorated debate within government on people’s concerns about governance issues, such as inadequate information, the attitudes of officials, and corruption.

**2.20** Much of the innovative in the poverty analysis carried out in Vietnam is less its technical quality

(although this is not in question), but in the way in which it was ‘embedded’ in an institutional setting that gained it credence and standing in the policy process<sup>15</sup>. This was achieved at the expense of a heavy investment in getting relationships right between the key players – the Government, the Bank and donors, the NGOs and local development actors – and basing activity on real partnerships which already existed, rather than ones created to produce a report. To quote:

“there has been a considerable amount of qualitative information on poverty produced in Vietnam over the past 8-10 years, (but) it has rarely grabbed the attention of policymakers who have tended to view such information as “unscientific” and lacking in credibility. By contrast, the PPAs implemented in 1999 have been widely circulated, used and quoted. It is possible to identify a number of factors which have profoundly influenced the potential to use this participatory research for both programme development and policy formulation. These include:

- Leadership and a significant commitment of resources – financial and other – by the World Bank and other donors;
- Excellent technical capacity and strong relationships with local communities and local authorities in the PPA agencies, combined with an eagerness to engage at the national policy level and to commit resources for this purpose;

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14. Vietnam does well by some important indicators of gender equality – for example, school enrolment for girls and adult literacy rates. But access to credit, domestic violence, heavy work burden of women, unequal voice etc. figure heavily in the voices of poor women reported in the PPAs. Further overview is contained in the Social Watch Report 2000.

15. This is described in detail in *Linking Participatory Poverty Assessments to Policy and Policymaking: Experience from Vietnam*, Carrie Turk, World Bank, Vietnam Office.

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- A strong emphasis on ensuring Government ownership of the PPAs through the mechanism of the Poverty Working Group (PWG)<sup>16</sup>

**2.21** In fact, a careful reading of the PPA process shows that as much time and effort went into building the context for the research and its use (one year plus), as went into the research itself

**2.22** A second point worth registering is that the effort was assisted by good donor coordination. DFID deserves mention for working closely with the Bank in 1998 to support an integrated approach to the poverty assessment, by providing both technical assistance to the Bank through two experts, and setting up a Trust Fund to help finance the PPAs.

### Next Steps

**2.23** The report<sup>17</sup> will be followed up through the continuation of the Poverty Working Group, which

will prepare a draft comprehensive poverty strategy for the December meeting of the Consultative Group. As the report states “while the process of working on (the) Report has led to a shared perspective on the nature of poverty-related problems and their causes, there has yet to emerge a shared view on the strategy needed to move forward”. From discussions held with officials from MOLISA and MPI<sup>18</sup>, however, it is clear that the issues raised in the report has prompted reflection, debate, and is contributing to internal policy discussions under way within Government. According to the Bank, a number of policy changes are already in the making as result of the report<sup>19</sup>.

**2.24** The next stage in the process is for the Poverty Working Group to provide input on the sectoral strategies and their impact of poverty reduction on the comprehensive poverty reduction strategy to be put in place for early 2001, at which point Vietnam would be ready to submit an interim PRSP. At this stage, Government has yet to agree with the Bank the process by which this would be completed.

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16. Ibid., pp.1-2.

17. The Prime Minister has told the Bank that the Government wishes to produce a shortened version for national distribution in Vietnamese, and drafting of this has begun. It will be important to see how this official version deals with the implicit critique of some aspects of the current poverty reduction strategy.

18. The Ministry of Labour Social Affairs and Invalids (MOLISA) and the Ministry of Planning and Investment (MPI). One difficulty is that the two key components of the PRSP the adjustment programme and the Comprehensive Poverty Reduction Strategy (CPRS) are each led by different departments of government.

19. Linking Participatory Poverty Assessments to Policy and Policymaking: Experience from Vietnam pp.17-18.

**3.1** As noted above, the most important place for setting poverty reduction goals and programmes is the Communist Party, which sets the policy framework within the country: critical policy debate is conducted within the confines of government and party. The issues surrounding public participation in national policy making are therefore different from those in the majority of countries, which as multiparty democracies, see debate in the media, between parties, and the publicly expressed and openly contested positions of interest groups.

**3.2** In Vietnam, the most important vehicles for the majority of people are local government (city/district/commune level), and the mass organisations (MO). These structures are all tied closely in with the Communist Party, and debate on policy options outside the confines of the Party and Government are unusual. There are also a number of non-governmental organisations, both local and international, involved in community development and poverty related work.

**3.3** Few of these bodies have had any specific exposure to the PRSP<sup>20</sup> (since this has not until recently been a formal subject matter within government) prior to the middle of 2000. There is, however, significant involvement on the issues of poverty and social welfare throughout society.

### Mass Organisations

**3.4** The principal mass organisations – women, youth, labour and farmers – are the major social

institutions in Vietnam, involving million of citizens. For example, the Women's Union has 12m members and is engaged in a whole range of social and cultural activities, including social welfare programmes, and development projects such as revolving credit schemes which aim to improve living standards and increase the skills level of women. It has 300 staff across the country, funded by the state. Like the other mass organisations, it acts as a parallel delivery mechanism which addresses its members needs, but also has a role to play in the development of policy. Thus the Women's Union is the leading member within the statutory National Council for the Advancement of Women (NCAW), and also participates in the steering committee of the national poverty reduction programme (HEPR, the Hunger Eradication and Poverty Reduction Programme). Similarly, the youth structures<sup>21</sup>, through the National Committee on Youth of Vietnam, are part of the consultative process of government, and are represented in discussions with Cabinet on matters affecting the interests of youth. The Youth Union runs a mixture of credit and employment creation schemes, and its policy priorities are in the areas of job creation, poverty eradication and rural development.

