

Key findings on PRSPs to date

Summary

There is already an impressive and ambitious agenda for poverty reduction contained in most (I)PRSPs, particularly when viewed against the severe capacity constraints facing most low-income countries.

Notwithstanding the breadth of the current documents several of the synthesis papers point to important omissions, most notably in the analysis of poverty, particularly its non-income dimensions, and in key sectoral and thematic considerations such as environment, gender and food security.

A clear message from all the papers is the need for (I)PRSPs to give closer attention to the links between analysis and policy, to provide more detailed prioritisation of public actions, and to give better coverage to areas and issues fundamental to implementation such as budgetary and capacity issues.

The signs are that donors are taking country ownership seriously and there are already signs of changing donor behaviour but, especially where government capacity is weak, continued effort is needed to coordinate donor actions and harmonise aid instruments and procedures.

Key themes

- **Poverty diagnosis**
- **Participation**
- **Content**
- **Public expenditure management**
- **Monitoring and evaluation**
- **Capacity issues**
- **Donor behaviour**

This Note draws on findings from 7 synthesis studies of (I)PRSP documents written between January and August 2001. The studies, most of which are desk studies, review some 40 I-PRSPs and 5 PRSPs, as well as the relevant Joint Staff Assessments from the World Bank and IMF. The conclusions drawn at this early stage in the proceedings are necessarily tentative, and this paper draws on these somewhat preliminary reflections.

Poverty diagnosis

The diagnosis and analysis of poverty is intended to guide attendant poverty reduction strategies, and ideally ought to incorporate the views and knowledge of the poor. Different countries diagnose poverty in different ways, and some countries analyse poverty with a high degree of disaggregation. However, there is a recurring lack of explicit links between these varying analyses and specific policy recommendations.

- Varying degrees of **disaggregation** (by location, livelihood – rarely ethnicity) happens in poverty analyses, although more often the analysis depends upon broad conceptualisations such as ‘rural poor’ or ‘the working poor’. Rarely are references made to specific problems or degrees of poverty that could guide policy, and there is still a tendency to focus mainly on income measures of poverty.

‘The Cambodia I-PRSP stands out as a good example of an attempt to carry out a careful and broad analysis of the causes of poverty, including low productivity and high vulnerability, as well as low capabilities and lack of empowerment.’ (7)

- The **causal analysis** of poverty is almost always weak – descriptions tend to focus on the ‘lack of’ basic needs rather than what causes this lack. There is a general lack of attention to causal explanations of specific dimensions of poverty, especially inequality and vulnerability.
- (I) **PRSPs refer widely to the poor’s perception** of poverty based on participatory work undertaken specifically for the PRS or earlier PPAs. Only in a few cases, however, are the links between these perceptions and the government’s own views and strategies made clear.

Implications

- Encourage continued focus on the multi-dimensional nature of poverty
- Press for more specificity in the links between poverty analysis and policy recommendations
- Support efforts to integrate the voices of the poor within the formal process of strategy formulation and implementation

Participation

The PRSP process is often the first opportunity that civil society organisations have had to participate formally in national policy making. Preliminary observations indicate that these participatory processes have been a key strength of PRSPs, but there is also a lack of clear and specific actions to address shortcomings in the process. Most synthesis papers express concern over the implementation phase of the PRSP, particularly the lack of information on participatory mechanisms for long term PRSP monitoring and review.

- All PRS documents have been created with **some consultation** with civil society. This represents a significant step in most countries. However, there are concerns over the relationship between participation and other means of representation. PRSPs are being introduced into ‘living political systems’, with different histories and experiences. The nature and impact of consultation as part of the PRSP will inevitably be shaped by these experiences.
- PRS documents usually focus on the participation of civil society, but the **institutional framework** for participation is only indirectly addressed. Decentralisation of government authority is often equated with greater and better participation, despite much evidence to the contrary. Explicit links with existing local planning mechanisms and the role of parliaments are generally underplayed.

‘Mauritania makes a clear commitment to institutionalising participation mechanisms through the creation of permanent consultations mechanisms and through “beneficiary surveys”’. (5)

- There are concerns over the **capacity** of civil society organisations and their ability to engage

with the PRSP process. Information on the results of consultations is often not made accessible to civil society organisations (CSOs), further impairing their ability to engage constructively.

- In almost all cases there is an urgent need to **link the results** of the participatory process with policy choices clearly and explicitly. Where recommendations are rejected, it is often unclear why. This may stem from lack of clarity in the findings of the consultation process, and inability to prioritise the desires of civil society, or may simply be symptomatic of the wider difficulties in focusing the PRS on specific policies.

Implications

- Be aware that politics matter
- Find ways to support the engagement of formal political institutions alongside that of CSOs in the PRSP process
- Support further elaboration of the institutional framework for participation in the context of public policy debate

Content

With the limited time available for completing the work, plus the magnitude of the conceptual and practical shifts which the enhanced poverty focus implies, the documents to date are **impressive in their scope**. (2) (1) PRSPs represent an enormous agenda for many countries and, perhaps inevitably, prioritisation among different aims and actions is one of the weakest elements.

