

Gender Mainstreaming in Poverty Reduction Initiatives

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Executive Summary

The current Poverty Reduction Strategy Paper (PRSP) process is presented as being distinct from earlier Structural Adjustment Programs (SAPs) not only in focus but in form. PRSPs are described by the International Financial Institutions (IFIs) as being country owned and based on participatory processes with an emphasis on partnership between civil society, governments, the International Monetary Fund (IMF) and the World Bank. A PRSP once produced is evaluated by the World Bank and the IMF (the Joint Staff Assessment – JSA) in terms of its suitability as the basis for concessional lending and debt relief.

The publication of the World Bank's 'Engendering Development' (2001a) and 'Gender Mainstreaming' (World Bank 2002) documents suggests a new commitment to gender at least on the part of the World Bank. In practical terms this commitment translates into the introduction of Country Gender Assessments (CGA) that are to inform World Bank's in-country operations. The new focus on gender also extends to the World Bank's wider policy initiatives, such as the PRSP process. The 'Sourcebook' that guides PRSP design now includes a chapter on gender (see World Bank 2001b).

The IMF's 'new' operational tool within the PRSP process, the Poverty Reduction and Growth Facility (PRGF), is guided by seven 'Key Features' that are said to differentiate it from SAPs of the past (see IMF 2002). The Key Features suggest changes in terms of process, the PRGF is to be guided by notions of broad participation and greater ownership, in terms of focus, the PRGF is to be more pro-poor and pro-growth, and in terms of form, the PRGF is to demonstrate greater flexibility and less conditionality. The promotion within the PRGF framework of social impact analysis for all major structural reforms is also important in gender terms.

Despite existing World Bank guidelines and the 'new' approach of the IMF, however, studies undertaken to date suggest that PRSPs tend not to be 'gendered' documents and neither are the processes that produce them necessarily 'gendered' (see Bradshaw and Linneker 2003; Whitehead 2003; Zuckerman 2002). As such the present study has not sought to evaluate the extent to which gender is present in PRSPs, but rather to evaluate the extent to which the existing policy framework facilitates mainstreaming of gender within PRSPs, and how this could be improved.

This report presents an examination of the existing official policy frameworks, the design guidelines (the Sourcebook) and policy evaluation procedures (Joint Staff Assessment – JSA) surrounding the PRSP process along with consideration of the main means by which a PRSP is operationalised by the IMF (the Poverty Reduction and Growth Facility - PRGF) and the World Bank (Country Assistance Strategy - CAS).

The report considers what obstacles currently exist that prevent gender mainstreaming from occurring and assesses the possibilities for overcoming these obstacles. In order to assess the extent to which the procedures themselves are the limiting factor, the study considers what outcomes a gendered application of the current procedures could potentially produce, using Nicaragua as the case study. It contrasts these findings with

the recent evaluation of the PRSP process undertaken by the Operations Evaluation Department (OED) of the World Bank and the Independent Evaluation Office (IEO) of the IMF.

When discussing poverty it is important to bear in mind that even the extent of the 'poverty problem' is contested given that there is no agreement around how best to measure poverty. Any reported reductions in poverty can also be questioned on methodological and ideological grounds. In gender terms while women are seen as important within the aim of reducing poverty, official metrics are recognised as not being able to adequately reflect women's poverty and changes in their poverty. The fact they continue to be used suggests that while women are seen to be important in reducing poverty, reducing women's poverty is not seen to be important. The conceptualisations of gender, poverty and poverty reduction underpinning recent IFI initiatives are, therefore, problematic, and may limit the utility of related policy initiatives such as the PRSP.

The design of a PRSP is underpinned by these official conceptualisations and measures of poverty as presented within the PRSP Sourcebook. While the Sourcebook is a valuable source of information for those designing a PRSP there are contradictions within and between the chapters in terms of the gender perspective presented. The main policy chapter, guiding the macroeconomic framework, suggests that macroeconomic stability remains the key aim and as such that the PRGF takes precedence over the PRSP, which goes against the notions captured in the Key Features and wider PRSP literature. The focus is on efficiency not equity and the discussion is completely devoid of any recognition of the gender dimensions of macroeconomic policy formulation and impact. This suggests that differential gendered impact of previous stabilisation policies will continue, and continue to be unrecognised.

Where discussion is gendered, including in the chapter specifically addressing gender, a focus on efficiency underpins the discussion. The four dimensions that form the basis of the discussion of gender in the Sourcebook can each be critiqued: 'opportunities' for its economic growth focus; 'capabilities' for addressing symptoms not causes; 'security' for reinforcing rather than challenging stereotypes; and 'empowerment' for the lack of engagement with power and unequal power relations. Such critiques limit the utility of the chapter for those interested in engendering PRSP design.

The Sourcebook is useful in that it does recognise that gendered poverty is multidimensional, multisectoral and in particular notes the importance of secondary poverty for women. However, its recognition that official poverty metrics do not capture gendered poverty ultimately constructs gender concerns as secondary. The gender framework presented in the sourcebook overall is weak and even if the guidelines were followed the resultant 'gender perspective' would be open to gender critique. Moreover, the Sourcebook appears to accept that the PRSP process will not be engendered, and that the engendering of poverty reduction will emerge out of the PRSP process over time.