**3.5** The close integration of mass organisations with the Government and Party ensure that the business of the state and citizen are interwoven from the top to bottom of the government chain<sup>22</sup>. Together with local government they provide a chain between government and people, and the mass organisations

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20. The World Bank convened a national meeting on the Comprehensive Poverty Reduction Strategy at Sapa in July 2000, which constituted the Poverty Task Force – an expanded Poverty Working Group. Over a hundred representatives from government, donors, mass organisations and international and Vietnamese NGOs attended. This provided an opportunity for explaining the PRSP, as did the June 2000 meeting with NGOs (see below).

21. The Hochiminh Communist Youth Union which has 3.5m members, plus the Vietnam Youth Federation, which has about 2.5m members and focuses more on cultural issues. There is also a mass organisation for students, and a National Council for Young Entrepreneurs.

22. All the mass organisations are part of the Fatherland Front, a mechanism through which candidates for election are nominated (elected members are normally, but not necessarily members of the Communist Party). Therefore

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are both a parallel delivery mechanism for welfare and credit programmes, and an important source of information on the impact of government programmes.

**3.6** They are well placed to influence the government process, but have constraints. These include lack of capacity, and need for skill development within personnel and membership alike. The main focus within these structures does not seem to be the development and articulation of policy options, but rather meeting the practical needs of their members.

**3.7** A second factor which constrains participation in governance is culture of acceptance of authority, and expectation that Government 'will provide'. This was frequently described as the 'top down' tradition of planning in the country. This fact has been recognised within Government and Party, notably through the decree on grassroots democracy issued in 1998, which aims to improve transparency and accountability of government at the local level.

### **The Private Sector**

**3.8** Private sector enterprises have grown significantly from almost nil to over two million, of which some 26,000 are registered companies. According to the ILO, the private sector contributes to 60% of GDP and more than 90% of total employment. The private sector is represented through the Vietnam Chamber of Commerce and Industry, which is formally recognised as the representative of the business community, and which is made up of 50% SOEs and 50% private companies,

plus trade associations. The VCCI is a semi-government organisation (it is not funded by Government) with strong linkages to the state. Most importantly, it is consulted by Government on all aspects of economic policy, and has identified the improvement of economic efficiency, and the need for more off-farm development in rural areas as key challenges. It is thus concerned with the credit system, and support to SMMEs, as priorities within the five year plan.

**3.9** The VCCI is an example of the emerging institutional complexity of Vietnam, in which there is a growth of organisation outside the confines of the Party. The VCCI is active in the policy arena, and as a part of the Poverty Working Group (PWG) which is dealing with SMMEs, is engaged with the PRSP process. However, it sees its role in directly influencing key aspects of the five year plan – "our plan" – as more important.

### **Vietnamese Non-Governmental Organisations**

**3.10** NGOs are a relatively new phenomenon, and there are still only a handful of independent Vietnamese bodies which are engaged in social and development work. They are mainly situated in Hanoi and HCM City, but some have regional outreach. They have generally developed as small groups of professionals<sup>23</sup> with interest and expertise in different sectors such as health, planning and rural development, and are generally funded by international NGOs or donors, and through contract work on development projects for government or donors. The potential of these organisations to assist

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each mass organisation has members within the National Assembly and Peoples' Committees (provincial, city and district level government) who are identified with their structures and members' interests, thereby ensuring that different interest groups are represented in Parliament.

23. For example, the Rural Development Services Centre (RDSC), set up in 1994, has 14 professional staff and carries out research, development support and training in rural areas; its mission states that "private organisations can effectively contribute to the rural development in the country, specifically to poverty alleviation". The Social

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the government and mass organisations in strengthening analysis and identifying policy issues relating to poverty reduction is significant.

**3.11** The state has not developed a clear legal framework for local NGOs (they are required to register under the relevant national scientific or research association, which is part of the network of mass organisations), or a settled view of the status and role of such bodies within Vietnamese society. Although they operate without restrictions, and there have recently been legal initiatives to allow the formation of the equivalent of local charities<sup>24</sup>, they lack full recognition, or a shared understanding of their role. NGOs are new to Vietnam, and the term itself is seen by some as misleading - implying estrangement from government. For this reason the 'local' NGOs often prefer to describe themselves as "social development organisations".

**3.12** Notwithstanding these constraints, there are plenty of examples of good co-operation between

Vietnamese NGOs and government structures, particularly at the local level<sup>25</sup>, and through their working relationships with donors and international NGOs. Furthermore, although the Government has been hesitant to involve local NGOs directly in its discussions with international partners, several have been, and remain, practical contributors in the Poverty Working Group (PWG). Some of the most important input to the seminal report *Vietnam – Attacking Poverty* was made by professionals from these bodies, through their work on the participatory poverty assessments.

**3.13** However, efforts to formalise their involvement as a fourth tier (along with government, international donors and international NGOs) within the CG in June failed, as Government felt it inappropriate that there should be an NGO Forum with Vietnamese NGOs participating in it<sup>26</sup>. In fact, several of the Vietnamese NGOs themselves felt that this put them in an invidious position.

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Development Research and Consultancy (SDRC) is based in Hochiminh City and provides training, research and consultancy services especially in the areas of family health, child welfare and children's rights. The Research and Training Center for Community Development (RTCCD) was set up in 1996 and has a staff of 30, and has a strong emphasis on community health issues, and is involved in many community development projects through training, research and capacity building.

24. Decree No. 177/1999 on "Promulgating the Regulation on Organisations and Operations of Social Funds and Charity Funds".

25. "The list of such development partnerships is long and includes the 5 Million Hectare Reforestation Programme, the Hunger Eradication and Poverty Reduction (HEPR) initiative...the Ministry of Agriculture and Rural Development (MARD) Technical Working Group of the Committee of the Advancement of Women, the Partnership to Assist the Poorest Communes, the International Support Group of MARD, the SME Forum and the Tra Vinh Participatory Provincial Partnership" Participation for Equity, Sustainability, and Empowerment, Poverty Policy Learning Group, Issue Paper Session 1 for Meeting between International NGOs and Donors, June 2000.

