

# **Evaluation of SDC's Bilateral Engagement in the Poverty Reduction Strategy Paper (PRSP) Process**

## **PART 1: SDC wide survey**

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## **A note on the SDC wide survey in the context of the Evaluation of Swiss Bilateral Engagement in the PRS Process.**

*The SDC wide survey is the first component of this evaluation. It is a mapping exercise, designed to reveal the extent and type of current activity on the PRSP process and to explore the motivations for engagement and the opportunities and risks for SDC for the future. This means that if issues were not raised by interviewees they will not appear in the survey - gender, for instance, is notable by its absence.*

*The survey, along with four case studies in the Kyrgyz Republic, Burkina Faso, Nicaragua and Vietnam and a review of other donors' engagement will be analysed in a synthesis report.*

*The survey report has benefited from comments made on earlier drafts which were posted on the IntraWeb and from a discussion with the CLP (Core Learning Partnership) for this evaluation. The whole evaluation team is extremely grateful to SDC staff for their inputs to this survey – both through interviews, provision of documents and comments. If you have further comments we would be pleased to take them into account but would need to receive them by early March 2003. Please contact Richard Gerster [richard.gerster@gersterconsulting.ch](mailto:richard.gerster@gersterconsulting.ch) or Judith Randel [judith@devinit.org](mailto:judith@devinit.org)*

## Main observations from the SDC wide survey

1. There is a very strong awareness of Switzerland as a small donor, unable to respond to all global initiatives but needing to ensure that it is distinctive and visible, not marginalised. For some people this leads to a strong focus on questions of comparative advantage.
2. 'Influencing the process' is overwhelmingly given as the purpose and method of Swiss involvement with PRSPs. This gets more attention than the content of the PRSPs.
3. There is a lot of variation between countries in the priority given to the PRSP process. Individual interest and country-specific opportunities determine the scale and type of involvement.
4. In practice, decision making on SDC involvement in a PRSP is perceived as bottom-up. The type of engagement will be determined by an assessment of the quality of the PRSP process, the capacity and resources available to the Coordination Office, and perceived strengths/expertise of the Swiss programme.
5. There is some demand for a more coherent, overall policy to be set down for Swiss engagement with PRSPs. This would provide a framework for country programmes to assess the costs and benefits of engagement.
6. But there are differences of view about the value and importance of an SDC-wide policy on engagement with the PRSP process. While some people – mostly those who would like to see stronger engagement with mainstream policy – would welcome a more prescriptive policy, others are doubtful of its value. More senior staff tend to see PRSPs through a wide-angle lens, as one among many policy paradigms. They emphasise guidance about strategic thinking on Swiss value-added in specific country situations.
7. There is a strong synergy perceived between Swiss and PRSP objectives and approaches to poverty reduction. However there are also contradictions here. Despite a widely held view that PRSPs are only putting into practice an approach which has been advocated by SDC for decades, PRSPs are not widely perceived as offering opportunities to promote the Swiss priorities of ownership and authenticity. Lack of ownership and concerns about authenticity figure only in comments on weaknesses.
8. While engagement with like-minded donors is most often cited as the main way that Switzerland can influence the PRSP, there are also compelling examples of ways that Switzerland has used its flexibility and independence to work outside the donor-mainstream.
9. PRSPs have not resulted in dramatic changes in the scale or nature of dialogue with governments. They have added to dialogue already taking place, particularly around sectors and process. This is seen as a product of the stage of the PRS process - when the focus moves to implementation, there will be more opportunity

for Switzerland to use its grassroots links to monitor what is happening at field level and bring that experience to bear in national and international forums.

10. SDC does not see itself as having a strong role in broad economic policy and public finance. It tends to focus on niches of expertise or the process. Seco's involvement is based on the broad areas of budget and debt relief and there are some calls for SDC to provide stronger sectoral input to them.
11. There is little prospect that major changes in the PRSP process can ever be attributed to Swiss interventions, as it is a small player in a complex process.
12. Implications of the PRSP process for SDC structure and management have not been taken fully on board. Staff report changes in work practice and skills, lack of resources, labour intensive processes (large numbers of meetings to attend) and the need to address issues like information and communications. At the same time, there is a view that if SDC is really going to promote government ownership, it needs to stand back, be willing to work at the pace of the host economy and allow space for local democratic processes and play to its advantage of long term engagement.
13. There is little engagement by Switzerland with NGOs in-country or internationally on PRSPs.
14. The main reasons for positive assessments of Swiss involvement with PRSPs are:
  - the fact that poverty reduction is a central issue again (also for the World Bank, & International Monetary Fund);
  - the focus on policy and budget dialogue;
  - the linkage of sectoral and national priorities;
  - the possibility for one frame of reference for all stakeholders; this gives donors the opportunity to position themselves clearly and improve their co-ordination;
  - the transparency they can offer, especially in relation to the allocation of public expenditures;
  - the direct linking of poverty and economic policies;
  - the opportunities which PRSPs can generate, particularly in donor co-ordination and harmonisation.
15. Main criticisms of PRSPs focus on:
  - process related issues such as participation, ownership and capacities (e.g. the role of parliaments);
  - limited institutional capacities as well high time pressure;
  - vested interests;
  - fear of change in long term priorities (PRSPs might disappear, becoming just another trend/wave);
  - ideological (in spite of all efforts, the process ultimately still is donor-driven and imposed by Northern countries and represents their values);
  - high and therefore unrealistic ambitions (e.g. time frame, expected growth).

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# 1 Introduction

## 1.1 Methodology

Based on the approach paper<sup>1</sup> and the terms of reference, TOR, a **standard questionnaire** in English and French was developed and slightly revised after a pilot interview. A shortened version was used for the interviews in Berne (see Annex 2 for the English and Annex 3 for the French version), leaving out questions targeted to explore the relationships with governments and donors, which will be addressed in the four case studies<sup>2</sup>. Fact finding, as basis for the survey in general and the preparation for the interviews specifically comprised a process of four steps:

1. An initial mail (see Annex 4), **informing the interview partners** (see Annex 5) about the process was sent out by SDC's Evaluation & Controlling Unit in late June 2002. At the same time the contacted people were asked to submit any relevant documents, notes or studies for the preparation of the interviews.
2. During the following weeks **documents** (country programmes, internal notes etc.) were collected, read and classified as well as interview appointments made. The documents were viewed for any mentioning of PRSPs as well as poverty or strategic issues in general. This information was used to prepare individual questionnaires for the interviews. Quotes and issues from the submitted papers were taken and added to the questionnaire in order to have them individualised. They were then sent out to the interview partner usually one week ahead of the scheduled appointment.
3. Most of the **interviews** were conducted at the end of August and in early September. They were carried out either in German, English or French and lasted about 1,5 hrs on average. Usually an interview was being done with one person at the time, with some exceptions, where two people were involved. After the interview a protocol in English was written and sent to the interviewee, giving him/her an opportunity to complete or rephrase the document. In addition to the formal interviews, some informal talks were held at an internal SDC seminar.
4. The information gathered from the interviews and informal talks as well as the documents, was used as the basis a first **draft** of this survey. It was distributed to the interview partners as well as other SDC staff and also posted on SDC's intraweb. All staff was invited to comment on it. After a discussion of the draft as well as the comments, the final version of this survey was prepared.

This **survey** serves as the basis for the second (case studies in Kyrgyz Republic, Burkina Faso, Nicaragua, Vietnam) and third (synthesis) part of the evaluation.

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<sup>1</sup> The approach paper of June 13 2002 identified key questions in four areas (A. What is SDC doing and why; B. Is SDC doing it right; C. What does the PRSP process mean for SDC bilateral cooperation; D. Is SDC doing the right things right). Numbers in brackets in this evaluation relate to the questions listed in the approach paper.

<sup>2</sup> The second part of the evaluation consists of field missions to the following countries: Vietnam, Kyrgyz Republic, Burkina Faso, Nicaragua.

## 1.2 Statistics

Some numbers may illustrate the procedure described above. Altogether the **written documentation** consists of roughly 300 documents (most e-mails are not listed as individual documents). Thereof are 53 annual programmes and 17 country programmes (PPPs).

They have been recorded in a database according to certain criteria. The different kind of documents include:

- strategic documents such as the issue paper which was written for the Committee for Fundamental Issues (“Komitee für Grundsatzfragen”) or the joint brochure by SDC and the State Secretariat for Economic Affairs, seco<sup>3</sup>;
- official statements made in Washington (sometimes with various drafts),
- TOR from missions,
- conference reports and presentations,
- e-mail correspondence.

Regarding the personal **interviews**, a total of 24 formal interviews have been held in Bern at SDC headquarters: 13 interviews with desk officers and 11 interviews with staff from the thematic or multilateral divisions. In addition to that the opportunity of a workshop of SDC's Africa divisions, which took place at the beginning of September 2002 in Basel was taken for some informal talks. Further information was gathered on the occasion of an informal visit in Washington in October 2002.

## 1.3 Observations

A short qualitative assessment regarding people's reaction might provide some insight and illustrate later statements regarding the general view of PRSPs. Two extremes were identified in staff's reactions: people who seemed to instantly submit any document (incl. extensive e-mail correspondence) containing the PRSP acronym and others which submitted three annual programmes only after repeated insistence and personal follow-up. Keeping in mind the workload of coordination office (COOF) staff, the interviews were held in Bern, but involvement of COOF staff, as supplementary sources of information, was asked for in the initial mail. However this only happened in few cases, even though it has been stated frequently that COOF staff would have more information or another perspective on certain issues. Most of the requests for COOFs took place after the interview, when lack of information was identified.

## 2 Mapping of SDC activities

### 2.1 Motivation for engagement (A5)<sup>4</sup>

Generally the motivation for PRSP engagement is closely linked to the way PRSPs are assessed. There is no doubt that PRSPs are considered to be an important process in which SDC wants to be a player – not only for its own credibility, but also because PRSPs support harmonization efforts<sup>5</sup>. However it has also been stated re-

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<sup>3</sup> See bibliography, SDC 2001, SDC and seco.

<sup>4</sup> Numbers in brackets refer to the key questions identified in the issue paper of June 13 2002. The letter refers to the area and the number to the question within this area.

<sup>5</sup> Coordination of the international institutions is one of the objectives in SDC's international dialogue. SDC 2000 A.

peatedly that the PRSPs are not perfect. They have weaknesses, but improvement is only seen as possible through active engagement<sup>6</sup>. Therefore, the main reason for current active SDC involvement is **influencing the process** in favour of more democratic and civil society participation

Influencing is perceived as more than just taking part, it requires active involvement at country level and in the PRSP strategic process. This is supported by the fact that both the operational and thematic divisions see the opportunity to make an impact as one of the main reasons to get involved in the process. PRSP involvement is seen as a process-oriented approach, i.e. the opportunities this process offers (both in terms of influencing the process itself and as a result its output) are more important than the 'finished' product of a PRSP document. This should be seen in the context of a general perception that the most important part of the PRSP process is yet to come in the implementation.

#### **Bolivia – influencing the process**

After participating in all relevant meetings, SDC decided to opt out in the last phase (this is an agreed possibility among the members of the informal bilateral network). This isolated initiative has to do with the will to avoid interference in the last stage of the PRSP formulation. Still, SDC contributed with an external general (strategic) analysis of the PRSP draft made by a Swiss NGO.

Other **central motives** to take part in the PRSP process whether in government-donor dialogue, consultations or in supporting local civil society, are:

- the opportunity for *linking with like-minded donors* (strengthening of existing links or creating new ones: e.g. in Albania, where linking with like-minded donors is the main motivation to start active involvement). For many this linking is motivated by the fact that Switzerland is a small player in most countries and would not be heard by itself<sup>7</sup>. At the same time participating in coordinated donor efforts makes it more difficult to maintain a profile or visibility;
- *improving SDC-government dialogue*; It should be noted that only 5 out of 13 countries in this survey had a PRSP-specific dialogue with the government<sup>8</sup> so this motivation could be interpreted as a perception that engagement with PRSPs offers an opportunity to improve dialogue with government;
- the prospect of having *one national strategy* and linking sectoral and national policies;
- a *timely opportunity* for SDC to reflect on some issues (input monitoring in Tanzania; number of projects in Bolivia);
- *opportunities* to address debt in the same framework as poverty were mentioned by only a couple of people, but were felt by these people to be very strong reasons for involvement.

