

① AFRICAN FORUM AND
NETWORK ON DEBT AND
DEVELOPMENT

② Civil society participation
in the PRSP process:
a case for Uganda

PARTICIPATION IN THE PRSP PROCESS

A CASE FOR
UGANDA

2002



TABLE OF CONTENTS

List of Abbreviations	ii
Acknowledgements	iv
Foreword	v
Abstract	vii
Debt Relief and PRSP	1
PRSP Process in Uganda	7
The Formulation process of Uganda's PRSP	10
The Content of Uganda's PRSP	15
PEAP/PRSP and the Budget Process	16
Civil Society Participation in the PEAP/PRSP process	18
The Challenges of Civil Society Participation	27
Conclusion	34
Endnotes	37

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FOREWORD

If poverty reduction strategies are to genuinely address the various dimensions of poverty - including insecurity, vulnerability, gender inequalities and access to opportunities, work, assets, and welfare – empowerment, genuine and effective participation of civil society in key decision-making processes will need to be institutionalized. It is accepted that this is because the process of tackling poverty should be owned, driven and directed by the people themselves through their governments.

Participation of civil society in the processes leading to the preparation of Poverty Reduction Strategies in Uganda, Burkina Faso, Tanzania, Mauritania and Mozambique, the five African countries that have so far completed PRSP, indicate that, the World Bank and IMF offered *civil society participation* as a condition of the PRSP, while the governments were required to draw up Poverty Reduction Strategy Paper with inputs from all sections of society. This raises the issue of how genuine, legitimate, empowering or disempowering the process of participation was.

In the case of Uganda, as shall be noted in this booklet, civil society participation in the PRSP process was a necessary and meaningful process but not sufficient to guarantee effective policy change that would secure better living standards of the poor people.

We encourage civil society to continue to demand the right to participation and ensure that their input is valuable and makes a difference in the lives of the people of Uganda. We equally encourage governments to empower

civil society and provide their legitimate space for genuine participation.

Opa Kapijimpanga

AFRODAD Coordinator.

Abstract

Civil society in Africa has for the most part remained marginal to serious policy discussions on global financial issues, both at national and at international levels. There has been relatively little engagement between civil society organizations (CSOs) in Africa and key decision makers in the global financial arena such as multilateral agencies and governments. The main exception to this general rule relates, not surprisingly, to debt issues. Civil society networks on debt relief have been active in a number of African countries, including Angola, Cameroon, Kenya, Mozambique, Nigeria, Senegal, Tanzania, Uganda, Zambia and Zimbabwe. Often these and other civil society groups have also addressed policies of structural adjustment that the two Bretton Woods institutions (BWIs) have prescribed in response to debt and development problems in Africa.

This paper analyses one case of African civil society engagement with the debt crisis and structural adjustment. It examines the involvement of CSOs in Uganda in the formulation of the 2000 Poverty Reduction Strategy Paper (PRSP), as required by the IMF and the World Bank before a country can access debt relief under the Highly Indebted Poor Countries (HIPC) initiative. The case of the PRSP process in Uganda shows how CSOs can influence policy planning at the macro level.

In examining civil society participation in the preparation of the PRSP in Uganda, the chapter analyses broader issues including achievements, opportunities and challenges faced by CSOs. The chapter then looks at the future prospects for broader participation by Uganda CSOs and offers

insights into critical issues of policy analysis, advocacy for increased social spending, and more. The chapter concludes that the Ugandan experience of CSO involvement with the PRSP presents important lessons that can be utilized in other HIPC countries of Africa, Latin America and Asia.

SECTION ONE

DEBT RELIEF AND POVERTY REDUCTION STRATEGY PAPERS (PRSP) IN AFRICA

Sub-Saharan Africa has been subjected to structural adjustment programmes of the IMF and the World Bank since the early 1980s. These programmes were meant to reorient African economies to the market. However, even a casual observation shows that, twenty years later, these economies are far from being wholly market-oriented.

The Bretton Wood Institutions (BWIs) have acknowledged that Africa is an economic backwater and a basket case that is currently incapable of participating beneficially in global finance. In a recent report the World Bank concedes that:¹

Africa's place in the global economy has been eroded, with declining export shares ... and massive capital flight and loss of skills to other regions. Now the region stands in danger of being excluded from the information revolution.

Instead, most countries of Sub-Saharan Africa have acquired an unsustainable debt burden. In 1985, the external debts of the region stood at \$95 billion. By 1998 this sum had reached a phenomenal \$208 billion.² In response to the resultant crisis, the World Bank and the IMF in 1996 succumbed to international pressure to grant debt relief to poor Third World countries – many of them in Africa – with the HIPC initiative. Three years

later, as a result of further intense lobbying from civil society to make debt relief more meaningful, a so-called "enhanced HIPC" was announced to make debt relief faster, broader and deeper.

International non-governmental organizations, some Third World governments, and other international development agencies have continued to charge that the HIPC scheme is too narrow and inadequate to solve the debt problem of poor countries. Confirming these views, a report to the US Congress states that:³

the enhanced Heavily Indebted Poor Countries initiative will provide significant debt relief to recipient countries ... However, given the continued fragility of these countries, the initiative is not likely to provide recipients with a lasting exit from the debt problems unless they achieve strong, sustained economic growth.

To reverse the economic downturn of most poor Third World countries, the IMF in 1999 renamed the much-discredited Enhanced Structural Adjustment Facility (ESAF) as the Poverty Reduction and Growth Facility (PRGF). In the words of the IMF, this new approach is "results oriented, focusing on the outcomes that would benefit the poor".⁴

At the same time as enhancing HIPC in September 1999, the Board of Governors of the IMF and the World Bank also approved the introduction of the PRSP as the basis on which poor countries would receive the increased debt relief. An aid recipient country is required to prepare a PRSP before it can access financial support from the BWIs. The PRSP

provides a framework for IMF lending and the World Bank's Country Assistance Strategy (CAS). The CAS covers the Bank's medium-term business plan and its proposed lending operations.