26. The Government did not agree to the format of the proposed NGO Forum mooted in June 2000 as a part of the preparatory work for the Consultative Group. Government agreed to a Donor-NGO Consultation, but told the Bank only to include international NGOs, not local ones, and instead invited some Mass Organization representatives to the meeting.

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## Community-Based Organisations and Local Democracy

**3.14** In March 1998 the Government issued its Grass Roots Democracy Decree<sup>27</sup>, an ambitious effort to promote popular participation and the accountability of government to ordinary people. The existence of the initiative was in response to concerns about unresponsive local authority, and it sets high standards of transparency and participation. Although there is no empirical evidence on which to assess its effect to date and there has been a rise in complaints against officials, this decree does try to create an environment which can promote a new environment conducive to participatory development.

**3.15** There has been a growth of Community-Based Organisations (CBOs) under *doi moi*, through the establishment of special purpose cooperatives, savings and credit associations, water users' associations, medical volunteers, village development committees, and bodies such as committees for the protection of street children<sup>28</sup>. The character of these vary – some are quite independent of government, others have direct involvement of local and provincial officials, and representatives from the mass organisations. This trend is likely to accelerate as the government seeks to encourage communities to take a greater practical and financial stake in development projects.

**3.16** The inclusion of the perspectives of CBOs in the development of poverty strategy, which has been significant, has not (as is the case for the Vietnamese NGOs) been through direct, formal, representation

of their views. It has mainly been through the mediation of their partnership with international NGOs and donors, via the PPAs and the Poverty Working Group. In this way, the process has included the views of poor people without requiring a formal change in the policy making structures.

## International NGOs

**3.17** International NGOs (INGOs) in Vietnam occupy an unusual position. They are playing a direct role in the development of a comprehensive poverty reduction strategy. Their good standing with the Government is based partly on commitments made by some of the most active agencies when Vietnam was still isolated by western countries, and by their commitment to development over many years. The international NGOs have also been critically supportive of the poverty focus of the World Bank and official donors, and their involvement in the Poverty Working Group in general, and in bringing the perspective of local partners into its work has made a particularly important contribution to this<sup>29</sup>. British NGOs have played a role in this work, with three of the four participatory poverty assessments facilitated by them. DFID has made an contribution to the poverty reduction strategy by providing significant funding this work.

## Conclusion

**3.18** At the apex of the Poverty Working Group, the process has been able to involve a sufficiently wide range of actors – from the mass organisations, NGOs and poorer communities, to bring into the equation

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27. Decree No. 29 May 1998 Promulgating the Regulation on the Exercise of Democracy in Communes, complemented by the Law on Complaints and Law Denunciation of December 1998. Some observers believe that this was prompted by popular protests in the Province of Thai Binh.

28. See Participation for Equity, Sustainability, and Empowerment, Catherine Quoyeser, Poverty Policy Learning Group Issue Papers, Meeting between Donors and International NGOs, Hanoi June 19th 2000 p5.

29. The international NGOs also have a mirror structure to the Poverty Working Group (PWG), the Poverty Policy Learning Group which acts as an independent NGO "think tank".

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debate about the nature and causes of poverty within the country, and, at least implicitly, has set out choices facing Vietnam in choosing policies that are capable of meeting the needs of the poor. This consultative process is healthy, but is still at an early stage, and its real impact will not be measurable for some time.

**3.19** In terms of the participation of civil society, its involvement has been helped by the initiatives which

the Government itself is taking to promote greater participation. But the CDF/PRSP process has not really contributed either way to the emerging institutional complexity of civil society – the governance environment – which while still dominated by structures tied to the Party and Government, is becoming more diverse. This change is taking place on a larger canvas than the PRSP can occupy.

## SECTION IV: CONCLUSIONS AND OBSERVATIONS

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**4.1** Vietnam's poverty reduction strategy has been a success to date, but the impact of the most recent (1997-2000) policy work cannot yet be fully measured. As the report itself underlines, there are many policy choices which will affect Vietnam's poor, and the effects of these can only be measured as the new Five Year Plan is rolled out. The significance of the work is that it is long term – its real impact will only be measurable in 2002/3. The collaborative process was launched in 1998, and can only be said to be mid-cycle.

**4.2** That said, the quality of relationships between government and various other actors is good, and with sound prospects for the continuation of a strong collaborative poverty reduction focus. There are a number of general factors which have contributed to this.

### The General Context

**4.3** First, and most important, is the strong commitment of the state to poverty reduction. Government cares about equity and poverty. For historical and ideological reasons, poverty reduction is a priority for political and social leaders, and Government is prepared to invest time and resources to address it.

**4.4** Secondly, Government remains fully in charge of its own plan (the 5 year plan). This makes the actual consultation process easier: it is one step removed from the decision making of Government itself, and provides space for the Government to use the information and analysis. The consultative work is innovative, but has not sought to challenge the sovereignty of the Government to make final policy determinations. In many similar situations, the international community is more dirigiste and the national government more passive, whether by choice or necessity. The strength of the national

process – and the clear leadership and control of Government – has helped. A clear line is drawn between the consultative process around the PRSP, and the actual economic choices and priorities which will be set in the 5 year plan, and the Government decides what will pass across this.

**4.5** Thirdly, the lack of significant political challenge to the government, and the existence of a very wide national consensus on the governance system, creates a safer environment for policy debate, and more freedom of manoeuvre, than within a competitive political environment. There have been significant improvements in poverty in countries with pro-poor ideologies that are not multiparty democracies (China, Cuba), and certainly a fragmented democratic state seems to provide poor ground for asserting pro-poor policies<sup>30</sup>. No value judgement is placed on this; but it appears that strong, coherent government is a pre-requisite for effective poverty reduction policies.

**4.6** Fourth, the existence of a solid statistical base on living conditions through the Vietnam Living Standards Surveys was a critically important platform for policy. It should be said, however, (for states which may lack such a starting base) that this is not a *sine qua non* for identifying the causes and dynamic conditions which make people poor, and that the type of PPAs carried out in Vietnam are particularly suited to this. Ideally, both are required.