Some people felt there was/is no choice but to participate: the PRSPs are a tool and as such have to be used. Whereas the **geographic divisions'** reasons rather reflected their experiences and the situation in the respective country, the **thematic divisions** focused more on the possibilities of active SDC involvement in the PRSP process on a strategic level. However in practice the same reasons are given for active engagement: influencing the process and links with like-minded donors. It is not

<sup>6</sup> Outlined in more detail in paragraph 3.3.

<sup>7</sup> However there are also a number of countries such as the Kyrgyz Republic, Nicaragua, Tanzania, Vietnam where SDC has a key role even though it is a small player in terms of budget. But the relevance in these countries is often limited to specific sectors, in which SDC has a proven track record.

<sup>8</sup> Bolivia, Burkina Faso, Mozambique, Tanzania, Vietnam.



surprising that many of the thematic divisions would like to see more attention being paid to 'their' area of involvement (e.g. stronger integration of environmental, employment, conflict issues in PRSPs). Therefore, while at first sight reasons for participation may seem to be context-specific, ultimately the strategic poverty focus that PRSPs offer is more relevant.

There are some countries where SDC did **not participate** in the PRSP process (A6). Since this is limited to a few countries<sup>9</sup> it needs to be looked at on a case-by-case basis. The main reasons for non-engagement are:

- *lack of resources*: for most countries this non-involvement (or merely observing the process) was said to happen due to a lack of resources. It includes both, the fact that resources simply were not (made) available as well as the notion that the amount of resources which would have been available was not perceived to be enough to have a substantial influence. This can be caused by the staff situation<sup>10</sup> in an individual COOF or the fact that in some countries the SDC COOF has only just been (re-)established (Azerbaijan, Rwanda).
- *lack of influence*: this is often seen in direct relation to the amount of resources, which were/are available.
- *strategic choice* in relation to other priorities (which then of course resulted in lack of resources for active engagement in the PRSP process).
- *lack of opportunity*, due to the closedness of the process (Kyrgyz Republic<sup>11</sup>, Niger).

Negative framework conditions or governance issues were only mentioned a few times and were not cited as major constraints. Nevertheless the general issue of how to deal with poor performers (Low income under stress countries, LICUS countries), has been brought up several times.

Several people stated that there are **no valid reasons** not to participate in the process. If the quality of the process is in doubt the least that should be done is to strengthen local partners to improve the PRSP process. If the PRSPs are not liked as an instrument then constructive criticism is appropriate. Fundamental criticism is only perceived as valid if it is part of active involvement, not from an observer's perspective.

Looking at the **decision making** for the engagement there is general agreement that theoretically all three stakeholders below are involved:

- SDC top management,
- programme staff at SDC headquarters,
- COOF staff.

However it is equally clear that on a **practical level** it is COOF staff who decide on the initial/actual involvement: they are in place, they have all the information about the process and they know the opportunities. Participation in a process is initiated by the COOFs. However ultimately engagement is a joint decision taken after discussion

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<sup>9</sup> Kyrgyz Republic, Tajikistan, Georgia, Albania, Mali, Niger, Rwanda; Azerbaijan (indirectly involved by supporting the process with a trust fund).

<sup>10</sup> Considering staff restrictions, they might be due to a high staff turnover, in which case a lot of resources are needed for new staff to get acquainted or also induced by the qualification of staff, e.g. in the case of Albania all three of the National Programme Officers are university graduates with no work experience who need a lot of training.

<sup>11</sup> On-going.

between the division (which decides on the general participation), the programme coordinator and COOF staff. Decision-makers in Bern however depend to a large extent on the information they have from the COOF. Therefore personal motivation and the interest of a coordinator in the PRSP process is highly relevant, since in practice, the decision-making is a bottom-up process. Compared to this approach seco's involvement is seen as more top-down. They are perceived to have more hierarchical structures and decisions by the management are implemented.

Many SDC staff perceive the role of SDC **top management** to be unclear. Formally they take the decisions (signing credit proposals, country programmes etc.), however it is felt that there is a lack of a fundamental strategic decision regarding PRSPs. They give the line with statements (such as at the Development Assistance Committee High Level Meeting, DAC HLM, in April 2001 – which seems to be the only binding statement by the top management and is quoted all the time<sup>12</sup>). Such statements create a basic, positive attitude, however they have no internal effects and no changes in structures take place. Implementation is often left up to the individual, but should be done jointly. Such individuality sometime leads to contradictory signals being sent out. The perception that SDC's engagement is driven by the initiative of individuals is shared by seco.

**Information** is a crucial factor in the decision making process (for a compilation on information see Annex 1, Matrix A). There are different information needs: programme staff in Bern needs enough knowledge to follow the process, whereas COOF staff need more specific information. The key issues on information are:

- *quantity*: with some exceptions SDC staff feel there are enough documents on PRSPs. Some people would like to see more (especially more specific things such as information on what formal statements should look like), others feel that there are too many (especially by COOFs and in the elaboration phase).
- *quality*: the fact that most official document are available only in English was mentioned several times is an additional difficulty (both at COOFs and in Bern<sup>13</sup>) – especially when documents arrive at short notice and are very long.<sup>14</sup>
- *sources*: SDC documents do not appear to be widely read. Official papers from the WB, or the PRSPs are read more frequently. Additional sources of information are documents produced by other (multilateral) institutions and networks. These are usually country or theme specific. Policy analysis by international NGOs was only mentioned once.
- *acquisition*: there are two approaches to information acquisition, active and passive. Both are used in the context of PRSPs. On the one hand the Multilateral Division distributes documents they consider important (both documents they produce themselves and from external sources such as the WB). On the other hand people actively search for documents themselves. This is more common in the thematic divisions. Generally people know whom/where to ask

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<sup>12</sup> La Suisse envisage d'utiliser le PRSP en liaison avec le CDF comme cadre de référence à long terme de sa coopération au développement. Elle souhaite contribuer au renforcement des aspects institutionnels dans cette perspective à long terme. Le CAD a un rôle à jouer en travaillant sur les questions de cohérence, d'harmonisation et de complémentarité.

<sup>13</sup> In the case of Bolivia, both the quantity and the fact that all official documents were in English were an important reason to mandate a consultant with PRSP issues.

<sup>14</sup> When speaking of language another issue has been raised: the fact that a chosen language (including specific phrasing) also gives a lot of information. E.g. the Kyrgyz PRSP would be phrased differently if it were a truly national document. Furthermore the questionnaire itself has also be commented upon in reflecting typical bilateral issues and specific values.

for more information on a specific topic. However it is difficult to ask for information whose existence is not known! Therefore one of the crucial questions is, whether the relevant information is at the right place at the right time.

Besides written data, information is also shared at **conferences, workshops and training sessions**. A variety of international conferences and workshops have been attended by SDC staff. These include conferences dealing exclusively with PRSPs (usually WB meetings attended by the Multilateral Division) and those at which PRSPs are one issue among many (such as general poverty workshops in various COOFs in Africa). Specific training usually does not happen – most people say that the entire PRSP process is learning on the job. Since PRSPs are highly context-specific, training is not seen as a necessity. PRSPs are integrated in various courses such as this year's coordinators' seminar, but not on a regular basis.

## **2.2 Partners in engagement (C3)**

Considering the respective societal structure with its distribution of power potential **partners** for SDC's engagement in the PRSP process are:

- national governments,
- civil society (traditional civil society such as associations, modern civil society such as NGOs; academia such as universities, research institutes – considering their roles in the power structure of the respective civil society),
- private sector,
- partnerships with other donors,
- engagement with multilaterals on the frameworks.

Partnerships have two aspects: what can SDC contribute and how can it benefit? In other words, what are the best ways to support the partner's initiatives and how can SDC best use its resources.

When looking at partnerships with the **governments**, SDC had, in some cases, already been engaged in policy dialogue on poverty reduction with the government before the PRSP process began (e.g. Mozambique with the Ministry of Planning and Finance). In other cases the PRSP dialogue is based on previous experiences in the respective

**SDC involvement – some numbers regarding dialogue with national governments**

13 programme officers were interviewed for this survey. Regarding SDC's involvement in PRSP-specific policy dialogue with the respective Government, six said, that it took place, leaving seven which said that no such specific dialogue took place (refer to paragraph 2.3 or Matrix B in the Annex for details).

countries, which means that it usually happens in the sector where SDC was recognised for its experience (e.g. health sector reform in Tanzania; urban development in Vietnam). In this situation most people felt that the PRSP process helped the dialogue, as it provided more opportunity to take advantage of SDC's experience and knowledge. General questions, such as financing, allocation of resources, are very often seen as too broad for SDC as a relatively small player. Active participation in the dialogue would take more resources than SDC can provide. It is generally agreed that these broader issues can only be addressed in collaboration with other donors.

In partnerships with the **civil society** NGOs are the most important partner. But this has to be put into perspective by looking at the two extremes such as Vietnam, which

does not have local independent NGOs (but where dialogue with international NGOs took place) and a country like Bolivia where NGOs are well organised. NGOs are seen as valuable partners because of their knowledge and understanding of the local poverty situation. This will also be important in the future, when the views of civil society on the impact of a PRSP will be important.

By and large the **private sector** is not (yet) considered to be a major partner or as having a lead role in the PRSP process in general. It is a topic which is raised every now and then (mostly in form of critical questions – why PRSPs focus on the state and civil society, when development also needs the private sector – and as one of the limitations of PRSPs). Three causes may be relevant: (1) The organised private sector might not be interested in participating in PRSP policy making; (2) SDC's lack of attention might be because generally private sector issues are mainly in seco's field of competence (however seco also criticises the lack of integration of private sector concerns in PRSPs); (3) Private sector involvement may be less important in the early stages of the PRSP process – but will become more important and might become a partner in future. This is supported by the fact that in Mozambique monitoring is planned to target the private sector. In this context a more pluralistic approach in the delivery of PRSPs is asked for.

In terms of collaboration with other **bilateral donors**, the majority of activities are undertaken in collaboration and isolated interventions are rare. The most important are the Nordic countries (especially Denmark, Norway and Sweden) as well as the Netherlands, UK and Germany. However established partnerships and networks also change according to interests (for more information on specific donor groups refer to 2.3). There are also examples where SDC is not part of the major donor group (Nicaragua) or where there are hardly any bilateral donors (Kyrgyz Republic), but where it is still considered to be important and consulted. When looking at coordinated interventions with other donors, the dilemma of keeping a profile as donor and being visible on one side and being integrated in the donor community on the other hand was raised. This is not seen by everyone as an 'either/or' choice. Instead, Switzerland should look strategically at its opportunities to add value in different situations and use its flexibility and independence from major donor groups as a strength. "Switzerland can be likeminded on political issues, as long as it really shares the views of other donors, but when it differs, it can operate independently. So Switzerland uses its comparative advantage to achieve political goals".

#### **Vietnam – donor coordination**

The Like-minded donor group (with active participation from SDC) has contributed to the development of new ODA management instruments. The like-minded donors are all involved in one or more co-financing initiatives (trust funds, co-financing, ...), which contribute to the harmonisation of procedures. They have set up a multi-donor trust fund in support of a capacity building programme in ODA management, and have also produced a glossary on ODA terms.

Obviously the **multilateral institutions** (foremost WB) are omnipresent partners. On one hand they are important in the strategic dialogue (which is the responsibility of the multilateral division), on the other hand they are important for the local process (as partner for the COOFs). In two cases there is an indication for closer collaboration with the WB also on project level (Kyrgyz Republic and Tajikistan). Some staff have pointed out the need for Switzerland to use its comparative advantages in field knowledge, long term engagement as a reliable government partner and grassroots work to inform multilateral policies and implementation. There is some frustration at

the opportunities missed by lack of detailed inputs from the field into policy. It was suggested for instance that SDC could play a role in promoting the links between environmental protection and poverty reduction and that sectoral criticisms should feed into macro economic engagement from seco.

Generally, geographical staff in Bern does not have much contact with multilateral institutions. However people from the thematic divisions are integrated in networks and organisations (such as the Community Empowerment and Social Inclusion Learning Programme of the World Bank Institute, CESI-WBI; Network on Poverty Reduction in DAC, POVNET-DAC; involvement in the OED-PRSP evaluation of the WB; United Nations Development Program, UNDP; World Food Programme, WFP; Food and Agriculture Organization of the United Nations, FAO; International Fund for Agricultural Development, IFAD) and also see such involvement as an opportunity to raise issues related to PRSPs.

