

# **A Multi-Partner Evaluation of the Comprehensive Development Framework**

## **Evaluating the CDF: Ownership and Participation**

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## 1. Introduction

1.1 “Country ownership is the linchpin of the CDF” according to a recent World Bank report on the Comprehensive Development Framework (CDF).<sup>1</sup> What is ownership? Why is it so important? And how is it achieved? What factors have promoted/impeded it? What impact does it have on development outcomes? These are the broad questions and important issues. This evaluation of the role of ownership and participation in the CDF will examine these issues by addressing five specific questions:

- (1) Has the CDF been successful in reflecting the new development consensus, in particular, the emphasis on ownership and participation?
- (2) To what extent have aid agencies and organizations adopted ownership and participation as central to their operations?
- (3) Has the existence of the Comprehensive Development Framework led to the emphasis on ownership and participation among aid agencies?
- (4) To what extent have governments receiving aid ‘owned’ the aid and sought the participation of their bureaucracies, parliaments and civil societies in planning and implementing the aid-funded activities?
- (5) Has better ownership led to better-designed and implemented policies and fewer policy rollbacks?

1.2 The following sections will first introduce the concept of ownership and participation and their incorporation in the CDF; then examine the role of ownership and participation in the activities of aid donors; third, examine ownership and participation in the work of aid recipients and finally, the extent to which the CDF has been put into use and has helped internalize/operationalize the concept of ownership and participation.”

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<sup>1</sup> World Bank, *Comprehensive Development Framework: Meeting the Promise?*, CDF Secretariat, Washington, D.C., August 27, 2001, p. 3.

## 2. Defining Ownership and Participation

### The Concept of Ownership

2.1 The notion of ownership gained prominence in the 1980s during the heyday of structural adjustment lending by the World Bank and other aid agencies when aid was frequently conditioned on the adoption of agreed policy reforms by recipients designed primarily by multilateral and bilateral aid agencies themselves. While there were often negotiations between lenders and borrowing governments (typically the Minister of Finance) on the details of these conditions, these negotiations tended to be limited in scope and typically involved little consultation with other organs of government (e.g., other ministries and parliaments where they existed), and none with civil society or the publics in countries implementing the reforms. Inevitably, there was an element of coercion in these adjustment programs.

2.2 By the middle of the 1980s, it was becoming clear that many of the agreed conditions in adjustment loans were not being implemented, or where implemented, not sustained. The World Bank and others began to ask why this was the case. The answer that has gained increasing prominence is that ‘ownership’ on the part of the borrowing government was often lacking.

2.3 The concept of ownership is frequently left undefined by those using it. There has been a widely held view in developing countries that ownership of an aid-funded activity should mean local sovereignty over all decisions pertaining to where the activity fits within the range of priorities, who has designed the activity and how it is implemented. After all, there is no aid that is without local costs on the part of the recipient. Recipients have to repay loans, provide counterpart funds, and utilize their generally limited technical capacity in implementing aid activities. It is therefore natural that donors and creditors should reduce their conditions by placing new boundaries on the authority and responsibility of aid agencies and the authority and responsibility—that is, the sovereignty—of the state receiving the aid flow.

2.4 On the other hand, we must also recognize there are a number of universally adopted norms and standards that have emerged as a result of the practice of development on the international arena for the past five decades. These new norms and standards are themselves setting limits on what is sovereign and what is negotiable. It is this space between the authority and responsibility of the government receiving the aid and these norms of behavior demanded by those providing the aid, which has contributed to the difficulty of defining the concept of ownership – both in normative and practical terms.

2.5 In the aid-giving community, ownership is often defined tautologically – a country ‘owns’ an aid funded project or program when it is implemented effectively and sustained. Others use the concept of ‘ownership’ to refer to local commitment to aid-funded activities on the part of some or all of the following: the government bureaucracy, the intended beneficiaries of the reforms, political parties (including the

opposition), the parliament and civil society organizations.<sup>2</sup> Defined this way, ownership is difficult to observe. Thus, assessments of ownership are often based on information on the *sources* for such a commitment: for example, initiation of a project or program by the recipient country's bureaucracy; a choice by government officials of projects or programs among a number proposed by outside aid donors; awareness on the part of officials and public of the reform program; consultations with those intended to benefit from the projects or programs and/or those implementing them.

2.6 Inherent in this concept is a theory that a government (or other organization) is more inclined to "own" (i.e., have a commitment to) and implement aid-funded activities if it has participated in their initiation, design and implementation. (On the meaning of 'participation' and its relationship to ownership, see below.) Others point out that 'ownership' may simply come from a positive impact of the aid activity on interests of the implementing organization and/or others affected by the reforms.<sup>3</sup>

2.7 Whatever the definition of 'ownership,' country ownership—a commitment on the part of key actors in the country implementing reforms or aid-funded projects or programs—is now widely regarded as an essential element in successful development programs and projects of any kind.<sup>4</sup>

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<sup>2</sup> Johnson and Wasty (*Borrower Ownership of Adjustment Programs and the Political Economy of Reform*, World Bank Discussion Paper 1993) attempted to operationalize the concept of 'ownership' in terms of four variables: the locus of initiative for the reform; the level of intellectual conviction among key policymakers that the reform was needed; the expression of political will by top leadership; and efforts towards consensus building among relevant constituencies (pp. 4-5). Not all students of 'ownership' have adopted these same indicators. For a review of the way 'ownership' has been defined, see Stefan Molund, *Ownership in Focus?* Sida Studies in Evaluation, Department for Evaluation and Internal Audit, Stockholm, May 2000.

<sup>3</sup> See, for example, Nic van de Walle and T. Johnson, eds., *Improving Aid to Africa*, Overseas Development Council, Washington, D.C., 1996.

<sup>4</sup> John Fox points out in his paper, *Applying the Comprehensive Development Framework to USAID Experiences*, OED Working Paper Series No. 15, World Bank (2000) that while ownership is important, in two of USAID's 'success stories' (Korean economic reforms and Indian agricultural reforms), it was as much coercion by the U.S. as commitment by the government that brought about needed reforms (p. 31).

### 3. Participation

3.1 “Participation” refers to the engagement of key actors in the process of discussing, initiating, designing and/or implementing development projects or programs. Like the concept of ‘ownership,’ ‘participation’ is often used to mean a variety of things. It can involve consultations with interested individuals and organizations (government officials, parliamentarians, representatives of civil society). It can involve offering some or all of these groups choices of policy reforms or projects. It can directly engage these actors in the design and implementation of development activities. These are very different processes but are rarely defined explicitly by donor agencies, recipient governments or other stakeholders.