The majority of PRSPs are largely non-gendered documents, including the PRSP of Nicaragua (see Quirós, Bradshaw and Linneker 2003 for discussion). The recent

IEO/OED independent evaluation of 10 countries involved in PRSP processes, including Nicaragua, provides support for more general concerns expressed by civil society organisations, suggesting that:

- ?? Debt relief under the Enhanced HIPC initiative dominates the PRSP process influencing the content of the strategy, limiting participation and reducing perceptions of ownership.
- ?? The PRSP process represents continued policy imposition and may negatively impact on national policy formation and challenges country sovereignty.
- ?? PRSPs do not actually provide an 'operational road map' to policy making despite having received JSA endorsement.
- ?? Concrete criteria for judging whether the PRSP initiative is succeeding or failing are largely lacking.
- ?? Once irrevocable HIPC debt relief is achieved there are no clear measures to ensure continued commitment to investing in poverty reduction.
- ?? There is a mismatch of expectations especially in relation to the extent to which the PRSP process represents a fundamental shift in political accountability.
- ?? The nature of the participatory processes within the PRSP initiative shows potential to ultimately weaken rather than strengthen civil society.

The evaluation of the PRSP process in Nicaragua demonstrates that little real change has occurred in terms of either the World Bank or the IMF.

There is no evidence to support the idea that the IMF have become more open to participatory processes and little evidence of an increased commitment to analysing the possible negative distributional impacts of the policies proposed in order to establish countervailing measures. Both limitations may have serious gendered consequences. The continued focus on stabilisation suggests little change from previous IMF programmes and any suggested increased flexibility may not actually be due to the features of the PRGF but rather be related to other factors, such as improvements in the macroeconomic environment. IMF documentation related to the PRGF of Nicaragua is devoid of any mention of gender, and more importantly does not recognise the differential gender impact of the macroeconomic and structural reforms it proposes. This suggests that gender concerns expressed in relation to SAPs continue to apply under the PRGF.

The World Bank is perceived as continuing to impose its policy prescriptions on Nicaragua and this may explain good alignment between the PRSP and the World Bank's CAS. Despite the existence of a gender mainstreaming policy within the World Bank via the Country Gender Assessment initiative, the alignment between the PRSP and the CAS includes (non) gendered alignment, and the CAS lacks a gender focus and a budgetary allocation for projects focused on gender equity.

The guidelines for the Joint Staff Assessment (JSA) of the PRSP process do potentially provide an opportunity to highlight gender concerns. While, many of the opportunities to consider gender are implicit within the JSA guidelines and not explicitly stated, a gendered application of the guidelines would allow critical gender issues and

shortcomings to be highlighted. The case of Nicaragua, however, highlights the discretionary nature of engendering a JSA. Despite the gender limitations of the PRSP the JSA makes only passing mention of gender. While this may suggest a lack of gender knowledge on behalf of the review team, that even the more obvious gendered problems with Nicaragua's PRSP, such as the lack of a budgetary allocation for social equity, were not highlighted in the JSA suggests a lack of disposition to utilise the existing opportunities within the guidelines. That is there appears to be a lack of interest in issues of gender equity or political will to 'mainstream' gender among staff of both the World Bank and the IMF.

Overall the PRSP and the related PRGF and CAS are all based on a conceptualisation of gender equity as a means to improve economic growth and women as a mechanism to improve the situation of others. The PRSP demonstrates that as a goal in itself gender equity is still not accepted, with gender often presented as a cross cutting theme. However, the importance of including gender equity at all is still disputed and this is reflected in the PRGF that remains un-gendered. The CAS, which exists to operationalise the PRSP, perhaps offers a further chance for engendering the poverty reduction process via the CGA. However, even within this most gendered of all the tools the focus remains one of efficiency not equity.

While the framework in which PRSPs operate is largely pre-determined, the focus on poverty does open up new opportunities for policy formulation. Elements now seen as essential for economic growth gains, such as investment in education and health may bring wider well-being as well as higher productivity. As such one strategy for women's groups and movements might focus on ensuring women share in any gains the PRSP process brings, economic or otherwise. All the different stages and elements of the PRSP process provide opportunities for activities related to this aim, and in particular the Sourcebook gender guidelines are ideal for this purpose. However, such an approach suggests an ideological problem for some, given the World Bank gender approach utilises women to boost national economic growth without establishing mechanisms to remove the inequalities that prevent women from benefiting from that growth.

An alternative approach might be to exploit existing opportunities and promote policies of gender equity within the existing PRSP framework. Given that the PRSP discourse does place on the national and international policy agenda issues such as violence against women there may be possibilities to utilise the spaces opened up by the pro-poor growth agenda to pursue gender equality aims. One approach might focus on ensuring the gendered application of the JSA guidelines. Campaigning around the formulation of a Country Gender Assessment would also provide the possibility to engender World Bank policy practice via the CAS. While gains may be made, the approach is limited by the fact that at best it will achieve inclusion of gender only as a secondary concern, or an add-on, rather than as the central policy focus.