**Thematic divisions – international and internal engagement**  
Social Development participates in the POV-NET to define DAC guidelines related to PRS approaches and it did the same for SDC operational guidelines.

**Locally active Swiss NGOs** were hardly ever involved in the PRSP processes. Often they are seen as partners on an operational level, for project implementation, but not for policy dialogue. In some cases they are informed about the process and have even taken part in SDC's workshops (Helvetas in Kyrgyzstan, Lesotho and Mozambique; Intercooperation in Madagascar). In Tanzania Swissaid was involved, but this happened independently from SDC activities.

**Madagascar – influence via the "back door"**  
There is no political SDC engagement in Madagascar, still the PRSP was influenced. The rural development programme, which is implemented by a Swiss NGO, has been recognised for its innovative approach and methodology. It not only inspired large rural development programmes from multilateral donors but also parts of the PRSP.

In **Switzerland**, regular annual individual discussions between SDC and all **Swiss NGOs** who receive a contribution to their foreign programmes take place. The relevance and relationship of PRSPs to NGO programmes has never been discussed in this context, and SDC did not take it up either. SDC considers that awareness and information on PRSPs among Swiss NGOs and their operational staff is weak. An exception is the Swiss Coalition of Development Organisations and its debt-unit, which has a SDC/seco mandate, which includes PRSPs. An information meeting on PRSPs took place in spring 2002 within the framework of a poverty forum, created jointly between SDC and a number of NGOs as part of their dialogue process. In the case of Central/Latin America, an informal exchange takes place on a regular basis. The last had PRSPs on its agenda and involvement and information was requested by the NGOs.

In the division of labour between SDC and **seco** (C7) the latter mainly focuses on economic policies. There is a certain overlap with SDC's thematic division of Employment and Income which concentrates more on the relationship of work, skills and knowledge and has an emphasis on the informal sector. Considering its area of competence, seco should be a key partner to provide inputs on the economic aspects of PRSPs. Currently seco works with PRSPs on two issues:

- *budget support*, where a PRSP is seen as the fundamental document for strategic support for economic reforms, with the overall goal of poverty reduction, accompanied by technical assistance, for example in the area of public financial management or revenue generation.
- *debt relief*: in the context of the HIPC initiative where debt relief is also based on the elaboration of PRSPs.

### 2.3 Extent of engagement (A1)

The extent of engagement not only depends on SDC's decision to participate, but also on the **situation in a country**. Apart from SDC's history and experience in a certain country, the local situation needs to be taken into consideration. In a country with little decentralisation and no local governments (such as Niger), it is much more difficult to find opportunities to engage. Also some processes were very closed (e.g. Kyrgyz Republic), while others were extremely open and involved a variety of actors (e.g. Nicaragua). At its extreme, participation can pose a problem, because of representativeness and reasons for selection of certain partners.

#### Lesotho – direct thematic input

SDC insisted that rural drinking water will be taken up as part of the PRSP. It also committed itself to finance the last part of the project.

For more details on the activities in the different countries refer to Annex 1, Matrix B.

It is possible to group responses to the survey into three degrees of engagement:

- active participation in the elaboration process,
- cohabitation 'froid'<sup>15</sup>,
- scepticism.

However, this does not capture the diversity of engagement nor the more political approach advocated by several respondents. This approach is much more pragmatic and based on a formal or informal analysis of Swiss comparative advantage and the strategic opportunities for influence in specific circumstances.

Looking at the interaction, more specifically the dialogue, SDC has with the above mentioned partners, it is notable that out of the 13 programme officers interviewed, seven<sup>16</sup> said that there was **no PRSP specific dialogue with the recipient country government**. Obviously this does not mean that there was no policy dialogue with the government. In many cases (such as Niger, Albania, Kyrgyz Republic) a regular dialogue takes place, but PRSPs have not been a part of it. Most of these also stated that the PRSP process was observed from a distance and that they were informed about it. Half of the countries which were engaged in PRSP-specific dialogue with the government explicitly reported that this process influenced the quality

#### Vietnam – SDC's input into the PRSP

A direct thematic input of SDC into the PRSP was the introduction, into the debate and into the document itself, of the urban poverty issue. This was achieved in a coordinated way through the Urban Forum – a working group of donors and Government agencies concerned with urban questions, lead by Switzerland.

<sup>15</sup> This term was introduced in an SDC internal working paper (Botti, p. 1).

<sup>16</sup> Adding this up with the five countries in which there was PRSP specific dialogue with the government, leaves one. In the case of Nicaragua the exchange with the government has been identified to be mostly information distributed by the government, therefore not really a dialogue.

of the dialogue in a positive way. The others did not comment on any change of quality in the dialogue. SDC mostly took part in the dialogue regarding specific sectors (such as health sector in Tanzania), and hardly ever in general discussions. The type of engagement is a result of different considerations including:

- *experience*: in which fields does SDC have a lot of knowledge?
- *credibility*: in which fields is SDC perceived as a valuable partner?
- *leverage*: where can SDC make a substantial contribution despite limited resources?

The dialogue with the government is usually closely linked to **the dialogue with other donors** or NGOs. A majority of countries is engaged in donor dialogue, very often in specific groups (e.g. budget groups in Burkina Faso and Mozambique, Informal Network in Bolivia). Such close working relationships are also underlined by the

#### **Bolivia – donor harmonization**

SDC is part of the informal bilateral cooperation network and is participating in various thematic donor groups. It undertook initiatives on harmonization and locally contributed to the harmonization of basket funding established under the CDF.

SDC supported also the participation of Bolivia in the DAC working group on donor harmonization.

fact that interventions are reported to be usually co-ordinated (in Vietnam a direct thematic input – the introduction of urban poverty issues in the PRSP – was achieved through the Urban Forum, a group of various donors lead by Switzerland). As a consequence, there are few, if any instances of a PRSP being reviewed specifically as a result of SDC input (in Lesotho the rural water sector was included due to direct SDC intervention). However there are several instances where contributions from the donor community were integrated during the process. In the case of Bolivia SDC thinks that the donor community has even had too much influence in the final phase of the process and that the document lost some of its authenticity. But since the processes involved are very complex, it is hard to say exactly who or what caused changes.

One possible area of engagement is the field of **research**. In this case activities carried out by SDC itself are virtually non existent. However SDC supports research which is directly related to PRSPs (e.g. one WB team which tries to integrate a conflict focus), as well as indirectly (esp. environmental issues, support for WWF; International Institute of Environment and Development; University of Bern, Centre for Development and Environment). A case where research has been done as a contribution to the PRSP is in Mozambique, where poverty profiles were created which were used for the analysis of poverty.

There are some generally recognised **success stories** (D5) in the history of PRSP processes (such as Bolivia, Tanzania). Are there also instances of SDC-related success stories? Obviously this depends on how success is defined.

#### **Tanzania – direct thematic input**

SDC has longstanding experience in health monitoring. The public health sector performance profile (overall costing of the health sector and recurrent costs) which is used, also provided a basis for costing sector in PRSP.

There are different perceptions of successful SDC engagement and interestingly cases which are labelled to be successes by 'outsiders', i.e. people who are not part of the process, are not necessarily seen to be such by the 'insiders'. Success has also been described as improvement or limiting the effects of weaknesses (therefore success depends on how weaknesses are defined!). In any case success is visible, i.e. it is perceptible influence and is achieved by:

- enabling participation and ensuring the inclusion of the civil society;

- creating change (e.g. more transparent dialogue, more good governance, more equitable allocation of funds);
  - making substantial contributions to the document;
  - sharing of same objectives among the donors;
  - supporting countries in the evaluation of their poverty;
  - using the moment to lead fundamental discussions.
- It is worth noting that ownership and/or authenticity do not figure on this list.

Considering that these are areas of criticism and perceived weakness they could also be expected to be among the criteria for success. This may be partly the result of the interview process – these issues were often mentioned in the course of the interview and therefore it may not have been felt necessary to highlight them again at this point.

When asked for **specific successes**, not many people were able to give concrete answers (Tanzania is the only case mentioned more than once). This can be attributed to the fact that most people only know 'their' PRSP and its process and are reluctant to assess others on this basis. Furthermore such personal involvement (without adequate comparable knowledge of other processes) makes it difficult to take an (objective) stand and therefore lead to reluctance to comment.

## 2.4 Content of engagement (A3)

The content of engagement is either **process or content oriented**. In either case it can be very difficult to assess and assign individual parts of a finished PRSP to specific interventions, especially when interventions happen as part of a co-operative effort and the final product is a result of numerous consultations. Out of the contributions which can be clearly attributed, SDC's contributions are both process (e.g. approach and methodology from the rural development programme, which is implemented by a Swiss NGO in Madagascar; monitoring system in the health sector in Tanzania, enhancing negotiation capacities of the government in Bolivia) and content oriented (skills development in Bolivia). Generally speaking, SDC has shown much more interest in the PRSP process – in the sense of the effectiveness of the poverty reduction policies and potential alternatives – than in its contents.

### SDC involvement – some numbers regarding participation in production of PRSPs

Taking written feedback into consideration, seven countries have not been involved in producing a specific PRSP. Four countries have been involved, whereas three countries have been indirectly involved (support via trust fund etc., refer to Matrix B in the Annex for details).

## 3 The PRSP process and SDC

### 3.1 The relationship between SDC's philosophy and PRSPs

**Poverty alleviation** is formally and explicitly the overarching goal of Swiss development co-operation and as such anchored in the law<sup>17</sup>. The eradication of rural pov-

<sup>17</sup> Federal law on development co-operation and international humanitarian aid of March 19, 1976. And in the Federal Constitution, approved by the Swiss voters on April 18, 1999. Art. 54.



erty is a priority, with a clear focus on empowerment and gender relations, which reflects the multidimensional poverty approach considered by SDC. A great part of Swiss Official Development Assistance (ODA) is strongly poverty focused but until recently there has been no explicit poverty reduction policy. There was a basic conviction that ultimately all activities in the identified priority sectors would lead to poverty reduction<sup>18</sup>. Swiss ODA sees equitable, long-term partnerships as the starting point of development, linking up with the forces of change. In this framework it is also committed to multilateral cooperation that has an *"impact on framework conditions [and] works efficiently towards the achievement of particular objectives."*<sup>19</sup> Besides policy dialogue on a multilateral and bilateral level, key elements of the Swiss position are:

- strengthening local capacities ("help for self help"),
- strengthening monitoring and evaluation capacities on PRSPs in the partner countries,
- feedback of evaluation results into policy dialogue on PRSPs.<sup>20</sup>

In relation to poverty reduction PRSPs facilitate a double dynamic: on the one hand they support the implementation of the 2010 strategy, on the other hand they provide a frame of reference for the country programmes. Relating to these two different levels, the strategic as well as the operational, they have a potential for creating synergies.

On a **strategic level**, a majority of the people interviewed think that there is a good fit between PRSPs and SDC policies. In years to come some people observe that there may be more divergence: many PRSPs are currently general and unprioritised. Issues of difference are likely to arise when donors are faced with a choice requiring them to change their programmes, focusing inputs into specific sectors. However in practice people noted different levels of engagement (see paragraph 2.3). The interviewees agree that PRSP and SDC policies are based on the same elements:

- ownership and accountability,
- decentralisation and democratisation,
- participation and partnerships.

With these shared principles, SDC's approaches are like to help the PRSP process: For example SDC projects in decentralisation (e.g. in Central Asia) can be seen as 'practice' ground and creating capacities for larger processes such as a PRSPs. However it is interesting to note that in some countries the alignment is a result of coincidence (or shared perception of the country's situation?) and that in this case more intentional alignment is desired by SDC staff (e.g. in Tajikistan the choice of governance and health priorities have been made by both SDC and the PRSP but independently). At a minimum, awareness of the process should be reflected in the annual programmes.

### **3.2 Repercussions of the PRSP process on SDC (A2, A4, C1)**

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<sup>18</sup> The consequences of this attitude has also been demonstrated by several statements in the interviews which said that the PRSP process came at a time when fundamental discussions regarding the impact on poverty were taking place: *"Hence it is difficult for SDC to account for the fulfilment of its mandate by providing hard evidence that its assistance is really positively impacting on poverty"* (Monitoring of the Poverty Reduction Strategy PRSP Preliminary Proposal-com-Opening Credit, Phase 1).