3.2 Participation is widely regarded as the principle means for creating commitment and ownership. The ‘theory’ of how participation leads to ownership is rarely specified and almost never tested. At the risk of oversimplifying somewhat, there appears to be several distinct ‘theories.’ One assumes that if stakeholders are consulted, they will gain a commitment to the outcome of such consultations, creating support and ‘ownership’ of strategies and policies. Another assumes that broad national discussions on a development vision and strategy will help inform all stakeholders and produce a consensus that will generate support (read ownership) for development strategies and policies in the future. (There has been almost no attention to the potential disconnect between support for a broad development vision and strategy and support for specific actions to realize that vision. Past experience with structural adjustment suggests that this disconnect often exists where particular interests are adversely affected by policy changes.)

3.3 Another view is that through the participation of beneficiaries of aid-funded activities—in the identification, design, execution and evaluation—governments and aid donors will fund programs and projects that best fit the preferences of the intended beneficiaries, thus creating a sense of ownership on the part of those beneficiaries.

3.4 Yet another angle on the relationship between participation and ownership assumes that participation, especially involving NGOs, will help mobilize and energize civil society and eventually give them a greater voice in national policy-making. A corollary of this view is that the poor will thereby have a greater voice in and influence over national policy. This approach raises three important questions. Whom or what interest groups do NGOs represent? What is the appropriate relationship between them and national political authorities (which in democratic countries, are in theory at least, elected by all the adult population and represent the interests of the country as a whole)? And to what extent do NGOs represent the views and interests of the poor?

3.5 The strong association between CDF principles and the PRSP process is unmistakable. The Ghana case study writes: "The CDF principles have apparently been transformed into a universally applauded demand for PRSPs under the pressure of the criticisms of the Bretton Woods institutions and the HIPC initiative. The Ghana story indicates that the CDF principles may, due to the transformation, have lost their

adaptability and in effect become another 'one-size-fits-all' formula, not taking local particularities and capabilities into account.”

3.6 The approach that appears to be embedded in the CDF and the PRSP and reflected in many World Bank documents on the CDF is the following: governments of developing countries, in dialogue with their populations, develop a long-term vision of their country’s development goals, preferably (in the view of some) linked to the International Development Goals put forth by the OECD or the Millennium Development Goals adopted by the United Nations in 2000.

3.7 Based on this long-term vision, governments (again in discussion with their populations) produce a Poverty Reduction Strategy Program (PRSP) that contains a medium-term plan (extending over three years) for realizing the country’s longer term development goals. (It should be noted that a PRSP or an interim PRSP is required as a condition of debt relief under HIPC and for IMF adjustment lending.) Finally, the annual public expenditure plans of the government would be informed by the PRSP. The two key elements of this process are leadership on the part of the government in initiating the entire process (as opposed to external, aid-giving agencies and governments) and participation on the part of relevant stakeholders (government, parliament, the private sector, interest groups, NGOs, the poor) within the recipient country in the formulation of these documents. Consultations on the draft with these stakeholders would inform them of economic and social conditions in their country, and strategies and policies for improving those conditions. It would generate useful information and ideas as important as the views and preferences of stakeholders. It would also give the stakeholders a sense of engagement in the process and, hopefully, a sense of commitment to it and ownership of it. The final PRSP would be made available to the public and a monitoring mechanism would be established to ensure the strategies were implemented by government. The process would be repeated periodically in some form (e.g., the PRSP would be updated) so that it would be institutionalized and not be a one-off event.<sup>5</sup>

3.8 Two other important elements are part of this process. First, the capacity and commitment on the part of the recipient government in managing external aid donors in implementing these plans (and presumably rejecting offers of aid where they do not fit into the government’s strategies and expenditure plans) can constrain the degree of participation and, by implication, ownership of development visions, strategies and policies. Second, “alignment” on the part of those donors of their aid with the government’s plans and priorities—that is, the provision of aid to support government policies and priorities—is increasingly regarded as an indication of donor support of recipient ownership of aid-funded activities. Some aid agencies go further in defining alignment to include the pooling of aid resources among donors to provide

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<sup>5</sup> Roger Norton, in his synthesis paper for the Carter Center, *Development Cooperation Processes: Issues in Participation and Ownership*, draft, February 2002, pointed out that national development visions and strategies were quite different from PRSPs: one is a broad planning document; the other is a programming document. The implication is that different kinds of participatory processes may be appropriate for developing these two rather different documents. (See p. 13-14.)

program, sectoral or general budget support to recipient governments. (Donor alignment also reduces the transactions costs for recipient governments managing aid activities, thus taxing their capacities less.)

## **4. Ownership, Participation and the CDF**

4.1 To what extent have the concepts of ownership and participation been incorporated into the CDF? The CDF was an attempt to synthesize and distill the new development thinking that has emerged over the past 25 years, starting with the groundbreaking work of the UNDP and the concept of human development. It provides a structured approach to the aid process as part of a much broader process of designing a vision and strategy for development, choosing priorities, balancing equity with efficiency and reviewing budgetary procedures and participation. It is this new consensus on development that has informed the process and logic of aid flows to varying degrees over the past 10 to 15 years—not just the last 3 years since the CDF was announced.

4.2 The CDF has given the basic ideas behind ownership and participation greater prominence in development planning and international cooperation—they are now part of the norms of development discourse. Moreover, through the CDF, these concepts have been integrated logically into a broad approach to development. Let us assess the extent to which they have also become the practice in development work.

## 5. Ownership and Participation: The Donors

5.1 This section addresses two questions: (1) to what extent have aid agencies adopted ownership and participation as central principles of their aid programs and (2) to what extent can the CDF be credited for that adoption? The material in this section is based on reports produced by a number of aid agencies (DfID, USAID, the World Bank, France, the EU and Canada) as well as answers to the questionnaires developed as part of this evaluation from five aid agencies (CIDA in Canada, the Ministries of Foreign Affairs in Denmark and the Netherlands, DfID in the UK, and the Development Directorate of the European Union).

### Question # 1.

5.2 All the donors surveyed for this evaluation affirm that ownership and participation are key elements in their aid programs. At the level of policy statements, this is also true for other donors, for example, USAID.<sup>6</sup> There seems little doubt that a consensus exists among most aid agencies on the importance of these two elements in the CDF.

5.3 Beyond policy pronouncements, how are the elements of ownership and participation reflected in the aid activities of donor agencies? There are a number of indicators of the degree to which these principles do, in fact, inform aid-funded activities. Let us consider each in turn.

### Decentralization and Delegation to the Field

5.4 An emphasis on ownership and participation requires that the wishes of the recipient of aid play a major role in determining how the aid is used. This principle in turn implies that aid agencies in the field should have maximum authority and flexibility to respond to the wishes of recipients. It is widely recognized that it is difficult to manage an aid program from a distant capital if it is truly to be responsive to local priorities and needs. But to what extent have aid agencies decentralized their operations and funding authorities to the field?

