

SUMMARY REPORT: NGO/CSO Engagement in Poverty Reduction Strategy Processes in Asia: *A Discussion of Key Issues and Challenges*

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CONTEXT AND RATIONALE

In 1999, the World Bank (WB) and the International Monetary Fund (IMF) launched a new anti-poverty framework focusing around Poverty Reduction Strategy Papers (PRSP), intended to ensure that debt relief under the Highly Indebted Poor Countries (HIPC) initiative would alleviate poverty in the poorest countries. To obtain debt relief, and to be eligible for accessing “soft loans” from donors, countries were required to prepare PRSPs that outline poverty reduction goals and objectives and define the plans to attain them.

Among the major requirements in the PRSP processes were: (i) broad-based participation in the adoption and monitoring of the Strategy, and (ii) partnership between governments, civil society actors, the private sector and donors in the implementation of the Strategy. Institutionalized participation was seen as the main mechanism for encouraging strong public accountability.

Civil society organizations and NGOs in Asia have come to view their involvement in PRSPs in different ways. On one hand, a number of CSOs/NGOs acknowledge that PRSP processes generally offer important opportunities – for influencing public policy, for mobilizing communities and stakeholders, and for gaining recognition and policy support from government. On the other hand, many CSOs

remain skeptical of the PRSP. They seriously question the motives of the donors, saying that PRSPs merely continue the structural adjustment policies of the past under new labels, and that the opportunities for CSOs /NGOs to have an impact on the design or implementation of macroeconomic policies have been limited.

DISCUSSION PROCESS

Objectives. ANGOC organized a roundtable discussion on the theme “NGO/CSO Experiences in PRSP Monitoring and Advocacy,” in Siem Reap, Cambodia on 23-25 May 2006. This discussion was organized to provide a learning forum for NGOs to:

- Provide updates on country experiences on the PRSP processes, including NGOs’

participation in PRSP formulation and implementation;

- ❑ Share approaches and methodologies being employed by different NGOs in PRSP monitoring at various levels; and
- ❑ Examine the various advocacy issues that are being, or should be taken up by NGOs around PRSP.

This roundtable discussion was different from previous consultations on the same PRSP theme, as it was organized to provide a “collective space” for NGOs to reflect on their work, and to explore ways to collaborate at the national and regional levels. Often, it is the donors and governments who bring NGOs/CSOs to regional discussions on the PRSP processes, under donor-led agendas.

Specific expectations raised by participants from this meeting were:

- ❑ Share experiences; learn from other country experiences; and understand the different political contexts in which CSOs operate;
- ❑ Learn more about how international NGOs (INGOs) can best support local NGOs (LNGOs) especially in Laos where LNGOs are very few, young and cautious, while the government remains highly suspicious of civil society;
- ❑ Find ways to improve one’s work as a result of learning – i.e., how to strengthen the role of civil society, and how to ensure that the voices of grassroots communities are heard in policy discussions and monitoring activities;
- ❑ Learn about possible ways on how to structure a parallel CSO report on the PRSP (Cambodia);
- ❑ Share on specific methodologies, tools, and institutional mechanisms used by CSOs to influence the PRSP process;
- ❑ Discuss future plans and next steps.

Twenty NGO participants from five countries (Bangladesh, Cambodia, Lao PDR, Philippines & Vietnam) presented and discussed 11 papers

on the theme of “CSO/NGO engagement in the PRSP process”. These papers consisted of: one (1) regional review paper, four (4) country assessment studies, and six (6) individual NGO presentations.

OVERVIEW OF PRSP PROCESSES IN ASIAN COUNTRIES

Globally, some 49 so-called first-generation national PRSPs have been completed as of 2005. About half of these are from sub-Saharan Africa; about half are also HIPC. About 40 PRSPs are in the implementation stage, with four countries undertaking a second generation of poverty reduction strategies. Some countries have also begun to submit annual progress reports on the implementation. Eventually, some 70 low-income countries are expected to prepare PRSPs.

In Asia, where the process has been rather slow, some 10 countries (not counting those in Central Asia) have formulated and are currently implementing PRSPs. Most of these countries have had at least 3 to 4 years of experience in implementation of the PRSPs. Bangladesh was the last to complete its PRSP in 2005; the delay was partly a result of the CSOs’ successful campaign for an extension of the original deadline.

Content-wise, PRSPs in Asia focus on:

- ❑ “*Sustained economic growth*” is the dominant poverty reduction strategy for all countries; thus, CSOs have raised questions of governments giving priority to “growth” rather than to “*equity*” issues.
- ❑ Only Vietnam and Lao PDR explicitly focus on “equity” as a strategic thrust, confirming that most PRSPs appear weak when it comes to a thrust of redistribution.

- ❑ “Governance” and “human development” are the other thrusts commonly cited.

Process-wise, the PRSPs in Asia can be characterized as follows:

- ❑ PRSPs have come to be known by different names in different countries (such as the “National Strategic Development Plan” or NSDP in Cambodia, and the “National Growth and Poverty Eradication Strategy” or NGPES in Lao PDR).
- ❑ In some countries, there has been a lack of integration of different sectoral strategies into the PRSP, as it is isolated from other programs of government.
- ❑ PRSPs have been drawn up mainly through inter-ministerial and inter-agency coordination in most countries. However, there has been minimal participation of national parliaments and national assemblies in formulating PRSPs, raising questions of “political ownership” by countries.
- ❑ In all countries, PRSPs appear to have weak links with national budgets.

CSO/NGO INVOLVEMENT IN PRSPs IN ASIA

CSO/NGO participation in PRSPs vary across Asian countries – ranging from protest and boycott (Pakistan, Sri Lanka) to active participation in PRSP consultations, participatory poverty assessments (PPAs), and monitoring (Cambodia, Vietnam).

The main constraints to CSO/NGO participation in PRSPs, as cited in recent assessment studies & reviews, include:

- ❑ lack of a clear and supportive legal framework to enable the participation by CSOs/NGOs (e.g., Vietnam);
- ❑ lack of capacities by civil society groups, especially local groups to undertake meaningful involvement in the PRSP processes;

- ❑ lack of proper mechanisms in carrying out participatory consultations among stakeholders, including appropriate participatory framework;
- ❑ process not simplified to fit conditions at local level or to reach the grassroots;
- ❑ lack of government appreciation of CSO/NGO inputs into planning;
- ❑ CSO inputs not incorporated in planning; no feedback on which CSO inputs have been incorporated.