<sup>19</sup> See SDC 1999.

<sup>20</sup> For more details on the key elements of the Swiss position see SDC, seco 2002.

Whereas the repercussions on an operational level are more immediate (such as improved quality of SDC-government dialogue or changes in partnerships), **strategic repercussions** take longer to appear. Many feel it is too early to say something. Generally PRSPs are taken into consideration

when elaborating annual programmes or new PPPs. The reflection of PRSP issues in annual programmes is also related to the quality of the process and the paper as well as the country's ownership – the better it is perceived to be, the higher is the will to use the PRSP as frame of reference. A very rough and wide framework can be used for general statements, but may not be detailed enough for project implementation. On the other hand ownership that is restricted to government circles with little or no involvement of other stakeholders poses long-term risks e.g. when governments change (Nicaragua, Bolivia and others). Uncertainty about the future status of a PRSP can lead to a reluctance to refer to it in strategic documents. However other countries seem to be less impressed by such arguments, in the study done by the Great Britain's Overseas Development Institute (ODI), out of twelve donors only the USA and Switzerland do not have any formal policy guidance relating to PRSPs<sup>21</sup>.

#### **Vietnam – repercussions on SDC**

SDC's 5-year Mekong Programme (2002-2006) was drafted with the PRSP in background. This contributed to a re-focusing of the programme, towards poverty alleviation, with the development of new projects in poor areas of the country and with the revision of existing projects to make them more pro-poor.

On this question too there is a **problem of attribution**. It is especially difficult to pin specific changes in SDC down to PRSPs alone. This is no surprise. It has been said before that PRSPs build strongly on previous initiatives (e.g. in Mozambique and Tanzania, where a

shift from project to programme support happened before) and use some of the same principles. Processes such as the Comprehensive Development Framework, CDF, and Sector Wide Approaches, SWAPs, paved the way for PRSPs and facilitated their anchorage. In other words, PRSPs are not a dramatic influence. They are perceived to have underlined poverty relevant links and given them more muscle, contributing to their further development. Generally people report that they are watching the process with interest, but there seems to be some reluctance to fully commit to it and declare PRSP to be the basis for any strategic decisions.

#### **Mozambique – effect's on SDC's operations**

The PARPA (Action Plan for the Reduction of Absolute Poverty) is used as indicator in the Monitoring Matrix of the new country programme 2002-2006. It was considered to be the frame of reference for the PPP.

In this context the possible effect of PRSPs on **modalities of cooperation** has to be discussed as well (A9). The two issues raised in the two preceding paragraphs are relevant again: As mentioned, strategic processes take time and many people feel it is too early to either attribute any changes to the PRSP process or to make fundamental changes based on a PRSP (i.e. a particular PRSP first have to

prove its value as basis for fundamental changes). Furthermore the different processes (PRSP process in a respective country, annual planning etc.) work in different

#### **Bolivia – effects on SDC's operations**

Within the frame of larger projects, small sums of money can be allocated on a short term basis. This allows to react flexibly in a situation and to support local initiatives when the need arises.

The Bolivian PRSP will strongly orient adaptations regarding coordination and working methods for the new PPP.

<sup>21</sup> The four country case studies which follow will provide more information on comparative donor behaviour.

time frames/horizons, they have a different 'length of steps'. This can make it more difficult to achieve relevant linkages between the two. However, as stated above, many of the changes which took place recently in this area, can scarcely be attributed to PRSPs exclusively. Some people stress that the trend for SWAPs and basket funding was clearly there before the PRSPs (e.g. Tanzania, Mozambique, Bolivia).

What was certainly felt by all COOFs that participated actively, was that such participation requires **resources**. Attending all the relevant meetings and commenting on drafts of papers takes a substantial amount of time, and the dynamic of active engagement was felt by several (e.g. in Burkina Faso, where a special job was created which was initially part-time only and quickly upgraded to a full time position).

Another effect has been observed on the **quality of work** being done: every day work of COOF staff becomes more theoretical. With a number of processes to participate in or observe, process related tasks increases. In connection with other processes (decentralisation, more decisions are being taken by COOF staff) this also applies to a changes in the daily work of programme coordinators. However such changes are not exclusively due to PRSPs.

### 3.3 *Brief assessment of PRSPs (C5)*

On a **strategic level** (C4), PRSPs need to be seen in a wider context which takes account of comparisons with previous initiatives and anticipated developments. There are several people who see PRSPs as an improvement over previous initiatives, and that lessons from other strategies such as the CDF and Country Assistance Strategy, CAS, have been learnt and taken into account. On the other hand, it has also been said that resistance towards such initiatives has simply decreased. Either way, when assessing PRSPs, preceding efforts need to be kept in mind<sup>22</sup>.

It is important to remember that SDC has been a long term partner, advocating what are now called ownership approaches for many years. In this context, it is not surprising if the PRSP is seen as another 'policy fad'. While people whose main work is policy dialogue at international level may put everything under the PRSP heading, others working at country level may simply see it as an extension of processes that they have been engaged with for many years.

At this point, slightly more than half the people interviewed have a positive attitude towards PRSPs as an instrument/concept. There is general agreement that PRSPs do present **opportunities for improvement in development cooperation**, but that it is too early to say that those opportunities will be effectively taken up. Second thoughts arise when thinking of the monitoring and implementation, i.e. many do not perceive the instrument as limited per se but that its impact will be affected by the people organising the processes. Thus there is no undisputed support and a lot of 'ifs' and

**Benin – making the PRSP an issue**  
After initial conflict between UNDP and WB, SDC's COOF succeeded in putting the PRSP regularly on the agenda of the Donor Group on Participatory Development & Good Governance (PDGG) led by SDC.

<sup>22</sup> E.g. in the case of the Kyrgyz Republic, the CDF process was extremely participatory and was elaborated with a lot of energy. Contrary to that the PRSP process is very closed, because it is seen to be a repetition of an already done effort.

'buts', based on the individual experiences were voiced in regard to the listed points. A lot of them (such as country ownership or civil society participation) will be even more relevant in the implementation phase, which will ultimately determine the extent of the success.

The main reasons for the **positive assessments** are:

- the fact that poverty reduction is a central issue again (also for the WB and IMF);
- the comprehensive analysis of poverty which is done:
- the focus on policy and budget dialogue;
- the linkage of sectoral and national priorities;
- the possibility for one frame of reference for all stakeholders – this gives donors the opportunity to position themselves clearly and improve their coordination;
- the transparency they can offer, especially in relation to the allocation of public expenditures;
- the direct linking of poverty and economic policies.

Further positive points are seen in the **opportunities** that PRSPs can generate – they present themselves from the beginning (discussions among stakeholders in view of the elaboration of the poverty diagnosis) throughout the process. Of particular significance is donor co-ordination and harmonisation. This is also seen as a major challenge, in terms of donor preferences for respective programmes, which are being translated in the selection of indicators. The other important opportunity for SDC is the chance to reinforce the influence and importance of civil society. However there is significant risk in the failure to take up these opportunities which could have negative consequences.

When looking at the points of **criticism and the limitations** which PRSPs are seen to have, it is interesting to note that both the thematic and operational departments voiced the same doubts (apart from the lack of a few thematic issues in the PRSPs such as conflict and environment which were mentioned merely by the respective divisions). They are:

- process related issues such as participation, ownership and capacities (e.g. the role of parliaments);
- limited institutional capacities as well high time pressure;
- vested interests;
- fear of change in long term priorities (PRSPs might disappear, becoming just another trend/wave);
- ideological (in spite of all efforts, the process ultimately still is donor-driven and imposed by Northern countries and represents their values<sup>23</sup>).
- high and therefore unrealistic ambitions (e.g. time frame, expected growth).

**Weakness of content** (beyond the process) is hardly ever mentioned explicitly. There are some question marks on the lack of prioritisation and sequencing and the absence of addressing mechanisms of poverty reduction (e.g. how to achieve a labour intensive industrialisation in a globalised economy? or the fact that poverty reduction also means attention to environmental protection and sustainable use of resources). But such critical voices are rare. The reasoning behind this might also be

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<sup>23</sup> See also DFID paper, next to point 73, the Canadian statement: "All these requirements, if not closely coordinated, could add up to a much greater conditionality than at earlier times."

that if the process is good (if ownership and participation are taken seriously and the raised questions addressed and integrated), then the content will be as well, because all the stakeholders have an interest in producing a sound document.

When **comparing the list of positive and negative attributes** of the PRSPs it is interesting to note that ownership figures only on the negative list, but is not seen as one of the potential benefits of the PRSP. In the issue paper<sup>24</sup> ownership and the participation of the civil sector were identified as opportunities, however at the moment it looks as if they have developed negative connotations and are key issues for negative assessment of PRSPs. Otherwise the then identified risks and challenges are closely related to the ones identified in the survey, even though they are phrased differently. One issue which has not been mentioned again is the costs of participation for the civil society. In the issue paper the question regarding incentives for the stakeholders of the civil society to engage in the PRSP process has been raised. This issue has not been addressed so explicitly any more, however it is obviously still relevant, since participation does not take place as desired.

## 4 Review of SDC's activities (B)

### 4.1 Institutional issues

Looking at institutional issues, there are various issues to consider in relation to the PRSP process:

- role and responsibilities of individuals as well as groups and institutions,
- collaboration with other partakers,
- flow of information.

All these need to be looked at on two levels, one is within SDC (i.e. between the different departments in Bern, the other is between Bern and the COOFs and between Bern and Washington), the other is SDC with externals (i.e. SDC – seco, SDC – NGOs).

Looking at **roles and responsibilities** there is an element of contradiction in the fact that people say the roles and responsibilities of all involved are not always clear, but on the other hand a majority can allocate specific tasks to them:

- *SDC geographic departments* – are the link between Bern and the COOFs. In this function they have to circulate information from and to the COOFs, decide on programmatic focuses etc.
- *SDC thematic departments* – provide information on specific issues as well as raising and sustaining internal awareness on relevant topics.
- *SDC multilateral department* – is the link between Bern and Washington. Furthermore they decide which topics from the international discussions need to be brought into SDC.
- *seco* – provides general budget support, which is based on PRSPs, participates in the development of programmes and contributes to joint statements.

This contradiction of **uncertainty in responsibilities** can partly be explained by the fact that the situation varies for different countries (an extreme case being countries that are not priority countries for seco and where in exceptional cases SDC might

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<sup>24</sup> SDC 2001.

provide budgetary aid). Additionally it has been said that often strategic coordination and planning is harder than local, i.e. in a particular situation the roles are clear and they function, but they might not reflect the strategic assignment of roles. In this context personal issues have been mentioned repeatedly, both as a help and a hindrance in close working relations.

Other reasons for **tensions in collaboration** are:

- the *recent restructuring* of the thematic departments – the new structures are not yet functioning efficiently;
- *multiple expectations* towards various functions (COOF staff is not only seco and SDC staff, but operational and thematic staff as well; thematic departments are not only expected to provide information, but also to capitalize knowledge from experience);
- *poor timing* (statements are often asked for at short notice or meetings are postponed to an uncertain future dates).

The **thematic** divisions have the role of providing information and methodologies, of sustaining awareness, and of contributing to institution-wide learning. They are perceived to have more potential to analyse and consolidate the results of Swiss field experience worldwide and to apply it more consistently in policy discussions. In particular, the size of the Swiss missions in many countries precludes a strong input into national policy, but the thematic divisions can play a role in bringing together experience from the field and systematically exchanging knowledge and applying that experience. Structural changes towards 'competence domains' may accelerate that process. A number of people commented on the lack of visibility of the thematic division in the PRSP process. Criticism ranged from the proposal that they should be more active, to providing more operational and strategic input on their topics. On the other hand the thematic divisions registered a lack of interest from the geographic side. This perception is certainly influenced by the fact that there has been a recent restructuring of the thematic divisions which still are in the process of defining their tasks and organising themselves. Moreover, the choice of interview partners may have influenced this perception. With a wider selection of partners, this flaw might decrease and other points of criticism might be more dominant.

