

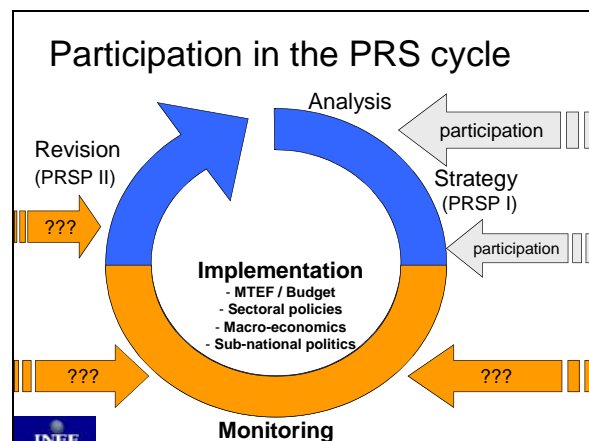
## Institutionalizing Participation in the PRSP Implementation, Monitoring and Review Process

The participation of societal stakeholders has become a crucial element on the way to developing Poverty Reduction Strategies (PRS) in many African countries. The success or failure of these strategies, of course, depends on their proper implementation. To make a PRS work, to implement a strategy which really has an impact on poverty reduction is only conceivable with the ongoing participation of all relevant actors. This raises the question of how to institutionalize participation beyond the strategy development.

This paper describes an understanding of *institutionalized participation* at first. In a second step, recent experience with *institutionalized participation* in Africa is outlined, before some recommendations are made.

### 1. Participation in the PRS cycle

The PRS process is organised as a policy cycle. The drafting and approval of the PRSPs is followed by implementation, monitoring and evaluation and – after about three years – by a review process and the development of a new PRSP, at which point the cycle begins again. This roll-over principle is one of the innovative elements of the PRS approach. It is designed to provide the basis for an ongoing societal learning process. However, the international debate has



been mainly focussed on participation on the way to the first PRSP. The World Bank / IMF PRSP Review in 2002, for example, draws a fairly positive balance of these first processes. That result was also confirmed by a number of PRSP country studies done recently on behalf of the Economic Commission for Africa: societal participation during the first PRS drafting processes has obviously enriched the final strategies in a number of countries.

But how can societal participation be shaped during the ongoing PRS cycle? How can participation take place during the necessary translation of PRSPs into the national budgets? Or into pro-poor sector strategies and macroeconomic strategies? What could the participatory monitoring of PRS implementation look like? How to design a participatory review process after three years? Experience so far to answer sufficiently these and similar questions is quite limited.

## 2. Institutionalized Participation

Let us first have a look at the understanding of participation. A number of definitions are given like this one, which is taken from a World Bank publication and which is very comparable with similar formulations in other studies: “*Participation can be defined as a process through which stakeholders shape and share control over development initiatives.*”<sup>1</sup> Important elements of this definition are the process character as opposed to one-off participatory events, the term stakeholder including all societal actors, and the understanding of a form of joint policy-making.

With the term *institutionalized participation*, I want to enhance and state more precisely definitions like these. I propose to discuss at least four elements of institutionalized participation, which you will see written in blue (or underlined):

### Institutionalized Participation

- has to be rights-based,
- has to be integrated in the political structures of the country,
- needs legitimacy; and
- is inconceivable without capable stakeholders who have the capacity to be deeply involved in the process.<sup>2</sup>

These four elements are necessary attributes of institutionalized participation.

They should become something like standards in PRS processes. Participatory processes without these four elements run the risk of being no more than ad hoc, one-off participatory events, staying tentative and fragile. Many of the PRS processes so far have indeed reached only this quality level. If they are not institutionalized in the very near future their impact will be very limited. And perhaps even worse: if participatory processes are misused or misdirected, they may function as alibi processes in order to get donor assistance but avoid any substantial changes in the political framework for poverty reduction.

### Institutionalised participation

Institutionalised Participation can be defined as a rights-based, structurally integrated, and legitimised process through which capable stakeholders shape and share control over development initiatives.