The PRSP outlines how a country plans to utilize debt savings in order to eradicate poverty. In terms of general principles, the document articulates the government's commitment to poverty reduction. It focuses the priority of public action on reducing poverty. The PRSP also sets out the main elements of the government's poverty reduction strategy. Mainly, the macroeconomic framework and policy matrix focuses on reducing poverty through faster economic growth. The PRSP also asserts the government's commitment to developing poverty reduction policies through a consultative process.

More specifically, a comprehensive PRSP includes poverty diagnostics based on good indicators of poverty and its reduction. It also presents a shared communal vision of desired poverty reduction goals, reached through a participatory process. And it lays out participatory processes to monitor policy implementation and progress in poverty reduction.⁵

As the preceding remarks suggest, governments are enjoined to formulate PRSPs in a participatory manner, involving consultations with other stakeholders including CSOs as partners in development. The BWIs have conceded that economic recovery for poor Third World countries cannot take place unless civil societies in the respective countries are involved in the policy making process, including in particular how macroeconomic policies are formulated and implemented. Thus one of the central features

of the PRSP is the requirement that civil society should participate. According to the IMF, the PRSP is "country-driven and owned, based on broad based participatory processes for formulation, implementation and outcome based progress monitoring"; it is "partnership oriented".⁶

The prescription of partnership between government and civil society in the PRSP process is novel. The majority of Third World states have never regarded civil society as a stakeholder. Yet the insistence by the IMF and the World Bank on civil society participation could in fact worsen the situation. Countries could be denied access to much-needed aid resources if they fail to build a government-civil society partnership. Alternatively, governments could be encouraged to coerce their civil societies into endorsing the country's PRSP in situations where there has been no dialogue. As the previously cited official report to the US Congress states:⁷

The desire to receive debt relief quickly may cause some countries to quickly prepare the strategies, which could diminish the strategies' quality or the level of civil society participation.

All other countries that are engaged in formulating a PRSP should heed this observation. Uganda's advantage was that the formulation of the country's PRSP coincided with the revision of its Poverty Eradication Action Plan (PEAP). Uganda therefore was not starting from scratch. Even here, it took over two months from December 1999 to the end of January 2000 to get government, donors and civil society to agree on the conceptual framework. In most countries, where there is no prior dialogue between civil society and government, the possibility of even discussing the outline

of such a conceptual framework remains remote.

The demand that civil society should engage government and multilateral financial institutions is neither an innovation nor a change of heart on the part of the BWIs. Their rhetoric on civil society participation cannot be taken for granted, as some studies have shown.⁸ In fact the Bank and the Fund have with the PRSP turned a genuine demand by civil society on its head. Instead of allowing civil society in Sub-Saharan Africa to set the conditions of engagement with their governments, the BWIs' intervention may have disastrous consequences. Civil society is demanding participation in a broad process of dialogue with donors and governments, but the IMF and the World Bank are only interested in preparing a PRSP as an end in itself. They are using these mechanisms as a carrot and stick to restructure the financial regime in Africa. Whether they will succeed remains to be seen.

Thus, in most African countries there is resistance by both governments and civil societies to the formulation of PRSPs. For example, a Government of Kenya delegation that paid a visit to the offices of Uganda Debt Network to discuss civil society involvement and learn from the Uganda experience remarked – after a lengthy explanation about the extent of civil society engagement – that civil society could be anti-government. In Kenya it was unheard of for the state to give free reign to civil society organizations to mobilize and engage the government in policy design and planning. The delegation implied that the inclusion of grassroots community people in the Uganda PRSP consultations was tantamount to undermining the state. Other critics have described IMF involvement in the PRSP process as a

usurpation of the power of the governments of the countries concerned. On this diagnosis "in many ways, participation in PRSPs is engineering consent for structural adjustment policies."⁹

On the other hand, civil society organisations in their respective countries have protested vehemently at the short notice given to their governments to prepare a PRSP arguing that this undermines the concept of participation and ownership. While these arguments are valid, it is worth noting that the situation differs on a country by country basis. It would be futile to therefore generalise as the Uganda experience will show for all HIPC countries seeking debt relief and at the same time mobilise resources for their development strategies.

SECTION TWO

THE PRSP PROCESS AND CSO PARTICIPATION IN UGANDA

2.1 Introduction

Civil society Organizations in Uganda under the leadership of Uganda Debt Network were involved in the formulation of the Poverty Reduction Strategy Paper (PRSP) from December 1999 to May 2001. In Uganda, the formulation of the Poverty Reduction Strategy Paper (PRSP) coincided with the desire by Government of Uganda to revise the Poverty Eradication Action Plan (PEAP), a government framework for poverty eradication that was first developed in 1997 after two years of extensive consultations in which Civil Society Organizations (CSOs) participated.¹⁰ It was therefore decided by government and agreed with donors that the Uganda PEAP would also be the Uganda PRSP. By March 2000, therefore Uganda had already developed a full PRSP that was discussed and approved by the Executive Boards of the Bretton Woods Institutions (BWIs) in March and became fully operational by May 2001. They therefore became the basis for the Budget Expenditure Framework and Budget allocations for the Financial Year (FY) 2000/01

The pressure to produce a PRSP within three months put Government officials under intermittent pressure from IMF and World Bank staff. This was because Uganda's qualification for the enhanced HIPC was hinged on its being able to produce a PRSP. The donors' interest was a result of the international pressure that HIPC was not working and that only a few

countries had benefited. Uganda therefore became a show piece for donors to stem the increasing tide of criticism.¹¹ Thus in response both the donors and government had to work hard to produce moreover the first full PRSP that they could present it to the Executive Boards of the Brettons Woods Institutions at the spring meetings in April 2000.

The decision to involve the Civil Society Organisations (CSOs) in the formulation of the PRSP came about as a result of continuous pressure and demands by CSOs to participate in policy design, planning and formulation. In 1995, when the decision to develop a Poverty Eradication Action Plan (PEAP) for Uganda was mooted, CSOs lobbied and were included in the drafting committee and the various working groups to collect inputs from their constituents, analyse them and present their inputs to the technical committee of the Ministry of Finance, Planning and Economic Development (MFEPD) that was responsible for the developing a PEAP.