The strongest external relationship is definitely with **seco** (C7). In some aspects it resembles the intra-SDC relationships: not everything is clear and personal issues influence working relations. Generally however the basic perception is more positive and collaboration for annual programmes and joint statements works well. seco would like to see a better integration of the knowledge from the operational divisions within SDC as well as with their partners and it feels, that this could contribute to fill the gap in views from civil society (which from seco's perspective is lacking in the entire process). SDC and seco clearly have a complimentary approach in reaching a common goal. The present combination of SWAPs and projects used by SDC and seco's budget support makes sense. However in an international context this split responsibility is not going unnoticed. On occasions such as a reviews, it leaves an ambivalent impression to have two statements returned by Switzerland<sup>25</sup>. Furthermore official statements for the WB board, could be improved and push key messages from both agencies, rather than being 'put-together' documents with less clear messages.

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<sup>25</sup> See ODI review.

The other important external link is with **NGOs**. Only recently a new agreement has been reached between the Swiss Coalition of Development Organisations, seco and SDC for Debt Relief (Entschuldungsstelle) which includes a limited role regarding PRSPs. From the Swiss Coalition's perspective, closer collaboration has been desired for a longer time and their initial requests for documents and information was well met by SDC.

What are **SDC's comparative advantages**? (D4) A process with many stakeholders and partners also gives a chance for some reflection on SDC's own values and characteristics. SDC's institutional strengths are seen to be:

- very strong local positions, which is interlinked with
- longstanding contextual experiences,
- no hidden agenda,
- reliability due to keeping the same basic principles,
- a shared understanding of sustainable development,
- holistic thinking as an institution,
- certain flexibility,
- flat hierarchy.

Mainly due to strength at the local level and its closeness to civil society, there are also a number of country-specific strengths, which are relevant in the PRSP process. These are the niches in which SDC can contribute something and try to set the 'state-of-the-art':

- agriculture,
- rural development,
- forest management,
- health sector reforms,
- vocational training,
- monitoring experience,
- decentralisation,
- contributions to other dimensions of poverty such as relation to natural resource management.

SDC does have its strengths and needs to be aware of them and promote them. The potential of bilateral donors to sell their engagement is likely to be needed more in coordinated engagement.

## **4.2 Strategic issues (D8)**

There is strong agreement that ultimately all **PRSP engagement is a strategic choice** (or should be one) and as such reflects considerations which lead to the choice. This relates to both the operational and the strategic level. The most pressing issue is perceived to be a formal decision by the top management. The issue has been raised with them and the necessary information is available for a decision to be taken. At both strategic and operational levels, decision-makers need to be aware of the implications of their decisions. Decisions should not be seen in form of a demand, but be accompanied by measures to support engagement (if decisions call for more engagement). In this context suggestions to support strategic choices range from:

- providing additional resources (staff or financial);

- provide training for the staff (operational for COOF staff, general awareness of issues for headquarter staff);
- support more flexible working arrangements, such as short-time positions at COOFs for thematic staff.
- creating thematic competences and capacities (according to areas of priority) in COOFs.

In addition to staff issues, other **needs** (C6) have been identified. Interestingly the operational divisions seem to locate the needs more in practical requirements relevant to day-to-day operations, whereas the thematic divisions have a more general/strategic focus. The above mentioned staff issues have been specified in relation to training (in order to have staff capable of organising participatory processes, analytical skills for economic questions and knowledge capitalisation and management<sup>26</sup>). Additional needs are:

- reflection on SDC's role (including the reallocation of resources, methodology, internal consultation and adaptation of procedures such as timing);
- more finance (in order to have more weight);
- personal deliberation;
- openness and flexibility for different approaches.

This variety of needs reflects the fact that potentially PRSPs initiate fundamental changes that are not limited to the partner countries. The world is globalised, so is development cooperation. In a globalised environment it becomes even more important in having pluralistic approaches in development both in terms of partners as well as in financing mechanisms.

### **4.3 Operational issues**

The key operational issue is the **flow of information** (B2). Mostly it is said to be functional with a few negative exceptions (the most extreme criticism is that it is chaotic, also due to technical limitations). However, SDC participation in a survey of Special Programme for Africa (SPA) donors' support for PRSPs in autumn 2001 was not communicated to the evaluating team<sup>27</sup> because headquarter staff obviously were not aware of these preceding activities. Given the lack of an overall understanding of the institutional priority which could be given to PRSPs, it must be difficult to manage a good information flow. In other words, if it is not clear what/whom the information is *for* then it is difficult to deliver.

Most people agree that information flows along established lines and that PRSPs are part of the daily communication, such as joint workshops, "moments forts", PPP-planning, at the coordinators' seminar and more PRSP-specific fora such as the **thematic discussion group**. The latter has been established in the governance division after the topic of PRSPs was introduced into SDC by the multilateral division. At the moment it is the only institutionalised PRSP-focused platform for the exchange of information, since the Intranet platform is not yet operational. However there are other exchanges of experience on a personal level. Overall some reflection on the

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<sup>26</sup> ODI found changes in staff profile as well to be an issue in the PRSP process, point 14.

<sup>27</sup> The survey figured on the list of PRSP-related activities of a COOF and became known to the evaluators rather accidentally.



internal communication processes could bring improvement, and needs to happen along with a strengthening of the roles and responsibilities of each department.

Another issue which has been raised more indirectly is the **rotation of staff**. Frequently questions in an interview could be answered only limitedly with reference to recent changes of staff (both in Bern and in COOFs). Changes in staff are directly related to existing knowledge, personal contacts as well as the quality of communication. The loss of knowledge and experiences should not be underestimated. Experience (SDC or not) gives people another perspective on initiatives such as the PRSP; they tend to see it in a wider perspective. Furthermore personal contacts in a process such as the PRSP are essential. Turning points in processes frequently occur in informal meetings, therefore personal presence is needed<sup>28</sup>.

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<sup>28</sup> See also ODI paper, point 80.

## **Annex 1: Matrices on information and activities in the PRSP process**

A wealth of information was made available in the interviews, but is not explicitly visible in the survey. In order to make some of this data available to everyone it has been compiled into two matrices. However, **this data is not complete**. Not all questions were always asked explicitly and in many cases answers may differ for staff in Bern (who gave the interviews) and COOF staff. Therefore the two following statements were used:

**n/a** meaning that the information is **not available** (e.g. because the question was not asked), the question is not applicable  
**none** meaning that the interviewee explicitly stated **none/nothing**.

We feel a more comprehensive table might be of use to many people, therefore if you would like to add information, please send it to: [sonja.zimmermann@gersterconsulting.ch](mailto:sonja.zimmermann@gersterconsulting.ch)

An updated version will be published in November 2002, together with a revised draft of the SDC-wide survey.

### **Matrix A: Information**

This Matrix provides an overview to question 1.1 in the questionnaire:

#### **1.1 What information do people have on the PRSP process?**

What documents have they read?

What meetings have they attended where PRSPs were on the agenda?

What documents (information/research/policy notes/check-lists) have they had to produce?

What training/instructions have they received?

<b>Country/Department</b>	<b>What Information has been read</b>	<b>What meetings attended</b>	<b>What documents produced</b>	<b>What training attended</b>
<b>Albania</b>	- general documents about Albania, eg. draft CAS - WB documents - country specific info by UNDP etc.	none	none	none

Country/Department	What Information has been read	What meetings attended	What documents produced	What training attended
<b>Bolivia</b>	<ul style="list-style-type: none"> <li>- latest progress report on the implementation of the CDF principles</li> <li>- most recent guidelines to be used by Bank/Fund staff in preparing the JSA of the PRSPs</li> <li>- WB documents</li> <li>- documents relating to the PRSP process by NGOs, networks, Jubilee 2000, PRS-Watch, newspapers etc.</li> </ul>	<ul style="list-style-type: none"> <li>- consultation meeting of the donors, Sept. 11/12 2001 in Bolivia</li> </ul>	<ul style="list-style-type: none"> <li>- evaluation of Bolivian PRSP, to the informal bilateral cooperation network on poverty</li> <li>- (contributions to) consolidated Swiss positions</li> </ul>	<ul style="list-style-type: none"> <li>- none</li> </ul>
<b>Benin</b>	<ul style="list-style-type: none"> <li>- I-PRSP, PRSP</li> <li>- several governmental sector strategies</li> <li>- long-term vision of the Government</li> <li>- Internet documents (from other countries and also from the Swiss coalition)</li> <li>- WB &amp; IMF documents</li> </ul>	<ul style="list-style-type: none"> <li>- several meetings with the Government on the (I)-PRSP</li> <li>- after initial conflict between UNDP and WB, SDC's COOF succeeded in putting the PRSP regularly on the agenda of the Donor Group on Participatory Development &amp; Good Governance (PDGG) led by SDC</li> <li>- one day course organized by BWI-section May 2001</li> <li>- several meetings with the Government and bilateral donors to define the program of strengthening the monitoring/evaluation capacities of the PRSP</li> <li>- meetings with other bilateral donors in preparation of the budget support which is based on the PRSP</li> </ul>	<ul style="list-style-type: none"> <li>- SDC positions to the government on (the drafts of the) I-PRSP and the PRSP</li> <li>- contributions to consolidated Swiss positions for ED's BWI Board Meetings</li> <li>- credit proposal for SDC's support of strengthening Benin's M/E capacities of the PRSP</li> </ul>	<ul style="list-style-type: none"> <li>- none</li> </ul>

Country/Department	What Information has been read	What meetings attended	What documents produced	What training attended
<b>Burkina Faso</b>	Depends on the job of the individuals. The person in charge of poverty has read almost all the documents, the others what was relevant for their sector.	- various meetings with the government - meetings with other donors regarding Budget Support for the PRSP altogether 17 meetings between Jan 2000 and May 2002	- responses to surveys - (contributions to) consolidated Swiss positions - comments to papers by the EU and Denmark (re. Budget Support for PRSP and review of PRSPS)	- some by seco for all COOF economists
<b>Georgia/Azerbaijan</b>	- mainly the I-PRSP	- usual coordination meetings - presentation of the draft PRSP - some bilateral meetings with WB and the Azeri Government - some hearings in Georgia	n/a	- none
<b>Kyrgyz Republic</b>	- CDF and I-NPRS - some draft chapters of PRSP - PRSP - brochure produced by seco and SDC	- participation in CDF/NPRS monthly government - donor meeting - participation in NPRS "Energy working group" meeting (only once) - preparatory meetings for CG - CG meeting (based on NPRS)	- none	- none
<b>Mali</b>	- drafts and the final documents - documents which also have been used for the elaboration of the PPP (Horizon 2000 etc.)	n/a	n/a	- none
<b>Mozambique</b>	- I-PRSP, PRSP - Internet documents (from other countries and also from the Swiss coalition)	- 2 day meeting attended by COOF staff	- (contributions to) consolidated Swiss positions	- poverty workshop in Maputo - support from consultant

Country/Department	What Information has been read	What meetings attended	What documents produced	What training attended
<b>Nicaragua</b>	<ul style="list-style-type: none"> <li>- SDC documents (annual programmes, consolidated Swiss positions, mission reports etc.)</li> <li>- WB documents</li> <li>- others</li> </ul>	<ul style="list-style-type: none"> <li>- one day course organised by BWI-section May 2001</li> <li>- international meetings</li> <li>- meeting with Swiss NGOs operating in Central/Latin America</li> <li>- local consultations attended by COOF staff</li> <li>- international conference in Columbia</li> <li>- others</li> </ul>	<ul style="list-style-type: none"> <li>- evaluation of PRSPs development in Nicaragua and Honduras</li> <li>- comment HIPC's decision point</li> <li>- other official statements</li> </ul>	<ul style="list-style-type: none"> <li>- none</li> </ul>
<b>Niger</b>	<ul style="list-style-type: none"> <li>- all documents that came from the multilateral division</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>- workshop in the COOF</li> </ul>	n/a	<ul style="list-style-type: none"> <li>- none</li> </ul>
<b>Rwanda</b>	<ul style="list-style-type: none"> <li>- various drafts of the PRSP</li> <li>- official WB, IDA, etc. documents</li> </ul>	<ul style="list-style-type: none"> <li>- round table meeting organised by the government</li> <li>- follow-up meeting with other donors</li> </ul>	<ul style="list-style-type: none"> <li>- official statements for the EDs</li> </ul>	<ul style="list-style-type: none"> <li>- none</li> </ul>
<b>Tajikistan</b>	<ul style="list-style-type: none"> <li>- different drafts</li> <li>- brochure produced by SDC and seco</li> </ul>	none	none	<ul style="list-style-type: none"> <li>- none</li> </ul>
<b>Tanzania</b>	<ul style="list-style-type: none"> <li>- various drafts of the I-PRSP</li> <li>- full PRSP</li> <li>- WB documents</li> <li>- few SDC documents</li> </ul>	<ul style="list-style-type: none"> <li>- regular monthly donor meetings</li> <li>- workshop at COOF</li> <li>- WB meeting in Paris</li> </ul>	<ul style="list-style-type: none"> <li>- self assessment</li> </ul>	<ul style="list-style-type: none"> <li>- support from consultant</li> </ul>
<b>Vietnam</b>	<ul style="list-style-type: none"> <li>- I-PRSP, PRSP</li> <li>- comments by the Utstein group</li> <li>- summary of findings done by NGOs</li> <li>- other documents by consultants etc.</li> </ul>	<ul style="list-style-type: none"> <li>- meeting for the preparation of the evaluation</li> </ul>	<ul style="list-style-type: none"> <li>- (contributions to) consolidated Swiss positions</li> <li>- comments</li> </ul>	<ul style="list-style-type: none"> <li>- none</li> </ul>