The final option is to promote a strategy that focuses on reducing gender inequality for poverty reduction, rather than reducing poverty. This view suggests that if women's relative poverty is to be challenged its root causes need to be addressed and these relate to structural gender inequalities. As such policies need to focus on power and unequal

power relations between men and women, and among women, and may suggest the need to formulate a Gender Strategy Paper rather than a Poverty Reduction Strategy Paper. As such the PRSP process suggests limited opportunities to promote such an approach since the approach largely rejects the dominant poverty and gender mainstreaming discourse. However, the existence of the CGA suggests an opportunity to campaign for its role to be made central to the PRSP process, much like the role of the PRGF. This raises obvious contradictions around calling for structural gender conditionalities while campaigning against general structural conditionalities. Moreover, while the importance of stabilisation and economic growth is agreed by key actors in the PRSP process, the importance of reducing gender inequality is not, and such an approach demands a political will that is largely lacking.

Involvement in the PRSP process to date has been an either/or decision leading to insiders/outside and as such fragmenting the collective voice. However, the approaches suggested by the analysis need not be seen as mutually exclusive and in fact suggest the need for multiple actions by multiple actors.

Introduction

The end of the 1990s saw a number of changes within the World Bank and International Monetary Fund (IMF) as Structural Adjustment Programmes (SAPs), with an emphasis on economic stabilisation and adjustment, gave way to the Poverty Reduction Strategy Paper (PRSP) initiative, with the focus on pro-growth and pro-poor strategies. The PRSP process is presented as being distinct from SAPs in that it is described as a country owned and participatory process with an emphasis on partnership whereby the IFIs take an advisory role only. The publication of the World Bank's 'Engendering Development' (2001a) and 'Gender Mainstreaming' (World Bank 2002) documents suggests also a new commitment to gender, at least within the Bank. In operational terms the introduction of a Country Gender Assessment (CGA) to feed into the Bank's Country Assistance Strategy (CAS) supports this commitment. The new focus on gender extends to the Bank's policy initiatives including the PRSP, and the 'Sourcebook' that guides the PRSP design process now includes a chapter on gender (see World Bank 2001b).

Despite existing World Bank guidelines, however, studies undertaken to date suggest that PRSPs tend not to be 'gendered' documents (see Bradshaw and Linneker 2003; Quirós, Bradshaw and Linneker 2003; Whitehead 2003; Zuckerman 2002). Even apparently gendered PRSPs may arise from non-gendered processes, as the case of Honduras demonstrates. Recently presented as an example of good gender practice by the Director of Gender and Development at the World Bank (see Mason 2003), the PRSP of Honduras was critiqued by national women's movements for its non-participatory formulation (see Bradshaw and Linneker 2003). What the existing information suggests is that gender is not mainstreamed within PRSPs, nor are the processes that produce PRSPs gendered. As such the study does not seek to evaluate the extent to which gender is present in PRSPs, but rather the extent to which the existing PRSP framework facilitates the mainstreaming of gender within PRSPs, and how it could be improved.

This report presents an examination of the existing IFI policy frameworks, design guidelines and policy evaluation procedures surrounding the PRSP process and considers the extent to which they really present an opportunity for engendering poverty reduction processes, what obstacles exist preventing this from occurring and assesses the possibilities for overcoming these obstacles. The study considers what outcomes a gendered application of the procedures could produce, in order to assess the extent to which the procedures themselves are the limiting factor and the extent to which it is their application that is the problem. It focuses on existing design guidelines, in particular the PRSP Sourcebook and the Country Gender Assessment, the guidelines to evaluate the suitability of a PRSP as the basis for concessional lending (the Joint Staff Assessment - JSA), and the operationalisation of the PRSP via consideration of the Bank's Country Assistance Strategy and the IMF's Poverty Reduction and Growth Facility (PRGF). In effect the report replicates the recent independent evaluation exercise undertaken by the Operations Evaluation Department (ODE) of the World Bank and the Independent Evaluation Office (IEO) of the IMF in ten PRSP countries, including Nicaragua.

The study begins with a review of the conceptual and policy frameworks underpinning the PRSP process. While there appears to be universal agreement on the need to reduce

poverty, there is no universal agreement around the best means by which to achieve this. In particular different actors have different understandings of the importance of, and relationship between, economic growth, poverty reduction and gender equality. Notions of what constitutes poverty are also contested, as is the ability of official poverty metrics to capture changes in poverty, particularly women's poverty.

The way the poverty problem is conceptualised informs policy prescriptions within the PRSP process. The design of a PRSP is also guided by the Sourcebook and influenced by other initiatives such as the Bank's gender mainstreaming policy, and by guidelines prescribing how the Bank and the Fund operate such as the IMF's 'key features'. The study reviews the extent to which the different guidelines around procedures, practices and operations are engendered and the nature of the gender perspective presented to assess if it represents a viable framework for other actors, both gendered actors and gender sceptics, involved in the PRSP design process.

Once complete a PRSP is submitted to the joint Board of the IMF and the World Bank and reviewed in terms of the extent to which it provides a good basis for concessional lending. This Joint Staff Assessment (JSA) as it is known, not only evaluates strengths and weaknesses of a PRSP but also makes recommendations as to how it can be improved. The extent to which the JSA offers an opportunity to review and recommend in gender terms is assessed, as is the extent to which any opportunities are taken up, considering Nicaragua as a case study in this context.