### The Character of the Process

**4.7** Within this general context, a number of specific features in Vietnam are noteworthy:

- The World Bank has worked differently: it has been able to champion and facilitate through its local operations cooperative relationships, and generate shared analysis

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30 .This issue is addressed more fully in *Politics and Poverty: A Background Paper for the World Development Report 2000/1*, Mick Moore and James Putzel, Spetember 1999.



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of the causes and dynamics of poverty, and various strategic options for an anti-poverty strategy. By establishing the Poverty Working Group (PWG) it created an independent forum for policy, and opened up participation to key stakeholders. Government, other donors, and NGOs have shown commendable maturity in respecting their various constraints and strengths of their institutional partners in this process.

- The real innovation, therefore, is the strong working relationships which underpin the coordination of information and analysis from: government (at all three levels), the international community (official and non-governmental) and Vietnamese citizens, including poor people through the PPAs. The main ingredients of the successes to date have been the people and structures (Vietnamese and international) working in Vietnam. By building on these, rather than importing off-the-shelf methodologies from outside, a genuine process has begun.
- In this respect, the Poverty Working Group, although composed of nationals and internationals, is an indigenously designed structure – with the exact form of decision making and methods of consultation determined on the ground. The consultative process has been developed jointly.
- The contribution of donors and INGOs, led by the Bank, has been built up based on a solid understanding of the governance environment in Vietnam, and effective leadership based on confidence between the Government and the Bank, and between these and the other institutions.
- One problem with the PRSP process is that it throws the spotlight on civil society relationships with the state. This may or may not be helpful. It does place both sides under pressure to define and agree

responsibilities, expectations, and outcomes. In the case of Vietnam, a specific issue has been the role of local NGOs. As described, the legal framework and practice governing local NGOs has not kept pace with their “organic growth” – posing the question – what is the role of local NGOs? In practice, the sensitive management of the role of the civil society structures beyond the mass organisations, has allowed them to make critical input in the work of the Poverty Working Group (PWG). The merits or demerits of greater formal role for local NGOs/CBOs in the system of governance, is long term political question for Vietnam. It is clear, however, that in the short run (PRSP timescale), the application of any externally designed methodology may be counterproductive – both to the quality of the PRSP and the long term interests of civil society. In fact, the only hiccup in the Vietnam process was when the form of involvement of the local NGOs followed a traditional representational model. In the end, perspectives from poor people and Vietnamese NGOs have been included successfully, but without creating parallel channels to those of the mass organisations, Party, and governance structures.

- The key building blocks of the poverty reduction strategy and the work around the PRSP predate the current work by at least two years, and began independently of any PRSP process. Conclusion: there is no quick fix to building state-civil society relationships. Since the PPAs were based on a set of relationships between provincial, local and international organisations which were already in place for many years, the origins lie even further back.
- The PPA process has succeeded in providing the partners with original material

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on the causes and potential remedies of different aspects of poverty within Vietnam. The process is therefore intellectually substantive. The key to this has been the joint setting of goals, methods and procedures over an extended period of time (2 years).

- The involvement and support of the International NGOs has added real value because of their ability to bring local development partners into the policy work.
- Finally, both Government and the international community have been well-served by firm management on both sides of the partnership arrangement on the part of the Government, through the two key ministries, and by the World Bank, in establishing a workable framework for the variety of views and experiences to be included. This has only been possible because of leadership on the ground, and commitment to a long term and strategic approach to poverty reduction.

### **Some critical factors**

**4.8** There is effective donor co-ordination (managed by the World Bank local office).

**4.9** The Bank has worked differently in Vietnam: in 1998 the CAS was made public, and an independent

policy structure on poverty strategy established with government, donor and civil society participation.

**4.10** With support from DFID (technical assistance and funding) substantive poverty assessments were carried out involving local partners.

**4.11** Underpinning all this: the strong working relationships between government, the international community (official and non-governmental) and Vietnamese citizens well managed by the Bank and Government. By building on these, rather than importing off-the-shelf methodologies, a genuine process has begun.

**4.12** The work is already three years old, and began independently of the PRSP – there is no shortcut to building state-civil society relationships. Since the PPAs were based on a set of relationships between provincial, local and international organisations which were already in place for many years, the origins lie even further back.

**4.13** The contribution of donors and INGOs, led by the Bank, has been based on a solid understanding of the governance environment in Vietnam, and effective leadership based on confidence between the Government and the Bank, and between these and the other institutions – a clear and systematic analysis of this environment has helped to advance civil society participation, and handle difficult issues such as local NGO participation.

## ANNEX A: LIST OF PERSONS CONSULTED

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## ANNEX B: PUBLICATIONS

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Voices of the Poor: Synthesis of Participatory Poverty Assessments World Bank and DFID (UK) in partnership with Action Aid Vietnam, Oxfam (GB), Save the Children (UK) and Vietnam-Sweden MRDP, November 1999.

Ho Chi Minh City – A Participatory Poverty Assessment Save the Children (UK) in partnership World Bank and DFID (UK), November 1999.

Vietnam- Attacking Poverty: World Development Report 2000 Joint Report of the Government of Vietnam/Donor/NGO Poverty Working Group, Consultative Group Meeting for Vietnam, December 14-15, 1999.

Ethnic Minorities – Emerging Entrepreneurs in Rural Vietnam International Labour Organisation, Vietnam 2000.

Le Parti Affine la Politique de Renouveau Le Courier de Vietnam No.1967 5/7/00.

Key Note Speech by Deputy Prime Minister Nguyen Manh Cam Opening Ceremony, 1999 Consultative Group Meeting for Vietnam.

Vietnam Investment Review No. 456 July 2000.

An Introduction Rural Development Services Centre, April 1999.

Social Development Research Consultancy Brochure.

Research and Training Center for Community Development Brochure.

