



Maastricht Graduate School of Governance

PRSP: Pitfalls and realities

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PRSP is a new ball game, and a very ambitious one

High demands on

- Recipient system
- Donors
- Civil society

The content of these slides draw heavily on joint research work with Robrecht Renard

	Ownership	Effectiveness	Accountability
Government	1.1 - political ownership - technocratic ownership - bureaucratic ownership	1.2 - institutional quality for planning-budgeting- implementing programmes - quality of poverty diagnostic	1.3 - lateral accountability - downward accountability
Donors	2.1 - acceptance of recipient priority setting - donors aid alignment	2.2 - pro-poor aid policies - donor harmonization	2.3 - upward accountability - pressure for CS space in policy dialogue - advice and support to CSOs
Civil Society	3.1 - autonomy vis-à-vis the state - representativeness	3.2 - proximity to the poor - ability to assess micro and macro needs of the poor - negotiation and lobbying skills	3.3 - capacity to monitor and evaluate government policies - capacity for creating effective lobbying platforms - voice - democratic goals and structures

GOVERNMENT

The issue of ownership

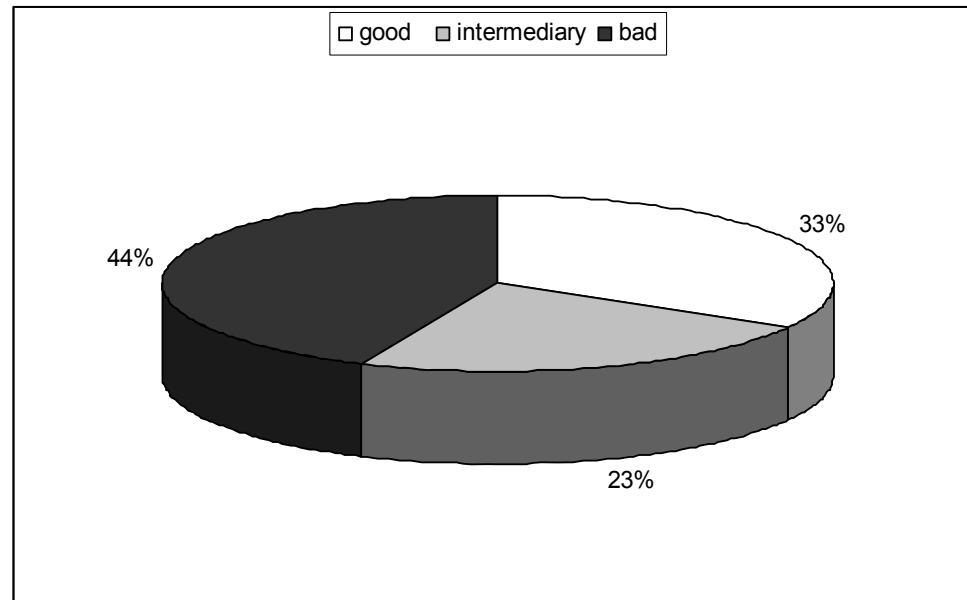
- The existence of 'PRSP-only' countries without related modalities:
 - less than 20 out of 60 countries involved in the PRSP process, received general budget support for more than 2% of their GDP in 2004 or 2005.
- Given the fact that many of these countries are highly aid dependent and receive 10% or more of aid as share of their GDP, this says something about real donor confidence in the commitment (and quality) of recipient governments.

The issue of ownership (continued)

- The reluctance of donors may well be justified
 - the new aid approach does not make much sense if there is no strong commitment
 - policy dialogue and conditionality cannot 'buy' commitment
 - thus: selectivity is a key element of the new approach
- Technocratic ownership limited to PRSP-unit?
- Bureaucratic ownership often a problem:
 - involvement, capacities, resources

The issue of institutional quality

- Of 55 national development strategies, only 5 had good quality (WB)
- Quality of public administration is problematic almost everywhere



Source: based on CPIA public sector scores, 2005

But (Global Monitoring Report 2006)

- Improvements in PRSP countries when it comes to budgetary and financial management
- Increasing transparency
- CPIA scores rise steadily, especially in PRSP countries

Quality of poverty diagnostic

A lot of progress:

- Multi dimensionality of poverty
- Increasing number of countries realize poverty diagnostics

PRS review report 2005:

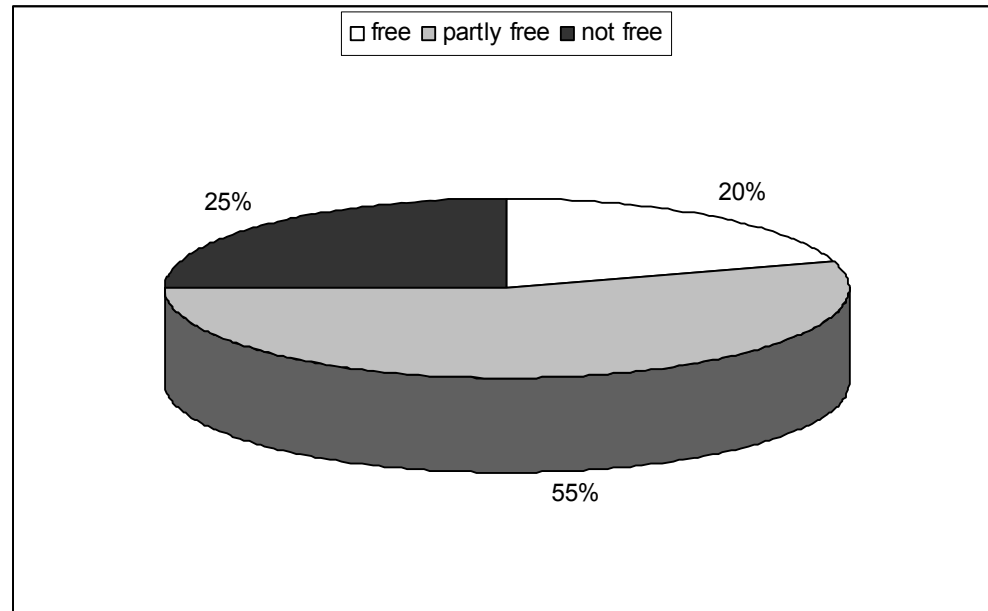
- In 1999: only 19% of LICs had data from household surveys
- In 2004: 29%
- However: 42% of LICs do not have ANY data at all, or very outdated data
- MICs: not less than 72% has data based on household surveys

Lateral accountability: generally weak

- General weakness of rule of law & general weakness of controlling organs
 - Parliaments
 - Audit offices
 - Ombudsfunctions
 - M&E systems, statistical services, ...

Downward accountability

problematic in 80% of PRSP countries



Freedom House Status, PRSP countries, 2005

DONORS

Challenges on the donor side

- To give GBS or not to give GBS?
- To get something in return: have influence over the direction of reforms/policies
- Alignment? Fine, but how trustworthy are recipient systems?
- Harmonization. Easier said than done. A real collective action dilemma

To give GBS or not to give GBS

- Yes or no? Selectivity !!!
- Variations on the GBS theme:
- Fiduciary risk assessment

To get something in return: to have influence over the direction of reforms/policies

Policy dialogue and conditionality

- Soft or hard forms of conditionality
- Technocratic or political ?
- How predictable are political events? What is the trust-threshold?
- When are conditionalities credible?

Alignment? Fine, but how trustworthy are recipient systems?

Goal = Results-based monitoring, but

- Methodological problems
- Political problems: alignment with national systems?

Donor harmonisation

Goal = the use of common arrangements/procedures & share analysis (aid-flows – donor missions – analytic work)

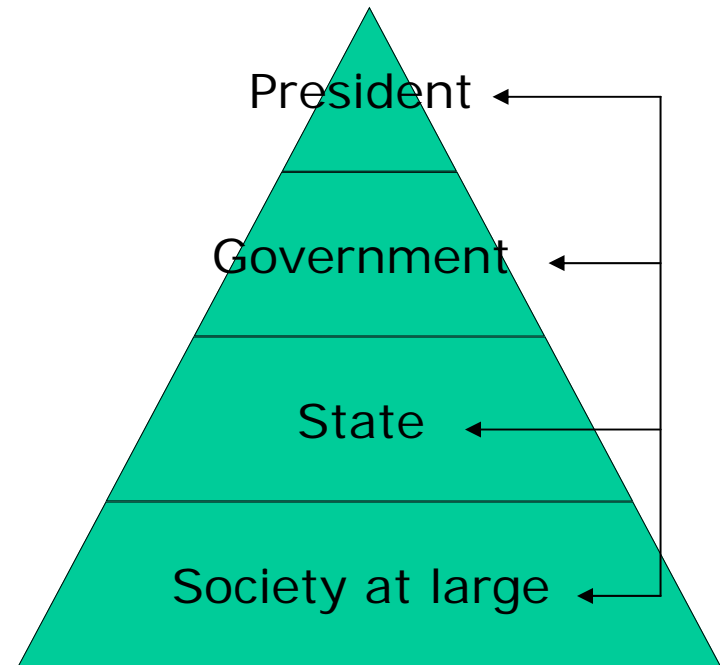
- a natural division of labour?
- overcrowding and pecking orders