5.5 CIDA reports that it is increasing the delegation of decisionmaking authority to the field, as does the EU and the Netherlands. USAID has long delegated significant authority to the field (though the overall shape of its programs is often determined by restrictions and strategies emanating from Washington). The World Bank has also begun to decentralize its operations to the field, though one official from another aid agency suggested that the Bank was ‘regionalizing’ rather than decentralizing to countries and that this was likely to limit the Bank’s ability to incorporate the principles of ownership and participation in its activities where there was no authoritative country mission.

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<sup>6</sup> See, for example, James T. Smith, Acting Deputy Assistant Administrator for Africa, USAID, in his “International Conference on Poverty Reduction Strategies,” January 16, 2002.

## **Coordination**

5.6 Ownership requires a greater say on the part of the recipients of aid and a greater effort on the part of donors to respond to local priorities. This, in turn, implies greater coordination among all parties if the aid is to be truly responsive to local wishes—coordination involving the use of the aid and how it is monitored and evaluated. Several aid agencies consulted in this evaluation affirm that coordination in recipient countries has expanded, often (as in the case of Bolivia) with multiple working groups involving donors and recipients. However, CIDA warns that the joint working groups in Bolivia have become extremely time-consuming and need to be reduced in number. Some aid agency officials doubted the extent of ‘real’ coordination in the field.

## **Alignment**

5.7 If ownership is to be achieved, aid donors must be willing to align their assistance with local priorities. The scatteration of aid projects and programs that fit donor priorities but lacked coherence or even relevance to local needs and opportunities must be a thing of the past. To what extent have donors aligned their programs with local priorities, as reflected in the PRSP or other locally-generated planning and expenditure documents?

5.8 CIDA is in the process of aligning its programs with recipient priorities. In Bolivia, CIDA, in consultation with the government of Bolivia, selected three priority areas in which to work and will concentrate its aid henceforth in these areas. DfID also states that it is in the process of aligning its aid with recipient priorities. Denmark (DANIDA, part of the Ministry of Foreign Affairs) is in the process of aligning its aid to the priorities of the Ugandan government as well as elsewhere. The EU is gradually aligning its aid in a similar fashion and the Netherlands’ aid program is already well aligned to local priorities through its use of sector aid (SWAPs).

5.9 Though we have no material generated for this evaluation, it may be assumed that governments with strong political goals in their aid programs (especially where aid is in effect exchanged for political benefits) or where aid programs are constrained by laws and regulations generated at headquarters, alignment may prove much more challenging.

5.10 A CIDA official observed that the World Bank and even more urgently, the regional development banks, still had a ways to go to align their aid with local priorities.

## **Technical Assistance**

5.11 The use of foreign consultants (rather than domestic experts) in aid programs and projects has long been a complaint of developing countries. Qualified local experts are often available and usually have a good sense of local needs and priorities. One indicator of the degree to which aid agencies have embraced ownership in their operations is their willingness to use qualified local experts in their work.

5.12 CIDA reports that it is increasingly using local consultants (as in the case of Bolivia) even though nearly two thirds of its consultants continue to be expatriate. Denmark draws on local consultants for technical assistance and the EU is increasing its use of local experts.

### **Pooling and SWAPs**

5.13 A number of aid agencies view the pooling of resources as a key element in improving aid effectiveness, reducing transactions costs of managing aid (for donors and recipients) and ensuring that the aid is used by recipients for agreed priorities. (Other donors, like the United States, argue that pooling is not an essential element in the package of activities that reflect the principle of ownership in aid programs. Projects can serve equally well to reinforce ownership.)

5.14 CIDA has begun ‘basket funding,’ which involves an element of pooling, in its management of aid. It looks forward to full pooling in the future (for example, in Bolivia), provided that accountability on the part of the recipient government for the use of funds can be ensured. Denmark has moved to sector funding in recent years. The Netherlands’ aid program is entirely program aid and pooling. The EU is moving toward a greater use of program aid as well (though not necessarily based on PRSPs).

### **Participation**

5.15 Normally, it is thought that the main task of ensuring stakeholder participation falls to the government receiving the aid. However, some have argued that aid agencies themselves ought to consult at least with members of parliaments on aid activities (since they represent—at least in theory—the views of their populations). It has often been the case in the past that economic reform programs have been urged on governments and adopted by those governments without informing or consulting with parliaments (where they existed). To what extent have aid agencies themselves consulted with parliaments in countries they are aiding as a means of strengthening ownership?

5.16 Two countries responding to the questionnaires for this evaluation—Denmark and the Netherlands—reported that they did not consult with parliaments on aid activities.

### **Impact on Donor Programs and Projects**

5.17 Have the principles of ownership and participation had an impact on what aid agencies emphasized in their work in developing countries? The answer is yes, based on the questionnaires for this evaluation. Most respondents indicated that their aid agencies were focused more on capacity building than in the past, a key element in ensuring that ownership and participation are part of the management of development assistance.

*Conclusions and Concerns on Question #1.*

5.18 These questionnaires and existing materials on ownership and participation and the CDF and the PSRPs all suggest that ownership and participation have been embraced by most aid agencies. The impact of the policy commitment to these principles is gradually influencing how these agencies do business—there does seem to be a greater effort in a variety of forms to respond to recipient priorities rather than urge donor priorities on recipient governments. However, this process is gradual and partial and, as one observer commented, still has a ways to go.

5.19 At the same time, a number of concerns exist about the principles of ownership and participation and their incorporation in aid agencies activities. One is the short term costs of greater planning coordination and consultation, both for aid agencies themselves and for recipient governments. Governments of poor countries have already asked to produce multiple planning documents for a variety of aid agencies. The PRSP, in which ownership and participation is embedded, is a particularly taxing process, involving extensive consultations with the publics and civil society organizations in poor countries. Several observers remarked that the tasks associated with the PRSP would be very challenging for even the most developed, efficient governments, let alone those in poor countries that are typically weak and lacking in capacity. The transactions costs of these multiple processes—especially the PRSP—need to be streamlined so that they are bearable and permit good products.

5.20 There is still little awareness of CDF outside donor and some government circles. There is a need for a more concerted effort to employ a variety of tools such as the media and focus groups to improve awareness and include a wider spectrum of civil society.

5.21 The following concerns and/or challenges still hinder the consultative process: (i) The extensive consultations with civil society will raise expectations that no government can hope to meet and thereby lead to disillusionment and cynicism on the part of publics and civil society and a feeling of disempowerment rather than ownership. This remark was made in the context of the Bolivian PRSP experience in particular – one of the most extensive participatory processes. The same concern was expressed in Ghana, Romania and Vietnam. The Romanian case study warns that: "should such raised expectations go unmet, there is a real danger of negative backlash against the sponsors of such consultations." (ii) Caution was also expressed in Ghana regarding the debilitating affect of the consultative process on the taking of hard choices (e.g. absence of discussions of trade off between market-led growth and poverty reduction). (iii) In Romania, the report cautioned against the misuse of the consultative process by various dissenters both in and out of government stating that: "There is a risk that without skillful facilitation, what is called 'consultation' may devolve into gripe sessions." (iv) The machinery of consultation is not institutionally embedded but rather an ad hoc process created in response to the requirement for gaining access to HIPC II (initiative introduced by WB and IMF to provide debt relief to countries with a six-year track record of economic and structural reforms. Is this another form of conditionality—from project conditionality to process conditionality?