- Clear linkages between diagnoses and prioritised public actions are a weakness in many PRSPs. Detail of the transmission mechanism between policy recommendations and expected outcomes, including the consequences for poverty reduction, are generally absent.

‘The Uganda PRSP provides a good example of a prioritised set of costed programmes within a realistic financing framework.’ (7)

- PRSPs are not the only national planning tool, yet there is little in the way of explicit links between (1) PRSPs and **other national strategies**. Successful implementation will likely require more clarity on these links.

‘The Burkina Faso PRSP is probably the most thorough on sustainability issues. It refers to sustainability with respect to growth, institutional development, education, water provision, and agriculture. As regards agriculture it is particularly thorough. It acknowledges possible trade-offs between sustainable natural resource management and the immediate needs of poor.’ (2)

- Alternatives, choices and trade-offs need to be made more explicit, as does the **sustainability** of a chosen strategy path. These concerns are at the heart of the long-term focus of the PRSP.
- Many of the synthesis studies point to crucial **omissions** from PRS papers, particularly in the analysis of poverty and around key sectoral or thematic considerations, such as environmental sustainability, gender and food security. Others acknowledge these omissions but point to the **iterative and processual** nature of the PRSP and the more immediate concerns of implementation, monitoring and review.

Implications

- Comprehensiveness should be assessed in relation to the process of engagement with the PRSP, not in terms of an all-encompassing strategy document
- Reinforce the need for clearly prioritised plans with costed programmes linked to an appropriate medium term budgetary framework
- Emphasise the strategic nature of the process and the need to balance short term policy imperatives with the longer term view of poverty reduction and sustainability

Public expenditure management

PRSPs are only one planning tool for national governments, but they are the tool that clearly establishes the link between poverty reduction targets and the national budget. The location of responsibility for preparing and overseeing the PRSP is a key part of this connection, and in many countries responsibility has resided with the Ministry of Finance (MoF). However, there is no clear consensus on whether this is the preferred model or not. Synthesis studies did not universally address these issues.

- **Budgetary considerations** are mentioned in most PRSPs, although often in statements of objectives without strategic detail. There is generally reference to a Medium Term Expenditure Framework (MTEF) or a Public Expenditure Management strategy (PEM) but again important details are frequently lacking, including the implications of ongoing PEM reforms for the operationalisation of PRSP priorities.

‘A key step in outcome-oriented budget reform, the establishment of a Medium Term Expenditure Framework (MTEF), has been taken in Uganda and Tanzania, with some progress towards the reparation of budgets on a programme basis in line ministries and local government.’ (3)

- No clear picture has yet emerged on the quality of **links** between PRSPs and existing budget strategies, or on the tradeoffs that must be made between ‘new’ PRS targets and other national aims.
 - **Locating responsibility** for preparing the PRSP in the MoF has yielded important results in some countries, but there are concerns that too much may hinge on the ‘budget’ relationship between the MoF and line Ministries, rather than on direct engagement by line Ministries themselves.
- < **Corruption** is not given much attention, with many of the PRS documents failing to mention it at all. On the other hand, four PRSPs contain references to comprehensive national anti-corruption strategies, although the links with the poverty reduction agenda are not always clear.

Implications

- Consistent support is needed to link PRSP targets with budget priorities and effective tracking of public expenditure outcomes
- Long term technical assistance may be needed to assist in the costing of expenditure programmes and their effective incorporation into the MTEF
- More discussion is needed of the links between public expenditure reforms, anti-corruption measures and the realisation of PRSP goals

Monitoring and evaluation

Monitoring progress against PRS targets is crucial for building greater accountability in the use of domestic and foreign resources in the fight against poverty. Currently (I)PRSPs appear to favour large-scale and resource-intensive systems for monitoring changes in poverty outcomes, an approach that may not prove to be the most sustainable or effective in the medium term.

- **Weak data** on poverty trends is frequently mentioned as a problem for poverty monitoring in PRSPs. However, at least one of the synthesis studies argues that this may not necessarily be the main hurdle for evidenced-based policy making and PRS implementation (3). Instead it may be more important, at least in the short run, to monitor institutional progress in addressing poverty targets than monitoring trends in poverty per se.

'The Kenyan I-PRSP includes what many would regard as a summary of the ideal poverty monitoring system. It locates the national poverty reduction effort squarely within high-level arrangements for monitoring and tracking prioritised public expenditures, with a stakeholder committee meeting monthly and transmitting its concerns through a committee of Permanent Secretaries to cabinet.' (3)

- (I)PRSPs show a strong preference for the more traditional methods of poverty monitoring; not always with a clear assessment of the resource implications. But there is also room for the introduction of '**lighter**' monitoring procedures: methods that use less resources, take less time, and provide data on which rough estimates can be based. The integration of these two is likely to be an important way forward.
- **Participatory methods** for monitoring are often neglected, as is the formation of feedback mechanisms to ensure that data gets used for real-time policy and planning. Although participatory methods may be mentioned or planned for the future, there is often little detail.

