

## PRSP Learning Events

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The Synthesis Project has recently held two PRSP Learning Events for AGHD and WNAD.

In both cases, the Synthesis Project made presentations to staff members and facilitated a discussion of key points. The WNAD Event focused on aspects of the participatory process, while the AGHD Event focused on IFI conditionality and instruments. The presentations are available at <http://insight/prspproject> or can be emailed to you.

If you would like to arrange a PRSP Learning Event for your department, advisory group, or country team, please contact us. Events will be tailored to the needs of the participants.

## Conflict and PRSPs

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APED, AGHD, and CHAD have commissioned work on PRSPs in conflict-affected countries. This work will be carried out in close connection with the Synthesis Project.

The work will examine whether and how DFID should engage with the PRSP process in conflict-affected countries. The main outputs will be a 20-page report and strategic framework for use in the field. An initial list of focus countries includes: Angola, Burundi, DRC, Ethiopia, Nigeria, Rwanda, Sierra Leone, and Sudan.

The terms of reference for the project are available on <http://insight/prspproject> or can be emailed to you. Please feel free to contact us with ideas and comments.

### Bolivia's PRSC

Bolivia is currently in negotiations regarding its PRSC. Bolivia will be only the fourth country to take part in this lending instrument, following Uganda, Vietnam and Burkina Faso. There are more PRSCs in the pipeline.

For more information on PRSCs, see the World Bank's [Interim Guidelines on PRSCs](#) and contact us for more information.

## PRSP Review

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The World Bank and IMF's PRSP Review continues. An international conference was held in Washington in January, where attendees discussed their experiences with PRSPs.

Some key points were raised:

- Since PRSPs are a political process, partner governments must often subscribe to aspirational aims. This sometimes conflicts with donor requirements for realistic goals and targets.
- IFIs were asked to assist Governments in taking account of the effects of shocks as part of the PRSP framework.
- Donor harmonisation and coordination remains high on the agenda for both partner governments and the IFIs, with a serious concern at the failure of bilateral donors to change procedures.
- Countries want more cross-fertilisation of lessons in relation to capacity building, in preference to North-South technical assistance.

There was little reflection by the IFIs on their own role in the PRSP process, and little evidence of commitment to change.

The next step in the Review is a Board discussion (tentatively scheduled for 12 March 2002) with a full report emerging from this. Please contact us for more details.

## Participation

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The full report of 'Assessing Participation in PRSPs: a desk-based synthesis of experience in sub-Saharan Africa' (IDS) is now available. The Synthesis Project has also published a Synthesis Note summarising the report.

The report concludes that civil society participation can add considerable value to PRSP processes and policy processes more generally, and can contribute to more responsive behaviour on the part of donors and governments. However, it is not clear that the potential of CS participation has been adequately exploited, and much remains to be done to consolidate the gains made so far.

Contact us for copies of the Synthesis Note or full report.

## PRGF Review

HM Treasury and DFID have made one of few inputs to the IMF's PRGF review. Key recommendations include:

- Further improvement in Fund communication with government and other stakeholders
- Step improvement in coordination with the World Bank on public expenditure diagnostic work
- Clear surveillance role of the Fund in monitoring PEM improvements through the PRGF
- Much stronger efforts to elaborate choices for programming and to analyse and discuss poverty and social impacts. The UK has called for a timetable with the Bank on PSIA work.

For a copy of this input, please contact us.

### Things to note

18 months after the IMF's commitment to change behaviour in the context of PRSPs we should be seeing new ways of working on the ground. The PRGF Key Features document is clear about what these should be. Experience to date points to some important changes, but there is still a considerable way to go.

## Full PRSPs

Niger's full PRSP has undergone a Joint Staff Assessment – although it has not been formally endorsed by the Boards as yet. A number of full PRSPs are awaiting joint staff assessment, including Albania, Kenya, Guyana, and Rwanda. Factors that may affect the timing of the JSA process (and thus Board discussion) include: IFI judgements about the quality of the PRSP; country progress with other conditionalities, particularly the PRGF; and government commitment to the PRSP.

### Things to note

The Bank and Fund have both committed to ensuring that the JSA process is as open and constructive as possible, but stakeholders from Government, other donors and CSOs have all expressed concerns about the timing of the JSA and Board discussion in relation to preparation of a full PRSP and what appears to be unequal treatment across some countries.

## PRSPs in Asia

The Synthesis Project recently facilitated a brainstorming meeting with Asia Regional Policy Department, academics and researchers on the way that DFID engages with PRSPs in Asia.