The case of Nicaragua is then analysed in more depth, including analysis of the IMF's PRGF and the World Bank's CAS in terms of the extent to which it fulfilled its own criteria and a more gendered set of criteria. These findings are analysed in relation to the results of the recent Independent Evaluation of the PRSP process. The key general and gendered aspects of the review are highlighted and discussed in relation to the experiences of the other countries in the evaluation process.

Overall the study seeks to analyse the relative importance of the interacting policy initiatives and the extent to which each is open to policy engendering. Based on the analysis, the study aims to assess the extent to which women's movements should in turn be open to engendering these policies, given the potential relative costs and benefits of such actions.

I. The Conceptual Poverty Framework

In recent years the debate around poverty, economic growth and redistribution has come back to the fore with new research being undertaken by those working within the IFIs and in response to independent academic studies. In part this debate has arisen because of the renewed interest in poverty and the need to prioritise poverty reduction. This debate has also arisen because of recent implicit acceptance by the IFIs that evidence suggests that many of the policies they supported in the past may have had a significant negative impact on income distribution and in particular that there exists a positive relationship between the implementation of SAPs and increases in inequality (see Lopez 2002: 3). However, this is not to suggest that all elements of SAPs present a problem, and World Bank economists have sought to demonstrate that economic growth is (still) good for the poor (see Dollar and Kraay, 2000). It has been suggested that economic growth benefits the poor as well as the rich because economic growth does not worsen income distributions, which are relatively stable over time (Adams 2003). However a study by Ravallion (IMF 2002a) found less stability, suggesting that with economic growth inequality was seen to increase about half the time and decrease about half the time, suggesting there is no strong empirical evidence pointing to a general tendency for growth to make income distribution more or less equal. What is largely accepted is that high inequality countries have a harder time reducing poverty through growth since higher inequality tends to mean that the poor have a lower share of the gains from any growth (see Ravallion, 1997; Deininger and Olinto 2000). As such it has been suggested that the main factor influencing the impact of growth on poverty is the initial level of inequality and that large inequalities may explain continuing poverty in countries where some economic growth has occurred, such as in countries of Latin America (Killick 2002). However, the World Bank and IMF continue in their conviction that economic growth is the 'single most' important factor influencing poverty reduction (World Bank, 2001b) and in light of criticisms of past failures have looked to highlight ways in which economic growth initiatives can be improved or enhanced. Gender has been found to be one such economic growth enhancer.

Recent World Bank research has demonstrated that improved gender equity can bring economic growth gains (see Dollar and Gatti, 1999; Klasen, 1999). Investing in women via improving their stocks of human capital, especially investing in education, improves women's productivity, which in turn increases the wealth of the nation. As any increase in national income can be offset by an increase in the population that share that income, the fact that increased education is also associated with a reduction in fertility suggests policies that improve gender equity are an efficient means to improve per capita growth in income.

The World Bank Gender and Development Group (2003: 6) highlight in particular the benefits that investment in human capital, especially girls' and women's education and health brings, suggesting that if the countries of Africa had closed the gender gap in schooling between 1960 and 1992 as quickly as East Asia did, this would have produced close to a doubling of per capita income growth in the region (World Bank Gender and Development Group 2003: 12). The logic is that "Educated, healthy women are more able to engage in productive activities, find formal sector employment, earn higher

incomes and enjoy greater returns to schooling than are uneducated women...” (World Bank Gender and Development Group 2003: 6). This demonstrates an over simplified logic to the Bank’s reasoning, for example, not taking into account that even when women are educated and healthy they still tend to be responsible for domestic work in the home and thus limited in their ability to engage in productive activities. It also ignores unequal relationships of power within the home and that male control may limit women’s ability to engage in productive activities outside the home. Power relations also operate outside the home and women still earn less than comparably educated men, even when working in the ‘formal sector’. More problematic is how the ‘uneducated women’ are characterized as “.....[uneducated women] who suffer from poor nutrition and health, or are victims of domestic violence” thus suggesting domestic violence to be a product of low education levels and a problem of the poor.

In terms of improving girl’s stocks of human capital the World Bank Gender and Development Group (2003: 11 citing Schultz 1987) suggests families’ willingness to school, feed and provide health care to girls is far more strongly determined by income and the costs of providing these services than is the case for boys. It goes on to highlight a number of other actions that could be taken to improve girl’s attendance at school including the provision of nursery and pre-school centres attached to schools which would allow “girls to leave younger siblings in care while they attend school” and providing a source of clean water “for girls to carry home after school” (World Bank Gender and Development Group 2003: 12). As such the approach does not challenge underlying unequal power relations and may reinforce gender stereotypes.

The fact that recent World Bank documentation states that ‘gender-sensitive development strategies contribute significantly to economic growth *as well as* to equity objectives’ (World Bank 2001c: 3, emphasis added) suggest that for them gender equity or women’s empowerment is a secondary concern, a by-product of policy designed to promote economic growth gains. Moreover women are seen to be an efficient means to bring about wider economic goals, for example, it has been suggested that while generally increases in household income are associated with reduced child mortality risks, “the marginal impact is substantially greater, almost 20 times as large, if the income is in the hands of the mother rather than in the hands of the father” (World Bank Gender and Development Group 2003: 15). What this does not take into account is the fact that access to an income does not necessarily mean control of that income in the home. The document notes that “child mortality rates are also linked to gender-related norms and customs” and the negative impact of factors such as gender inequality in the control of the household’s economic resources and in the right to make decisions are noted in relation to maternal health. However, the potential of inequality within the home and unequal relations of power more generally to effectively negate any benefits women’s entry into the labour force may bring are not discussed.