Although, this was not the first time CSOs were involved in influencing policies, it was the first time that they were deliberately included in policy design, planning and formulation. Hitherto, CSOs were largely involved in policy implementation or in programmes intended to fill the gap in service delivery since the implementation of structural adjustment programmes in 1987 and the attendant adverse outcomes and negative impact on the poor despite the celebrated high rates of growth averaging 6% annually between 1991 - 1999.¹²

However, the decision by the Government of Uganda officials in mid-1990s to open up to involvement of Civil Society Organisations (CSOs) also

came as result of increased pressure and demands by donors and the international aid agencies. For instance the demand for a tripartite participation between donors, government and by civil society in the Structural Adjustment Participatory Review Initiative (SAPRI) from 1996 - 1999 in which Uganda was involved was a critical factor in assessing the capabilities of the civil society organisations in influencing the policy processes in Uganda.

Civil society organisations and grassroots groups also became involved in the first participatory Country Assistance Strategy (CAS) of The World Bank in 1997 that saw the World Bank undertake consultations with the communities in two selected districts that became the basis for the formulation of the CAS. The experience from the CAS consultations became the basis for the establishment of the Uganda Participatory Poverty Assessment Project (UPPAP), an undertaking between civil society, government and donors.

Civil Society Organisations have also been heavily involved with donors and government in policy design, planning and formulation at central and sectoral levels. CSOs are involved in the Sector Working Groups (SWGs) that discuss various sectoral plans, programmes and activities in Education, Health, Agriculture etc. The Uganda Debt Network (UDN) for instance participates in the Macro working group that discusses macro-economic issues and the budget framework paper. It is also a member of the steering committee of the Poverty Eradication Working Group (PEWG) that seeks to mainstream poverty eradication in all working groups' plans, programmes and activities. UDN is also a member of the steering

committee of the Plan for Modernisation of Agriculture (PMA) the blue print for eradication of rural poverty through pro-poor agricultural policies and activities.

The experiences enumerated above have played a central role in being accepted by government as a key actor in influencing policy processes. CSOs are now heavily involved in building the capacity of the grassroots to participate in policy formulation processes at the local government level and to monitor the implementation of pro-poor programmes including public expenditure management, accountability, transparency and in participatory poverty assessments. Thus, CSOs were already prepared to participate in the revision of the Poverty Eradication Action and formulation of the Uganda PRSP. In recognition of their role as serious development partners and actors in the policy arena, civil society organisations have since 1999 been earned themselves another open space to participate in the Consultative Group (CG) meetings that are held annually in the country.

2.2 The Formulation Process of the Uganda PRSP

The formulation of the PRSP coincided with the Government of Uganda's revision of its Poverty Eradication Action Plan. On December 17th, 1999 the Ministry of Finance, Planning and Economic Development called a consultative meeting with donors and civil society organisations to discuss the concept paper on "*strengthening Uganda's strategic planning framework: an interim concept paper towards revision of the PEAP*". The PEAP was first formulated in 1997 as a three year poverty eradication strategy. The concept paper recognised that"

Planning is not an accident nor is it a stroke of luck. It is a result of deliberate, planned effort by the government and its development partners... the involvement of a much larger number of agencies in the planning process makes it important that planning linkages are clearly specified and understood. More must be done to increase partnership, to explain how the system operates and to ensure that the various elements of the planning system are integrated and consistent.¹³

The revision of the PEAP was considered necessary on the grounds that the first phase of implementation had ended since it was first designed on a three-year basis as an evolving framework rather than a set of fixed priorities. It was also on the basis that new findings from the Participatory Poverty Assessments (PPAs) needed to be incorporated into the PEAP. And that other research had been undertaken by various agencies bringing new knowledge and learning that would be useful for strengthening the poverty eradication strategies and inform the Medium Term Expenditure Framework (MTEF) and the budget process in general.

The revision of the PEAP was, however, coincidental to the demand by the Bretton Woods Institutions (BWIs) that Uganda should prepare a Poverty Reduction Strategy Paper (PRSP) in order to benefit from the enhanced Highly Indebted Poor Countries (HIPC) Initiative intended to deliver receive debt relief faster and more comprehensively. It was therefore agreed between Government and donors right the beginning that Uganda's revised PEAP would also constitute the Uganda PRSP.

Extensive consultative meetings between donors, government and civil society were organised during the period of the formulation of the PEAP/PRSP. In January, a table of contents was released to joint consultative meeting of donors, government and civil society and a meeting called on January 18th, 2000 was held to discuss the methodology of the revision process and drafting the PEAP/PRSP

To expedite the process, government set up a technical committee within the Ministry of the Finance, Planning and Economic Development and hired an international consultant to collect all the relevant information, synthesise it and incorporate the issues into the revised PEAP.

The Government also set up a steering committee composed of senior government officials, representatives of donors and civil society organisations to oversee the process. The steering committee was tasked with the responsibility for the eventual formulation of the PEAP/PRSP. The Civil Society Task Force for the revision of the PEAP and formulation of the represented Civil Society Organisation's PRSP on the steering committee. In addition to government, civil society and donors, research institutions such as Economic Policy Research Centre (EPRC) and Makerere Institute of Social Research (MISR) were also included in the steering committee. The task force meet several times to discuss the revised plan, fine tune the methodology and clarify on some concepts.

The government made sure that research findings from various institutions were incorporated into the PEAP review process. Particularly important

in this regard were materials from the Uganda Participatory Poverty Assessment Project (UPPAP) of the Ministry of Finance, Planning and Economic Development (MFPED). This participatory project was established to collect data and information from poor people regarding their own perceptions and definitions of poverty. Such inputs widened the scope and definition of poverty and broadened ownership of the PEAP.