(black: Brinkerhoff / Goldsmith 2001: 4)

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<sup>1</sup> Brinkerhoff, Derick W. / Goldsmith, Arthur A. (2001): Macroeconomic Policy, PRSPs, and Participation. (World Bank Paper). Online: [www.worldbank.org/participation](http://www.worldbank.org/participation), p.4

<sup>2</sup> In political science the distinction is made between polity, politics and policy. Policies are the results of the interaction of polity and politics in a certain area. In order to get a good poverty reduction policy, you need appropriate dimensions of polity and politics in a society. Rights and structures – my first two points – are essential parts of the polity dimension; legitimacy and capacity are important ingredients of politics.

### 3. Standards for PRS participation

Let me describe the four standard elements in more detail:

Institutionalized participation needs *basic political rights* as well as *specific rights* of participation within the concrete PRS context. Citizens as well as an organised civil society have to have a rule-based and clear picture as to which role they can play in their society. There is hardly a PRS country to date which has outlined sufficiently the role and rights of stakeholders in the coming implementation phases of PRSPs.

Standards for PRS participation	
1. Rights	<ul style="list-style-type: none"> <li>• basic rights (freedom of: opinion, information, media, association, networking, campaigning...)</li> <li>• PRS cycle: defined, rule-based role for parliament and civil society</li> </ul>
2. Structures	<ul style="list-style-type: none"> <li>• sustainably anchored dialog structures at national and regional levels</li> <li>• regular, relevant information flows, enabling effective monitoring</li> <li>• elements of decentralised decision-making</li> </ul>
3. Legitimacy	<ul style="list-style-type: none"> <li>• Parliament: debates, decisions</li> <li>• Civil society: representative, independent, inclusive, democratic</li> <li>• The Poor: Empowered to participate themselves</li> <li>• The international context: real county ownership</li> </ul>
4. Capacity	<ul style="list-style-type: none"> <li>• human &amp; technical resources (analysis, lobbying, ...)</li> <li>• effective networks</li> <li>• access to information (in due time, sufficient scope...)</li> </ul>

Institutionalized participation has clearly defined **political structures** for dialogue between all stakeholders at national as well as at regional and local levels. To conduct just one or two national workshops with a handful of civil society representatives is not a structured dialogue but an ad hoc event. Necessary structures have to be shaped on a continuing basis. Their competences and rights have to be clearly described, their membership outlined transparently. One necessary part of these structures is an open information policy of the government which allows a comprehensive insight into the implementation of the PRSP. And another structural aspect is that the implementation of a PRSP cannot be conducted in a centralised way only. Decentralised and still participatory decision-making procedures are necessary in the ongoing fight against poverty.

A third standard element of institutionalized participation is the **legitimacy** of decisions. This has several dimensions. Legitimacy exists only in those cases in which the parliament of a country had the possibility to influence the content of the strategy, did finally approve the PRSP, and is involved in its implementation. Parliaments, which in many countries of sub-Saharan Africa are institutionally weak but usually possess at least a formally legitimate mandate, have to be involved in the full PRS cycle.

Regarding civil society organisations, it has to be said that they do not possess the *formal* democratic legitimation to *determine* political decisions that are binding upon a government. However, Civil Society actors can increase their legitimacy making sure

- that they are organised in a representative and inclusive manner,
- that they are independent from government and other major players, and
- that they are internally organised in a democratic way.

Last, but not least: The poor themselves have to have a growing chance not only to articulate their perspectives here and there (e.g. in Participatory Poverty

Assessments), but to be involved in decision-making. In the long run, there will be no meaningful and legitimised participation in a country without structures of bottom-up-planning- and decision-making-procedures, sharing a crucial resource for poverty reduction: power. Not to forget: Sharing includes empowerment as well as disempowerment.

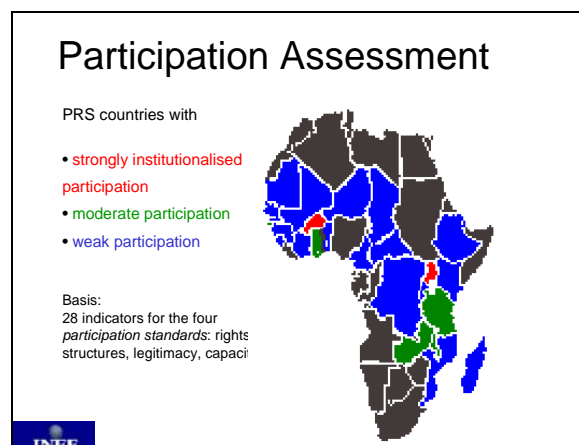
The **capacity** question, finally, has been discussed broadly; I will just mention it here. A strong participation of societal stakeholders requires well-developed human, technical and organisational resources.