CIVIL SOCIETY

Different levels of ownership

- Government
- State
- Society

- The nature of partisan politics - trade-off with broad based ownership



How autonomous must civil society be?

- Autonomy:
 - To elect/nominate leader/president
 - To formulate vision/mission
 - To realize strategic planWithout being dictated by politics/political parties/politicians
- However:
 - Reality is complex: full autonomy does not exist → embedded autonomy
 - Political and civil society: thin line, crossing over and combining mandates is 'normal'
 - Most successful civil society interventions: organizations with close links to political parties

Must civil society be representative?

- The nature of civil society:
 - Representativeness is not an issue
 - Issues are the issue
- If representativeness is important → parliament
- Civil society in LICs: weak, embryonic, generally not bottom-up representative – movements with bottom-up structures: unclear link between HQ and FQ – tensions between mass movements and NGOs → conflicts, heterogeneous... can not represent 'society at large' & this is not its function !

Conclusion:

- government ownership is more important and realistic than broad based ownership - civil society cannot correct what goes wrong elsewhere
- broad based ownership: civil society is just one instrument amongst others

Does a pro-poor civil society exist?

- Civil society = organized interest
- Organized interest = seldom explicitly pro-poor (means/resources – power)
- Poor people tend to be poorly organized
- Pro-pooriness should not be assumed

- How to turn a participation process into a pro-poor participation process?
 - Calls for a strictly orchestrated process:
 - Selecting only pro-poor stakeholders in PRSP participation processes
 - Or giving them more weight
 - Or screening the pro-poor content of contributions by CSOs
 - => the trade-off between 'open, democratic participation' and 'pro-poor participation'
 - Sometimes: a few poverty experts can add more to the process than a dozen of mass movements...

Is it just a question of capacities?

- Moving from micro → macro
- Moving from projects → policy
- Moving from channelling resources → interest articulation

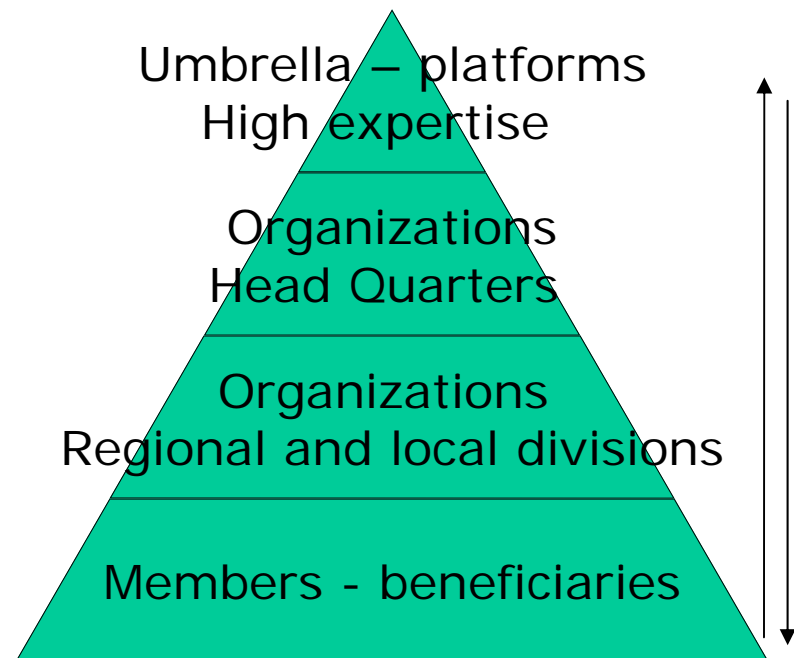
The new role for civil society is a question of strategic choices

- Adapted missions and visions
- Adapted structure
- Adapted human resource capacities

Do organizations wish to dance to this new donor tune?