5.22 Several more observations are worth repeating: participation may be an illusion when the civil society groups consulted do not represent real elements in civil society but rather are the results of donor aid or personal followings of particular individuals. Further, in democratic countries, the parliament and elected executives are—in theory at least—the legitimate representatives of the people. Bypassing them and emphasizing consultations with civil society organizations can be fundamentally undemocratic and undercut the authority of elected officials. This is an issue that requires more attention and thought.

5.23 On a more specific level, a number of observers expressed concern that the World Bank needed to continue to work on implementing principles of ownership as well as coordination with other donors. There was some sense that the Bank was continuing to act as a leader in pushing the PRSP process but not reflecting the principles of that process in its own work. (This was a view much more strongly voiced in recent work by the Carter Center in their own work in applying the principles of ownership and participation.<sup>7</sup> See also the work on ownership by EURODAD which argues that the PRSP process is little more than a new “wrapper” for the old conditionalities of structural adjustment.)<sup>8</sup>

## **Question # 2**

5.24 To what extent can we credit the CDF with the prominence of ownership and participation in the aid programs of major donor governments and international institutions? There appears to be two answers to this question based on available materials. First, for many donors, ownership and participation were important principles in their aid programs before the CDF was issued in 1999. Concerns about participation go back at least to the 1960s when there was great emphasis in development discourse on ‘community participation.’ For many in the NGO community, participation and empowerment have long been keystones of their approach to development. These concerns remained important to a number of aid donors as well, especially the Nordics and the Netherlands. The two principles have become significantly more prominent during the 1990s but before the publication of the CDF. Therefore, it is not possible to attribute the current prominence of these notions to the CDF.

5.25 However, what is also evident is that the CDF has further increased the importance of these principles, especially for international aid agencies like the World Bank. And more importantly, it appears that the principles will be spread and institutionalized through the PRSP process, thus increasing their influence over aid

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<sup>7</sup> See the following four papers produced by the Carter Center: *Applying the New Principles of Development Cooperation: Country Ownership, Participation, and Partnership – the Experience of Guyana, Mali, Albania, and Mozambique*, The Development Cooperation Forum, The Carter Center, Atlanta, February 2002. See also Roger Norton, *Development Cooperation Processes: Issues in Participation and Ownership*, The Carter Center, Atlanta, February 2002.

<sup>8</sup> See EURODAD, *Many Dollars, Any Change?*, Brussels, European Network on Debt and Development, Brussels, October 2001.

activities beyond what was likely in the absence of an international process that made them the central operating principles. More accurately, the direct impact of the implementation of CDF principles, particularly those of ownership and participation, is most vividly observed in the decentralization attempts of aid agencies. There is a wide consensus that a marked change has taken place in World Bank country offices where local staff now have greater authority to more fully engage in dialogue with government and the wider society. This has been reported in Ghana, Bolivia and Romania. However, some dissatisfaction has been expressed with the cooperation with civil society of country directors of the IMF and World Bank. They needed to interact more with private sector representatives and trade unions. (Romania report, p. 26).

## 6. Ownership and Participation: The Recipients

6.1 This section asks (1) to what extent those governments receiving aid have implemented the concepts of ownership and participation in their management of that aid and (2) to what extent can their embracing these concepts be attributed to the Comprehensive Development Framework. The conclusions in this section are based on an assessment by the World Bank of the implementation of CDF principles in 46 countries and reports dealing with this issue by other aid agencies and experts.

### ***Question #1:***

6.2 A series of assessment reports by the World Bank of the CDF have found that some progress has been made in beginning to generate ownership and participation of development strategies in low- and middle-income countries. These reports have also found that there is a considerable way to go in fully realizing these goals.

6.3 In an April 2001 report entitled, *Comprehensive Development Framework: Implementation Experience in Low- and Middle-Income Countries*, the World Bank used the following indicators to assess the degree to which 46 developing countries with interim PRSPs had embraced the principles of ownership and participation:

- Did the long-term development vision and strategy (a key element in the PRSP) originate within the country?
- Did the government involve all state holders, including the private sector, trade unions, NGOs and others?
- Did national institutions, including parliaments, play a role in formulating the PRSP strategy?
- Did the government have the capacity to formulate and implement strategy and policy?

6.4 This assessment found that overall progress on ownership had been greatest in seven countries: Bolivia, Burkina Faso, Eritrea, Ghana, Guinea, Mauritania and Uganda.

6.5 Another World Bank report, entitled *Comprehensive Development Framework: Meeting the Promise?* (September 27, 2001) further elaborated these findings. It was further found that in eight countries (Uganda, Vietnam, Mauritania, Bolivia, Burkina Faso and Guyana, Ghana and Eritrea), the long-term development vision and strategy fully originated there. In another 27 countries, at least half of the vision/strategy was estimated to have originated there. The countries making the least contribution to the vision strategy tended to be small and poor (e.g., Chad, Laos, Lesotho, Sao Tome and Principe), those that have been troubled by violence and conflict (CAR, West Bank and Gaza, Ethiopia) or those transition countries recently attaining independence (Armenia, Azerbaijan, and Macedonia). Most of these

governments are weak in capacity and in the experience of democracy and political pluralism. However, these conditions were not determining, as evidenced by the performance of Mauritania, Burkina Faso and Eritrea.

6.6 No government fully succeeded in involving all stakeholders in its efforts at encouraging participation in the PRSP process. However, 30 governments were assessed at achieving half to three quarters of this goal. The remaining 16 achieved little in this category.

6.7 No government fully engaged their national institutions in the process of consultation. Seventeen governments were judged to have achieved half to three quarters of this goal. Eight governments achieved very little in this area.

6.8 On the capacity of governments to formulate and implement strategy and policy, only 19 governments were assessed at being at least halfway towards having adequate capacity. No government exceeded this level and the remaining 27 governments were judged to have relatively little capacity in this area.<sup>9</sup>

6.9 This survey suggests that governments have begun to make progress in developing a vision of and strategy for their development. But less progress has been made in engaging all relevant stakeholders in participating in the evolution of that vision and strategy and that capacity to do so within governments remains weak in most of these countries. In short, a good start has been made in achieving the goals of ownership and participation, but there is still quite a lot to do.

6.10 It also found that a promising start had been made by the 46 countries that were part of the CDF pilot group, or had developed interim PRSPs or had full PRSPs. Four-fifths of these countries, it was found, had initiated an internal debate around a development vision and strategy, including increasing involvement of civil society.