The discussion focused on issues affecting the PRSP process in Asia. It was accepted that the principles driving the PRSP were of critical relevance in Asia but it was also noted that some important differences between the Asian context and Africa might warrant a somewhat different approach to DFID engagement around PRSPs in the Region.

Some of the key differences include:

- Asia's relatively low aid dependence as compared with much of Africa, and thus its different experience of IFI/donor conditionality.
- Stronger ownership of national planning processes, which should be built on in the PRS context.
- Stronger formal democratic structures, which may need greater involvement in the PRSP process than has been the case in Africa.
- The relatively strong record of 'projects' in Asia and the limited experience with either sector programmes or budget support.
- The diversity of Asian countries themselves, with some countries more comparable to Africa than others.

The discussion concluded that DFID's engagement with PRSPs in the Region would need to be informed by a clear understanding of the different challenges faced by countries as diverse as Indonesia and Nepal. It also stressed the need to work incrementally, to engage political actors and to support PRS principles in as wide a range of reform processes as possible.

Please contact us for more details.

### Next Lean and Mean meeting on 21 March 2002

...including a presentation by Jesse Griffiths of EPD on experience with integrating environmental issues into PRSPs.

## UN Guidance on PRSPs

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The UN Development Group has issued a Guidance Note to its country teams on working with the PRSP, concerning how Teams can support the PRSP process and the relationship between UN tools and processes and the PRSP process.

### Things to note

UN country assessments and strategy papers are to derive from the PRSP or national poverty reduction strategy.

The Office of the High Commissioner for Human Rights is also looking at the question of integrating human rights concerns into PRSPs. Contact us for more details.

### Donor Coordination in LAC

In Honduras, DFID works closely with other stakeholders in a decentralised coordination system around the PRSP process. The group has 15 members, including the IFIs and other multilaterals, bilateral donors, civil society, and Government. Monthly technical and sectoral meetings keep stakeholders involved in the PRSP formulation process, and monthly meeting with those responsible for the reconstruction effort help to coordinate efforts in the move to transformation. This process has been crucial in interactions with GoH, and opportunities for co-funding between donors arise from the group.

## SMEs and PRSPs

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Tony Polatajko of EDD is writing a short how-to note on ways in which private enterprise development issues can be incorporated more effectively in PRSP processes, with particular reference to the Asian region. Contact us for more details.

## Social Development Colloquium on PRSPs

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DFID SDD held a one-day Colloquium on PRSPs in December. The day focused on the implications of the PRSP process for SDAs and social development consultants.

Some of the main discussion points were:

- Moving upstream to engage with strategic national policy processes and to influence the wider donor community
- Increased focus on promoting enabling policy environments for social development, but less engagement on specific actions
- Promoting participatory and pro-poor PEM, MTEFs and budgets
- Scaling up participatory processes to influence national policy making

Contact us for more details.

### Ethiopia

DFID co-funded a regional multi-stakeholder forum in Awassa, Ethiopia, on the role of CSOs in PRSPs. This forum was an opportunity for stakeholder dialogue in advance of the GoE regional level consultations, and built on sub-regional consultations already conducted. The forum was an important addition to dialogue outside of Addis Ababa and was attended by representatives of donors, government, CSOs, and NGOs.

One message to come out of the forum was the need to address the link between culture and development in the context of the PRSP. It was also noted that the sub-regional consultation had been generally successful but that the poor and other stakeholders had not been adequately represented.

## PRSP Indicators and Monitoring Systems

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The 'Desk Study on Good Practice in PRSP Indicators and Monitoring Systems' (Booth/Lucas) has been completed.

The reports key findings include:

- PRSPs are leading to an upsurge in the measurement of final poverty-outcomes, with less attention being given to important intermediate indicators or input monitoring.
- PRSPs presently pay little to data-quality issues or the possibilities for overcoming data deficiencies.
- Stakeholder involvement in monitoring is not a high priority in PRSPs.

The report goes on to make several recommendations on what to monitor and how, including:

- The selection of intermediate variables to monitor requires strategic thinking, not tinkering with existing monitoring systems
- Input tracking can lead to pro-poor policy improvements
- Although reform of routine information systems is possible, it is necessary to complement these with other systems such as participatory impact monitoring

For copies of the report, see <http://www.odi.org.uk/pppg/publications.html> or mail us for more information.

### Reminder...

Don't forget to copy us in on your PRSP-related correspondence! [prsp@dfid.gov.uk](mailto:prsp@dfid.gov.uk)