Challenges for increasing accountability

- M&E capacities are problematic
 - Because M&E at level of gvt is a problem
 - Wrong/lacking capacities civil society
- The need for umbrella organizations and lobbying platforms: specialization and topical clustering
 - Problem:
 - competition, conflicts between organisations
 - unclear relation between top layer and the rest



The lack of voice and democratic goals/structures

- Civil society landscape dominated by NGOs
 - Often donor bred and fed → increasing dependence...
 - Little mobilization capacity – more potential in influencing public opinion
 - Often lacking transparency – one person NGOs – little or no institutionalization of procedures and rule
- To what extent are CSOs (mass movements & NGOs) democratic?
 - Do they have internal democratic structures?
 - Are they transparent?
 - Do they escape the mechanisms of clientelism and/or patronage?
 - Do they escape the vicious cycle of weak institutional environments?

The implicit assumptions of the PRSP

The Principles

National ownership	<ul style="list-style-type: none"> •political party – government – state – society at large? •Supposes a consensus – harmony model – no trade-off between gvt ownership – broad based ownership
Participation	<ul style="list-style-type: none"> •Who? What is civil society? Issues of legitimacy, mandate, representativeness? •Supposes an open political system: willingness to share information, give room – gvt does not feel threatened by civil society •Danger of capture/cooptation/bias
Comprehensive	<ul style="list-style-type: none"> •Supposes a minimal institutional capacity for planning-budgeting-implementing programmes •Supposes a state: authority and legitimacy and capacity to coordinate •Supposes government consensus (between ministries)
Poverty oriented and results based	<ul style="list-style-type: none"> •Supposes explicit choice pro-poverty ↔ ideology •Implies an evolution towards transparency and a change in the way national resources are distributed – willingness to be transparent – allow lateral accountability
Partnership	<ul style="list-style-type: none"> •Consensus between partners (donors – gvt – cso)? Realistic? •No power differences? •Donors have no difficulties giving up visibility AND (d)ownership •Gvt does not feel threatened by donors harmonizing and aligning (insight)
Long term objectives	<ul style="list-style-type: none"> •Against the short term logic of democracy