On 15th February 2000, a consultative workshop attended by donors, local government officials, civil society representative actors and private sector representatives. At the workshop, civil society representatives were involved in moderating two discussion groups on a) improving the quality of life of the poor b) increasing the incomes of the poor. The discussion groups were agreed on between the civil society representatives in the steering committee. The consultative workshop produced intensive debates and discussions on key policy issues that were incorporated into the revised PEAP.

In February, a special workshop was organised to introduce the PEAP/ PRSP process Members of the Uganda Parliament who had hitherto not been involved with discussions either in the steering committee or the consultative workshops. However, MPs showed little or not interest as only less than 20 out of the 276 MPs attended the workshop. The low participation of the MPs can be attributed to the skewed nature of the planning process in Uganda that is heavily dominated by central and local government technocrats. Both the Constitution 1995 and Local Government Act 1997 give parliament and local councils a marginal role of approving budgets and plans that they have not been involving in

designing. The demands by MPs to make the executive arm of government seriously accountable to it has to date not been met with enthusiasm.

In order to broaden the participation of various sections of Uganda society into the PEAP/PRSP process, government officials from the planning ministry organised a series of consultation workshops with local government officials during the month of February after the production of the draft PEAP. These workshops and meetings were run parallel to the consultations organised by the civil society organisations with grassroots groups. Local Government officials and Local Government Councillors were required to discuss the draft revised PEAP and make their comments. The results of the consultations were incorporated into the PEAP/PRSP.

From March 20 - 24, 2000 the Consultative Group meetings were organised and held in Kampala Uganda. Government presented the first draft of the revised PEAP and a draft PRSP to the donors. Henceforth Uganda's PEAP became the official PRSP. In May 2000 Government of Uganda produced a final PEAP/PRSP that incorporated the views and inputs of the various stakeholders derived from various consultations including the CG meetings and Civil society consultations as will be discussed later. In the CG meetings, space was given to civil society organisations to make presentations in sessions of their choice and in areas of their competence. In the main plenary, that had hitherto been a closed affair between donors and government, the civil society organisations lobbied and were allowed to present a statement that was prepared by the civil society task force for the revision of the

2.3 The content of the Uganda Poverty Reduction Strategy Paper (PRSP)

The first draft PEAP that was produced in February 2000 was a mere seventy pages. By mid-March the number of pages had more than doubled. The final draft in April was more than 200 pages long.

The revised PEAP is a very comprehensive document compared It identifies the critical poverty areas and prescribes the means for its eradication. In broad terms, the plan focuses on:

- (a) creating an enabling environment for sustainable economic growth and transformation;
- (b) promoting good governance and security;
- (c) raising the incomes of the poor; and
- (d) improving the quality of life of the poor.

The PEAP/PRSP in Uganda is largely acknowledged as having put poverty eradication in addition to economic growth, macro-economic stability and private sector development at the centre of policy design, formulation and implementation. In the Ugandan context, Government undertook to fulfill its commitment on paper and translate them into practice unlike other highly indebted Sub-Sahara African countries that renege on their promises as soon as they are pronounced.

While the PEAP is a comprehensive framework for poverty eradication key priority areas have been identified for increased spending.¹⁴ To ensure

that resources committed actually reach the intended target i.e the poor, all the resources for the priority areas are disbursed as conditional grants distinct from block grants. Other grants are disbursed as equalisation grants to districts that are considered very poor on the basis of region, social indicators, population density and prevalence of conflict. Local councils, grassroots groups, and local politicians are empowered to monitor the utilisation of such resources and demand accountability for such expenditure through local organs as the District Public Accounts Committees.

2.3.1 The PEAP/PRSP and the Budget process

In Uganda, the budget process was re-aligned to ensure that more resources were committed to social sector development through which priority poverty areas such as education, health, agriculture, water and sanitation, rural roads maintenance were guaranteed funds annually. For instance the entire savings from debt relief both under HIPC I and HIPC II were committed to poverty eradication. The Poverty Action Fund (PAF), a mechanism to mobilise savings from debt relief was established in the financial year 1998/99. All the resources committed in the PAF were consequently ring fenced so as to protect them from intermittent budget cuts in case of revenue shortfall. At the moment PAF constitutes 36% of total budget spending with sectors such as education constituting 25% of total PAF spending having increased from just 8% before HIPC. Of the total PAF spending, 80% is disbursed to local governments under the decentralisation local government system as conditional grants.

The commitment to increase spending in the social sector is supplemented by a commitment to public accountability for the funds released. Regular (at least twice a year) meetings are organised by central government to account for the resources disbursed under PAF and to present reports of the outputs from PAF expenditure on the priority spending areas. The meeting is attended by line ministry officials, donors, civil society organisations, the media and members of Parliament. Government also has committed itself to publicizing through the media all the releases to the districts and that all such disbursement should be displayed on notice boards in their respective districts.

With the approval of its PRSP, Uganda was able to access debt relief under HIPC II, becoming the first beneficiary of the Enhanced HIPC Debt Relief Initiative. To this effect, the country obtained approximately \$46 million in the Financial Year 2000/01. Relief is projected to increase to \$55 million in each of the Financial Years 2001/2 and 2002/3. Taken together, the HIPC I and HIPC II debt relief initiatives are producing savings of approximately \$90 million annually on Uganda's repayments of foreign debts. All the savings from debt relief are being committed to poverty eradication through the Poverty Action Fund (PAF), a Government of Uganda mechanism for mobilizing savings from debt relief and donors to finance poverty priority areas identified in the PEAP. Through the PAF donors have almost doubled their contribution to poverty programmes in the financial year 2000/2001.

Sceptics have suggested that the PRSP process might not yield anything new, merely reproducing previous perspectives along the economic growth

model espoused by the IMF and the World Bank. This however, remains a contentious issue since under Structural Adjustment Programmes (SAPs) the main focus is macro-economic stability, control over inflation and liberalisation of the economy. However, the difference in the Uganda context is that economic growth and macro-economic stability is now targeted towards poverty reduction. Thus the economic growth model while not completely discarded, the poverty perspective that has become a major focus of macro policy formulation clearly demonstrates a paradigm shift on the part of the Bretton Woods Institutions (BWIs).