6.11 However, major stakeholders have yet to be fully involved in the process in most countries. Only a third of the 46 countries examined engaged the private sector actively in participatory processes.<sup>10</sup> In fewer countries there was still evidence of “strong commitment and ownership by the private sector towards the national agenda.”<sup>11</sup>

6.12 In addition, often missing in national consultations on vision and strategy has been parliamentarians and in particular, opposition parties. This must be a source of concern since parliaments are the elected, representative body of the entire population

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<sup>9</sup> See World Bank, *Comprehensive Development Framework: Meeting the Promise?*, Washington, DC, April 27, 2001, Annex A, for details.

<sup>10</sup> See World Bank, *Comprehensive Development Framework: Meeting the Promise?*, Washington, DC, April 27, 2001, p. 16.

<sup>11</sup> See World Bank, *Comprehensive Development Framework: Meeting the Promise?*, Washington, DC, April 27, 2001, p. 17.

in democratic societies. The media has also frequently been little involved in the participatory process.

6.13 A yet more recent assessment by the World Bank and IMF, entitled *Review of the Poverty Reduction Strategy Paper (PRSP) Approach: Main Findings* (March 15, 2002) indicates that 60 low-income countries have begun to implement processes designed to increase ownership and participation and asserts that ‘there is a growing sense of ownership among most governments of their poverty reduction strategies....’<sup>12</sup>

6.14 However, this report also confirms some of the earlier findings on ownership and participation. The role of parliaments in particular has been limited in the preparation of many PRSPs. In a number of countries, the private sector, trade unions, local government officers, and direct representatives of the poor have not fully participated in the consultation process. And the demands of a fully participatory process on the capacity of low-income governments remain a major challenge: “These are a set of tasks that few industrial countries could systematically do well.” (p. 4) In short, capacity remains a significant problem.

6.15 Several other assessments of the PRSP process and the role of participation and ownership within it, commissioned or undertaken by a variety of aid agencies and NGOs, provide additional insights on the extent to which ownership and participation have become part of the process of developmental decisionmaking in low-income countries.

6.16 An October 2000 report commissioned by the Department for International Development of the United Kingdom, entitled *Civil Society Participation in Poverty Reduction Strategy Papers (PRSPs)*, came up with the following findings:

- The incentive for governments of low income countries to produce PRSPs was qualifying for HIPC debt relief. Thus, there was a tendency on the part of those governments to produce a PRSP as quickly as possible, making comprehensive consultations with stakeholders, including civil society organizations, often limited in time and scope.
- The lack of an established practice of consultation and engagement of civil society has increased the challenge of effective consultations. Further, the degree to which civil society organizations truly represent the views of the poor remains open to question.
- This challenge is exacerbated by the perception on the part of many civil society organizations that the PRSP process is driven by the World Bank.

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<sup>12</sup> International Development Association and International Monetary Fund, *Review of the Poverty Reduction Strategy Paper (PRSP) Approach: Main Findings*, World Bank and IMF, March 15, 2002, p. 6.

- Civil society organizations in Ghana and Zambia (where case studies were done) were skeptical of government’s intention of truly engaging them in the PRSP process.
- However, the PRSP process has raised the standing of civil society organizations in these countries, even though those organizations often suffer from a lack of capacity on their part.
- Finally, “Although the objective of the PRSP is poverty reduction, its main innovation is to challenge the traditional roles and responsibilities of main development agents – the recipient governments, donors, and civil society.”<sup>13</sup>

6.17 A 2001 report by Rosemary McGee from the Institute of Development Studies of the University of Sussex (also commissioned by the Department for International Development of the UK), entitled *Assessing Participation in Poverty Reduction Strategy Papers*, extended some of the earlier conclusions of the previous report:

- Governments of low-income countries have tended to “interpret ‘participation’ as virtually synonymous with ‘consultation.’” Some governments have seen the PRSP process as imposed by the International Financial Institutions – as a set of hoops to jump through. Others have felt pressure to implement a participatory process quickly so as to qualify for debt relief under HIPC. The consultation processes have often been flawed themselves, especially in the limited information they often provided. These limitations have led to a certain amount of frustration among many civil society organizations.<sup>14</sup>
- Nevertheless, civil society’s participation in the PRSP process has influenced the content by calling attention to marginalized groups, regional poverty, corruption and weak governance.
- Civil society’s participation has also led in some countries to “a broadening and diversification of the actors who engage in poverty discourse and the policy process.”<sup>15</sup> The PRSP process, in turn, has helped to galvanize civil society organizations and to assist them to upgrade their own capacity.

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<sup>13</sup> SGTS & Associates, *Civil Society Participation in Poverty Reduction Strategy Papers (PRSPs): Overview and Recommendations*, Report to the Department for International Development, Volume I, London, October 2000, pp. 4-6.

<sup>14</sup> Rosemary McGee, *Assessing Participation in Poverty Reduction Strategy Papers: A Desk-Based Synthesis of Experience in sub-Saharan Africa*, Institute of Development Studies, University of Sussex, October 2001, Draft Report, commissioned by DfID, UK, pp. 3 ff.

<sup>15</sup> Rosemary McGee, *Assessing Participation in Poverty Reduction Strategy Papers: A Desk-Based Synthesis of Experience in sub-Saharan Africa*, Institute of Development Studies, University of Sussex, October 2001, Draft Report, commissioned by DfID, UK, pp. 3 ff.

6.18 December 2001 report by Danida (part of the Danish Ministry of Foreign Affairs), entitled *Review of the PRS Processes in Tanzania*, found that the overall PRSP process had been successful in Tanzania, with the government taking the lead in putting together the PRSP. The private sector was included in the consultations. Further, civil society organizations there “recognized that the government utilized the information they provided and engaged in a serious dialogue on some of the key issues of concern to them.”<sup>16</sup> However, some of the problems cited in the UK studies, above, were also reiterated in the Danida study:

- The transactions costs, both to government and civil society organizations, of the consultation process were high. The PRSP was one of a number of initiatives and reports by government, and the costs in time and resources of all these efforts should be reduced through consolidation and focus of the consultations.
- A “more explicit framework for CSO (civil society organization) consultation and participation” was needed, including which groups should be involved, the credentials and interests represented by such groups, their base of support and their own development interventions. Also important is the relationship of the process of consultation with CSOs to the process of governmental decisionmaking through constitutional means. “The right balance has to be struck between government accountability, parliamentary consultation and scrutiny, and the active involvement of civil society in general and NGOs in particular.”<sup>17</sup>
- Involving the poor in the consultation process has proven very difficult. CSOs rarely represent their views directly. There may be no immediate solution to this problem except through participatory poverty assessments.