This lack of attention to power relations is indicative of the Bank’s ‘gender’ focus. Overall the Bank’s Gender and Development Group (2003) works from a model that places economic inequality rather than inequalities of power as central. The assumption is that improving girl’s education levels will improve women’s access to financial resources in the future and will ‘empower’ women within their own homes. This

'private' economic empowerment in turn allows women to challenge more public gender stereotypes. This approach sees economic inequality as a cause of wider inequalities rather than a symptom of unequal power relations inside and outside the home, and is increasingly being questioned even by mainstream commentators (see Kanbur 2002 for discussion).

While the World Bank at least recognises the economic growth gains to be had from investing in women, many mainstream economists remain sceptical. Kanbur (2002) suggests this scepticism may in part stem from a belief that the macroeconomic benefits of reducing gender inequalities are not that great, not least since the relative importance or impact of reducing inequality or improving distribution in general is not agreed. On the other hand, the scepticism may stem from a belief that gender is not a good category for addressing inequalities. This arises from the fact that studies suggest that differences in location or education better explain differences in wealth than gender does. On the one hand the greater general exploratory power of variables with multiple response categories may help to explain this.¹ On the other hand, gender may not explain unequal distribution of wealth as well as other factors because of the way wealth is measured. The most commonly used variable, consumption, cannot address gender differences since it is measured at the household rather than individual level. As such it is not possible to compare the situation of a woman with that of man in a comparable household. The only comparison possible is between female-headed households and male-headed households. As such differences in gender are "forced to be differences across households in which the genders live" (Kanbur 2002: 9) which may also help to explain its low explanatory power. This suggests a fundamental problem in that measures of wealth and poverty are not adequate enough to capture gender difference.

Official poverty discourse has accepted that poverty metrics such as aggregate consumption "...doesn't tell you anything about intra-household distribution. It often doesn't tell you anything about access to public services and access to non-market goods. There are a lot of important things that are left out....." (Ravallion in IMF 2002a: 26). Despite this fact such metrics remain dominant and continue to establish levels of global poverty and trends in poverty reduction (see for example Ravillion 2001). Criticism in relation to measures of poverty and poverty reduction tend to take two forms. Conceptual critiques suggest that narrow income or consumption measures of poverty, or purely economic metrics, do not adequately reflect the situation and do not take into account wider issues of well being (see Chambers 1995; Wratten 1995). Methodological critiques question the means by which economic poverty metrics are established. Recent criticism has tended to focus on measures of poverty as they explain poverty reduction and have come from both the political right (see Bhalla 2002) and the left (see Reddy and Pogge 2003) that have been taken seriously enough to provoke a response from a top level advisor and researcher in the World Bank (see Ravallion 2003a; 2003b).

¹ Sex or gender is usually accepted to be a two category variable. All other key variables have multiple response categories. Comparable two-category response variables based on continuous data, of the type no/some education or rural/urban location, are artificial constructions and as such subjective.

On one side analysts such as Bhalla (2002) suggest that the World Bank measures overestimate the magnitude of the poverty problem and have underestimated advances in reducing poverty, and there have been suggestions that the \$1/day poverty rate has actually fallen from 20% to 5% over the last twenty five years (see Sala-I-Martin 2002). This suggests that the main Millennium Development Goal of reducing world poverty to below 15 % has already been exceeded. Bhalla (2002) also argues that economic growth through globalisation has been disproportionately beneficial for the poorest people (lowest quintile) in the developing world. Inherent in his arguments is the idea that economic growth is sufficient in itself to bring about a reduction in poverty, a position recently refuted by the World Bank (see IMF 2002a for debate). While the arguments have been largely methodological, underpinning them are ideological differences that centre on the role of aid and question the need for further financing of the main development institutions (Bhalla 2003: 2).

At the other end of the spectrum commentators such as Reddy and Pogge (2002; 2003) contest World Bank methodology suggesting reported reductions in poverty levels in developing world countries could actually be the outcome of changes in prices and patterns of consumption in the developed world. In particular the use of 'purchasing power parity' (PPP) has been critiqued in terms of its ability to describe the comparative cost of purchasing a fixed basket of goods around the globe. They highlight the fact that the basket of goods concept is a fallacy, in that there is no agreed set of goods in the basket and the notion that the national poverty line is guided by the price of buying a set of goods deemed the minimum needed to sustain life is misguided. Numbers of poor in a country are calculated using poverty lines, but these poverty lines are international lines rather than national lines and the '\$1 a day' poverty metric is not based on the actual price of any basket of goods in any country. As such analysts question the ability of the '\$1 a day' measure to reflect poverty levels and changes in those levels, suggesting it to be an arbitrary international metric unrelated to any clear conceptualisation of poverty.

Summary

On a general level how poverty is measured is contested and the extent of the poverty problem is open to debate. Any reported changes in poverty can be questioned on methodological and ideological grounds as not capturing the reality of the situation. In gender terms while women are seen as important within the aim of reducing poverty, official metrics are recognised as not being able to reflect their poverty and changes in this poverty. This suggests that women are seen to be important in reducing poverty but reducing women's poverty is not seen to be important. As such the conceptualisations of gender, poverty and poverty reduction underpinning recent World Bank initiatives are problematic, limiting their utility for those interested in improving the situation of women.