Some key questions raised by CSOs/NGOs regarding their involvement in PRSP processes:

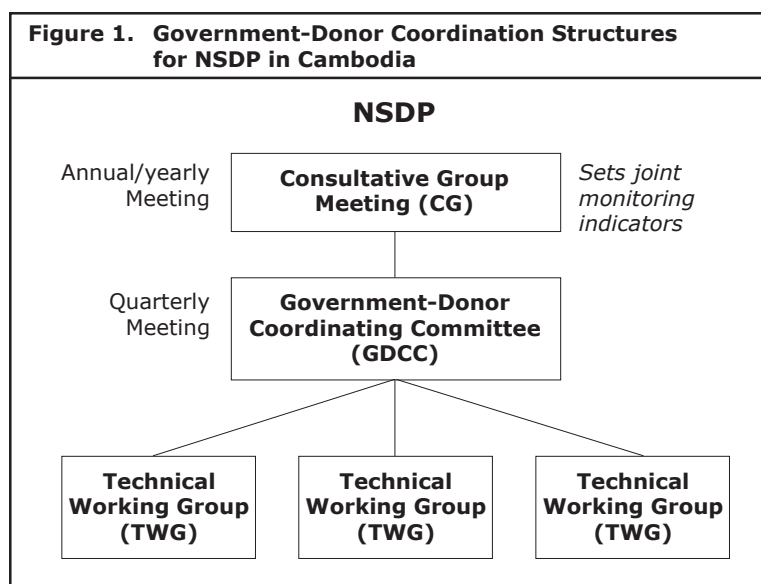
- ❑ **On government commitment:** Should we push local NGOs and international NGOs to get involved in the PRSP process? Does government have a genuine commitment to implement PRSPs? If not, can CSOs really influence government commitment, by getting involved in the PRSP process?
- ❑ **On the political environment:** How can we foster a politically enabling environment for NGOs and CSOs? How can we involve local CSOs/NGOs in poor countries where social institutions are generally weak, and where there are more fundamental issues of democracy and governance?
- ❑ **On “country ownership”:** What processes are necessary to ensure country ownership of PRSPs? How can we ensure that PRSP planning goes beyond the realm of experts in government and donors, and involves the genuine participation of civil society?
- ❑ **On the content & relevance of PRSPs:** How relevant are PRSPs, as they appear to be dominated by donor-defined priorities, with prescriptions for economic growth but a lack of focus on issues of equity and redistribution? Are CSOs/NGOs better off instead by just doing their own thing, ignoring PRSP processes, rather than by engaging donors and governments in an unfamiliar terrain and process?

Cambodia

Country situation. The country's poverty rate went down from 47% in 1994 to 35% in 2004. Yet, inequality and landlessness are increasing, and Cambodia is highly reliant on foreign donors – to cover about 60% of its annual budget. There have been many different policy planning instruments – PFP, MTEF, PIP, GAP, SEDP, NPRS, CMDGs – and now, the National Strategic Development Plan (NSDP).

PRSP Process. The Consultative Group (CG) meets annually, and it establishes the joint monitoring indicators (JMIs). Some 18 Technical Working Groups (TWGs) are in place to monitor the JMIs, and they provide reports to the Government-Donor Coordination Committee (GDCC). However, there is still no link between planning and budgeting. Reasons are both technical and political, which include inappropriate accounting systems, inter-ministerial rivalries, limited capacities, and lack of transparency. The new NSDP (2006-2010) serves as the poverty reduction strategy, which is owned by the Government and supported by donors. (See Figure 1)

Civil society context. NGOs are the dominant feature of Cambodia's civil society. From the 1980s to early 1990s, the socialist government disallowed the formation of local organizations separate from the state. However, since 1992 there has been a rapid expansion of local NGOs (LNGOs) but they remain highly dependent on international NGOs (INGOs) and donors. There is a lack of mass organizations or associations that represent broad membership. The exception is the growing number of labor unions, but which tend to be closely associated with political parties and therefore lacking in independence. National associations (e.g.,



organic farmers and community fishers) are starting to emerge, but they are still weak and heavily reliant on NGO support. Within government, there has been a growing acceptance of participatory processes, including in planning and policy formulation, although tensions exist between the government and NGOs.

NGO participation in the PRSP processes. For I-PRSP (2000), a team from the NGO Forum on Cambodia (NGOF) first conducted interviews and meetings in four provinces to obtain the input of NGO and CSO representatives, and then conducted a workshop to prioritize NGO recommendations on poverty reduction. For SEDP II (2001-2005) and NPRS (2003-2005), NGOF brought together sectoral NGOs to provide comments on the draft sectoral plans, and successfully lobbied for more time for preparation of SEDP and NPRS.

In 2001, NGOF with assistance from ANGOC produced a report *“Rapid Assessment of PRSP Process in Cambodia: Two Banks, Two Processes, Two Documents”*. This report criticized both the World Bank and Asian Development Bank (ADB) in supporting two different documents with the same purpose – poverty reduction. The 2002

NGO Statement to the CG Meeting focused on poverty reduction, which would be the source of input to the NPRS.

During the NPRS drafting, “Poverty Reduction for Women” forums were organized in three provinces by the Women for Prosperity group. NGO Forum also facilitated discussions between members of parliament and representatives of the poor. Sectoral papers and an NGO statement were presented to the 2004 CG meeting, and a village survey was conducted in 2005.

For the NSDP (2006-2010), NGO inputs include:

- ❑ Inputs of sectoral NGOs
- ❑ Dissemination of Cambodia Development Watch
- ❑ NGO Statements to GDCC meetings
- ❑ NGO Statement to the 2006 CG meeting
- ❑ Continuing involvement of NGOs in TWGs.