Without these four standard elements in political processes around PRS, we can hardly speak about effective and ownership building participation.

Having spoken about theory so far: What about the reality of participation in PRS processes in Africa? Let me start with an overview.

#### 4. Participation Assessment

In our Institute in Duisburg we used about 30 indicators to collect data on relevant issues in all the four standard areas mentioned in order to assess the extend of institutionalized participation. [Work in progress, critical views most welcome!] Comparing the countries with each other, it is possible to distinguish today between countries with an already strongly institutionalized participation, countries with moderate participation, and countries with weakly institutionalized participation.



The map indicates the three groups:

A.: The two countries with strong participation in the PRS processes are Uganda and Burkina Faso. They have done - or are doing - a lot to institutionalize the participatory processes around their poverty reduction strategies. One can find the ongoing, broad-based and inclusive participation of social actors. Parliaments are involved in poverty-related issues. There is an open and continuous public debate on poverty reduction, especially in the media. It is obvious in these countries that the PRS processes are embedded in longer-term participatory and democratisation processes. Important preconditions, like freedom of opinion, rule-based political space for NGOs, and decentralisation of decision-making procedures, had to a certain extent already been fulfilled before the PRS processes started.

B.: A small number of countries – I am talking about Ghana, Tanzania and Zambia – do comply with a couple of preconditions for institutionalized participation, but are still facing a number of deficiencies.

C.: The majority are countries<sup>3</sup> which might have made some important first steps on the way to a sustainable participatory process around PRS, but have still a long way to go to ensure institutionalized participation. Here, PRS participation has (to date) been limited to minimal forms, usually involving some information sharing, and at most consultation (in a sense of raising opinions). The participatory process is narrow in scope. Only a limited number of national actors are involved.

The map is, of course, a rough snapshot, but the differences between the countries underline the assumption that societal participation and democratisation are in a dynamic move in Africa. This overview already indicates that one can find a lot of experience in *developing* institutionalized participation, meaning that a south-south learning process on this issue has plenty to share. But the map also invites us to develop a realistic view: Despite growing experience and a good progress which can be seen already, there is still a long way to go for many countries to realise participatory poverty reduction politics.

## 5. Good practices

Nevertheless, let me now mention some examples from Africa to show how rich the experience with institutionalized participation is already.<sup>4</sup>

**Capacity building:** Many ideas have been developed, and some even realised to strengthen the capacity to participate: of the poor themselves, of the civil societies, the parliaments, and governmental actors. I shall not go into details here.

1. Rights	Uganda: Budget Act South Africa: Access to Information Act [Bolivia: Law on National Dialogue]
2. Structures	Tanzania: Poverty Monitoring System Uganda: PAF, UPPAP, Budget Group Mauretania, Zambia: Decentralising PRS Kenya, Gambia: Pre-budget consultations
3. Legitimacy	Kenya (Kilifi): Empowerment of the Poor Zambia: Representative CSO network Ghana: Parliament approves MTEF
4. Capacity	Tanzania: Popular PRSP Version Kenya: Popular Info on Budget Process Ethiopia: Training for Parliamentarians

**Legitimacy:** Parliaments did not play any role during the first two years in the life of the PRSP concept. Fortunately, this is now changing in some countries. Regarding civil society participation, one can observe the growing basis of civil society actors, networking with each other and becoming more representative.

**Structures:** The Ugandan experience has already been highlighted. The Poverty Action Fund, with its elements of joint decision-making and monitoring, is one of the most elaborated structures of institutionalized participation within the PRS context.<sup>5</sup>

<sup>3</sup> All other countries in Africa with at least an I-PRSP document.

<sup>4</sup> There are more examples of sustainable participation in poverty reduction politics, also from other parts of the world. Cf. Walter Eberlei: Institutionalised Participation in Processes Beyond the PRSP. Study Commissioned by the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). Eschborn 2001 (paper is posted at the World Bank PRSP Review Website)

<sup>5</sup> Around 35 percent of the national budget is channelled through this fund. Decisions how to use the money are regularly discussed in a dialog between Government and Civil Society. The latter monitors

But also in other countries we find important new structures for ongoing participation. The Tanzanian Monitoring System is another good example.