II. Poverty Reduction Policy Frameworks

The PRSP process needs to be understood within the wider policy context of the IFIs and recent changes in focus and form of the work of these institutions. Each has other ‘new’ policy initiatives that relate to the PRSP, either directly or indirectly. In the terms of the World Bank, operationalisation of its activities is guided by the Country Assessment Strategy, which should relate directly to the PRSP. Similarly the IMF’s lending is dependent on agreements made with governments under the Poverty Reduction and Growth Facility (PRGF), which should be ‘embedded’ in the PRSP process. Before each of these is examined a review of the PRSP initiative is first provided.

The Poverty Reduction Strategy Paper process

Poverty reduction strategy papers are the latest in a long line of IFI development initiatives aimed at reducing poverty. PRSPs are themselves an HIPC II conditionality for obtaining debt relief, and are 3-4 year medium term programs. The IMF/World Bank (1999) paper discussing operationalising the PRSP initiative indicates a need for poverty reduction strategies that are, inter alia:

- ?? Country-driven, with the broad participation of civil society, elected institutions, key donors and relevant IFIs;
- ?? Developed from an understanding of the nature and determinants of poverty and the links between public actions and poverty outcomes, recognizing that sustained poverty reduction will not be possible without rapid economic growth; and
- ?? Oriented to achieving outcome-related goals for poverty reduction.

The report notes that although the causes of poverty and their solutions will be country-specific, poverty reduction strategies should share some common ingredients:

“Rapid, sustainable growth is a necessary condition for poverty reduction, along with a pattern of growth in which the poor fully participate. This will require prudent macroeconomic management, robust private sector activity and investment, and sound sectoral and structural policies. The new approach also recognizes the increasing evidence that entrenched poverty and lack of economic opportunities and asset endowments can themselves be impediments to growth. Poverty reduction also requires effective mechanisms for participation of the poor and the creation of responsive and accountable public institutions. Good governance is necessary to assure sound management of public resources, and achieve greater transparency, including active public scrutiny and government accountability in fiscal management. The active involvement of civil society in monitoring relevant aspects of a program is an important ingredient” (IMF/World Bank 1999: point 2).

These ideas have translated into PRSPs that tend to include four key ‘pillars’:

- ?? Labour intensive economic growth - The notion of ‘labour intensive growth’ reflects the noted need for a ‘pattern of growth in which the poor fully participate’. It does not suggest a departure from the IFIs focus on open markets and free trade, rather that countries build on their ‘comparative advantage’ of cheap labour within, for example, the export and tourism sectors.

- ?? Investment in human capital -Reflects the recognition that asset endowments can impede growth.
- ?? Good governance - Seen as necessary to assure sound management of public policies and resources in particular the 'prudent' management of the macro economy
- ?? Social safety nets for the most vulnerable - May be seen to reflect the implicit acceptance of the role of inequality in impeding the poor accessing the benefits of growth and growth itself

The PRSP framework 'resolves' the problems of the extreme poor in the short term through social welfare provision (social safety nets). It seeks to construct an outward looking economic growth strategy and improve the policy environment in which this strategy is implemented (so called governance). It also aims to enhance future growth through productivity gains and population decline (via investment in health and education).

The PRSP framework also promotes three 'cross-cutting themes', Environment, Decentralisation, and Social Equity, including gender equity. The incorporation of gender equity, not as a specific objective of the PRSP but as a transversal theme may be seen to reflect the World Bank's desire to 'mainstream' gender. However, it may also be seen to reflect the conceptualisation of gender underpinning the PRSP process in that it is not a goal in itself but a means to achieve a goal or more correctly a number of goals.

Women's key role in ensuring the success of the PRSP process is not clear only in the case of 'governance' given 'good' governance is conceptualised as the creation of a sound macroeconomic policy framework. As such it is presented as largely independent of human action and as gender neutral. Despite the fact that economic growth is also presented as gender neutral, women may be the preferred within the export and services sectors targeted, not least since they are often the cheapest of a cheap labour force. Women also have a key role in enhancing growth in the future, they are the mechanism for ensuring their sons and daughters take advantage of opportunities in education and health, and as such enhancing the next generation's human capital and potential productivity. Women are also key in terms of the efficient functioning of social safety nets by ensuring resources are distributed within the family. As such the PRSP process may increase women's reproductive workload. At the same time their productive workload may also be increasing. A contradiction is set up, not only in terms of time use, but also given stereotypical female roles are being reinforced at the same time as women are supposedly becoming 'economically empowered'. Although women may share in any benefits the PRSP brings, the cost to the cost of their share may be disproportionately high.

The IMF/World Bank report (1999) notes that the PRSP framework requires not only closer collaboration between the IMF and the Bank in 'assisting' low-income members but also the 'desirability' of key multilateral institutions becoming fully engaged in the PRSP process and the need for improved 'harmonization' of aid procedures (IMF/World Bank report 1999: 58, point 59). That is the PRSP is to become the key policy instrument for all donors, not just the World Bank and the IMF. However, the fact that the new framework does not contain a 'magic bullet' to solve the problem of poverty is

recognised by the authors of the strategy and the suggestion is that “hopefully over time the knowledge of the issues involved and the ability to implement effective strategies will improve”(IMF/World Bank 1999: 11).