Country/Department	What Information has been read	What meetings attended	What documents produced	What training attended
<b>Multilateral/BWI</b>	- more or less all WB documents	- The Hague March 26 -29, 2001 - Mission Washington April 1-7, 2001 - People's Participation in Macroeconomic Policy-Making - Swiss Experience; SDC, April 2001 - Mission London September 14, 2001	- Thematisches Hintergrundpapier: <i>PRSP: Revolutionärer Ansatz oder déjà vu?</i> , September 2000 - Issue Paper: <i>Poverty Reduction Strategy Paper (PRSP) – What is in it for SDC?</i> , August 2001 - consolidated statements for EDs in Washington - various mission reports	- seco Seminar: PRSP processes and fiscal approaches PRSPs have been part of the following events: - annual course 'Arbeitsinstrumente der BWI' 2000/2001 - coordinators' seminar 2002 - Vertiefungsblock beim Einführungskurs in die DEZA, Sept. 2001
<b>Conflict Prevention</b>	- official WB documents	- meetings with various people/teams at the WB	n/a	- SDC internal training lead by SDC representative at WB, summer/fall 2001
<b>Employment and Income</b>	- country programmes - some official documents	- meeting organised by the multilateral division after release of the new poverty report	- none	- none
<b>Governance</b>	- all documents distributed by the multilateral division, i.e. relevant WB and SDC documents - documents with a specific focus by the DAC, UN etc.	- jointly with seco the special Africa forum - governance network of OECD - ad hoc invitations (e.g. recently in Austria)	- draft of an assessment matrix	- none
<b>Humanitarian Aid</b>	n/a	n/a	n/a	- course on WB/IMF instruments
<b>Natural Resources</b>	- input paper by the multilateral division - specific documents regarding environmental issues by WB	- internal meetings	n/a	n/a

Country/Department	What Information has been read	What meetings attended	What documents produced	What training attended
<b>Social Development/Poverty</b>	<ul style="list-style-type: none"> <li>- several PRSPs,</li> <li>- WB documents related to the process</li> <li>- alternative and critical literature (no global movement)</li> </ul>	<ul style="list-style-type: none"> <li>- DAC-OECD Povnet for poverty guidelines + private sector involvement in PRSPs</li> <li>- WBI-CESI programme set up</li> <li>- regional poverty meetings</li> <li>- internal meetings (operational, WBID)</li> </ul>	<ul style="list-style-type: none"> <li>- interactive Poverty list</li> <li>- Poverty and Well-being, an SDC orientation tool</li> </ul>	<ul style="list-style-type: none"> <li>- WBI-CESI module</li> </ul>
<b>seco</b>	<ul style="list-style-type: none"> <li>- individual PRSPs and their reviews</li> <li>- documents from IMF/WB</li> <li>- studies conducted with other bilateral donors</li> <li>- strategic documents with the focus on seco's main concerns</li> </ul>	<ul style="list-style-type: none"> <li>- BWI-Meetings in Washington</li> <li>- international conferences on PRSP</li> <li>- round table discussions</li> <li>- events organised by SDC</li> </ul>	<ul style="list-style-type: none"> <li>- documents in view of official statements and reviews</li> </ul>	<ul style="list-style-type: none"> <li>- participation at international conferences</li> <li>- SDC workshops</li> </ul>

## Matrix B: Activities (A1, A3)

This Matrix provides an overview to questions 1.3, 1.4, 1.5, 1.6, 1.7, 1.8 in the questionnaire.

**1.3 Dialogue with recipient country governments?**

**1.4 Dialogue with other donors or NGOs?**

(What steps has SDC taken to harmonize procedures with other donors? Does the PRSP process hamper harmonization efforts or strengthen them?)

**1.5 Inclusion of Swiss NGOs operating in-country?**

**1.6 Dialogue with multilateral institutions on the PRSP process?**

**1.7 Participation in process of producing a specific PRSP?**

**1.8 Review of specific PRSPs in relation to SDC?**

Country/Department	Dialogue with national governments	Dialogue with donors and/or NGOs/multilateral institutions	Participation in production of PRSP	Review of PRSP in relation to SDC <sup>29</sup>
<b>Albania</b>	- no PRSP-specific dialogue with the government	- contact with Swisscontact and HEKS for implementation only	- none	- none
<b>Benin</b>	- participation in government meetings	- lead regular meetings among the donors to discuss the (I)-PRSP (refer to Matrix A for details) - gave our appreciation of the PRSP and the process to several planning and evaluation missions	- so far the production of the PRSP was completely done by the government - SDC, however, started now with two other bilateral donors to support the strengthening of Benin's M & E system	- SDC in co-ordination with the other donors gave comments on the various drafts. Some changes were made to the PRSP because of these comments

<sup>29</sup> This question can be understood in two ways:

a) has a specific PRSP been reviewed due to input made by SDC during the process OR

b) has a specific PRSP been reviewed in relation to SDC activities.

Therefore answers in this category can be for either of these questions.



Country/Department	Dialogue with national governments	Dialogue with donors and/or NGOs/multilateral institutions	Participation in production of PRSP	Review of PRSP in relation to SDC <sup>29</sup>
<b>Bolivia</b>	<ul style="list-style-type: none"> <li>- yes, but details not clear (supporting negotiation capacities, participation in dialogue) but dialogue was open and constructive</li> </ul>	<ul style="list-style-type: none"> <li>- informal bilateral cooperation network</li> <li>- participation in various thematic donor groups → some initiatives on harmonisation, Local progress on basket funding established under the CDF</li> <li>- in Switzerland contact with NGOs which are active in the region</li> </ul>	<ul style="list-style-type: none"> <li>- yes, in specific sectors, (e.g. land reform and participation)</li> <li>- attended all relevant meetings</li> </ul>	<ul style="list-style-type: none"> <li>- evaluation of PRSP done by a consultant</li> </ul>
<b>Burkina Faso</b>	<ul style="list-style-type: none"> <li>- SDC participates, dialogue happens in systematic and organised manner</li> </ul>	<ul style="list-style-type: none"> <li>- participation in joint budget support facility aiming to support the Government in the PRSP implementation</li> <li>- seco took the initiative for coordination</li> <li>- increasing local exchange with Swiss NGOs in view of sectorial issues</li> <li>- dialogue with local WB/IMF representatives lacks suppleness</li> </ul>	<ul style="list-style-type: none"> <li>- yes, regular meetings with the government</li> <li>- participation in civil society consultations</li> <li>- general Budget support</li> </ul>	n/a
<b>Georgia/Azerbaijan</b>	<ul style="list-style-type: none"> <li>- no PRSP-specific dialogue with the government</li> <li>- PRSP process was observed</li> </ul>	<ul style="list-style-type: none"> <li>- usual coordination meetings with WB and donors</li> <li>- no inclusion of Swiss NGOs</li> </ul>	<ul style="list-style-type: none"> <li>- indirect in Azerbaijan with financial support via trust fund</li> </ul>	n/a

Country/Department	Dialogue with national governments	Dialogue with donors and/or NGOs/multilateral institutions	Participation in production of PRSP	Review of PRSP in relation to SDC <sup>29</sup>
<b>Kyrgyz Republic</b>	- no PRSP-specific dialogue with the government	- participation in regular coordination meetings between donors, multilaterals and government on health, SME, agriculture and forestry - dialogue with WB due to joint projects - local Swiss NGOs are included where relevant	- comments on some chapters of draft NPRS - comments on NPRS during CG - comments on NPRS after CG	- not yet – to be analysed after reading revised NPRS (which may include some of our comments)
<b>Mali</b>	- no PRSP-specific dialogue with the government	- local NGOs were not integrated in the process	- none	- PRSP was reviewed in view of PPP
<b>Mozambique</b>	- already took place before PRSP process, since the national government was in the process of elaborating a national strategy and SDC was involved in this process	- dialogue with other donors happened mainly in the budget group - Helvetas was involved	- setting up local poverty profiles - support for the Gabinete Estudos	- PRSP was modified due to coordinated input made by donors
<b>Nicaragua</b>	- participation in government meetings	- involvement in various thematic groups - close collaboration with FUNDEMOS - on local level regular contacts with WB/IMF representatives	- none	n/a
<b>Niger</b>	- no PRSP-specific dialogue with the government	- little participation and virtually no exchange of information or joint assessments - some collaboration with Swissaid, HEKS etc. but more operational	- none	n/a

Country/Department	Dialogue with national governments	Dialogue with donors and/or NGOs/multilateral institutions	Participation in production of PRSP	Review of PRSP in relation to SDC <sup>29</sup>
<b>Rwanda</b>	- no PRSP-specific dialogue with the government, dialogue is mainly on a technical/operational level, regarding projects	- active in key sectors and participates in the coordination, but it remains to be seen, how SDC will position itself - regarding PRSPs no collaboration with Swiss NGOs	- none	- none
<b>Tajikistan</b>	- consulted for the last draft of the document	- very little if none regarding PRSPs, apart from dialogue with WB in the framework of new support to Health Sector Reform - only one CH NGO present in Tajikistan	- none	n/a
<b>Tanzania</b>	- dialogue is thematically very focused and as such very good, PRSP process improved quality	- like minded concept is very strong, hardly anything happens in isolation anymore; there is a long tradition of basket-funds - continuing dialogue with multilaterals, general as well as specific - no Swiss NGO was involved	- yes, especially in the two niches where SDC is considered to be the lead agency (health monitoring and road work)	- none
<b>Vietnam</b>	- in partnership groups, mainly the Urban Forum - open and constructive atmosphere	- PRSP strengthened harmonization efforts - Utstein plus group (like minded donors) - DAC Task Force on Donor Practices - very close local collaboration with WB - no local NGOs, but collaboration with international	- thematic input with urban poverty issue	- PRSP was reviewed and discussed for the Mekong PPP - comments from donor community were integrated into the final document

Country/Department	Dialogue with national governments	Dialogue with donors and/or NGOs/multilateral institutions	Participation in production of PRSP	Review of PRSP in relation to SDC <sup>29</sup>
<b>Multilateral/BWI</b>	- varies for each country, is COOFs task	- in Switzerland informal contacts with the Swiss Coalition of NGOs - informal contacts during conferences, e.g. with DFID - during focal point meetings - PRSP action learning programme (with WB/OED, NGOs) - Integration of topic at IFAD meetings - efforts underway for donor harmonization, in the WB development committee	- indirect: trust fund in Azerbaijan	- potential of influence with statements is there, however the input during the process is much more important - discussions during meetings, at SDC-internal seminars PRSPs are discussed and reviewed
<b>Conflict Prevention</b>	n/a	- cooperation with the DAC-Network in OECD - collaboration with WB, UNDP, WFP	n/a	n/a
<b>Employment and Income</b>	n/a	n/a	n/a	n/a
<b>Governance</b>	n/a	- in the framework of the dialogue with the WB	n/a	n/a
<b>Humanitarian Aid</b>	n/a	- exchange of information in multilateral fora	n/a	n/a
<b>Natural Resources</b>	n/a	- financial support for WWF for case studies used for PRSP	n/a	n/a
<b>Social Development/Poverty</b>	n/a	n/a	n/a	n/a

Country/Department	Dialogue with national governments	Dialogue with donors and/or NGOs/multilateral institutions	Participation in production of PRSP	Review of PRSP in relation to SDC <sup>29</sup>
<b>seco</b>	<ul style="list-style-type: none"> <li>- Intense dialogue regarding the development objectives derived from PRSPs and their impact on budget planning, execution and ex-post budget control</li> </ul>	<ul style="list-style-type: none"> <li>- efforts to coordinate its procedures with other donors</li> <li>- Swiss NGOs not yet included</li> <li>- dialogue with multilaterals at policy and country level and by commenting staff review papers</li> </ul>	<ul style="list-style-type: none"> <li>- mainly done by participating at PRSP annual progress review missions</li> <li>- might be possible for seco to finance PRSP-activities according to seco's fields of competence</li> </ul>	n/a

## ***Annex 2: Standard questionnaire English***

### **1 Inventory**

#### **A *Information/knowledge***

##### **1.1 What information do people have on the PRSP process?**

What documents have they read?