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2.3.2 Civil Society Participation in the PEAP/PRSP Process

In December 1999 Government of Uganda decided to revise the Poverty Eradication Action Plan and to formulate its Poverty Reduction Strategy Paper as a precondition to qualify for debt relief. The government also decided to open the process widely and allow CSOs to participate in the exercise. Civil society involvement began in December 1999, when the MFPED invited representatives of CSOs to a consultative meeting to discuss the process of revising the PEAP. In January 2000, CSOs organized a consultative meeting with government and World Bank officials. Over 45 CSOs attended, and a Civil Society Task Force was formed with a mandate to organize an all-inclusive consultation process involving as many sections of the Uganda civil society as possible.

consultative

The Task Force was composed of representatives of international and national NGOs operating in Uganda. The international NGOs included Oxfam (UK); Action Aid (UK), VECO Uganda (Belgium), SNV (Dutch),

and MS Uganda (Denmark). The Uganda NGOs included Action For Development (ACFODE), the Uganda Women's Network (UWONET), and research institutions such as the Centre for Basic Research and MISR. The Uganda chapter of the Forum for Women Educationalists (FAWE), a regional NGO based in Kampala, also joined the Task Force. Later World Vision International and the Catholic Medical Bureau were co-opted as Task Force members.

The Uganda Debt Network (UDN) became the lead agency for civil society participation in the PEAP/PRSP process. The UDN is an advocacy and lobbying coalition of NGOs (both local and international), academic, research and religious institutions, and individuals. It was formed in 1996, primarily to campaign for debt relief under the HIPC Initiative. The UDN was also the lead organization in Uganda for the Jubilee 2000 campaign for total cancellation of unpayable debts of poor countries. Through these campaigns the UDN engaged government and donors and lobbied to ensure that savings from debt relief are spent on poverty eradication programmes, especially in the areas of education and health. Today the network has more than 66 members.¹⁵

Uganda CSOs recognized that, in spite of their lack of capacity and the short time available for preparing the PRSP, there were benefits from participation and such an opportunity should not be dismissed. CSOs followed the government example and set up their own technical team to speed up consultations with ministry officials. This step proved very decisive in raising the profile of the CSOs and accelerating the pace of their participation.

CSOs mobilized representatives of their constituents through various forums and engaged them in discussions to solicit their inputs into the PEAP/PRSP. The Civil Society Task Force for the revision of the PEAP and formulation of PRSP carried out numerous consultations with grassroots people to collect their views on poverty reduction. It organized numerous workshops, seminars, radio and television discussions. However, the highlight of these consultations were the 2.5-day workshops at which community representatives were invited to discuss the draft PEAP documents. The Task Force organized eight zonal meetings (where each zone encompassed 4–7 districts), which together involved over 644 participants (405 male and 239 female). The UDN used its grassroots campaign experience in the Jubilee 2000 campaign to identify focal points that would mobilize the participants.

The table below presents a chronology of events by civil society participation in the PRSP

A chronology of meetings that took place for involvement of the Uganda CSOs in the PRSP process

DATE	TYPE OF MEETING	OUTPUTS
Dec.17 1999	◆ 1 st meeting to discuss the concept paper for the revised paper organised by government	◆ Government circulated a concept paper for the PEAP revision
Jan. 12 – 13, 2000	◆ CSOs consultative Meeting attended by over 45 CSO representatives	◆ CSOs formed a Task Force of 10 NGOs with UDN as lead agency to spearhead the Civil Society Consultation
Jan. 18 th , 2000	◆ USAID mission held a meeting with UDN staff and members of the PRSP/PEAP Task Force	◆ Mission discussed the prospects and constraints for civil society participation
Jan 18 th 2000	◆ CSOs attended a meeting of the Technical Steering Committee at Ministry of Finance offices	
Feb. 15 th , 2000	◆ CSO attended the consultative meeting to discuss the First draft Revised PEAP	◆ CSOs are given lead roles as moderators in three working (Improved Incomes and Improved Quality of life of the poor and Monitoring and Evaluation)
Feb. 22 nd , 2000	◆ CSO Task Force organised a Consultative meeting attended by over 45 CSOs to discuss the draft revised PEAP and make their own input into the PEAP process	◆ Members of the civil society are briefed on the process and the opportunities for further engagement
March 2 nd -7th	◆ Civil society regional consultation workshops are organised. Over 1000 persons attended	◆ In a period of three weeks over 1000 persons from 45 out of the 45 districts were mobilised to attend consultative meetings to present to be

DATE	TYPE OF MEETING	OUTPUTS
		incorporated into the revised PEAP ♦ 3 sectoral meetings attended by over 100 persons are organised by Task Force members ♦ 5 presentations are collected from different CSO groups and forwarded to the Technical team of the Ministry of Finance
Mar. 9 th and 10 th	♦ CSOs attended the Technical Steering Committee meetings at the Ministry of Finance	♦ The meeting was organised to discuss the draft revised PEAP before presenting it to the CG
March 16 th - 24 th	♦ Media debates is organised to coincide with CG meetings and information packages produced and circulated to increase knowledge and participation of stakeholders	♦ 1 press conference is organised ♦ 45,000 newspaper on the PEAP process pull is published by the Task Force ♦ 10 radio and t.v Talk shows are organised ♦ 10,000 information materials are published and circulated ♦ 1 public dialogue is organised
March 21st 2000	♦ CSO organised a public debate on PEAP/PRSP	♦ Attended by over 100 people including the media ♦ One Government Official presented a