The Boards of the Bank and the Fund are those who will ‘endorse’ a PRSP and the PRSP will form the basis for Bank and Fund concessional lending as operationalised by the Poverty Reduction and Growth Facility (PRGF) of the IMF and the Country Assistance Strategy (CAS) of the World Bank. Each will now be considered.

Box 1 The Nicaraguan PRSP

The very name of the Nicaraguan PRSP, ‘Strengthened Strategy for Economic Growth and Poverty Reduction’ makes clear the centrality of pro-growth compared to pro-poor policies. Other elements of the PRSP, such as investment in human capital and in particular education, are constructed as the means to improve the productivity of the labour force for these economic growth gains. The social protection policies with their focus on the rationalisation and consolidation of existing programmes and the provision of services through private organisations, also reflect the underlying neoliberal framework of the PRSP process. The final pillar, good governance, is limited in its construction, thinking no further than putting into place the legal framework for good policy management, without attention to measures that will ensure this is adhered to. Despite this it is suggested that ‘virtually all’ of the policies proposed in the PRSP will encourage increased social equity (Government of Nicaragua 2001: 37).

To a great extent women are noticeable by their absence in the PRSP especially within the governance pillar where policy appears to be assumed to be gender neutral in the same way that the macroeconomic policy framework is discussed in non-gendered terms. Within social safety nets women are present, but not as beneficiaries or key agents of change but as the means to transfer resources to others - most specifically children. The universal woman of the PRSP is a mother and responsibility for the family and family planning is promoted as resting with women and women alone. The extent to which women are visible within discussions of population growth is only matched by their invisibility in discussions of economic growth. There is no explicit mention of women’s role in the economy, present and future, despite the fact that in the economic growth pillar two of the sectors to be promoted, tourism and free trade zones, employ a large, if not majority, female labour force. Where women are mentioned in the PRSP as human beings rather than child bearers and rearers, they are presented as victims. It is noted that ‘special protection’ must be afforded to children under five years of age and other particularly vulnerable groups, such as ‘abused women’ the disabled and the aged (Government of Nicaragua 2001: 34). However, the fact that at the same time the government notes that its top priority is the reduction of extreme poverty and that “social programs will be crucial for this result” (Government of Nicaragua 2001: 24) suggests that even this ‘special protection’ is unlikely to be forthcoming.

See Linneker, Bradshaw and Quiros (2004) for further discussion

The International Monetary Fund and the Poverty Reduction and Growth Facility

The home page of the IMF introduces the institution as an organisation of 184 countries working ‘to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty’.² The IMF highlights that since it was established its purposes have remained unchanged, however, it notes its operations have developed ‘to meet the changing needs of its member countries in an evolving world economy’.³ The core operations of the IMF are described as surveillance, that is the monitoring of the economic and financial situation and provision of policy advice, financial assistance, whereby the IMF lends to countries with balance of payments difficulties to provide short term financial aid and to support policies aimed at ‘correcting the underlying problems’ and third, the provision of technical assistance and training in its areas of expertise.

Until recently this technical assistance was uniform in nature, most clearly illustrated by the one-size-fits all approach of SAPs. The IMF (2002c: 20) has only recently committed itself to conducting research that would allow the formulation of macroeconomic policies that explicitly take into account some of the distinguishing characteristics of low-income countries and that therefore would allow policies to be tailored to the needs of these countries. Recent IMF discourse suggests other changes in the institution also, such as its commitment to supporting social public expenditure in terms of HIV/AIDS and the PRSP initiative is promoted as central to this aim, given that ‘virtually all’ HIPC agreements require higher spending on HIV/AIDS (IMF 2004a: 1). In 2003 the then president of the IMF reported its aim was to ensure “countries allocate adequate budgetary resources to enhance prevention efforts, improve health care, and mitigate the adverse impact on those living with HIV and their families” and noted that in a number of cases fiscal deficits have been relaxed “precisely to make room for such spending” (Köhler 2003: 1). However, while official IMF documentation recognises public expenditure to be a ‘powerful tool’ for shaping equity and for reducing poverty, it is to be noted that the IMF justify higher outlays in education and health by highlighting their role in facilitating higher economic growth, and that these increased outlays are discussed in the context of efforts to ‘improve the efficiency and targeting’ of spending (IMF 2002b: 20). That is economic growth remains the key aim and public spending is still being discussed within an efficiency rather than an equity context.

Changes within the institution reflect or are reflected in the PRGF the IMF’s ‘low-interest lending facility’ for low-income countries.⁴ The IMF suggest that the PRGF was established to make the objectives of poverty reduction and growth ‘more central’ to lending operations in its poorest member countries (see IMF 2004b). There are said to be seven ‘key features’ that distinguish PRGF-supported programmes from the ESAF-supported programmes of the past (see IMF 2002b, 2002c):

² See <http://www.imf.org> last accessed 20/05/04

³ See <http://www.imf.org/external/about.htm> last accessed 20/05/04

⁴ An eligible country may normally borrow up to a maximum of 140 percent of its IMF quota under a three-year arrangement. Loans under the PRGF carry an annual interest rate of 0.5 percent, with repayments made semiannually, beginning five-and-a-half years and ending 10 years after the disbursement.