What meetings have they attended where PRSPs were on the agenda?

What documents (information/research/policy notes/check-lists) have they had to produce?

What training/instructions have they received?

#### **B *Activities***

##### **1.2 Research done or commissioned?**

##### **1.3 Dialogue with recipient country governments?**

##### **1.4 Dialogue with other donors or NGOs?**

(What steps has SDC taken to harmonize procedures with other donors? Does the PRSP process hamper harmonization efforts or strengthen them?)

##### **1.5 Inclusion of Swiss NGOs operating in-country?**

##### **1.6 Dialogue with multilateral institutions on the PRSP process?**

##### **1.7 Participation in process of producing a specific PRSP?**

##### **1.8 Review of specific PRSPs in relation to SDC?**

#### **C *Motivation***

##### **1.9 Why did SDC decided to take on these activities?**

Next step of HIPC

Influencing the process

Links with likeminded donors

Importance of PRSP for implementing SDC country strategy

Improving SDC/government dialogue

Means for strengthening partner

##### **1.10 Does SDC staff consider the PRSP process in the program countries as an improvement over previous initiatives? Does SDC staff consider the PRSP process in the program countries as an improvement over previous initiatives?**

Appropriateness of policies

Allocations of public expenditures

Impacts (including empowerment) on the poor

Policies to improve governance

Country ownership

Civil society participation

Overall opportunities/strengths and dangers/shortcomings

##### **1.11 In countries where SDC has not participated actively in the PRSP process what were the reasons and are these likely to remain valid reasons in the medium/long term?**

Misgivings about the process

Concern about choice of partners

Negative framework conditions

Governance issues

Lack of resources

Lack of belief that SDC could make a difference

Lack of engagement in national policy dialogue

- 1.12 What are the key relationships within the Swiss government on PRSPs?**  
a) Division of responsibilities between SDC and seco?  
b) Role of the multilateral departments and the EDs in Washington?  
c) Responsibilities of different departments – country desks and thematic departments?
- 1.13 What is the relationship between operational and other divisions?**
- 1.14 How does information flow between them?**
- 1.15 Who takes the decisions on SDC's PRSP-involvement in practice?**  
SDC top management  
Programme staff at SDC headquarters  
COOF staff
- 1.16 What repercussions has the PRSP process had...**  
... on SDC programmes?  
... on PPPs?  
... on cross-sectoral linkages in SDC's programme?  
... on modalities of cooperation?  
(To what extent is SDC shifting away from project support and towards programme support either through sectoral approaches or other forms of budgetary support? Is the eventual change related to PRSPs?)

## **2 Mapping Trends in SDC approaches in relation to PRSPs**

- 2.1 What are the next steps regarding the PRSPs?**
- 2.2 What opportunities does the PRSP process present to SDC – either to influence? ... to form different types of partnerships? ... to use its comparative advantages?**
- 2.3 What are perceptions in SDC of the fit between current trends in Swiss development assistance and the main characteristics of the PRSP process?**

## **3 Issues**

What aspects of PRSPs are likely to become core to SDC's development approach (and what are the implications)?

- 3.1 What does SDC perceive as the value of PRSPs, particularly in the context of PPP strategies? What does SDC need to do to take advantage of the opportunities offered by the PRSP process?**
- 3.2 What does SDC perceive as the main limitations of PRSPs?**
- 3.3 What would the implications of fuller engagement with PRSPs be for SDC (e.g. in its role as policy advisor) and for inter and intra departmental linkages and collaboration? Does the PRSP process create any staffing needs? What does SDC need to do to take advantage of the opportunities offered by the PRSP process?**
- 3.4 How would 'successful' engagement by SDC in the PRSP process be defined? Are there success stories?**

## **4 Other questions/Comments**

- 4.1 Are there any experiences regarding monitoring (social accountability and participatory monitoring)?**

## **5 Country specific questions/observations**



## **Annex 3: Standard questionnaire French**

### **1 État des lieux**

#### **A Information / connaissances**

##### **1.1 Que savent les gens du processus CSLP ?**

Quels documents ont-ils lus?

À quelles réunions traitant des CSLP ont-ils participé?

Quels documents (information / recherche / notes de politique générale / listes de contrôle) ont-ils dû produire ?

Quelle formation / Quelles directives ont-ils reçue(s)?

#### **B Activités**

##### **1.2 Recherches effectuées ou commanditées ?**

##### **1.3 Dialogue avec les gouvernements de pays bénéficiaires ?**

##### **1.4 Dialogue avec d'autres donateurs ou ONG ?**

(Quelles dispositions la DDC a-t-elle prises pour harmoniser les procédures avec d'autres donateurs ? Est-ce que le processus CSLP entrave ou renforce les efforts d'harmonisation ?)

##### **1.5 Intégration des ONG suisses œuvrant dans le pays ?**

##### **1.6 Dialogue avec les institutions multilatérales sur le processus CSLP ?**

##### **1.7 Participation au processus d'élaboration d'un CSLP spécifique ?**

##### **1.8 Examen de CSLP spécifiques relativement à la coopération suisse ?**

#### **C Motivation**

##### **1.9 Quelles sont les raisons qui ont poussé la DDC à entreprendre ces activités ?**

Mesure complémentaire de l'initiative PPTE

Pour influencer sur le processus

Relations avec des donateurs de même sensibilité

Importance des CSLP en vue de la mise en œuvre de la stratégie de la DDC s'appliquant aux pays

Amélioration du dialogue entre la DDC et les gouvernements

Moyen de renforcer les capacités du partenaire

##### **1.10 Est-ce que le personnel de la DDC est d'avis que le processus CSLP constitue une amélioration par rapport aux initiatives précédentes dans les pays couverts par un programme ?**

Adéquation des principes appliqués

Répartition des dépenses publiques

Impacts sur les pauvres (y compris renforcement de leur pouvoir)

Politiques mises en œuvre pour améliorer la qualité de la gestion des affaires publiques

Possession du processus par le pays (« Ownership »)

Participation de la société civile

Chances / forces et dangers / insuffisances en général

##### **1.11 Dans les pays où la DDC n'a pas participé activement au processus CSLP, quelles en étaient les raisons et est-il probable que celles-ci restent valables à moyen et long terme ?**

Doutes quant au processus

Préoccupations quant au choix des partenaires

Conditions générales défavorables  
Problèmes de « gouvernance »  
Manque de moyens  
Manque de foi dans les possibilités de la DDC de faire changer les choses  
Manque d'engagement au niveau du dialogue politique

**1.12 Quelles sont les relations clés au sein du gouvernement suisse sur la question des CSLP ?**

- a) Répartition des responsabilités entre la DDC et le seco ?
- b) Rôle des sections multilatérales et des ED (directeurs exécutifs) à Washington ?
- c) Responsabilités de différents services, notamment géographiques et thématiques ?

**1.13 Comment les sections opérationnelles et les autres collaborent-elles ?**

**1.14 Comment l'information circule-t-elle entre elles ?**

**1.15 Qui dans la pratique prend les décisions concernant la participation de la DDC aux CSLP ?**

La direction de la DDC ?  
Le personnel en charge des programmes au siège de la DDC ?  
Le personnel des bucos ?

**1.16 Quelles incidences le processus CSLP a-t-il eu ...**

- ... sur les programmes de la DDC ?
- ... sur les PPP ?
- ... sur certaines relations intersectorielles dans le programme de la DDC ?
- ... sur les modalités de la coopération ?  
(dans quelle mesure la DDC s'éloigne-t-elle d'un appui à des projets au profit d'un appui à des programmes à travers, soit des approches sectorielles, soit d'autres formes de soutien budgétaire ? Est-ce qu'une telle évolution éventuelle est liée aux CSLP ?)

**2 Représentation des tendances se manifestant dans les approches de la DDC quant aux CSLP**

**2.1 Quelles seront les prochaines mesures en ce qui concerne les CSLP ?**

**2.2 Quelles chances le processus CSLP offre-t-il à la DDC : pour exercer une influence ? pour constituer différents types de partenariat ? pour tirer parti de ses avantages comparatifs ?**

**2.3 Quels sont les principes et autres conditions appliqués actuellement par la Suisse aux différentes formes de son aide au développement ? Ont-ils un rapport avec les CSLP ?**

**3 Problèmes**

Quels aspects des CSLP pourraient devenir fondamentaux pour l'approche de développement de la DDC (avec quelles implications) ?

**3.1 À quels aspects des CSLP la DDC attribue-t-elle de la valeur, particulièrement en considération des stratégies des PPP ? Qu'est-ce que la DDC doit faire pour valoriser les possibilités offertes par le processus CSLP ?**

**3.2 Qu'est-ce que la DDC considère comme les principales limites des CSLP ?**

**3.3 Quelles conséquences aurait un engagement plus complet de la DDC dans le cadre des CSLP (par ex. dans son rôle de conseiller politique) et pour les relations et la collaboration intra- et interdépartementale ? Le processus CSLP entraîne-t-il des besoins de renforcement des effectifs ? Qu'est-ce que la DDC doit faire pour valoriser les possibilités offertes par le processus CSLP ?**

**3.4** Quel serait un engagement réussi de la DDC dans le processus CSLP ? Existe-t-il des cas d'un tel engagement qui peuvent être cités en exemples ?

#### **4** Autres questions et commentaires

**4.1** Existe-t-il déjà des expériences en matière de suivi (responsabilité sociale et suivi participatif) ?

#### **5** Questions spécifique concernant le pays

#### **Annex 4: Initial information mail (incl. attachments)**

Dear Colleagues

The Independent Evaluation of SDC's bilateral Engagement in the PRSP Process is on the road. The evaluation team is made up of Judith Randel (team leader) and Tony German of Development Initiatives and Richard Gerster and Sonja Zimmermann of Gerster Consulting. For any of you who are not yet familiar with the evaluation you will find attached a 2 page information sheet from the evaluators that summarises the Approach Paper. The full version of the finalised Approach Paper is posted on the IntraWeb (see News or Tools & Rules/Evaluation & Controlling/Informationen zu laufenden Evaluationen).

The evaluators need as much written background information on SDC engagement in the PRSP process as possible. Please see the attached Document Request List and send the relevant documents to Sonja Zimmermann (Gerster Consulting) by July 15 at the latest (her contact information is noted at the end of the attached document request list.)

Over the next few weeks you will be contacted by Sonja Zimmerman to set a date for an interview. Interviews will be conducted between August 6 and September 7. The evaluators will base the interviews on a questionnaire. They will review the material you send them and will complete the questionnaire for each country or thematic/multilateral desk to the extent possible. You will receive the respective partially completed questionnaire at least seven days ahead of the interview, giving you time to prepare for the interview and to request any missing information from the COOF if necessary. The interview will concentrate on fine-tuning and filling in the gaps (i.e., questions the evaluators could not answer based on the written information, clarification, etc.). Our aim is to take the least amount of your time as possible!

The draft of the SDC-wide Survey will be available on October 15. It will be posted on the IntraWeb with a request for feedback. The Core Learning Partnership meeting to discuss the draft with the evaluators will be on November 1.