64. In February 2002, the Carter Center produced four case studies and one synthesis report on the experience of Mali, Albania, Guyana and Mozambique in creating ownership and participation of development strategies, including PRSPs. The synthesis report by Roger Norton, entitled *Development Cooperation Processes: Issues in Participation and Ownership*, came up with the following findings:

- Nationally generated development strategies and PRSPs have provided an opening for civil society organizations to learn about and influence national development efforts.
- In Guyana, the government undertook a national consultation process on its National Development Strategy well before the CDF was announced. This process was extensive and time-consuming but “the degree of public

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<sup>16</sup> Danida, *Review of the PRS Processes in Tanzania*, Danish Ministry of Foreign Affairs, Copenhagen, December, 2001, p.7.

<sup>17</sup> Danida, *Review of the PRS Processes in Tanzania*, Danish Ministry of Foreign Affairs, Copenhagen, December 2001, p. 10.

awareness and acceptance of the NDS is remarkable by international standards.”<sup>18</sup> However, the report warns “that any initiative undertaken by a government that has been elected primarily by one ethnic group in a winner-take-all political system may not enjoy broad-based ownership, regardless of the nature of consultation.”<sup>19</sup> The PRSP was later based on the NDS though the international financial institutions (IFIs) required additional work on specific issues and the relatively short timetable for the PRSP (based on qualification for HIPC debt relief) resulted in a World Bank consultant drafting the interim-PRSP with the government later approving it. The government later led the PRSP process.

- The government of Mali launched its own National Poverty Alleviation Strategy in 1997, before the CDF was announced, based on extensive national consultations. In this case too, the government of Mali was required by the IFIs to undertake an additional process, including a broader consultation, to produce the PRSP (which, in the end, was based on the National Strategy). However, the report finds that “the PRSP process has been a good opportunity for civil society...to discuss crucial issues for Mali.”<sup>20</sup>
- Mozambique also initiated its own process for creating a long-term national development strategy, called Agenda 2025, initiated in 1998. The PRSP process (called “PARPA”) began somewhat later. There has been some concerns about the process of consultation. Government has been unclear on what it expects from the consultations and how they will be used. Participations have been relatively passive and NGOs were dubious that their views may not have been taken into account. The PARPA was not discussed in parliament either. And, perhaps the most telling problem has been that “the Mozambican state is not represented throughout the length and breadth of the country, formal administrative structures ending as they do at the level of the administrative post. This in itself makes extensive consultations extremely difficult.”<sup>21</sup> In short, a major problem with participation in Mozambique is the capacity and even the limited infrastructure of government.

6.19 What can we say on the basis of these various reports in answer to the question to what extent have recipient governments assumed ownership of their development strategies and policies and have implemented a process of broad based

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<sup>18</sup> Roger Norton, *Development Cooperation Processes: Issues in Participation and Ownership*, The Carter Center, Global Development Initiative, Atlanta, Georgia, draft, February 2002, p. 30.

<sup>19</sup> Roger Norton, *Development Cooperation Processes: Issues in Participation and Ownership*, The Carter Center, Global Development Initiative, Atlanta, Georgia, draft, February 2002, p. 30.

<sup>20</sup> Roger Norton, *Development Cooperation Processes: Issues in Participation and Ownership*, The Carter Center, Global Development Initiative, Atlanta, Georgia, draft, February 2002, p. 36.

<sup>21</sup> Roger Norton, *Development Cooperation Processes: Issues in Participation and Ownership*, The Carter Center, Global Development Initiative, Atlanta, Georgia, draft, February 2002, p. 43.

participation and dialogue? It is clear that governments producing PRSPs and even I-PSRPs have engaged in a measure of participation with their bureaucracies and publics, often to an extent that has not existed in the past. Further, this participatory process has energized and encouraged civil society organizations to engage in a national dialogue and seek to have their views and voices heard. In a number of countries, these stakeholders expect to be consulted in the future, potentially opening up a broader national discussion on many levels and increasing the accountability of government to an ever better-informed civil society.

6.20 However, not all major stakeholders have been involved in these processes, including in many cases parliaments and the private sector. Further, there has been some skepticism and discontent on the part of NGOs that their views have been ignored by government and the process of participation has produced no real concrete results on the ground.

6.21 Governments themselves have at times rushed the PRSP and I-PRSP processes in order to gain HIPC and other benefits from the IFIs and donor community generally. Often, consultations have involved governments (and at times, IFI consultants) drafting I-PRSPs and then quickly asking the bureaucracy and public for its views—in a perfunctory manner in the view of some. One observer has suggested that policy conditionality has been replaced by process conditionality emanating from the international aid community.

6.22 A fundamental constraint on all parties involved—government and civil society organizations—has been limited resources and capacity to participate meaningfully in a PRSP process, especially since it increasingly tends to be one among a number of such processes that low-income governments must go through to obtain support from the international community. The constraints of capacity are also relevant to the need—yet to be achieved—of institutionalizing the process of national participation.

6.23 To sum up the answer to this question, we can quote the authors of one of the papers cited: In regard to participatory processes, “it is more accurate to say the glass is half full than half empty.”<sup>22</sup>

6.24 To quickly recap, we can say that the most serious constraints to the greater implementation of the CDF ownership principle are:

- a) Limited Capacity. Strong ownership is strongly linked to capacity parameters, which include skills, resources and time of civil servants with remuneration commensurate with their responsibilities. The Ghana country report argues that building this capacity will be a long-term effort, and it will demand that donors radically change their approaches to implementation. However, the same report notes that the study team heard of few successes of building sustainable capacity

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<sup>22</sup> Roger Norton, *Development Cooperation Processes: Issues in Participation and Ownership*, The Carter Center, Global Development Initiative, Atlanta, Georgia, draft, February 2002, p. 3.

in the public sector, while accounts of donor-funded activities undermining capacity were frequent. Among these is the extensive use of foreign consultants. The greater utilization of the talents of local experts will improve the effectiveness of the consultative process and promote country leadership and ownership.

- b) Heavy dependence on donor financing. Country ownership would be further reinforced when the budget becomes less dependent on external financing. The issue becomes how to increase domestic revenue to reduce aid dependency.
- c) Other obstacles noted especially in the case of Burkina Faso are: (i) language barriers and (ii) limited involvement of private sector in either the initial design or implementation of the country's development program. The Burkina Faso country study reports that "Greater mobilization of the business sector is indispensable given the extreme importance of enterprises in developing the types of post-harvest value added" and non-agricultural employment that Burkina needs to raise incomes and living standards.