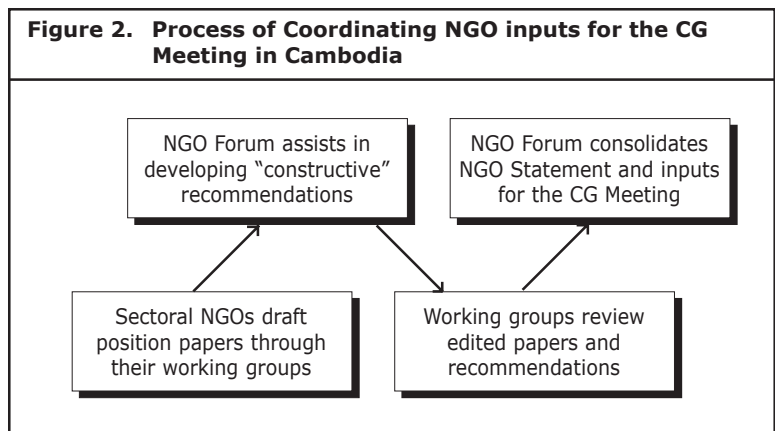
Current mode of NGO networking. At present, the NGO Forum on Cambodia (NGOF) acts as the focal point for coordinating NGO inputs into the PRSP process. NGOs work mainly along sectoral lines, wherein certain NGOs take the lead role for each of the 29 thematic working groups – to conduct consultations and develop proposals that are then submitted to the NGO Forum for consolidation. These include: MEDiCAM (health), CEDAC (agriculture and rural development), and STAR Kampuchea (industrial zones). (See Figure 2)

Impacts of NGO Participation: Overall, NGOs have contributed to enhancing the accountability of the government in the implementation of poverty reduction.

- ❑ **For I-PRSP (2000)** – government ignored NGO comments
- ❑ **For SEDP 2 (2001-2005)** – short sections on decentralization and on disaster management were added to the main document,

however, other comments on the document were ignored

- ❑ Of 268 recommendations provided by NGOs, 45 were totally included while other 68 were partly included and others have been included in other government plans
- ❑ **For NPRS (2003-2005)** – the NGOF successfully encouraged integration of the findings of the ADB-funded participatory poverty assessments (PPA), conducted in 154 villages across 24 provinces



- ❑ **For NSDP (2006-2010)** – 15 out of 40 NGO comments were incorporated into the policy document.

Sectoral impacts: NGO impact on some sectoral policies (e.g., health and education) has been more substantial than in others. Among the NGO proposals for the health sector, for instance, is the implementation of a “user-fee” system for public health care, whereby an “equity fund” from NGOs and donors would enable the poor to access health services. Another proposal has been the training of midwives, since extension is limited and 66% of women deliver at home. Also, it was noted that only 20% of the population have access to public health services, while 80% use the “private sector” which includes traditional systems.

Factors that have enabled NGOs to influence policies on public health, include:

- ❑ Strong NGO networking, through MEDiCAM;

- ❑ NGO representation and participation in some TWGs, as well as work within the TWG secretariat; and
- ❑ Consultations within the NGO health sector, in order to develop proposals that are drawn from grassroots knowledge and practice among partners. Inputs provided by NGOs to the NPRS and NSDP on health and other issues have so far been of high quality, being knowledge-based on the specific areas where NGOs are working.

On the other hand, the factors that need to be strengthened among CSOs/NGOs are:

- ❑ More evidence-based and consensus-based findings and proposals from NGOs to government; and
- ❑ Improved consultations with civil society, since most consultations reach only the NGOs, and there is still no feedback from community plans into the health sector.

Issues affecting overall CSO/NGO participation:

- ❑ Government officials are still not used to accepting civil society inputs to planning, partly because of the lack of capacity of CSOs and of government itself.
- ❑ Participation is narrowly confined to some government officials and a few knowledgeable NGOs, and without sufficient debate on issues of contention.
- ❑ The rushed preparation of the NSDP led to limited NGO/CSO participation.
- ❑ There is little evidence of any impact of the poverty assessment studies, which provided an avenue for the poor to be heard in the NPRS and NSDP.
- ❑ There is need to improve the connections between the national planning process and the decentralized local decision-making process to ensure the bottom-up flow of information. The local planning process in Cambodia currently allows commune plans to feed

into provincial plans, but there is no connection yet with national planning processes.

Strategic tasks for NGOs & CSOs include:

- ❑ Build up the foundations of civil society, by developing civil society associations and structures that can represent the poor
- ❑ Participate in the building of democratic forms of governance
- ❑ CSOs need to understand their rights, know how to advocate those rights, and how to work effectively with government agencies

Immediate tasks for NGOs include:

- ❑ Build NGO awareness of national planning processes
- ❑ Share more widely the findings of NGO research
- ❑ Dialogue with members of Parliament, who have an important role to play in representing the people
- ❑ Cooperate with sectoral NGOs and provincial NGOs to monitor the NSDP, through the TWGs and household surveys
- ❑ Organize more public forums to provide opportunities for people to engage directly with decision-makers.
- ❑ Ensure that the information from target groups, especially Participatory Poverty Assessments, is fed into decision-making processes in a more systematic manner.
- ❑ Facilitate government and donor engagement with other types of civil society organizations, including trade unions, ethnic associations, farmers associations, etc. Help arrange meetings between officials and rural communities in ways that are conducive to a real sharing of issues.

Vietnam

PRSP Process. The Interim-PRSP in Vietnam was approved in March 2001. PPAs and consultations were held to further sharpen the

focus of the I-PRSP, resulting in the Comprehensive Poverty Reduction and Growth Strategy (CPRGS), which was approved by the Vietnamese Government in May 2002 when the Socio-Economic Development Strategy (SEDP1) for the period of 2000- 2005 had been implemented for more than two years. CPRGS was rolled-out to sub-national levels (confined to the level of the province in 20 pilot projects) under the support of donors and INGOs.