<<Info Sheet PRSP Eval.doc>> <<Doc Request List.doc>>

We are looking forward to working with you and sincerely thank you for your collaboration in this evaluation.

Best wishes, meilleures salutations, freundliche Grüsse  
Anne Bichsel

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## **Information Sheet on the Independent Evaluation of SDC's bilateral Engagement in the PRSP Process**

**PRSPs have become, in just a couple of years, a focal point for relations between developing countries, OECD countries and multilateral agencies.**

**PRSPs are the release mechanism for concessional finance. They are seen as a way to promote participation and greater accountability. Above all, the PRSP process is meant to provide the framework within which governments, bilateral donors, UN agencies, the International Financial Institutions, NGOs and civil society can all play their part in reducing poverty.**

**SDC has commissioned an independent evaluation of its bilateral engagement in PRSPs. This note explains why as well as how the evaluation will proceed.**

### **Background**

The Bretton Woods Institutions (BWI) launched Poverty Reduction Strategy Papers (PRSPs) in 1999, as the basis for policy dialog for all countries applying for concessional lending. All Bank Country Assistance Strategies (CAS) and Poverty Reduction Support Credits (PRSCs) as well as the IMF Poverty Reduction Growth Facility (PRGF) are to be based on PRSPs. The PRSP process is the principal vehicle for operationalising the four Comprehensive Development Framework (CDF) principles and provides a three-year framework for a country's policy priorities, public expenditure programs and development cooperation.

Most bilateral donors are making major efforts to align their programs with PRSPs. SDC partners are heavily engaged in PRSPs<sup>30</sup> and several SDC country offices (COOFs) are already involved.

The PRSP process addresses many issues of concern to SDC: allocation of resources for poverty reduction, country ownership of development policies, civil society participation, donor coordination, development of poverty reduction indicators, monitoring of progress towards poverty reduction, accountability and governance issues.

The August 2001 meeting of the "Komitee für Grundsatzfragen der DEZA" agreed that the PRSP approach is "a very crucial and challenging process which will accompany SDC's work in the coming years. The question should not be if SDC works with PRSPs, but how." The committee called for an evaluation of SDC's involvement in PRSPs.

### **The Evaluation Process**

The independent evaluation will be carried out between now and June 2003 by Judith Randel (team leader) and Tony German of Development Initiatives (UK) [www.devinit.org](http://www.devinit.org) and Richard Gerster and Sonja Zimmerman of Gerster Consulting (Switzerland) [www.gersterconsulting.ch](http://www.gersterconsulting.ch)

The evaluation comprises 3 major elements:

- An SDC-wide survey of SDC's experience with the PRSP process to date

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<sup>30</sup> The following SDC program countries have completed PRSPs or are scheduled to do so soon Honduras, Nicaragua, Bolivia, Mozambique, Tanzania, Burkina Faso, Benin, Rwanda, Niger, Albania, Macedonia, Azerbaijan, Kyrgyz Republic, Tajikistan, Nepal, Vietnam. The following SDC program countries have completed Interim PRSPs: Georgia, Kyrgyz Republic, Tajikistan, Vietnam, Benin, Chad, Mali, Niger, Rwanda, Moldova, Macedonia.

- A donor survey to assess how other bilateral agencies are engaging with PRSPs
- Case studies - the evaluators will visit the Kyrgyz Republic, Burkina Faso, Nicaragua and Vietnam to look in detail how SDC, government, other bilaterals, multilateral agencies, NGOs and civil society interact on PRSP processes.<sup>31</sup>

### **Questions and outputs**

The range of questions to be addressed by the evaluation will include:

What is SDC doing and why? What activities has SDC pursued? How has SDC worked with government and other donors? What does SDC view as its comparative advantage on PRSPs and how do others view SDC's role? How do PRSPs affect the context within which SDC works?

The evaluation will consider the appropriateness, timeliness, quality, effectiveness and efficiency of SDC's involvement. It will look at information flows, partnerships and SDC's role on policy.

The evaluation team will be asking a wide range of people within and outside SDC for their views, using face to face interviews, telephone calls, and questionnaires. In addition, the team would welcome input from anyone who has relevant experience or ideas. At each stage of the evaluation, feedback meetings will be arranged as opportunities for the evaluation team to present initial findings and gather further perspectives and information. The Approach Paper and draft reports will be posted on SDC's IntraWeb.

The evaluation outputs will include a Survey of SDC-wide PRSP Engagement, Country Case Studies and the Survey of PRSP activities of other bilateral donors, and a final Synthesis Report. The Syntheses Report will include conclusions and recommendations, which it is hoped will be of interest SDC's Core Learning Partnership and will contribute to future SDC engagement in PRSPs.

### **More information**

See the Approach Paper on the IntraWeb under Tools and Rules/Evaluation & Controlling/Informationen zu laufenden Evaluationen.

You can contact Development Initiatives on + 44 1749 831141 email [di@devinit.org](mailto:di@devinit.org) and Gerster Consulting on 079 310 85 84 [sonja.zimmermann@gersterconsulting.ch](mailto:sonja.zimmermann@gersterconsulting.ch)

The Evaluation team are reporting to SDC's Evaluation and Controlling, contact Anne Bichsel . Tel +41 31 325 92 57 e-mail: [anne.bichsel@deza.admin.ch](mailto:anne.bichsel@deza.admin.ch).

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<sup>31</sup> Local consultants will be engaged to work with the evaluation team on each country case study.

*Independent Evaluation of SDC's bilateral Engagement in the PRSP Process*

**Document Request List**

As a first step in conducting the SDC-wide Survey of SDC PRSP-related activities, we need to review all written information available on SDC's engagement in the PRSP context. We request the country desk officers of the 18 SDC program countries<sup>32</sup> with a PRSP or I-PRSP in place as well as program officers in the thematic divisions to provide us with the following documents concerning their respective sphere of activity:

- Country or thematic division mid-term plan (e.g., "PPP")
- Country or thematic division annual programme 2000, 2001, 2002
- Division strategies and guiding principles relevant to the PRSP context
- Any other written information relating to SDC's engagement in the PRSP or I-PRSP process, for example:
  - Any documents regarding SDC projects, partnerships or other initiatives undertaken in an I-PRSP or PRSP context including any undertaking jointly with other donors or partners
  - Any correspondence between COOFs and headquarters relating to I-PRSPs or PRSPs (e.g., discussion of policy or project options, of difficulties/opportunities encountered, COOF reporting on the PRSP process in the partner country, etc.)

In short, anything and everything that can help us understand what is going on at SDC in the PRSP context.

Our preference is for documents in English and in electronic form. If not available, please send other language versions and hard copies to:

- [Sonja.zimmermann@gersterconsulting.ch](mailto:Sonja.zimmermann@gersterconsulting.ch)
- Sonja Zimmermann, Bantigerweg 48, 3006 Bern (Tel. 079 310 85 84)

You facilitate our work by sending the documents at your earliest convenience. However, please ensure that they reach us by **15 July 2002 at the latest**.

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<sup>32</sup> The following SDC program countries have completed PRSPs (date of board approval in parenthesis) or are scheduled to do so soon (tentative time-span for board approval in parenthesis): Honduras (27.9.01), Nicaragua (13.9.01), Bolivia (1.3.01), Mozambique (1.10.02), Tanzania (1.10.00), Burkina Faso (25.5.00), Benin (Apr-Jun 02), Rwanda (Apr-Jun 02), Niger (Jan-Mar 02), Albania (1.11.01), Macedonia (July-Sept 02), Azerbaijan (Nov-Dec.02), Kyrgyz Republic (Oct-Dec 02), Tajikistan (July-Sept 02), Nepal (Apr-Jun 02), Vietnam (Apr-Jun 02). The following SDC program countries have completed I-PRSPs: Georgia (1.11.00), Kyrgyz Republic (13.6.01), Tajikistan (24.3.00), Vietnam (14.3.01), Benin (26.6.00), Chad (16.7.00), Mali 19.7.00), Niger (6.10.00), Rwanda (30.11.00), Moldova (15.11.00), Macedonia (10.11.00).

## **Annex 5: List of Interviewees**

*Full interviews have been conducted with:*

Remo Gautschi	Deputy Director-General
Dora Rappold	Assistant Director-General
Adrian Schläpfer	Assistant Director-General
Walter Hofer	Multilateral Division, BWI (Head of section)
Alex Widmer	Multilateral Division, BWI
Lothar Caviezel	Multilateral Division, BWI
Ruth Huber	Programme Coordinator Nicaragua
Giancarlo de Picciotto	Programme Coordinator Bolivia
Martin Fässler	Programme Coordinator Mozambique
Gerhard Siegfried	Programme Coordinator Tanzania, Madagascar
Andrea König	Programme Coordinator Rwanda
Pascal Fellay, Peter Beez	Programme Coordinator Burkina Faso
Jean-Luc Virchaux	Programme Coordinator Mali
Claudio Tognola	Programme Coordinator Niger
Eliane Darbellay	Programme Coordinator Vietnam
Philippe Monteil	Programme Coordinator Albania
Philippe Zahner	Programme Coordinator Azerbaijan, Georgia
Felix Fellmann	Programme Coordinator Kyrgyz Republic
Anne Savary, Liselotte Staehelin	Programme Coordinators Tadjikistan
Alexandre Ghélew	Humanitarian Aid
Olivier Burki	Governance
Pius Wennubst	Social Development, Poverty
Nadine Speich	Natural Resource
Malte Lipczinsky, Kathi von Däniken	Employment and Income
Günther Bächler	Conflict Prevention
Marco Rossi	Social Development
Ivo Germann	seco
Niklaus Zingg	Swiss ED's Office, World Bank, Washington

*Documents have been supplied by:*

Giorgio Bianchi	Programme Coordinator Tchad
Markus Schäfer	Programme Coordinator Nepal
Pierre Petitat	Programme Coordinator Benin
Stefanie Burri	Programme Coordinator Macedonia

*Informal talks were held with:*

Konrad Specker	NGO Service SDC, Head of the Section
Jean-Robert Moret	Coordinator, Burkina Faso



## ***Annex 6: Bibliography***

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**Evans, Alison; Coyle, Erin:** Donor engagement with national PRSP processes. Draft. ODI London, 2001.

**Gerster, Richard:** Alternative Approaches to Poverty Reduction, SDC-Working Paper 1/2000, Bern 2000.

**McGee, Rosemary; Levene, Josh; Hughs, Alexandra:** Assessing Participation in Poverty Reduction Strategy Papers: A Desk-Based Synthesis of Experience in Sub-Saharan Africa. IDS Research Report 52, Sussex 2002.

**SDC 1999:** Guiding Principles, Bern, 1999.

**SDC 2000 A:** Strategy 2010, Bern 2000.

**SDC 2000 B:** Poverty and Wellbeing. An orientation, Learning and Working Tool for Fighting Poverty, Bern 2000.

**SDC 2001:** Issue Paper. "Poverty Reduction Strategy paper (PRSP) – What is in for SDC?", internal document, Bern 2001.

**SDC, seco 2002:** Poverty Reduction Strategy Papers at a glance. Bern, 2002.

**Walther, Miriam:** Armutsstrategiepapiere (PRSP): Neuanfang in der Strukturanpassungspolitik von IWF und Weltbank? weed Arbeitspapier, Bonn, 2002.

## ***Annex 7: Abbreviations***

CAS	Country Assistance Strategy
CDF	Comprehensive Development Framework
CESI-WBI	Community Empowerment and Social Inclusion Learning Programme of the World Bank Institute
CLP	Core Learning Partnership
COOF	Coordination Office
DAC	Development Assistance Committee
DFID	Department for International Development
ED	Executive Directors
FAO	Food and Agriculture Organization of the United Nations
HLM	High Level Meeting
IFAD	International Fund for Agricultural Development
IFI	International Financial Institutions
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
LICUS	Low Income Under Stress
NGO	Non-governmental Organisation
NPO	National Programme Officer
ODI	Overseas Development Institute
OED	Operations Evaluation Department
PPP	Programme par pays
PRSP	Poverty Reduction Strategy Paper
SDC	Swiss Agency for Development Cooperation
Seco	State Secretariat for Economic Affairs
SPA	Special Programme for Africa
SWAP	Sector Wide Approaches
TOR	Terms of Reference
UNDP	United Nations Development Program
UNDP	United Nations Development Program
WB	World Bank
WFP	World Food Program