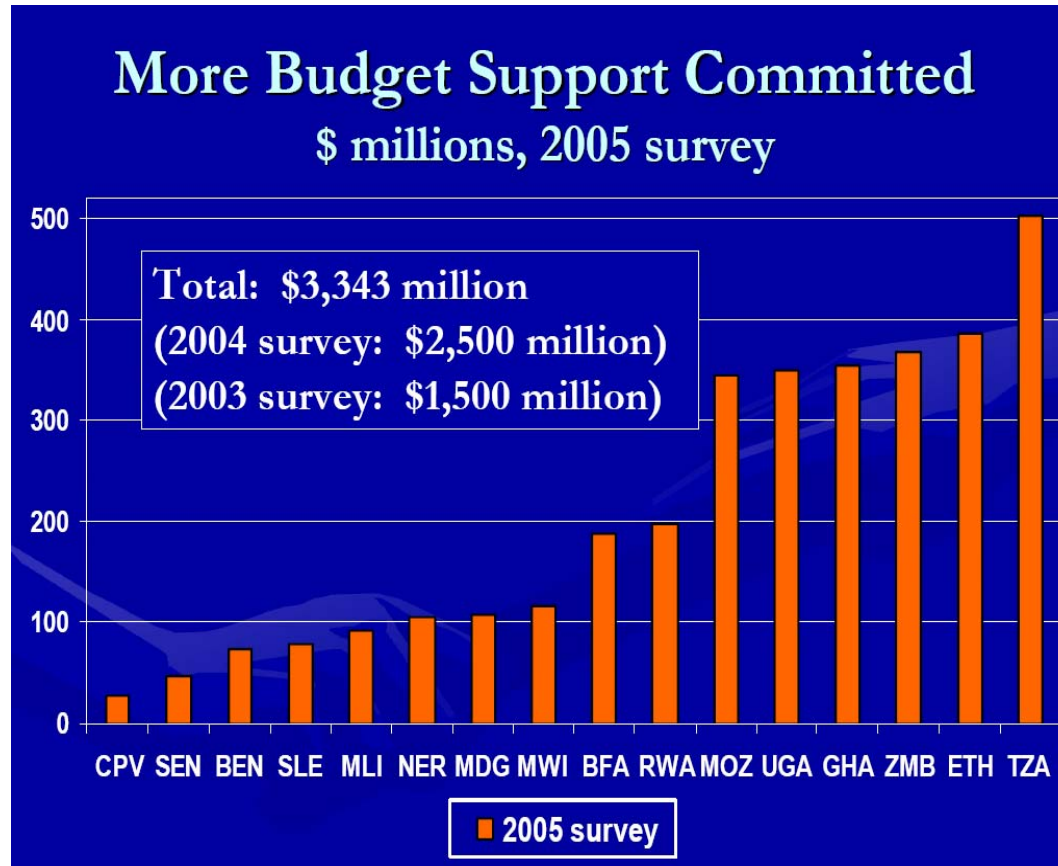
ADDITIONAL INFORMATION

Facts and figures

Use of GBS and assorted instruments

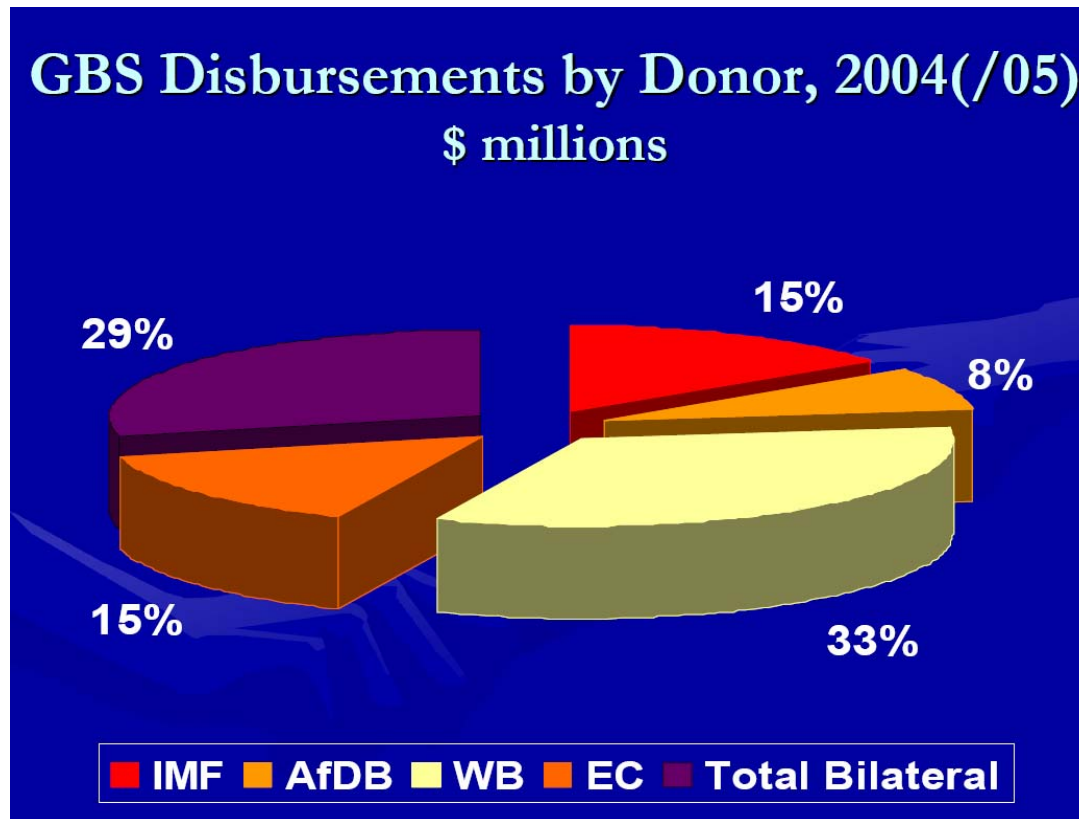
- Source: SPA secretariat at the 2006 Accra annual conference
- Data on GBS in support of PRSP
- 16 African countries
- 18 donor agencies