Civil society context. CSOs in Vietnam may be categorized into three main groups:

- ❑ **Mass organizations (MOs)** are social political organizations established by the Party (e.g., Farmers' Union, Women's Union, Youth League). As semi-government organizations, MOs have the mandate to promulgate the policies of the Party and government, and to mobilize support from citizens for implementation of policies. They get subsidies from the government. Theoretically, they have the mandate to represent and protect the interests of their members in decision-making processes.
- ❑ **Community Based Organizations (CBOs)** are informal collectives/groups at the commune and district level established by people without formal legal status. Many CBOs have been established originally through donors and INGO development programs; they are effective in serving the needs of the communes/villages and continue to provide services to their members. But as with other CSOs, they might not always represent the voices of the poor.
- ❑ **Non-governmental organizations (NGOs)** are further divided into international (INGOs) and local non-governmental organizations (LNGOs). At present, local NGOs consist mostly of Hanoi-based research, training and development centers. They act as service and welfare providers, focusing on areas of business management, urban and rural

development, poverty reduction, community development, environmental issues and training. They are mainly involved in the implementation of programs of INGOs and donors.

Participation in the PRSP Process (CPRGS).

Overall, there has been limited participation of CSOs/NGOs in the CPRGS process, characterized as follows:

- ❑ **International NGOs:** Only a few INGOs were involved, but were very active in the PRSP. They provided inputs for the poverty diagnostics through participatory poverty assessments (PPAs); they also joined working groups, participated in consultation meetings, organized local consultations, conducted related researches and studies to back up support for policy formulation and planning; provided direct feedback on the documents, and monitored the implementation of some programs at local level in cooperation with LNGOs, MOs and CBOs.
- ❑ In Vietnam, it is the NGO Resource Center that puts together comments from NGOs, then shares them among other NGOs for feedback. However, not many INGOs are actually involved in policy dialogue. Some just want their names included on the list of signatories to the Statement to the CG, so they support the document. Some INGOs rotate as representatives to the CG.
- ❑ **Local NGOs** have had very limited involvement, as the government did not appear ready to accept LNGOs as partners in policy discussions. However, three LNGOs were members of the Poverty Task Force, while a few had the opportunity to work indirectly by providing consultancy services to donors.
- ❑ **Mass Organizations** were the official stakeholders for consultations, including drafting of documents at national level. However, no further involvement has been noted of MOs in the implementation and monitoring stages.

- ❑ **Community-Based Organizations** did not participate in the formulation process, as their role as stakeholders in the process was generally not recognized.

CSO/NGO Participation in SEDP2.

Experiences gained from the earlier CPRGS exercise, plus donor pressure, pushed the government to support a participatory approach while working on SEDP for 2006-2010. The planning environment was also supported by the following:

- ❑ Prime Minister's Directive 33/2004/CT-TTg on the preparation of SEDP2
- ❑ Decree 2215/BKH-TH to guide local socio-economic development planning along the lines of the CPRGS approach
- ❑ Policy papers that guide and facilitate the participation of CSOs in the planning process:
 - Grassroots Democracy Decree, based on the principle of "people know, people discuss, people do and people inspect";
 - Decision No. 22/2002/Q-TTg of 30/1/2002 that allows the Vietnam Union of Scientific and Technological Associations (VUSTA) to hold social consultations;
 - Decree on Associations 88 of July 2003 that enables associations and LNGOs to be involved in the socio-economic development process.

Assessment of CSO/NGO involvement in SEDP2:

- ❑ INGOs were actively engaged in, and influenced the direction of the SEDP. Some worked with donors (WB and ADB) to develop a consultative strategy and a framework for holding local consultations. INGOs also: (a) supported local consultations and provided direct comments on the draft SEDP2; (b) supported other CSOs (LNGOs and MOs) to conduct consultations among their members; and (c) participated in debates and consultations on specific sectors and cross-cutting issues.

- ❑ LNGOs mushroomed in Vietnam after the promulgation of the Decree on Associations 88 in 2003 (currently: about 2,000 LNGOs), partly due also to donor and INGO support and capacity building. There was remarkable improvement of LNGO participation in SEDP2, compared to the earlier CPRGS process. However, only a modest number of LNGOs participated, compared to their total numbers. Also, some LNGOs attended consultations mainly to listen and observe rather than to actively participate, as many were unfamiliar with the issues and methodologies.
- ❑ MOs were formally invited by government to provide comments on the plans at all levels. However, their role in policy was extremely modest and far from being pro-active.
- ❑ CBOs were not officially recognized as legitimate stakeholders in the planning process especially at national level. They were present only in local consultations conducted by international NGOs.

The overall assessment can be summarized as follows:

- ❑ There has been more active engagement by CSOs/NGOs in the SEDP2, compared to the earlier CPRGS process;
- ❑ CSO participation still remains restricted and reliant on active INGOs and donor groups;
- ❑ The legal framework is insufficient to really facilitate CSO participation;
- ❑ Local CSOs are not yet prepared to raise specific agendas or issues for advocacy and lobbying.

Main constraints: Overall, there are two main constraints that limit the participation of local CSOs:

- ❑ Lack of a clear and supportive legal framework that enables and promotes CSOs' participation; and
- ❑ Weak capacity of local CSOs in representing the interests of the poor and uplifting the

voices of the poor to policy dialogue at different levels.

Lack of a supportive legal framework, characterized by the following:

- ❑ **Traditional government planning** in Vietnam that has been limited to within the government bureaucracy. Consultations are held only within the Government, with Mass Organizations, and within the Party. Local NGOs are not involved, and thus they have no experience with government planning processes. On the other hand, there is little incentive or pressure within government to involve civil society.
- ❑ **Insufficient legal framework.** While there are discrete policies to assist civil society participation in decision-making and planning, they are insufficient as a legal framework. For instance, the documents do not clearly indicate the extent to which CSOs can participate, and this is one of the many “gray areas” of the policy.
- ❑ **NGO influence.** In certain programs, NGOs provide funding and technical support, but their main contribution has been in influencing the very way in which government programs operate, such as in their introduction of participatory approaches, which has come to be recognized by government.

For CSOs/NGOs to get more involved in the PRSP process there is need to improve the policy environment, particularly the legal framework for CSOs/NGOs, as well as to ensure that this policy is implemented. However, there is need for NGOs and MOs to pressure government for such policy.

Limited capacity of local NGOs & CBOs, described as follows:

- ❑ A large number of LNGOs have emerged only recently, and their first priority is to maintain the organizations;
- ❑ Lack of interest and incentive in doing policy work and M&E;

- ❑ Lack of capacity in doing research and studies to provide supporting evidence for criticisms and policy proposals;
- ❑ Weak capacity in advocacy and lobby in policy debate;
- ❑ Lack of cooperation, networks, alliances among CSOs;
- ❑ Few CSOs exist in the poorer regions.