Vietnam: New Challenges for Growth, Equity and Poverty Reduction (Draft) Oxfam GB, June 2000.

Women of Vietnam Review Nos 2 & 4 (1999).

Minutes of Poverty Task Force Meeting (PTF) 10 May 2000.

Vietnam Consultative Group Meeting December 1999 World Bank Website.

The World Bank and Vietnam July 2000 World Bank Website.

ODAP Workshop No 1: Resettlement in Ho Chi Minh City Workshop Report, April 2000 ODAP.

Linking Participatory Poverty Assessments to Policy and Policymaking: Experience from Vietnam Carrie Turk, World Bank, Vietnam Office.

Participation for Equity, Sustainability, and Empowerment, Catherine Quoyeser, Poverty Policy Learning Group Issue Papers, Meeting between Donors and International NGOs, Hanoi June 19<sup>th</sup> 2000.

Partnerships for Development, Anders Skyvers, Poverty Policy Learning Group Issue Papers, Meeting between Donors and International NGOs, Hanoi June 19<sup>th</sup> 2000.

Making Policy Work for the Poor, Rebecca Dahele, Poverty Policy Learning Group Issue Papers, Meeting between Donors and International NGOs, Hanoi June 19<sup>th</sup> 2000.

Politics and Poverty: A Background Paper for the World Development Report 2000/1, Mick Moore and James Putzel, September 1999.

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Civil Society Participation in Poverty Reduction  
Strategy Papers (PRSP)

**Report to the Department for  
International Development**

**Vol IV: Zambia Case Study  
Lusaka, June 2000**

SGTS & Associates, 20 Gladstone Court, 97 Regency Street, London SW1P 4AL

Comments on this report are welcomed: [steve.godfrey@sgts.co.uk](mailto:steve.godfrey@sgts.co.uk) & [tim.sheehy@sgts.co.uk](mailto:tim.sheehy@sgts.co.uk)

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## PREFACE

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This Report provides one of three country profiles which form an integral part of a study commissioned by the Department for International Development (DFID) to advise how development agencies might facilitate and support effective civil society involvement in drawing-up Poverty Reduction Strategy Papers (PRSPs).<sup>1</sup> In total, three case studies were conducted: Ghana, Vietnam and Zambia, respectively Volumes II, III, and IV.

While we hope that the report will be helpful in each of the countries concerned, its main purpose is to suggest wider lessons for the advancement of popular participation in developing national poverty strategies through the PRSPs.

The field work for the Zambia study took place from June 6<sup>th</sup>-10<sup>th</sup> 2000, and was facilitated by the Jesuit Centre for Theological Reflection (JCTR), which acts as the Secretariat for Jubilee 2000-Zambia, the civil society coalition addressing debt and poverty reduction. Meetings were held with a range of civil society structures including unions, churches, NGOs, and business; the Poverty Reduction Advisory Unit,

which is coordinating the PRSP preparations in the MOFED and Economic Development (MOFED); a number of individual academics and writers; the Swedish mission and with DFID/British High Commission<sup>2</sup>.

The case study briefly resumes the national policy framework for poverty reduction, and then described the civil society perspectives on this process. It concludes with some observations on the national process. Annexures of persons consulted, and publications are included.

We would like to thank all those who contributed to this work, particularly Father Peter Henriot and colleagues at the Jesuit Centre for Theological Reflection, who gave their time generously. The terms of reference of the work, and the main conclusion and recommendations, are contained in Vol I: Overview and Recommendations. Any comments, or requests for further information, can be obtained by email to [steve.godfrey@sgts.co.uk](mailto:steve.godfrey@sgts.co.uk) or [tim.sheehy@sgts.co.uk](mailto:tim.sheehy@sgts.co.uk).

SGTS & Associates  
October 2000

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1. The report, although based on consultations with a wide range of people, does not necessarily reflect the views of DFID or of any of the individuals listed in Annex A.
  2. A list of those consulted is annexed to the Report at Annex A.



## OVERVIEW

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**1.1** Although detailed knowledge is limited, there is an awareness of the new PRSP process among civil society structures in Zambia, and a discussion on this between Government and key organisations has begun. There is a willingness on the part of both sides to work together in preparing the Poverty Reduction Strategy Paper.

**1.2** Over the past few years, there have been significant interactions between government and civil society structures on poverty, including a national conference on debt and poverty relief addressed by the Minister of Finance in February 2000, and on other areas of social policy, gender, and governance. There is, however, a universal view among those civil society structures consulted, that Government has not treated civil society as a genuine partner in these consultations. NGOs, churches, business and unions complained about a lack of commitment on the part of Government to sharing information, or taking seriously their participation in the various Government-initiated dialogues. Some feel that the process has been a waste of time since their input has been ignored. No serious assessment of the issues at stake concerning civil society participation in the PRSP in Zambia can ignore this issue.

**1.3** All sides are aware that underlying this problem is a lack of an established culture of consultation – in this context, it should be remembered that Zambian

only ceased to be a one-party state a decade ago. The organisations of civil society are generally young, and do not speak with one voice. For government itself, public consultation is new. Tensions between Government and civil society have been, and will remain, real. The general climate of pluralism and respect for democratic values is an underlying issue for all Zambians. The country and the Government face enormous difficulties in generating development against a backdrop of economic decline, huge debt, and conflict in neighbouring countries.

**1.4** In this context the willingness of government to circulate its interim PRSP to civil society, and set out the framework for proposed consultation is a good start and commendable. Civil society organisations are also aware that the resources available to them are limited; but there is evidence that civil society has the means to engage poor communities in this process, and remains committed to it.

**1.5** In sum, organisations and individuals consulted hope that the PRSP process will have the effect of creating more space for civil participation in government decision-making and helping to overcome the increasing polarisation of society. For this to happen effort will need to be made to create a better framework for genuine participation.