**Rights:** Last but not least, the legal framework for participation is improving in a number of countries in Africa. Let me mention the example of the Access to Information Act in South Africa, which is not developed in a PRSP context of course, but could become a model for the countries in the whole region. And also the new Budget Act in Uganda offers interesting perspectives on how to strengthen participatory budgeting.

As an example, I'd like to focus now on one specific aspect of PRS implementation: the translation of a Poverty Reduction Strategy into the annual budget and how that can be done in an institutionalised participatory manner.

## 6. Example: Institutionalising Participatory Budgeting

While the area of public expenditure, budgeting, taxation, and so on has been treated as a secret task of Government technocrats for decades, this seems now to have changed fundamentally. Today it is clearly understood that public finance management is a political, not a purely technocratic process. Looking through the recent literature on budgeting, three basically "political" principles of *pro-poor budgeting* are always mentioned:

transparency, accountability, and participation.<sup>6</sup> These inter-linked principles are seen as the most critical prerequisites for effective poverty reduction politics in general, and specifically for a good budget that is truly responsive to the needs of the people.

One can find many initiatives and examples of participatory contributions to budgeting processes in a number of countries. These initiatives underline not only the importance of the budget, but also the scope for parliament and civil society to influence government.<sup>7</sup>

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the financial flows down to district and even sub-district level. This is done by non-governmental grassroots committees and through a newly developed Community Based Monitoring System. The participatory debate and policy-making on poverty issues in Uganda is furthermore enlightened by another joint Government-NGO-Monitoring-System, the Uganda Participatory Poverty Assessment Project, UPPAP, which is able to bring the voices of the poor into the process. See [www.internationalbudget.org/resources/howto/PAF2002.pdf](http://www.internationalbudget.org/resources/howto/PAF2002.pdf)

<sup>6</sup> Pro-Poor Budgeting reflects a paradigmatic shift in poverty reduction politics. The new perspective – which is also reflected in the PRSP idea – looks at poverty as a multi-dimensional problem which has to be addressed by "the integration of anti-poverty plans into economic policies and general budget allocations" (Cagatay, Nilüfer / Keklik, Mümtaz / Lal, Radhika / Lang, James (2000): Budgets As If People Mattered: Democratizing Macroeconomic Policies. (= UNDP/SEPED Conference Paper Series # 4). New York, p.19). Pro-poor budgeting in this sense means a procedure "which incorporates the interests and the voices of poor people" (ibid.: 20).

<sup>7</sup> cf. [www.internationalbudget.org](http://www.internationalbudget.org)

### Example: Institutionalising Participatory Budgeting

Many participatory budget initiatives worldwide, often in co-operation between Governments, Parliaments and Civil Societies:

- ❖ Brazil / Porto Alegre: Participatory budgeting
- ❖ Uganda: Poverty Action Fund
- ❖ South Africa: Gender & Pro-Poor Budgeting
- ❖ Tanzania: Gender Budgeting

Have a look at: [www.internationalbudget.org/](http://www.internationalbudget.org/)



Probably one of the most successful models of participatory *pro-poor budgeting* is provided by the city of **Porto Alegre** in Brazil, where hundreds of organisations and thousands of people have for more than ten years been participating every year in the production of the budget.

Although the final decision rests with the local parliament, there is intensive public participation by civil society actors and broad sections of the population in the budgeting process. For years, notable successes have been achieved. This has involved redistribution mechanisms, and more public service benefits for the less able.

In the course of a year, sometimes more than 10,000 people come together at workshops and other events to discuss policy and budget priorities. Using a particular system for the annual election of delegates to the budgetary consultations, votes are prepared and cast for the budgetary negotiations within the local parliament. The cooperation between civil society groups and local parliamentarians in this context works excellently.

Other very important examples of participatory budgeting have been conducted in **Uganda**<sup>8</sup> and – in the context of *gender budgeting* – especially in **South Africa** and **Tanzania**.<sup>9</sup> And there are many more, although only few of them have such long and extensive experience as the aforementioned.