While local NGOs are only in their infancy, international NGOs have been more active in PRSP processes, as they have had longer experience in working in Vietnam especially at the policy level. Moreover, INGOs have ready resources and can attract more experienced local staff, while LNGOs cannot afford to pay competitive wages for good staff. Finally, the legal framework in Vietnam is more open for INGOs, rather than for local NGOs.

How to promote and strengthen the participation of CSOs in the SEDP2 process?

- ❑ Advocate with the Government to create an enabling environment for local CSOs to be an equal partner in policy-making;
- ❑ Provide capacity building support to the emerging local CSOs so that they can be strengthened to gradually take over the functions of policy work and M&E.

Three suggestions from Oxfam-GB:

- ❑ CSOs/NGOs should focus on those areas and sectors that impact most on the poor, and where they have specific expertise.
- ❑ CSOs/NGOs should engage in advocacy in those areas where it can be done, and not necessarily at central government level only.
- ❑ CSOs/NGOs should be selective, and take advantage of one’s own position, in terms of engaging with government on policy issues. For instance, MOs can use their relationship with members of the National Assembly, while VUSTA has delegates to the National Assembly.

Lao PDR

Country context. In 1986 the Lao government adopted the “New Economic Mechanism” to move the economy towards a market-based approach. Today, while economic growth has been strong and stable, Laos remains among the least developed countries (LDCs) and relies on foreign aid for a significant portion of its national budget. Some 39% of the population lives below poverty line and the share of the poorest quintile in national consumption is decreasing. The public service, like that in many other poor countries, is characterised by weak governance, low salaries, endemic corruption, and poor management.

PRSP process. PRSPs refer to a series of planning documents:

- ❑ Ten Year Socio-Economic Development Strategy 2001 – 2010
- ❑ National Growth and Poverty Eradication Strategy (NGPES) 2003
- ❑ 6th National Socio-Economic Development Plan (NSED) 2006

The PRSP in Lao PDR was localized as the NGPES that was approved in June 2003. It has since been superseded by the sixth NSED, approved in 2006.

NGPES Strengths:

- ❑ Participatory Poverty Assessments
- ❑ Focused attention on 47 poorest out of 72 poor districts
- ❑ Donor-assisted
- ❑ Consultations took place
- ❑ Seen by many as a basically sound document

NGPES Weaknesses:

- ❑ No budget allocation or indicators
- ❑ Donor assisted
- ❑ Consultations were limited
- ❑ Unclear what NGO input was included
- ❑ No real framework for implementation

- ❑ No CSO participation in M&E provided for **Civil society input into PRSPs** has been very limited, summarized as follows:
- ❑ About 20 INGOs were “consulted” for NGPES
- ❑ PPAs carried out by ADB in 2000 were included in NGPES
- ❑ About 20 INGOs were “consulted” for NSED
- ❑ Joint INGO Statement on Governance for 6th NSED (from Governance Working Group)

Consultations with INGOs were often held through a forum at which a draft of the strategy was presented for comments. Some participants felt that there was little opportunity for real input, as dialogue was altogether limited at these meetings, which had a succession of presentations with little time for comments or discussion. On the other hand, no local NGOs or CBOs have been included in the formulation processes of the NGPES or NSED.

Civil society context. A wider conception of civil society is perhaps better suited to the Lao context, allowing more flexibility in what may constitute civil society, based on their current and potential role in development:

- ❑ **Mass organizations (MOs):** When government mentions civil society, it often refers to mass organizations (e.g., Women’s Union, Lao Federation of Trade Unions) that sit firmly within the government and/or Party framework. They are able to reach a large percentage of the Lao population through their district and village level offices, and are often chosen as counterparts to work with INGOs and other development partners on the implementation of projects.
- ❑ **Lao Buddhist Association:** The temple still plays a leading role in the village life of ethnic Lao. The Lao Buddhist Association is active in promoting civic virtues and supports development initiatives of INGOs and the

Ministry of Health on HIV prevention activities.

- ❑ **Lao Non Profit Associations (NPAs):** This is a relatively new, diverse group of organizations, set up in response to the creation of the Lao Union of Science and Engineering Associations (LUSEA), a body which is based in the Prime Minister's Office and authorized to register Non-Profit Associations (NPAs). They are quite a diverse grouping of (currently about 24) organizations: professional associations, development organizations and charities.
- ❑ **Other Groups:** These are generally of two types: (a) organizations registered under ministries, while managing to remain largely independent; and (b) Lao local groups set up under INGOs, some of whom are now applying for independent status as NPAs.
- ❑ **CBOs/Farmers Associations/Credit Groups:** These are informal groups at the local level established by people, but without formal legal status.
- ❑ **Private Sector:** There are many private enterprises in Laos that have a strong development link. The choice to set up businesses rather than NGOs was made on the basis of being easier. Sometimes, the business has a clear development slant or actually runs cooperatives or non-profit development activities under the umbrella of the business.

Coordination and networking among groups. Because of the restrictive policy environment in Laos, there has been very little coordination between local organizations. International NGOs, on the other hand, coordinate with each other through monthly meetings but with no formalized network structure. The *INGO and Donor Liaison Project*, which started in January 2005, informally links different groups through a website; monthly, sectoral and ad hoc meetings; and through regular information updates via email.

Currently, coordination among donors is done through quarterly Donor Meetings and eight Donor Theme Groups facilitated by UNDP. INGOs are invited to most donor meetings and many donors use the *INGO and Donor Liaison Project* to liaise with INGOs. Meanwhile, INGOs are looking for more ways to work with local organizations.

Lack of a legal framework. There is still no legal framework for Lao organizations (other than those institutions already included by the government such as MOs and the academe) to participate in the formulation or monitoring and evaluation of policies. Capacity in the public arena to understand and critique government policy and achievements is extremely low and the government is sensitive to criticism so that even where the capacity exists, people are unwilling to comment publicly.