**2.1** National actions to address poverty take place against the backdrop of dramatic rises in poverty over the past three decades. Between 1975 and 1997, GDP per capita fell by more than 30%, with the past fifteen years seeing one of the most rapid economic declines in Sub-Saharan Africa<sup>3</sup>. The latest official survey<sup>4</sup> shows that poverty is still rising with rural poverty at 83% and the national average 73% of the population.

**2.1** Faced with this decline, and high indebtedness, Zambia underwent a Structural Adjustment Programme in the 1980s, and continued with a series of economic reforms guided by the international community through the 1990's – aiming to establish macro-economic stability, and the liberalisation of the economy. This strategy was complemented by a number of poverty relief programmes carried out by government and NGOs aiming to reduce poverty and improving delivery of social services<sup>5</sup>.

**2.3** The most important policy landmark prior to the initiation of the PRSP process was the launch in 1997 of a broad-based plan to cut poverty levels from 73% to 50%. The National Poverty Reduction Strategic Framework (NPRSF) prepared in 1998, was developed within the framework of Zambia's commitment to the Copenhagen Social Summit. It was developed with significant interaction with key civil society organisations. A part of the strategy, the Ministry of Community Development and Social

Services was appointed as the focal point and coordinator for all poverty reduction programmes, and charged with preparing the National Poverty Action Plan (NPAP)<sup>6</sup>. This was begun in late 1998, following further consultations with civil society, and at the provincial level, and the draft was considered at a national consultative meeting in January 2000.

**2.4** The NPAP is currently with Cabinet and has not yet been approved. According to the Ministry of Finance and Economic Development (MOFED), its future and status is not clear, and it appears likely that it will be subsumed into the PRSP process. The PRSP working document notes that the PRSP will rely heavily on the ground work established by the NPAP, but there are clearly questions about the ability of this plan to attract the funding required to meet the \$2.5bn shortfall required to finance it.

### **The PRSP and Civil Society Consultation: Current Proposals**

**2.5** The Interim PRSP (I-PRSP) is expected to be ready in late June or early July. The current working draft<sup>7</sup>, which has not been approved by Government, has been made available by the MOFED to NGOs and civil society bodies. The unit managing the PRSP process, the Poverty Reduction Advisory Unit, met in April with NGO representatives<sup>8</sup> to outline the Government's proposals for the preparation of the

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3. Per capita income fell from \$438 to \$300 in 1987 \$ values. Average external per capita debt is \$650 (\$6.5bn).

4. Living Conditions and Monitoring Survey , 1998 (LCMS II).

5. For example, the Social Action Programme, and food for work and public welfare schemes..

6. The NPAP has six priority areas: efficient management of the economy; sustainable economic growth; human resource development; targeted interventions; crosscutting priorities; and urban development. Its 33 sector wide programmes require \$4.9bn, of which Government will contribute 3% and 43% is reported to have been committed (by donors).

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PRSP and drawing up the participatory framework for it.

**2.6** The Government has stated that given time pressure, consultation on the I-PRSP has been confined to government institutions. At the same time the Unit is making efforts to set the stage for the full PRSP consultation process, and has planned a series of seminars for “stakeholders”<sup>9</sup> to brief them and allow input into the planning process. There seems to be an acceptance all round that substantial issues of participation can only be addressed in the preparation of the full PRSP.

**2.7** The I-PRSP does, however, elaborate the proposed framework for participation. With overall policy to established by a Committee of Ministers (the Steering Committee), it is envisaged that a Technical Committee of Permanent Secretaries<sup>10</sup> will coordinate it preparations. This committee will “spearhead” the consultative process with stakeholders through the establishment of sub-committees and working groups<sup>11</sup> within which representatives of civil society will be included.

**2.8** The plan also envisages a stakeholders’ seminar to review the process, and seek views on the proposed timeline. Additional consultation with rural areas is proposed through seminars convened by District Administrators with experts, and a representative of traditional leaders and NGO/church. Government favours building on the existing civil society work on poverty issues in Zambia, rather than launching new initiatives which the World Bank has indicated it is willing to fund (for example, carrying out participatory poverty assessments).

**2.9** The draft strategy elaborates the key tasks of the consultations and consensus building which are to include (i) development of the poverty profile (b) setting priorities for poverty reduction (iii) designing public actions backed by the budgetary process and (iv) monitoring poverty, public expenditure and service delivery.

**2.10** Given limited capacity in the MOFED, external consultants will be appointed to assist in this process and donors have been asked to finance this.

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7. The document has been provided to civil society organisations as a confidential draft which “does not represent the views of the Zambian government of the Republic of Zambia, and... is strictly a working document for internal circulation only”.

8. The Jubilee 2000-Zambia Co-ordinator and the Director of JCTR.

9. Including a seminar for members of Parliament, senior officials, and for civil society bodies.

### Religious Bodies

**3.1** The Churches have taken a leadership role on the question of poverty, and much of the monitoring and documentation of living conditions in communities has been through the Justice and Peace Commission's SAP Monitoring Project, which has produced regular analyses of poverty, and generated a budget monitoring programme which has analysed government spending plans and performance for the past four budgets. The Ecumenical Steering Committee<sup>12</sup> and cooperating partners from the NGOs, unions and business, also form the Jubilee 2000-Zambia campaign for debt cancellation and poverty reduction. The Jesuit Centre for Theological Reflection (JCTR) acts its Secretariat. The debt campaign explicitly links reduced debt to poverty reduction by proposing a debt mechanism<sup>13</sup> whereby saving would be applied to new spending priorities identified and monitored jointly by civil society and Government.

**3.2** These two initiatives are the fulcrum of the civil society engagement with government on national poverty strategy.

**3.3** Relations between the church and government have at times been strained, and there was a public

clash with the Government on social spending and freedom of expression in February<sup>14</sup>. Nevertheless, the Minister of Finance has publicly recognised and stated his appreciation for the role played by the church in the debt cancellation campaign. There is evidence that the work carried out by both Jubilee-2000 and the SAP Monitoring Project have shaped the national debate and placed greater emphasis within Government on poverty reduction.