Implications

- Encourage identification of intermediate and process indicators as well as key outcome indicators
- Provide examples of 'lighter' monitoring systems and participatory methods that could usefully complement traditional monitoring approaches
- Encourage strategic participation of different stakeholders in the design and implementation of monitoring systems

Capacity constraints

Many PRS documents refer to the fact that governmental capacity is weak, and presents a barrier to implementing the PRSP. However, weak capacity is itself something that can be addressed through the PRSP process.

- Most synthesis papers agree that extreme capacity constraints on governments mean all actors should focus on a **limited** and **achievable** policy agenda.

'Mozambique has a section on institutional capacity building for "Poverty Issues" which consists of in-service training for ministries in poverty-focused planning, post-graduate training and research...' (5)

- Current constraints on capacity are often underplayed in PRSPs, and the **capacity implications** of policy choices are not made clear. There are few **specific, concrete proposals** for addressing capacity problems.

Implications

- Reinforce the centrality of effective capacity in realising PRSP targets and objectives
- Encourage early identification of capacity constraints and strategies to address them
- Encourage greater modesty in the setting of goals and greater acknowledgement of implementation difficulties

Donor behaviour

PRSPs are a potentially important instrument for streamlining and coordinating international aid flows. The synthesis studies indicate that this may be beginning to happen, but the record is uneven. Much work remains to be done, and the bilateral development community has a particularly important role to play in this respect.

- **Donor coordination** remains an issue with less-than-ideal relations between bilateral donors and between bilaterals and multilaterals prevailing in some countries. But bilateral donors are getting engaged, albeit in different ways.
- Initial doubts over the commitment of the **IFIs** to country ownership and participation are slowly being dispelled. The institutions are being widely credited with a more delicate handling of PRSP processes. However, staff behaviour still varies widely and a lack of openness and modesty is still a problem in some contexts.

There is evidence of 'fuller and more accommodating discussions between the national authorities and the IFI missions on how to handle the strengths (especially in terms of process) and the deficiencies (especially terms of policy frameworks) of previous poverty reduction strategies.' (4)

- The principle of **country ownership** that underlies the PRSP is being taken seriously by all, although behaviour change is slower in coming. Only a few donors are currently subordinating their country strategies to the PRSP, while the Bank in particular is continuing to hold on to its own country strategy process for the time being. Contradictions between a country-led document and donor concerns over omissions from the paper are gradually being resolved with dialogue.
- There is a risk of overloading the PRS process with **donor reviews** which inevitably stretch the limited capacity of national governments. The principle of country ownership means that national monitoring strategies should be supported wherever feasible and that donor duplication is avoided wherever possible.

Implications

- Prioritise coordination and joint action (including harmonisation) by donors wherever possible
- Reinforce the importance of continuing openness and transparency in dialogue with IFIs
- Encourage a long term view by donors of PRS technical assistance and capacity building needs

Conclusion

The studies reviewed here are more or less consistent in their recognition of the potential value added of (I)PRSPs in addressing national and international poverty reduction goals, but they also point to some important shortcomings in both the process and content of (I)PRSPs that reinforce the need to remain realistic about what can be achieved in the short run.

While there is much focus in these studies on the formulation stage, it is clear that implementation is the main focus of concern. Weaknesses in existing institutional capacity (and political processes) and the challenge of turning strategies into clear priorities and actions that will reach poor people, are major worries. It is also a concern that with the advent of the PRSP, other national strategies will need to be made consistent with it, if implementation is going to be successful. This may entail revising pre-existing strategies – if they are not poverty focused – or improving and revising the PRSP and its priority actions to be consistent with existing strategies. Whatever the case, complementarity between the PRS and other strategy documents is going to be critical.

The studies also point to the need to understand the very real political constraints on the PRS process in many countries; the possible conflicts with other reform initiatives prioritised by Government and donors; and the potential loss of momentum on PRSP issues once HIPC completion conditions are met. Making realistic assessments of political and institutional difficulties, while engaging constructively, transparently and in a coordinated manner in the process, is likely to be the best way forward for donors at present.

Sources

If you would like copies of any of these papers, please email us at prsp@odi.org.uk. They are also available on the DFID intranet on the PRSP Monitoring and Synthesis Project's site.

- (1) 'The Potential for Using Sustainable Livelihoods Approaches in PRSPs', ODI Working Paper, July 2001
- (2) 'Sub-Saharan Africa's PRSPs: Social Policy and Sustainable Livelihoods Perspectives', Oxford Policy Management, March 2001
- (3) 'Desk Study of Good Practice in the Development of PRSP Indicators and Monitoring Systems: Initial Review of PRSP Documentation', ODI, May 2001
- (4) 'PRSP Institutionalisation Study: Third Progress Report', ODI, May 2001
- (5) 'Governance and PRSPs', DFID (Kathryn Casson), June 2001
- (6) 'Review of the Integration of Environmental Issues into Selected PRSPs', DFID Sustainable Development Unit, January 2001
- (7) 'Food Security and PRSPs: A rapid assessment of PRSPs and their relevance to food security problems' (draft form), Oxford Policy Management, April 2001