A government body called LUSEA has been created with the right to register non-profit associations. However, these "associations" should be "science organizations", that need to show the "science basis" of their work. Hence, some CBOs that have been organized by INGOs have now registered as "science" associations, engaged in training or research. But the choices that NGOs and CBOs face is whether to register at all, or to work outside the "sight" of government. The practical question that CSOs/NGOs ask themselves is whether to seek legal status, or to just work within the given cultural environment.

It will be very difficult for CSOs/NGOs to engage in PRSP monitoring in Lao PDR, simply because there is no access to information, or the information is not available at all. Most NGOs have no legal status, and anything seen as "activism" would be problematic. Even INGO networks remain "informal", as there is no legal status for "networks". Many groups

prefer not to promote themselves too much, to draw attention to them. Everything has to be done “step-by-step”.

Possible interventions to promote CSO/NGO participation:

- ❑ Identification of civil society in Laos
- ❑ Support to NPAs and other CSOs
- ❑ Support CSOs to network with each other
- ❑ Invite CSOs to INGO sector working groups
- ❑ Inclusion of private sector
- ❑ Donors to have Participation Action Plans
- ❑ Improvement of national data
- ❑ Dialogue with and support to government

Bangladesh

Country context. Bangladesh is a country of 140 million people living in an area smaller than Cambodia. Its external debt is about USD20B, of which about 80% is owed to World Bank and ADB. The country continues to borrow money to pay for past loans. In 2005, Bangladesh obtained new loans amounting to USD907 M, but paid USD1.1 B in debt servicing for the same period. The country continues to access so-called concessional or “soft loans”, and thus it has been forced to accept loan conditionalities, including a PRSP. Government has claimed that the PRSP formulated in 2005 has been: (a) based on broad participation; and (b) based on country ownership.

The PRSP. The PRSP of Bangladesh entitled “*Unlocking the Potential: National Strategy for Accelerated Poverty Reduction*” was approved in October 2005. It was finalized after a concluding round of consultations with the Parliament, development partners, CSOs, academics, NGOs, media representatives, eminent persons, and different groups of the poor (fishermen, farmers, industrial workers, adivasis/ethnic minorities, etc). PRS formulators termed the “face-to-face” consultations as the “first of its

kind in Bangladesh for formulating policies for poverty reduction”.

Main NGO critiques of the PRSP & the process:

- ❑ The question raised is: “were the poor adequately informed, or did they participate just to validate?” Critics do not agree with the PRS formulators who say that wide ranging and informed consultations took place in the process of the PRSP formulation.
- ❑ The PRS is not a home-grown idea; the World Bank and IMF make it obligatory for countries like Bangladesh that access “soft-term” money;
- ❑ Wrongs done with the investment strategies of these institutions are not questioned in the PRSP, but are endorsed in it. (Examples may include support for industrial plantations for producing pulpwood that destroys forests and displaces upland communities, and support for investments in aquaculture that destroy mangroves.)

Next steps, need for effective monitoring:

What is needed most, as also agreed by the donors and the PRS formulators, is effective monitoring of PRSP implementation in Bangladesh. For monitoring, the CSOs and the media can pay particular attention to the following thematic areas:

- ❑ Privatization, inflow of foreign direct investments (FDIs) and suppliers’ credits;
- ❑ Biotechnology;
- ❑ Diversification in crop production and non-farm sector growth;
- ❑ Diversification of the export sector;
- ❑ Environmental quality;
- ❑ Access to justice;
- ❑ Access to resources;
- ❑ Access to information and customized knowledge;
- ❑ Participation and empowerment of the disadvantaged and marginalized groups such as the disabled, ethnic minorities and environmental refugees;

- ❑ Governance (at local, regional and national levels);
- ❑ Budget analysis and tracking (public spending in education, health, sanitation and safe water, nutrition and social interventions with the aim of human development of the poor);
- ❑ People's participation and people's organization; and
- ❑ Environment and sustainability.

DISCUSSION OF KEY ISSUES

Different NGO perspectives on the "big picture"

Discussions show that NGOs differ in their view of PRSPs within the "bigger picture" – seeing the broader contexts and processes in which PRSPs are formulated and implemented. Thus, there have been a range of NGO responses:

"Ignore": On the one end, many NGOs remain skeptical of the PRSPs as mere "donor conditionalities," with the view that PRSPs merely continue the much-criticized structural adjustment policies of the past, and that CSOs/NGOs actually have very limited opportunities to impact on the design or implementation of macroeconomic policies. Thus, some NGOs such as those in Bangladesh, have chosen not to participate in PRSP processes, with the key question: to what extent are CSOs really addressing donor conditionalities in the PRSPs?

"Question": Others, however, question the sincerity and capacity of governments to give top priority to efforts at poverty reduction and redistribution, while mentioning that the highly restricted political environment, such as in Lao PDR, makes it very difficult for CSOs/NGOs to participate and to work for social and political change from within. Thus, some questions raised are:

- ❑ How important are PRSPs to real government decision-making?
- ❑ Do we agree with the contents of the PRSPs, to push for its implementation and monitoring?
- ❑ Should we encourage CSOs to spend a lot of energy on PRSPs?

"Engage": On the other hand, many CSOs/NGOs who are already actively engaged in the PRSP processes acknowledge that, despite the issues raised, PRSP processes do offer ample opportunities – for influencing strategic public policy, for mobilizing communities and stakeholders, and for gaining official recognition and policy support from government. In some countries such as Vietnam, despite the restricted policy environment for civil society, many NGOs do believe in the government's political will and efforts to reduce poverty. In many cases, such as in Cambodia, CSOs/NGOs also do bring to the discussions a wealth of grassroots experience and practical approaches that could contribute significantly to strategies in combating poverty. However, the questions they raise relate more towards improving the engagement between civil society and government:

- ❑ How do we ensure that the voices of civil society are heard?
- ❑ How much of what is said and contributed by CSOs/NGOs is actually incorporated into PRSPs and programs?
- ❑ Is there a way to connect policy involvement with direct implementation?
- ❑ What has been the impact of CSO advocacy and monitoring on PRSPs? Do we make a difference?