DATE	TYPE OF MEETING	OUTPUTS
		<p>paper that was extensively discussed</p> <ul style="list-style-type: none"> ◆ Issues such as employment and taxation became contentious issues in the PEAP
March 22-23 2000	<ul style="list-style-type: none"> ◆ CSOs attended Consultative Group meetings organised by government and donors 	<ul style="list-style-type: none"> ◆ CSO made presentations in the sectoral meetings and in the full plenary
April 2000	<ul style="list-style-type: none"> ◆ 1000 copies of the CSOs report produced and circulated of Finance 	<ul style="list-style-type: none"> ◆ The report was a synthesized input of civil society consultations that was submitted to the Technical Team of the Ministry of Finance
May 4 - 5	<ul style="list-style-type: none"> ◆ Two day retreat for the CSO Task Force to review their participation and formulate way forward 	<ul style="list-style-type: none"> ◆ Retreat attended by 17 CSO representatives including members of the CSO Task Force
May 15 -16, 2000	<ul style="list-style-type: none"> ◆ CSO attended the workshop organised to discuss PEAP Goals and the expected costs of implementing the PEAP over the three years 	<ul style="list-style-type: none"> ◆ CSOs presented a paper and made extensive comments on the PEAP goals and
June 27 th	<ul style="list-style-type: none"> ◆ Kenyan and Gambia Government delegation visited UDN 	<ul style="list-style-type: none"> ◆ Had discussions with CSO Task Force on their experience and participation in the PEAP. ◆ Expressed surprise at the general open process of the Uganda PEAP

DATE	TYPE OF MEETING	OUTPUTS
August 2000	♦ CSO evaluate their participation by an independent consultant	♦ Produced an evaluation report

It was decided that the meetings should be as inclusive as possible, involving men, people with disabilities, women, youth, elderly people, religious leaders and community leaders. However, to make it a truly civil society input, the invitation excluded local government officials and local political leaders. This was intended to remove any bias during the consultation process. The Ministry of Finance Planning and Economic Development (MFPED) organized consultations within these circles.

The Civil Society Task Force also organized a media campaign such as radio and television phone-in programmes at which government officials were invited to respond to queries from the public and to explain the PRSP process. The Task Force also published information in the media to guide the consultations and invited the general public to make their contribution. Over 40,000 copies of a newspaper pull out and 10,000 copies of a policy brief were published and circulated to the public.

Other civil society consultations were held in addition to those organized by the Task Force. This was partly because the Task Force had little time to mobilize extensively for the participation of all civil society organizations. Moreover, participation was voluntary, requiring commitment and sacrifice from those involved. Initiative from outside the Task Force was considered a source of dynamism and contributed to the success of the consultations.

So the Task Force encouraged its members and other development actors to hold consultations and present findings to the Technical Team for incorporation into the civil society memorandum to government.

In this vein, Oxfam organized a consultation for over 40 NGOs and community-based organizations involved in rural water and the improvement of sanitation. DENIVA, the umbrella body of indigenous associations in Uganda, organized a consultation with over fifteen of its members in two districts in North East Uganda. MS Uganda, the Danish NGO, organized and obtained reports from consultations with over 135 community representatives in the West Nile region in North West Uganda.

Furthermore, the Task Force organized consultations with special interest groups, such as those engaged in conflict resolution, environmental issues, and others. Other CSOs such as trade unions – through the National Union of Trade Unions (NOTU) – and the Uganda National Students Association (UNSA) were invited to attend the initial meetings, but they did not actively participate in the consultations. The Uganda National Farmers Association (UNFA) did not organize consultations with its large constituency, although the Task Force encouraged it to do so.

Findings from these civil society consultations were presented to the Technical Committee of the Ministry of Finance, Planning and Economic Development, which was responsible for the drafting of the PEAP document. This committee in turn incorporated as much of the inputs as possible into the PEAP draft. This process saw the first draft document grow from just seventy pages in February 2000 to over two hundred pages by the end of the exercise in March.

The significant point to note is that civil society inputs were sometimes wholly incorporated into the draft. For instance, government incorporated the whole section on participation and monitoring written by civil society. In the first draft, the issue of employment was not seriously discussed. After a seminar organized by the Task Force, at which the government was criticized for ignoring the issue, employment was given much more attention. However, the government appreciated civil society inputs to get specific areas of interest clarified and others prominently articulated, thus improving the quality of the entire PEAP.

The Uganda experience of civil society participation in the preparation of a PRSP shows that government commitment to these consultations is essential. In spite of the strict guidelines that civil society participation in the formulation of a country's PRSP is essential, most governments in Africa are not yet ready to accept CSOs as serious stakeholders in policy planning. The Government of Uganda ensured that CSOs were given enough space in the PEAP/PRSP process by organizing independent consultations and incorporating as much of their inputs into the documents as possible. This was a very important milestone in changing government-civil society relationships in Africa.

The Government of Uganda provided as much information as required by the CSOs. It also made available the draft PEAP/PRSP for circulation. This document was synthesized, and a four-page summary was produced to guide the facilitators of the consultation workshops. The government furthermore allowed CSOs to attend as full members the meetings of the

National Task Force (NTF) comprised of senior government officials. The civil society technical team was also in close and continuous contact with the government technical team, composed of senior technocrats and consultants responsible for compiling the PEAP report. These officials were charged with receiving and reviewing all the inputs from the various stakeholders and incorporating them into the PEAP/PRSP.

Moreover, the government did not dictate the agenda of the CSOs in the PEAP/PRSP consultations, nor the methodology to be used in CSO consultations with community people. The Government of Uganda has recognized civil society as a partner in the development process of the country. The authorities have increasingly widened the space for civil society participation. The Planning Ministry, the lead government agency in these matters, took it upon itself to ensure that CSOs were regularly represented at the table in the PEAP/PRSP process.

2.3.3 The Challenges of Civil Society Participation

Nevertheless, Uganda CSOs felt left out of the later stages of the process, when they were excluded from the discussions that turned the Uganda PEAP into the PRSP that was presented to the IMF/World Bank Executive Boards. Although there were numerous contacts with government officials at all stages in the preparation of the PEAP, there were fewer contacts with donors and more specifically the IMF and the World Bank missions in the preparation of the IMF version of the PRSP document. The few meetings that took place between the missions and CSOs were almost like verification meetings to find out the level of civil society participation

and the quality of inputs. Members of the Task Force met with various World Bank missions and a mission from the US State Department, but these discussions were more general.