The importance of GBS

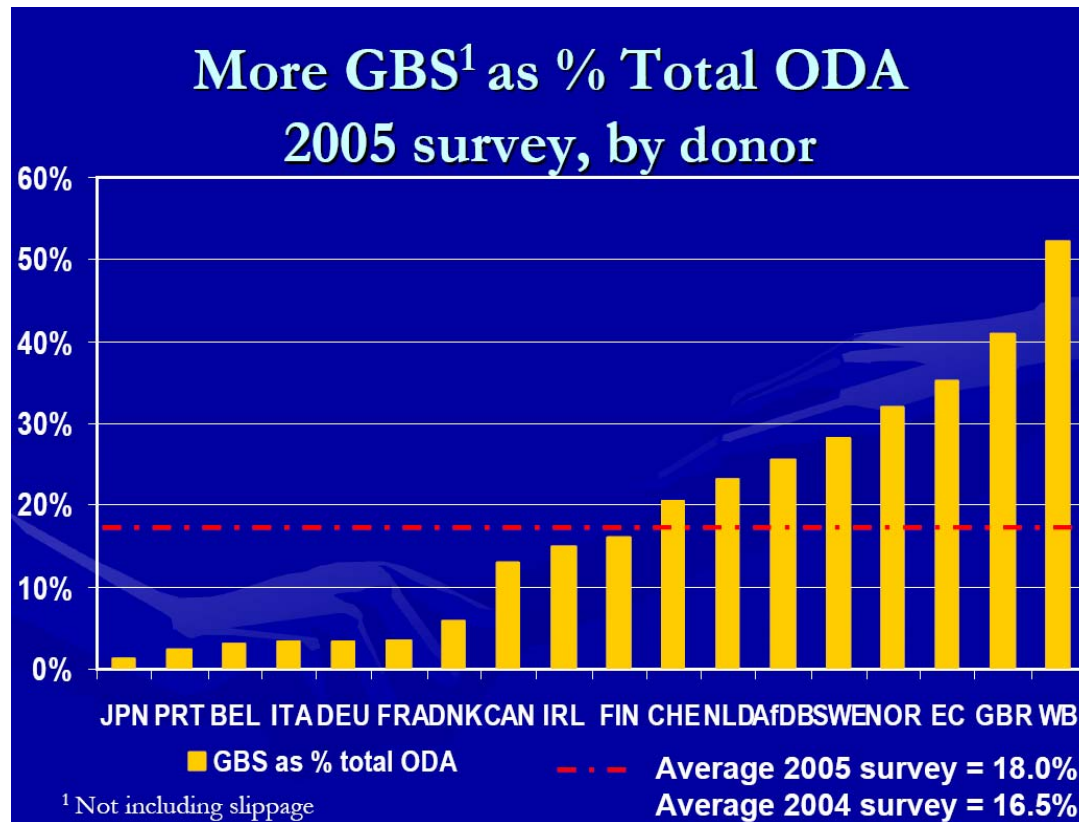


Note: DAC informal estimate of total GBS in support of PRSP: \$5 billion

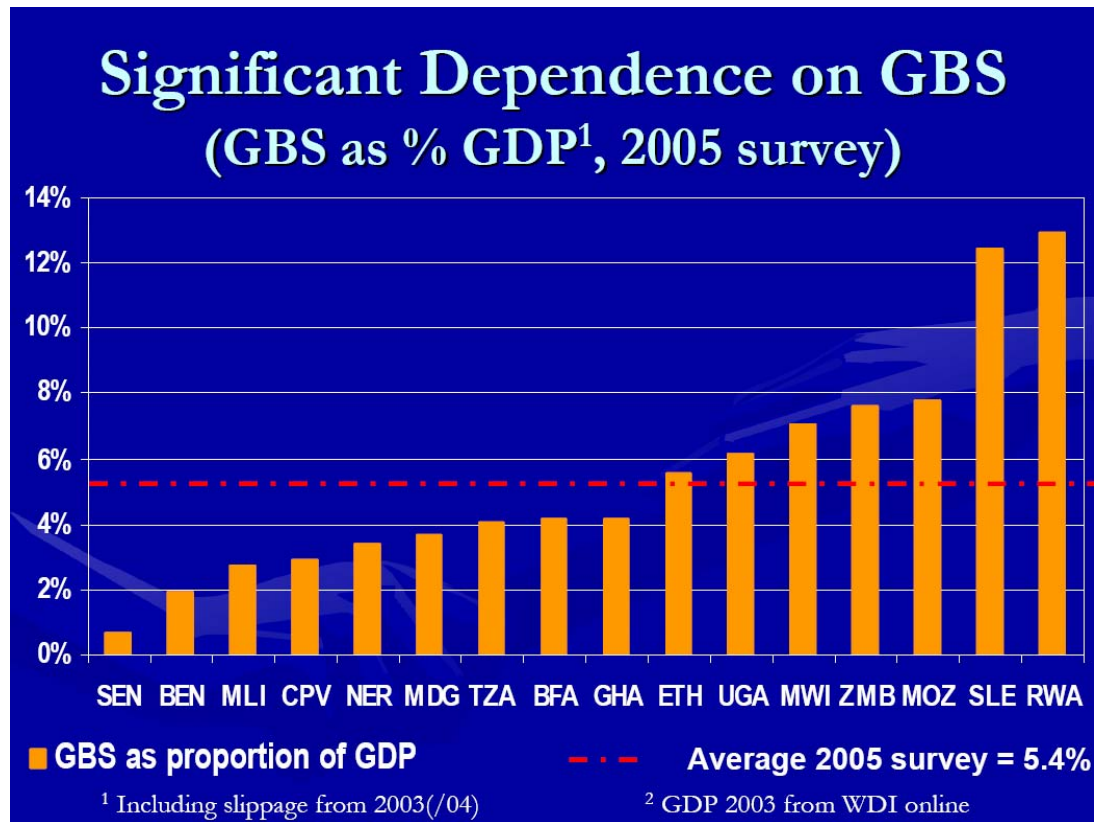
The big players