"Use the space": Still, for most NGOs, the real task at hand is to build more participatory and accountable systems of governance. Hence, the question is not only whether PRSPs do make a significant difference in government-led poverty reduction strategies, but also: how should CSOs/NGOs make use of that space created by PRSP processes? The PRSP is seen

as only one of several avenues for CSOs to engage governments and donors. Thus, the discussions revealed a wider range of CSO/NGO strategies, approaches and plans, as shown by the following examples:

- ❑ Doing poverty studies and systematic, participatory monitoring in selected villages (CEDAC)
- ❑ Implementing and scaling up those alternative development models that NGOs/CSOs advocate for, such as family-based sustainable agriculture – as a counter-argument vis-a-vis government plantation models;
- ❑ Influencing not just the PRSP document, but the government planning process itself – by supporting local planning, assisting CSOs, and supporting people’s councils in order to improve the quality of participation at the local level;
- ❑ Engaging civil society and government in discussions on policies, laws and regulations related to local NGOs and “non-profits”, as well as the rights to association and organization;
- ❑ Developing “pilot demonstrations” of grass-roots democracy at work, such as by conducting local consultations and dialogues, and creating specific spaces and opportunities for people and groups to work together.

Two key issues and challenges. The roundtable discussions identified two overall constraints and challenges for CSOs/NGOs engagement vis-a-vis PRSPs and related processes:

- ❑ Need to create a more enabling policy environment; and
- ❑ Need to build and strengthen the capacity of civil society organizations.

Policy environment for CSOs. PRSP countries are often marked by the lack of democratic systems of governance, a restrictive policy environment and generally weak civil society institutions. Hence, in Asian countries such as Vietnam, Lao PDR and Cambodia it is the

international NGOs who have taken the initiative for engaging government and donors in the PRSP process. While some countries do recognize INGOs and mass organizations, there is an overall lack of legal recognition of local CSOs and community-based organizations.

Moreover, participation is often hampered by the lack of formal mechanisms for civil society participation, poor facilitation among CSOs and government, hierarchical structures, highly centralized systems of planning, and bureaucratic attitudes that lack appreciation for CSO contributions.

Addressing this situation will require simultaneous action on two fronts: one, strengthening the role of civil society through their direct engagement with government and donors; and two, advocating for a legal and enabling framework that facilitates CSO participation. Some general areas for work include:

- ❑ Mobilizing CSOs to engage in the PRSP formulation & monitoring process, in ways that make government and donors responsive to critiques and suggestions that emerge;
- ❑ Educating the bureaucracy, including on a common definition and on methodologies/systems for “participation”;
- ❑ Addressing the constraints faced by the NGOs/CSOs in participating in official planning processes – i.e., the need for networking, information-sharing, consensus-building, and knowledge/skills training on topics such as on government planning and budgeting processes;
- ❑ Advocating for an enabling legal framework, not only on formal registration but one that facilitates CSO participation;
- ❑ Addressing the lack of CSO access to information, as the ability of NGOs/CSOs to engage in PRSP monitoring is limited by lack of data provided by government;
- ❑ Providing a linkage between realities at grass-roots level and planners and policymakers;

this includes working for more decentralized systems of planning and governance.

The task of creating a more enabling policy environment may require new skills and approaches from NGOs/CSOs who will have to find their own ways of working together and influencing policy within their particular country contexts. However, there is a huge potential for cross-country learning. At the regional level, a more constant exchange of information, as well as the documentation of “good practices” could open up NGOs/CSOs to new possibilities. Cross-country exchanges, including study tours, should include both government officials and NGOs/CSOs, to learn from countries with more open policy environments – to examine, e.g., the legal framework for NGOs, or participatory approaches in development planning.

Capacity building of CSOs. Another major task in many countries is to build and strengthen civil society organizations – with the capacity to engage in dialogue with the public, as well as with policymakers and bureaucrats in government. In PRSP countries such as Vietnam, Lao PDR, and Cambodia, local NGOs and CSOs are still not well prepared to play their role in the political arena – because of the restrictive policy environment, as well as their lack of organizational capacities and skills. In other PRSP countries with a strong NGO sector such as Bangladesh, deep political divisions among the NGO ranks affect their capacity to work around common platforms and agendas.

The task of CSO capacity-building will need to look beyond PRSPs, and will require work along the following general areas:

- ❑ Building strong networking among international organizations, local NGOs and CBOs; improving their coordination in order to influence the government’s planning process;

- ❑ Increasing the capacities and opportunities for local CSOs to engage with policymakers through advocacy and dialogue;
- ❑ Regular information-sharing;
- ❑ Improving the capacity of NGOs/CSOs on certain “hard skills” – for instance, for undertaking systematic monitoring of programs related to PRSP implementation; these skills should always be provided well in advance, such as on the types of research needed to reflect the needs and views of people at the local level;
- ❑ Finally, a more conscious and concerted effort by international NGOs to support and assist local NGOs and CBOs, as independent and autonomous organizations.

NEXT STEPS, **F**UTURE ACTIVITIES

In Cambodia, specific plans include:

- ❑ Produce a *parallel CSO report* that will focus on particular sectors, e.g., agriculture, health and education. There is a plan to include a report on government budgets, although it is not yet fully clear as to what shape this report will take, and which CSO partners will be involved. For this, it would be useful to know how similar reports have been done in other countries. We would benefit from a “toolbox” or a visit to another country to see how things are being done. (NGO Forum)
- ❑ Revise the *NGO Statement to the GDCC* in June 2006. (NGO Forum)
- ❑ Continue with the publication of *Cambodian Development Watch*, which has been an effective tool to inform NGOs on the work of the Technical Working Groups and in monitoring PRSP processes. (NGO Forum)
- ❑ Upscale the process and coverage of the *Citizens’ Rating Report on Cambodia* to include feedback up to the commune level. (NGO Forum)
- ❑ Support the parallel CSO report, by providing information on agriculture. We will continue

with the ongoing systematic monitoring of 100-200 villages. We plan to publish an annual report on agriculture. (CEDAC)

- ❑ Cooperate with NGO Forum on the sectoral issue of “labor rights” because this issue has not been included in the PRSP. There is also a need to build up CSO/NGO capacities for advocacy, lobbying and policy analysis. (STAR Kampuchea)

In Vietnam, there seems to be a consensus among INGOs that opportunities do exist for CSO involvement in the PRSP process. However, since the SEDP2 document is already in place, the focus of involvement needs to shift towards:

- ❑ Implementation of SEDP2, which the National Assembly is set to approve. NGOs should now focus on how to influence the planning system at sub-national levels, as well as the formulation of policies within the plan.
- ❑ Local participatory planning processes for the formulation of village and commune development plans for poverty reduction. We want to ensure that these plans are supported by national budgets, as they need recognition and support to ensure their sustainability.
- ❑ Support for key sectoral plans, such as on agriculture, health and education.
- ❑ How to mitigate the impacts of WTO and TRIPS on the poor, since Vietnam is set to join the WTO.