6.25 Another issue that needs to be addressed crucially is that of aid conditionality. Traditionally speaking, conditionality is conceived as being a "proof of weak ownership." Conditionality has acquired a new meaning within the CDF initiative when compared with the one it had within the Structural Adjustment Programs or other IMF and/or World Bank aid programs. While donors thought of it as a way of ensuring aid effectiveness, it was negatively perceived by recipient governments who felt that the donors "interfered" with their development process. Many complaints of the recipient governments were because donors asked for too much reform too quickly in return for their assistance. Aid Conditionality under the CDF initiative is taking a new shape: it is now more of a *shared partnership* between several players. The idea is to let aid-assisted programs be formulated by the recipient government in close collaboration with donors and stakeholders. In other words, Aid Conditionality can become compatible with more ownership in the future, as recipient countries commit themselves to reform at their own pace and according to their own priorities and local circumstances. Aid Conditionality can thus become a tool for capacity building.

***Question # 2:***

6.26 To what extent can the CDF be credited with the spread of more participatory processes of national dialogue and consultation on development visions, strategies, and policies?

6.27 It is clear from a number of the reports cited above, that national dialogues on development and poverty reduction strategies did not begin with the CDF. In Mali, Guyana, Mozambique and Albania, for example, these dialogues began before the CDF was announced. However, the PRSP process has clearly helped to legitimize and spread this practice widely throughout low- and middle-income countries, especially those interested in HIPC. It may also have provided incentives for institutionalizing the process, though this is yet to be demonstrated. And if the theory is correct that

participation enhances ownership, then the CDF and the PRSPs deserve some credit for a greater degree of ownership resulting from an increase in participation.

6.28 Based on the country case studies, we could wrap-up the most important achievements of CDF as being:

- i) The open engagement with civil society and broadening of the national dialogue. However, political and social support for a country's development strategy is generally still lacking as evidenced by the absence of the major labor unions and trade associations among other groups (see the case of Bolivia where horizontal representation rather than vertical entities have been included in the national dialogue).
- ii) Efforts by donors to move towards sector wide and general budget support. Such efforts have reinforced country ownership of the development agenda in all of the countries studied for the CDF evaluation.
- iii) Similarly, with aid-receiving governments, the concepts of ownership and participation preceded the CDF. However, the CDF imparted greater prominence and legitimacy to these concepts, incentives for governments to pursue them and a process for beginning to realize them.

6.29 Whether or not better ownership by the country led to better designed policies is not strictly settled. This is mainly because each country is different in its circumstances and moves at its own pace and according to its own priorities. This makes the task of evaluating the impact of the CDF principles of ownership and participation on aid effectiveness all the more difficult.

## 7. Conclusions

7.1 Fifteen major conclusions can be derived from the analysis presented here:

1. ***The concept of “ownership” has yet to be defined in a rigorous, widely-accepted and operationalizable way.*** The idea behind it is clear—that the beneficiaries of development visions and strategies or of specific development programs and projects embrace those visions and feel a commitment to achieving the strategies, programs and projects. But how do we know when ‘ownership’ exists? Some have argued that without it, projects and programs fail (and the obverse—that successful development activities require ‘ownership’). But this is tautological and tells us little that is empirically useful. Others employ indicators of various kinds to demonstrate ownership—for example, the initiation of the development vision by the government of the low-income country; widespread knowledge about the vision within the bureaucracy and among the populace, and so on. Some of these indicators, drawn from World Bank reports, have been used above to indicate ‘ownership.’ But initiation and knowledge of development policies and programs as well as the numerous other indicators have yet to be shown as leading to ‘ownership.’ This relationship remains an assumption that has not yet been demonstrated empirically. Indeed, it is possible that in some cases more knowledge could lead to opposition to visions, programs and projects, especially on the part of those whose interests might be hurt by such activities. In short, we really do not know what produces commitment to particular policies and how that commitment plays out in human behavior. Does participation in creating visions, projects, programs lead to social learning that in turn, generates commitment? What sort of participation? How much participation? By what process does social learning occur? Or is it because the visions, etc., offer the supporters concrete benefits—i.e., are understood to serve their interests? Further, some commentators appear to assume that commitment to certain policies implies active support of those policies. To what extent does commitment lead to collective action (or collective acquiescence?) It is far from clear that all types of commitment are the same in this regard. And what happens when the public, interest groups and governments are divided in their views of visions and policy—where the politically powerful oppose policies that are supported by the majority of the population or where the majority of the population supports policies that in the long run obstruct economic progress? This is clearly a common occurrence but rarely dealt with in the discourse on ‘ownership,’ which ignores issues of political power as well as group rights. ***It is very important that the concept of ownership and its causes be much better clarified if a rigorous and accurate understanding of the development process is to be had and***

*meaningful evaluations be conducted of aid-funded development activities.*

2. ***The concept of participation also urgently needs to be clarified and its relationship to 'ownership' specified.*** It is assumed that participation is essential to 'ownership.' But the nature, scope and degree of participation, who should participate and who should not, and the extent to which the views of participants should be incorporated into vision, strategies, policies and projects are all left unspecified in the discourse on this concept. In some of the reports cited above, it has been assumed that giving government officials choices over policies constitutes 'participation.' In other cases, participation has included a lengthy process of informing and soliciting the views of a wide array of civil society organizations in developing countries. Others fall somewhere between this continuum of consultation and participation. Major issues have been raised about which organizations should 'participate' as well. A great deal of emphasis has been placed on civil society organizations participating in consultations on development visions, projects and programs. But such organizations represent the interests of their members who may be only a few individuals, funded by outside groups. They cannot be assumed to represent the views of wide segments of the populations of developing countries and at times, their own internal operations are far from democratic or participatory. This is not to say that their views are not valuable but consulting civil society organizations is not a reliable way to solicit the views or support the populaces of low-income countries. Further, as noted above, it is the parliament in democratic countries that is elected by the populace and, where elections are free, fair and representative of the population's views, it is the parliament and elected executives who represent the views of the entire populace and make the difficult trade-offs that political decisions almost always require. Troubling is the tendency, noted in a number of reports cited above, for 'participatory' processes to ignore parliaments. Although many parliaments are weak and may not adequately represent the views of their publics, ignoring or undercutting them will only serve further to weaken democracy and ultimately make the PRSP process an illegitimate one. (It is doubtful that in non-democratic societies, participatory processes of any kind can work easily, given the tendency of autocratic regimes to suppress free speech, assembly and organized groups not controlled by the government.) Further, it appears that typically the views and voices of the poor are rarely represented by civil society organizations. The poor themselves are seldom organized or able to act collectively. And civil society organizations seldom include the poor, either in their leadership or in their membership (if they are membership organizations.) Finally, participation is sometimes used to mean simply informing government, civil society organizations and individuals of policy problems and issues. Others use it as a means of creating national

consensus through discussion and mutual learning on important national concerns involving development. Where on this spectrum participation leads to ownership is not specified. And whether in societies that are divided in important ways (in terms of class, ethnicity, region, ideology or religion), and especially in societies recently emerging from conflict, participatory processes can generate meaningful consensus on any major issue (or can avoid generating conflict itself) is open to serious question. Again, the notion of ‘participation’ often leaves out any sense of the political differences that exist in most societies and on most issues. ***The term, ‘participation’ needs to be clarified along with the assumptions regarding its relationship to ‘ownership’ and this relationship needs to be tested in order to provide a rigorous evaluation of the role of both of them in improving the effectiveness of development aid.***