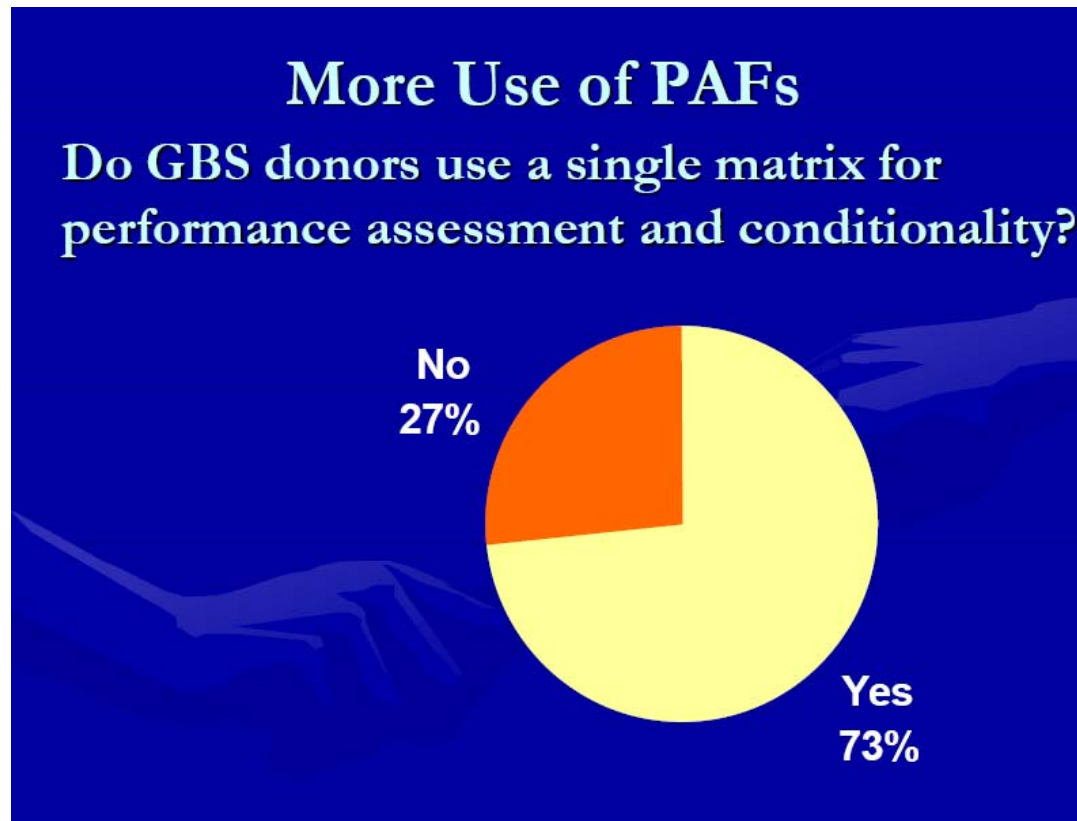
Use of GBS by individual donors



Importance of GBS for recipients



Performance Assessment Matrix (PAF)



Average ratings of GBS donors