2.3.4 Civil Society and the PEAP/PRSP: Contributions and Problems

Limited capacities notwithstanding, Uganda CSOs faced the challenge of timely delivery of inputs, critical analysis of draft documents, and comprehensive consultations with all stakeholders and the production of materials that would be acceptable to the government technical team. These efforts had a number of positive results. Most of the inputs and recommendations by civil society were incorporated into the final PEAP report that was developed in March 2000.

For one thing, CSO inputs helped to build a consensus around poverty eradication as a priority issue. This consensus between government, civil society and donors did not exist before. Under the Uganda PEAP/PRSP, the bulk of the government budget will be focused on poverty eradication while maintaining high levels of economic growth. Growth will be assessed in terms of its effects in reducing the incidence of poverty. Expenditures for the Priority Poverty Areas (PPAs) will be ring fenced and will not suffer routine budgetary cuts or a diversion of funds when emergencies or unexpected expenditures occur. Nevertheless, whether this commitment is upheld will depend on the vigilance of civil society in monitoring budgetary expenditure.

In addition, civil society involvement in the PEAP/PRSP process made

employment creation and the formulation of an employment policy a priority concern. In the initial drafts, government officials and donors were reluctant to emphasize employment issues. However, after serious debate led by CSOs, this issue now ranks high on the list of critical issues next to macroeconomic stability.

During the consultative workshops organized by government to discuss the cost of implementing the goals of the PEAP/PRSP, the issue of basket funding rather than project funding for budgetary support became a contentious issue. In the past most donors have tied their aid to project support. CSOs supported the proposal by government that budget support should be flexible in order to give government a bigger say in the allocation of expenditure for poverty eradication. This is necessary to enable government redirect over funded areas to less funded but equally critical and deserving areas. For instance, in Uganda donors have committed more money to the education sector (and primary education in particular) than to any other sector.¹⁶ So education has become overfunded with donor aid, while other equally critical areas such as agriculture and rural small-scale industry have not been similarly privileged. Although one appreciates the importance of education in poverty eradication, that goal involves a whole series of issues that must be tackled simultaneously and not one at a time.

Donors have now accepted a recommendation from the civil society consultations that aid should be provided in one basket, as part of the budgetary resources to be spent in the agreed priority areas of the PEAP. However, it remains to be seen whether they will fulfil their commitment.

Donors are worried about the lack of effective accountability and continued reports about misuse of public resources by government officials. Hence donors are wont to tread cautiously, thereby delaying the implementation of key programmes. Nevertheless, civil society organizations expect that aid and budgetary resources such as taxes will be merged within the Medium Term Expenditure Framework.

Civil society involvement in formulating the PEAP/PRSP also had positive results in terms of future evaluation of the policies. CSOs and other stakeholders in Uganda will be heavily involved in the monitoring of poverty indicators. The government has committed itself to make all relevant information about public policies known to as many stakeholders as possible. The government will also seek to publicize budgetary policies and public expenditure reviews. In addition to this enhanced transparency, the government has committed itself to building institutional capacities for accountability. It will assist local governments to recruit competent staff to help them in accountability and planning.

As a starting point, the Uganda Debt Network is already involved in monitoring the Poverty Action Fund, a mechanism set up by Government of Uganda in 1998 to mobilize savings from debt relief and donors for spending in poverty priority areas. PAF resources are used for primary education, health, rural roads, agricultural extension services, micro-finance and HIV/AIDS programmes.¹⁷ Poverty Action Fund Monitoring Committees, composed of representatives selected by community people at the grassroots, have be set up to carry out continuous monitoring of the implementation of the programmes under the PAF.

lack of knowledge

However, along with the benefits CSO involvement in the formulation of the Uganda PRSP also had a number of problems. For example, during the process it was clear that most CSOs lacked staff capacity to engage donors and policy planners in meaningful dialogue about macroeconomic policy issues. This remains a problem at both national and local levels. In Uganda only a few CSOs have the capacity to influence policy planning. The others are not even aware that space is open for them to participate. As a result there is a danger that CSOs might endorse positions about which they have little knowledge.

Moreover, if the Government of Uganda had not deliberately encouraged the participation of CSOs, no input would have been delivered. In some cases government officials took the initiative to send drafts of the PEAP/PRSP documents to Task Force members for comments and inputs. In one case, a workshop organized by the Planning Ministry to discuss the draft PEAP was at their request co-facilitated by CSO representatives. In specific goal areas CSO representatives were asked to lead the discussions. These included: (a) improving the quality of life of the people; and (b) raising the incomes of the poor.

In addition, CSO representatives participated in all the discussions that took place either in plenary or in group discussions. Thus, it can be seen that, given the short time available to formulate a PRSP, CSOs are prepared to respond quickly. Moreover, in the case of Uganda, CSOs had participated in formulating the first PEAP in 1997, so they were familiar with the content of the documents. CSOs had also participated in a two-

year project, the Uganda Participatory Poverty Assessment Project (UPPAP), which had extensively collected the views of poor people at the grassroots.

The Uganda experience shows that deliberate efforts are needed to first build the capacity of CSOs, especially the national organizations, if they are to have a greater impact on policy planning, implementation, monitoring and evaluation. Capacity building includes the recruitment of high-calibre, skilled and well-trained staff to implement some of the strategic programmes. Counterparts in government are well trained and knowledgeable in their fields of competence and have little patience for a slow pace on the part of CSOs. At local level CSOs need to build the capacity of grassroots people to monitor policy implementation. For its part, local government must develop transparent and accountable systems that enable grassroots communities to have access to the information they need to conduct effective monitoring.

Another challenge is to use CSO influence and achievements. CSO inputs should be mainstreamed into policy planning. Some government officials still regard CSO participation merely as an exercise to legitimize the government agenda. They still view criticism from CSOs with suspicion.

Furthermore, CSOs need to fully understand and analyze the donor agenda. Donors retain a strong influence over budgetary and other policy plans in Africa (and elsewhere in the Third World) because they contribute a large portion of the government budget. For instance, in the financial year 2000/2001 Uganda's budget was dependent for 53 per cent on donors, including loans and grants, while the government contribution was only

47 per cent.