3. Despite these serious conceptual caveats, we can say some things about the adoption of the concepts of ‘ownership’ and ‘participation’ on the part of aid donors and recipient countries over the past several years and the role of the CDF in fostering those concepts. ***However, it is too soon to make any rigorous conclusions about the impact of these concepts on the effectiveness of development aid, a point also made in a recent World Bank report on the PRSP process.***<sup>23</sup> The CDF has been in place only three years—far too soon to draw meaningful conclusions about developmental impact.
4. Turning to several of the specific questions to which this paper is addressed: first, it seems clear that a significant number of donor agencies have endorsed the importance of ownership and participation – that is, that recipient governments (and preferably, their populaces) support a common development vision, strategy, projects and programs, created by them rather than the aid agencies themselves, as has often been the case in the past.
5. The importance of ownership and participation preceded the CDF—these concepts go back several decades in one form or another among some donors.
6. However, the CDF can be credited with raising the prominence of the two concepts among donor agencies and providing a process—the PRSPs—through which participation and, it is hoped and expected, ownership can be encouraged, observed and possibly institutionalized on the part of aid recipients.

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<sup>23</sup> IDA and IMF, *Review of the Poverty Reduction Strategy Paper (PRSP) Approach: Main Findings*, World Bank and IMF, March 15, 2002 p. 7.

7. In the cases of both aid agencies and aid-receiving governments, neither ownership nor participation appears to have been fully achieved. Donors still frequently pursue their own objectives, with their own processes and administrative arrangements. Some donors—in particular, the World Bank—still are seen by other donors, NGOs and recipient governments—as continuing to drive the process of development consultation and planning rather than letting recipient governments take the lead. Most recipient governments have only begun to consult widely within their countries on development activities and strategies, as reflected in the relatively large number of I-PRSPs and the relatively few full PRSPs.
8. The PRSP process and the element of participation in it is still far from being institutionalized in recipient countries.
9. A clear and common problem with the PRSP process—especially the participation part of it—is that it is very demanding on the government conducting it as well as on participations. Both governments and civil society in low- and middle-income countries frequently lack the capacity and resources to manage this process effectively. (Indeed, as one commenter noted, it would be difficult for the most developed governments to do so.)
10. There are both **side benefits and costs** of the efforts on the part of recipient governments to implement a process of participation. The benefits include encouraging a better informed and more active civil society in discussions of development strategies. The incentives offered by the PRSP process (in particular, the broad based consultations required in it) have strengthened civil society organizations in their willingness and abilities to engage in national dialogues. A more active civil society can demand a more accountable government and lead to better governance overall. Another benefit of broad-based participation can be a better informed government about problems, preferences and options for their solution. An open dialogue or debate can better inform policymaking.
11. On the cost side of the ledger, there are the problems of process-overload and fatigue on the part of aid receiving governments, which are required by aid agencies to develop multiple reports on a wide range of subjects. ***Donors should consider how the transactions costs of multiple reporting requirements imposed on recipient governments can be made less costly and more efficient. This is one element in solving the problem of limited capacity in recipient countries.*** In addition, broad-based participation exercises can raise expectations on the part of civil society and the populaces of recipient countries that are difficult to fulfill even in the best of circumstances. Where those expectations are not met, frustration and cynicism can set in, undermining the credibility of the consultation process. ***Aid-***

*receiving governments should consider how to implement broad-based participatory consultations and national dialogues on development issues without creating disillusionment on the part of their populations. This problem should be taken into account in efforts to institutionalize the PRSP process.*

12. Because the PRSP is a condition for HIPC debt relief, an IMF adjustment lending, governments eager for HIPC terms have an incentive to rush the PRSP process simply to get those terms as soon as possible. But broad based, national consultations is a time-consuming process, in some cases, taking years to complete. Thus, the association with HIPC can undercut the value of the process of participation. *Aid donors should consider disassociating the PRSP from HIPC and IMF adjustment lending in order to ensure a more effective PRSP process.*
13. This point leads to the fundamental contradiction in the PRSP processes that several observers have pointed out: the goal of the process is to create ownership of development programs and strategies by ‘putting recipient governments in the driver’s seat,’ having them take the lead in planning and consulting with their own bureaucracies and populations. Yet, a PRSP or I-PRSP, as a requirement for HIPC and IMF adjustment lending, imparts an element of coercion on the part of donors to the entire process. One commentator observed that the PRSP substitutes process conditionality for policy conditionality. It is only reasonable that aid agencies, which are accountable to their governments or governors, must accompany their assistance with conditions to ensure their monies are spent for the purposes intended and as effectively as possible. The PRSP process goes beyond these minimal conditions involving accountability to require recipients to adopt a planning process approved by donors. *Donors should be more forthright about the nature of the conditionalities associated with the PRSP process, including those involving ownership and participation. While donors must demand responsible use of their aid, they should resist the ever-present temptation to add additional conditions whether involving process or policy reforms as part of their aid.*
14. Perhaps, the process can be looked upon as a government/donor owned process or as a shared approach. This notion creates—as stated in the Bolivian case study—a “sense of mutual responsibilities and accountabilities and is more compatible with country needs.” *In other cases, however, like the case of Romania, donors adopted a complete hands-off approach. Moreover, they have shown their support to the local ownership to the Ghanian Poverty Reduction Strategy (GPRS).*
15. There is a need to establish an appropriate balance between continuity and democratic policy change. (Uganda and Bolivia [p.31] case study.)

## One Last Word

7.2 On the basis of reports, surveys of selected aid agencies and selected recipient governments, it appears that the PRSP process has thus far on balance been a beneficial one in encouraging donor governments to collaborate more effectively in supporting the planning and funding of recipient priorities. And the process has encouraged recipient governments to develop their own ideas on development strategies, visions and programs and projects on the basis of consultations with a range of domestic stakeholders. While the CDF alone cannot claim credit for this outcome, it (together with the PRSP process it has encouraged) can claim credit for making the importance of ‘ownership’ and ‘participation’ more visible, widely accepted and widely practiced.

7.3 However, there are potential costs as well as benefits to the PRSP process and the process itself is still in its early stages and even some basic conceptual elements in the CDF have yet to be adequately clarified, made rigorous and operational. It will be several years before we can say with rigor and assurance that the promise of the process has been realized and that the benefits to effective aid and poverty reduction have outweighed the costs.

*Shanta Devarajan, a co-author of the new report and chief economist of the World Bank's Human Development Network said: "Without 'country-ownership' of a national development strategy, even the most generous and well-intentioned aid packages will have little or no impact in improving the quality of people's lives."*

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