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<sup>8</sup> The Poverty Action Fund, with its elements of joint decision-making and monitoring, is one of the most elaborated structures of institutionalized participation within the context of poverty reduction efforts. Around 35 percent of the national budget is channeled through this fund. Decisions on how to use the money are regularly discussed in dialogues between Government and Civil Society. The latter monitors the financial flows down to district and even sub-district level. This is done by non-governmental grassroots committees and through a newly developed Community Based Monitoring System. The participatory debate and policy-making on poverty issues in Uganda is furthermore enlightened by another joint Government-NGO Monitoring System, the Uganda Participatory Poverty Assessment Project, UPPAP, which is able to bring the voices of the poor into the process. Besides the PAF mechanisms, the Ugandan Government invites parliamentarians and civil society representatives to cooperate in a working group formed to analyse the budget drafts under poverty reduction perspectives. Furthermore, the new Budget Act in Uganda gives parliamentarians even more rights to influence the budget. cf. [www.internationalbudget.org/resources/howto/PAF2002.pdf](http://www.internationalbudget.org/resources/howto/PAF2002.pdf)

<sup>9</sup> The South African Women's Budget Initiative (WBI) started in 1995. It is a collaborative project of parliamentarians and non-governmental organisations (especially IDASA and CASE) as well as academics. In the first years the parliamentary partner was the Joint Standing Committee on Finance, later the Committee on the Status and Quality of Life of Women. Since then, the WBI annually initiates debates about the gender aspects of the national revenues and expenditures, based on in-depth analysis of budget documents. Gender budgets are not separate budgets for women. Their idea is to analyse public budgets through a gender lens.

The objectives are, firstly, to see the different effects budgetary allocations have on men and women, and secondly,

to target expenditure and revenue policies in a way which avoids any undesirable gender-specific consequences, and – by contrast – strengthens the development towards gender equity. Of course, the participation of women in the process of budgeting and the involvement of women's interests is seen as crucial. Gender budget initiatives are working in nearly 40 countries worldwide, including 12 African countries. The South African Women's Budget Initiative and the Tanzanian initiative are seen as the most developed and successful examples. Cf. <http://www.case.org.za/html/wbi.htm> (South Africa); [www.tgnp.co.tz](http://www.tgnp.co.tz) (Tanzania).

Three month ago, Alta Fölscher from the South African NGO IDASA made a presentation on the long lasting South African experience with pro-poor budgeting initiatives.<sup>10</sup> She clearly draws three lessons:

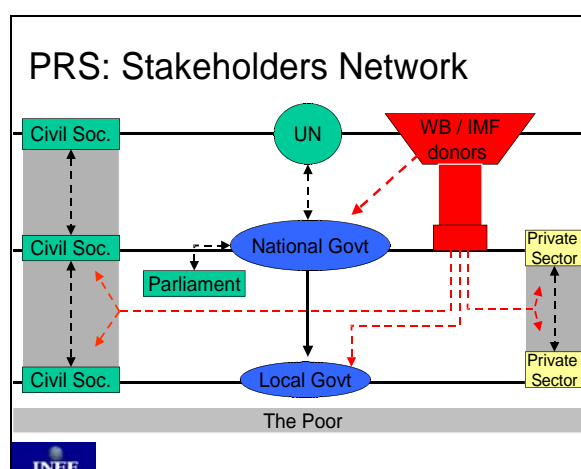
1. Institutions matter;
2. Creating effective institutions is a learning process;
3. The budget process is essentially a political rather than a technocratic one.

This is very much in line with my perspective of institutionalized participation with its four mentioned elements.

## 7. The International Context

Having spoken only about aspects of participation *within* countries by now, I have to mention the international framework for national participation, too, at least with a few remarks. Looking at the institutional setting in the PRS area, we can see the different types of stakeholders at local, national and global level.

The central actor – at least in theory – is the national government which is politically responsible for the strategy and its implementation. At various levels, we find other stakeholders like CSOs, Parliaments or UN-organizations with all of them having some influence on PRS development and implementation.<sup>11</sup>



But, and from my point of view this has not really changed since the times of the old structural adjustment programmes, the IMF and the World Bank as well as bilateral donors are still the most influential actors in the network. As they finance more than 50 percent of the national budgets in many PRS countries and can furthermore decide about debt relief, their influence on the national governments is very strong.