Other plans include:

- ❑ INGOs have initiated an informal working group on people’s participation and grassroots democracy. A mapping is being done on grassroots participatory models, while CIVICUS will prepare a report on civil society in Vietnam.
- ❑ INGOs, including Oxfam-GB, are now part of a drafting group for a policy or decree on CBOs.

- ❑ Support for a local NGO network, although there is still a long way to go in terms of capacity building for LNGOs.
- ❑ Discuss issues related to CSO/NGO involvement in M&E, especially for the provincial level, at the second APPS network meeting. (VUSTA)
- ❑ Upload information related to PRSP work on our websites. (VUSTA, VACVINA)

In Lao PDR, the focus is on how INGOs can better support local NGOs in Laos, and share/discuss ideas on what concrete steps are feasible within the Lao context. One of our planned activities is a national symposium on civil society in Laos. (INGO Liaison Project)

In Bangladesh, since SEHD is focused mainly on investigative research and media, we cannot do anything specific on the PRSP. Instead, we will continue to focus on vulnerable groups (i.e., plantation workers, indigenous communities) and will investigate related issues (e.g., coal-mining) through the local press. Aside from news reports, we also prepare case studies, publications and documentary films that we can repackage, translate and share with others. (SEHD)

ANGOC’s related and follow-up work for the region will continue to focus on broadening the political space and improving the policy environment for NGOs/CSOs, through three themes:

- ❑ **Capacity-building** activities that include:
 - (a) a regional training course on Participatory Local Governance (Aug-Sep 2006);
 - (b) internships and study tours (from both NGOs and government); and
 - (c) “best practice” sourcebooks on a range of topics (e.g., participatory approaches, access to land and common property resources, marketing of organic products, building rural people’s organizations, etc.)

- ❑ **Networking** activities to open up spaces for CSOs/NGOs to dialogue with international financial and intergovernmental institutions (ADB, WB, FAO, IFAD)
- ❑ **Policy work:** to share the outputs of this workshop in upcoming events, including the WB-IMF Annual Meeting (Singapore, Sept. 2006), the Special Forum on World Food Summit +10, and in ongoing country processes.

FEEDBACK ON THE WORKSHOP

The discussions provided participants an opportunity to know colleagues working in other countries in Asia, and to learn what they are doing. A point of interest was in noting how similar are the processes and contexts that CSOs are going through, although they may be engaged in different stages of the PRSP process.

Some specific comments from participants:

- ❑ Through the discussions, we now know where we are; but where do we go together (directions for the future)? (*Hok Bun Thoeun*)
- ❑ This was an opportunity to learn from other Asian countries. I appreciate my colleagues from Cambodia who have expressed commitment to be part of future (PRSP-related) activities. (*Ek Siden*)
- ❑ Our output in terms of next steps is still vague, as is often the circumstance of a short conference... What do we do from this point onward, and how can ANGOC guide us a bit to ensure that we follow-up? We are also interested in other things (that were mentioned), like land mapping of indigenous people's ancestral domains. (*Russell Peterson*)
- ❑ This has been very informative and helpful. I hope that we keep close contact with participants at this meeting to share information and experiences... (*Ha Minh Trung*)
- ❑ This RTD has been an opportunity to know more from colleagues, to learn about what they are doing with the PRSPs... (However), time has been too short for us to discuss concrete learnings from experiences... We've only had the first taste of what we need to investigate further for learning purposes. (*Nguyen Thi Le Hoa*)
- ❑ Very interested in learning about experiences from Laos and Cambodia, especially in monitoring and advocacy. Although conditions for local Vietnamese NGOs is quite difficult, we are still luckier than maybe Laos and Cambodia, a motivation to continue our work in Vietnam. (*Ho Thi Thuy Linh*)
- ❑ In Laos there hasn't been any real space for dialogue. It has been a real lesson to see how Cambodia and Vietnam have really used the PRSPs to create space... Laos could start to develop dialogues. (*Lorraine Bramwell*)
- ❑ This has been an opportunity to discover partners – not only to learn from past lessons, but to be able to continue communication exchanges for further action. (*Prak Sereyvath*)
- ❑ I hope that in the future, we will be able to develop short- and long-term plans for improvement of the PRSP process – including implementation, M&E, and improving the policy environment in our respective countries. We will continue to discuss with ANGOC on how to work on land issues, to hopefully contribute to the PRSP process. (*Nhek Sarin*)
- ❑ It has been a great opportunity to come to Cambodia, and to learn more about the region. (*Philip Gain*)
- ❑ Over the past few years, there has been a “turning point” to become more open to such processes as PRSPs... that we should not immediately take a skeptical view that PRSPs are meaningless as another instrument of international financial institutions. Our discussions here have verified that more groups have taken a more pragmatic view, and that there is a whole range of responses. Looking beyond PRSPs into national development

planning exercises can provide that opportunity to influence policies that ultimately reduce poverty... Fruitful and full discussion.
(Tina Liamzon)

- Very fruitful discussions in a very relaxed atmosphere. Later, as we start to discuss implementation details, I would also be interested in learning/sharing some of our field experiences such as conflict resolution between farmers and indigenous communities, or developing community registry systems to protect against plant patenting. Even as we push for policy reforms at the national level, we will face very practical issues on the field that will require new approaches, capacities and skills. *(Tony Quizon)*
- We will continue to share information on work in the region, and share in the collective responsibility to follow-up on this (PRSP) initiative. *(Don Marquez)* ■