Civil society organizations in Uganda that participated in the formulation of the Uganda PRSP believe that there were good lessons to be learned and achievements to be used as a starting point for future engagements with government and donors. Relationships between civil society and government were put on a new footing. Several CSOs became part of the whole budget planning process and are now represented on Sector Working Groups such as the Macro Working Group and the Poverty Working Group. However, it was also noted that CSOs often lack the necessary skills and knowledge to engage government and donors and that CSOs neglected the engagement with donors.

SECTION FOUR

4.1 CONCLUSION

4.2 The Future of African Civil Society Participation In the PRSPs

Whether civil society continues to play a significant role in future donor-government policy planning process remains to be seen. What is clear is that, for CSOs to effectively influence policies in Uganda and elsewhere in Africa, there must be a conducive policy environment. Thus to require that governments in Third World countries should prepare a participatory PRSP in a short time – also when such governments do not have respect for their own people's views – is not realistic. The Government of Uganda was central to the participation of the CSOs and was anxious to have their inputs included in the PRSP.

Civil society participation in the formulation of the PRSP increases democratic ownership of the process. Increased ownership enhances policy implementation so that intended outcomes can be better realized. However, some civil society activists have opposed the timing of PRSPs. They argue that civil society participation is given only cursory attention. For instance, in reference to the Tanzania experience Charles Abugre has criticized the PRSP process thus:¹⁸

Sometimes the IMF and the World Bank make all the important lending decisions for a government just before a PRSP is finalized ... Tanzania's full

PRSP comes to the Board in November 2000, yet before that (from April through June 2000), the IMF and World Bank approved their lending frameworks and programmes for the country. We wonder what purpose the full PRSP will serve in Tanzania.

Such actions undermine the essence of participation in the PRSP process and the paper itself, since the donors have already gone ahead to take care of their own interests in their lending mechanisms. The PRSP then becomes a *dormant paper*. Realistic participation is needed to ensure that the voices of the poor are heard and considered.

If taken seriously, the PRSP marks a fundamental departure from being a donor tool to a tool for evolving the principles of participation in eradicating poverty. It provides a framework for consultations with various stakeholders, including the poor themselves. CSO participation in the development of PRSPs increases the chances that the needs of the poor are considered.

Although civil society participates in the PRSP process, it faces the challenge of sustaining this policy involvement. Many CSOs lack the adequate capacity to engage in quality dialogues with stakeholders such as the donors and even the government itself. A lot has to be done to enhance the capacity of CSOs in the decision-making process. The future of the civil society participation in not only the PRSPs but also other development papers depends on initiatives to increase their capacity in the decision making process.

The future of participatory PRSPs also depends on how seriously the IMF and the World Bank take them. Stakeholder participation and the outcomes of consultations must be treated seriously not just in words but also in deeds, by making it truly reflect the concerns, demands and interests of the poor. It must have clearly set goals decided by the governments and people in poor countries. The Bretton Woods institutions should avoid imposing a PRSP, even an interim one, on any country as it undermines the credibility of such a document and will only perpetuate rather lessen aid conditionalities.

Endnotes

¹ *Can Africa Claim the 21st Century?* Washington, DC: World Bank 2000, p. 1.

² UNDP, *Human Development Report 2000*, New York: Oxford University Press, 2000.

³ *Debt Relief Initiative for Poor Countries faces Challenges*, United States General Accounting Office (GAO) Report to Congressional Committees, June 2000

⁴ *News and Notices for IMF and World Bank Watchers*, Washington, DC: Bread for the World, 2000.

⁵ For more on PRSPs, see <http://www.worldbank.org/poverty/strategies/index.htm>.

⁶ *News and Notices*, op. cit.

⁷ *Report of the General Accounting Office*, Washington, DC: Department of State, 2000.

⁸ E.g. Paul J. Nelson, *The World Bank and Non-Governmental Organizations: The Limits of Apolitical Development*. London: Macmillan, 1995; Jan Aart Scholte, "In the Foothills", Relations between the IMF and Civil Society', in Richard A. Higgott *et al.* (eds), *Non-State Actors and Authority in the Global System*, London: Routledge, 2000, pp. 256–73.

⁹ Abugre and Alexander, 2000, *Whitewashing Blackmail: How the IMF and World Bank cover up their coercive lending programmes with government of Low Income Countries*, Unpublished Paper. July 2000. London.

¹⁰ . The author of this paper was the lead person in mobilizing the CSO to participation in the formulation of the Poverty Eradication Action Plan.

¹¹ . For a comprehensive critique of HIPC see www.oxfam.org, www.oneworld.org/eurodad, www.christian-aid.org, www.jubilee2000.org and other useful website

¹² . Indeed as a result of such negative impact, the Government of Uganda in 1992 designed

a project, the Project for alleviation of Poverty and Social Costs of Adjustment (PAPSCA). In Ghana a similar project (PAMSCADA) had been developed.

¹³ . GOU, strengthening Uganda's Strategic planning framework: Interim concept paper towards revision of the PEAP, December 17th, 1999.

¹⁴ . Priority spending areas include: primary education, primary health care, water and sanitation, agricultural extension, rural roads maintenance, HIV/AIDs, Government Monitoring, Micro Finance and a few others.

¹⁵ <http://www.udn.or.ug/>

¹⁶ In 1997 the Government of Uganda implemented a policy of Universal Primary Education for four children per family. Since then the number of pupils enrolled in primary schools has jumped from 2.9 million in 1997 to over 6.5 million in 2000. Donors have contributed substantially to funding for primary education. The government now argues that, in order to cope with increased entrance for secondary school education, there is now a need to expand the carrying capacity of the present schools and build new ones. However, donors are not enthusiastic to fund such a programme.

¹⁷ For full details see <http://www.udn.or.ug/>.

¹⁸ Charles Abugre, "Who Governs Low Income Countries?" *News and Notices for IMF and World Bank Watchers*, Washington, DC: Bread for the World, 2000.

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