The most obvious and crucial aspect is the fact that the PRSPs have to be approved by the Boards of the IMF and the World Bank. Only an accepted PRSP opens the doors to debt relief and new concessional loans. This means that the executive bodies of the Bretton Woods Institutions evaluate national political processes and

<sup>10</sup> Source: [www.internationalbudget.org/conference/mexico.htm](http://www.internationalbudget.org/conference/mexico.htm)

<sup>11</sup> At the national level, we also find the organised civil society and private sector as well the parliaments. The local authorities played a weak role in the designing of PRS, although, of course, they will have their part to implement the strategies. Even with limited influence, we do find civil society and private-sector players at the local level. Coming to the global level, the UN should be mentioned first, as it is the world organisation which set norms and goals for poverty reduction. This was usually done in cooperation with the internationally active civil society, such as human rights and development groups.

their results, and they decide whether or not a strategy finds the support of all donors worldwide.

The result is obvious in the PRSP documents: The countries formulate their strategy from the very beginning by anticipating the potential expectations of the IMF and World Bank boards. Respectively, one finds a lot of similarities between the finished Full-PRSPs to date. And the IMF especially declared several times that the usual track of macroeconomic adjustment is not negotiable in the context of PRSPs. Consequently, the PRGF-agreements are still negotiated between the IMF and the Governments without any participation of societal stakeholders. There is evidence that the PRGFs are not influenced by the PRSPs (despite some wording), but the other way round: that the PRGF-framework determines the PRS, at least in its macroeconomic dimension.<sup>12</sup>

There are already a number of studies and statements concluding that the PRS approach offers little more political space for the developing countries than during the times of the old Structural Adjustment Programmes.<sup>13</sup> I would not pass judgment too soon in this direction. But indeed, it does make only limited sense to think about institutionalizing participation within countries if the current international decision-making procedure on PRS is not questioned and does not change.<sup>14</sup>

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<sup>12</sup> Cf. Walter Eberlei / Thomas Siebold: *Armutsbekämpfung in Afrika: Neue Ansätze oder alte Konzepte?* (= INEF-Report 64). Duisburg 2002

<sup>13</sup> See for example various NGO statements on [www.eurodad.org](http://www.eurodad.org)

<sup>14</sup> Abolishing conditions altogether, however, is no alternative. This would play into the hands of the unfortunately existing corrupt elites in many countries who have to "feed" their patronage systems. A possible solution, in the sense of a Global Governance approach, would be to let an independent commission decide on whether or not a given poverty reduction strategy is sustainable and worthy of international support. The bi- and multilateral donors could then found their decision to provide funds for poverty reduction programmes on this independent evaluation.

## 8. Institutionalize participation - recommendations

I would draw the following conclusions in order to strengthen institutionalized participation:

1. It is important to clarify the understanding of institutionalized participation and to formulate standards. I proposed to focus on four basic standards. And it is my recommendation that Civil society should formulate standards like these for their involvement in the PRS processes, e.g. before the review starts.

### **Institutionalise participation**

#### Recommendations for Civil Society:

- (1) Formulate standards for participation.
  - Rights. Structures. Legitimacy. Capacity.
- (2) Organise systematic learning processes.
- (3) Promote participatory governance.
- (4) Establish links / networks / coalitions with Parliaments.
- (5) Empower the Poor & Powerless.
- (6) Demand real national ownership.



2. There is already a lot of experience with institutionalized participation in African anti-poverty politics. What is necessary are continent-wide learning processes and fora to exchange information and experience but also learning processes within countries.
3. Despite all the weaknesses of parliaments in many African countries, I would state that those seeking sustainable, institutionalized participation in developing countries must not ignore parliaments. Especially the cyclical policymaking processes – like the budget processes – offer significant opportunities to gradually improve a positive role of parliaments. Of course, parliaments do neither have the deep knowledge regarding poverty reduction issues which Civil Societies have nor are the legislatures so closely rooted in social, economic and cultural movements within a society as many CSOs are. An ideal scenario would therefore be the close collaboration of parliaments and societal stakeholders in a cooperative relationship vis-à-vis the governments.
4. Participatory processes are meaningless without giving the poor majorities themselves not only a voice but political power. This, and nothing less, means democratic rule. Empowerment needs to get a high priority, especially for those, who are systematically excluded (e.g. women, the youth, or people in rural areas).
5. As only the national society is able to organise democratic political participation, national ownership and national governance systems have to be strengthened and not to be weakened. Therefore, I find it absolutely necessary to reform the current PRSP decision-making procedures of the Bretton-Woods-Institutions.