**3.4** One of the strengths of both these projects on poverty reduction is that they have created – over a period of several years – a basic capacity to analyse and engage with government on these issues, utilising the grassroots across the country. For example, Jubilee 2000 uses popular theatre in compounds to explain the debt issue and has surveyed popular attitudes to debt in the Lusaka area<sup>15</sup>, and is planning a series of provincial consultations on the PRSP starting in July; and the SAP Monitoring Project has over 30 local teams that monitor and survey poverty throughout the country. Taken together with the bases of the other civil society structures in the coalition<sup>16</sup>, they constitute an important channel for the views of the poor. They also generate recommendations and analysis, which are novel and relevant to the poverty debate.<sup>17</sup>

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10. For Budget and Economic Affairs, and from the Ministry of Community Development and Social Affairs.

11. Agriculture, education, and rapid sustainable economic growth are mentioned as examples.

12. The Zambian Episcopal Conference, Christian Council of Zambia and Evangelical Fellowship of Zambia.

13. Proposal: Zambia Debt Mechanism, CCJP/JCTR Debt Project, February 2000.

14. The Communiqué of the Bishops on Particular Social Concerns, Zambia Episcopal Conference, February 2000, expressed concern is the area of education and health spending. The Zambian Christian Council endorsed the Bishops Conference stand.

15. Twelve Key Community Concerns about Zambia's Debt, JCTR, May 2000.

16. For example, Women for Change which has an extensive network of local groups across the country.

17. See for example, Calling for an Open, Honest and Realistic Budget – Contribution to the Preparation of the 2000 GRZ Budget, which suggests priorities for the budget; and An Estimated Food basket for a Family of Six, JCTR May 2000. The NGOs also enjoy the involvement and support of academics concerned with poverty issues.

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## The Private Sector

**3.5** The private sector<sup>18</sup> sees job creation as the key to tackling poverty, and supports the need for macroeconomic stability and the emphasis on growth. It believes that the official statistic of 73% poverty is an underestimate, and real levels may be as high as 84%.

**3.6** ZACCI participates in the debt coalition, but its major lobbying effort with government is to promote economic conditions for growth. This reflects the preoccupation of the private sector with the difficult general economic environment: the high costs of production, poor infrastructure and a complex tariff environment which are hindering investment and seeing many company closures.

**3.7** ZACCI shares the concern of other civil society bodies that interaction with government lacks consistency. Its formal contact, the Ministry of Trade Commerce and Industry, is not where many of the decisions which affect business are taken – in the MOFED or the President’s Office, and it is often difficult to ensure that key government actors are present at official meetings. Access to Cabinet is effectively limited, and the process of consultation ad hoc – there is a problem of “common ownership” between government and the private sector in defining and tackling problems.

**3.8** A specific example was last year’s EU-ACP negotiations on the Lomé talks in Brussels. ZACCI and social policy NGOs were invited to make inputs to the Zambian position, attended four or five preparatory meetings, and had asked to be invited to join the government delegation at the talks. They were informed that they could attend but only at their own cost. In the event, ZACCI stated that

although the official document stated that all stakeholders had been consulted, ZACCI’s and the other civil society organisations suggestions were not included in the final document, which they saw after the negotiations were complete. An approach to government in 1999 to have a national dialogue on public expenditure had also not been received positively.

## Trade Unions

**3.9** The unions have a primary role to play on poverty issues in relation to the interests of their members, and the collective bargaining system is well-established for this purpose. However, the labour movement shares the concern of other civil society structures about the management of wider consultation on policy by government. In particular, concern had been expressed that unions had not been consulted about the National Poverty Reduction Action Plan (PPRAP) before it was presented to Cabinet for approval. It recognised that the issue of commitment to genuine consultation was important, but that government is frequently concerned about the political consequences of opening up debate.

**3.10** The unions have limited capacity to develop policy outside its role in collective bargaining, although the Zambian Congress of Trade Unions (ZCTU) has been strengthening its research capacity through assistance from the International Confederation of Free Trade Unions (ICFTU). The Civil Service Union of Zambia (CSUZ) attended the recent seminar on PRSPs organised by the Bank/IMF in Addis Ababa, and welcomes the opportunity to be involved with the PRSP and efforts to tackle poverty and uplift the people. It is a member of the Jubilee-2000 Campaign.

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18. The Zambian Council for Chambers of Commerce and Industry (ZACCI) represents town chambers, chambers of small business, and major corporations and trade associations.

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## Non-Governmental Organisations

**3.11** The NGO community has played an important role in promoting a poverty focus in Zambia and public engagement, particularly in relation to Zambia's participation and commitments relating to major international conferences, such as the Beijing Conference<sup>19</sup>, the Copenhagen Social Summit, and around the development of national policies consequent the undertakings made at these.

**3.12** The role of the civil society structures in promoting development and the poverty reduction agenda has been significant. With the exception of the business community, civil society has also challenged the emphasis on growth as the main method to address poverty, and has joined Government criticism of the policy prescriptions of the IMF and World Bank<sup>20</sup>. The development of alternative approaches to growth which emphasise the opportunities to use poverty reduction as a focal point for growth is a recurrent theme in much of the research work being carried out by academics associated with civil society<sup>21</sup>, and is a potentially important source of ideas for pro-poor growth strategies. As the NGO strategy document of the PRSP process<sup>22</sup> states the "most important resource base needed for poverty reduction is the poor

themselves". The definition of poverty is an important first step before strategies to combat it are determined, as is the agreement of who should be consulted. In this regard, for example, all civil society structures were sceptical of the ability of district administrators, who are seen as party appointees, to effectively include the poor in regional consultations.

**3.13** The NGOs are highly critical of the way in which consultation exercise with government has worked over the past five years. They had been initially consulted, for example, on the policy and structures for the National Gender Policy, but the completion and launch of the policy had done unilaterally by government and copies of the policy were unaffordable at K25,000 (£6) – a sixth of the average net monthly salary for civil servants or teachers. They feel that there is a pattern in which NGOs are initially invited to provide input, and where government does not agree with suggestions, they are ignored; but the participation is used to provide legitimacy.

**3.14** NGOs do not have a single voice, and this report concentrated on those which have an advocacy role rather than being concerned solely with service delivery. They are generally willing to remain engaged, but see the need to develop strong

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19. The NGO Shadow Report on Beijing+ 5 was prepared for the June review meeting at New York, NGOCC, May 2000 Bulletin.

20. "... the policies (of the World Bank and IMF) emphasise economic growth without due regard to human development', NGOCC National Chairperson to IMF Public Affairs Seminar, April 26, 2000.

21. For example Some Pertinent Considerations in the Formulation of a Poverty Reduction Strategy Paper for Zambia, Prof V Seshamani, University of Zambia JCTR (unpublished). This paper offers an original model for differentiating poverty conditions in Zambia, and suggests the need for careful disaggregation of types of poverty if the strategy is to address the problems of the most deprived and extremely poor. It is a good example of the kind of input to the PRSP that adds value on part the part of civil society. Another example is The Cost of Living of Primary School Teachers: The Case of Lusaka Province, a report which provides a well-researched description of the conditions of teachers, and the effect of low incomes on the quality of education in the country.

22. Meaningful Participation of Zambian Civil Society in the Poverty Reduction Strategy (PRSP) Process in the Context of the Enhanced HIPC, 11.0 Minutes of the Meeting on Framework for Poverty Reduction Strategies, Lusaka, April 6, 2000.

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independent positions. Civil society want “a process in which the Government provides a conducive environment for is meaningful participation to the Policy, Strategy and Action Plan formulation process” and agreement on what need to be realised<sup>23</sup>.

### **Media and Information**

**3.15** The Media has provided significant coverage of debt issues and poverty reduction strategy. However, the media is polarised - the government controlled media is seen to be controlled, whereas the independent media is seen by government to be irresponsible and biased. This creates a difficult

environment for information and analysis which promotes public debate.

**3.16** There is a definite need to improve the capacity of journalists to handle the economic issues associated with the PRSP. Some training has been provided, for example, in the context of the budget analysis work of the CCJP. There is also a need to provide funding to subsidise the costs of making information available in local languages. This is expensive and beyond the means of most civil society organisations to do on a large scale<sup>24</sup>. Equally the government lacks funds and the cost of information provision is an important obstacle to wider public participation in the PRSP process.

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23. *ibid.* 8.0.

24. JCTR is preparing a series of radio slots on debt and poverty issues in local languages which will be broadcast over the next few months.

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## CONCLUSIONS

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### The Governance Context

**4.1** Interaction between the State and plural society depends on the prevailing system of governance – of rights to information, accountability and transparency – and respect for democratic practice. It is beyond the scope of this report to go into these wider governance issues, but these are constraints – around the contested role, status and capacity of civil society, and other institutions such as the media – which constrain genuine participation in the PRSP. The timescale for debt relief/PRSP discussions and that required to build good interaction around spending and service delivery to communities are of a different order – the former has timetable over 1-3 years, the latter is an historical process within a society.

### Commitment to Participation

**4.2** There is an opening for creative partnership between government and civil society around the PRSP. However, a meaningful input to national policy needs to improve on the practice of recent years. In this context it is useful to contrast the idea of consultation, in which views are simply sought, and participation, which implies a more open exercise in which there is more joint definition of goals, and expected outcomes.

### Explicit Ground Rules

**4.3** Whatever the scope of involvement the Government decides is appropriate, it is important that the ground rules should be simple, clear, and comprehensive, and be respected by all sides.

### Time

**4.4** Time is required for material to be prepared in accessible form, including local languages. A Government commitment to provide information, and report back on the decisions taken for the final document is needed. The time needed for documents

to circulate in advance of discussion also needs to be agreed.

### Five Year Strategy

**4.5** The PRSP is will become the focal point of discussions on debt relief and aid to Zambia for the foreseeable future. Therefore, it is important to plan support for the capacity of the Government and civil society to strengthen the PRSP process with a longer timeframe than the immediate one year drafting exercise. Five years is more realistic.

### Building Capacity (I)

**4.6** The lead Ministry also has capacity problems – evidenced by the need to bring in consultants to manage the PRSP drafting. Support can be provided to this, and should extend beyond economic strategy to include the development and management by Government of the consultative process itself. There is scope for building on the MOFED's suggestion that the experience of other African countries in this regard be included in the PRSP process.

### Building Capacity (II)

**4.7** Civil Society in Zambia has a proven capacity to manage grass-roots participation, and to analyse and comment on the allocation and delivery of state resources. However, this capacity is limited by lack of funds, personnel and experience. Economic analysis and options need to be translated for the poor, but requires sophisticated analysis and presentation in policy debates.

### Building Capacity (III)

**4.8** It is important that the independent capacity of civil society institutions to conduct research and manage consultations in this context is enhanced over a three to five year period – there is ample evidence that this capacity building takes years, not months, to achieve.



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## **Access to Information**

**4.9** In order for civil society structures to participate effectively in these processes they need to understand the policy formation and budget process within Government and to have access to the information on which policy positions are being developed. Funding for information is a priority.

## **Role of Donors**

**4.10** Donors need to take into account the following:

- the importance of sustained support to governance and democracy development to improve the context for dialogue;
- planning and the provision of long term support to both sides in developing capacity to work together on PRSPs;
- funding for the costs of public outreach and information; and
- the provision of help to civil society to build its capacity to involve poor communities, and strengthen analytical and policy presentation skills.

**4.11** Donors should be sceptical of the value of any consultation exercise for the PRSP that does not have the consent of key civil society stakeholders, or one which is not clearly lead and managed by Government.

## ANNEX A: LIST OF PERSONS AND INSTITUTIONS CONSULTED

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## ANNEX B: PUBLICATIONS

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