1. Broad participation and greater ownership.
2. Embedding the PRGF in the overall strategy for growth and poverty reduction.
3. Budgets that are more pro-poor and pro-growth.
4. Ensuring appropriate flexibility in fiscal targets.
5. More selective structural conditionality.
6. Emphasis on measures to improve public resources management/accountability.
7. Social impact analysis of major macroeconomic adjustments and structural reforms

The key features suggest critically that the PRGF is guided by the PRSP process rather than guiding that process and will demonstrate greater flexibility in its approach (features 2 and 4). It also suggests a new commitment to growth over stabilisation and pro-poor growth policies (feature 3) and there is some level of implicit acceptance of the importance of distribution (feature 7). The features suggest a broadening of the IMF mandate and its extension into governance (feature 6), which appears to present a possible contradiction with the commitment to reducing its influence on national policy formulation (features 1 and 5).

The idea is to streamline conditionalities and operations and the PRSP process within which the PRGF is located aims to improve relations between the Bank and the Fund and to ensure that while each concentrates on their own area of expertise, they share a common poverty reducing vision. The Key Features that characterise the PRGF can be seen to reflect Bank values such as participation and ownership. However, this common approach does not stretch to adopting a gendered perspective.

The 'key features' are not gendered and the documentation that surrounds them suggests a continued assumption of the gender neutrality of macroeconomic policy (see Elson 1998). Within its operations the IMF does not work from a gender perspective and a review of gender within available IMF documentation (held on its web pages) shows that mentions of gender are confined to documents such as PRSPs, reports around the MDGs and research papers, i.e. the work of other individuals and organisations related to the institution. The only IMF policy document that addresses gender issues is its annual report on 'Diversity' which notes that despite improvement over the past several years within the organisation women economists have a lower representation overall and are concentrated in the lower grades, noting this to be an area of continued concern.⁵

The World Bank and the Country Assistance Strategy

In its final form, a CAS document describes the Bank's planned operations in a country, lending, analytical work, and technical assistance, usually for a three year period. The CAS has been described as summarising the Bank Group's business plan for the medium term (IMF/World Bank 1999: 41). The CAS document includes sections on issues such as the country's economic and social performance and its main development challenges, a summary of the government's development strategy, and the Bank's proposed package of assistance. The CAS is envisaged to be a 'lean and pragmatic' document that

⁵ See <http://www.imf.org/external/np/div/2000/index.htm>

incorporates the intermediate and outcome indicators of the poverty action strategy as its objectives and the actions specified under the PRSP form a basis for determining lending triggers. As such the CAS is suggested to be an operational document that merely reflects the contents of a PRSP.⁶ However, while the CAS should take account of a country's development priorities and its economic performance, it will also reflect the Bank's mandate. As such a CAS may potentially differ from a PRSP in gender terms given the Bank's mandate and specifically its policy to 'mainstream' gender.

The Board of Executive Directors of the Bank endorsed the Gender Mainstreaming policy in September 2001 and gender mainstreaming is a Corporate Advocacy Priority with the Regional Vice Presidents being responsible for its implementation (World Bank 2002: 31). The Bank justifies this in terms of gender analysis being 'integral to understanding' how best to fight poverty and promote growth across sectors (Mason 2001) and Operational guidelines suggest that the objective of the Bank's gender and development policy is to "assist member countries to reduce poverty and enhance economic growth, human well-being, and development effectiveness by addressing the gender disparities and inequalities that are barriers to development, and by assisting member countries in formulating and implementing their gender and development goals" (World Bank 2003a). Bank procedure suggests that the country director should oversee the preparation of a Country Gender Assessment (CGA). The CGA is seen as providing the basis of any gendered policy actions, a necessary measure given that any policies or programmes should be based on specific country characteristics (Mason 2001). It is also noted that civil society groups are often in a better position than Bank staff to understand the critical gender issues in a country and actions that are culturally appropriate suggesting the desirability of 'targeted partnerships' with civil society groups (World Bank 2002: 33).

Once completed the Bank's Operational Manual suggests that the country director must ensure that the results of the CGA are reflected in the CAS, which should identify "any gender-responsive actions that are proposed as part of the Bank's assistance strategy for the country" (World Bank 2003b). It is not made clear what will happen if the CGA highlights an obvious need for gender-responsive actions that are not presently included in the PRSP, given that this would mean a CAS diverging from the established policy framework. However, the Bank documentation emphasises that gender mainstreaming will be 'client-led' with the Bank playing a supportive but pro-active role. The CGA is seen to provide the information to establish a country dialogue aiming to build consensus around priority 'gender-responsive' policies and interventions important for poverty reduction and economic growth (Mason 2001). While it is stated that the aim of the CGA is to identify interventions that are "likely to have high payoffs for poverty reduction, economic growth, and sustainable development" which can then be used as the basis for discussions that will "ultimately inform the Bank's country assistance program" (World Bank 2002: 20) it is also noted that the Bank will continue to play its 'traditional advisory

⁶ General information on the CAS was not readily available at the time of writing since the CAS website (www.worldbank.org/cas/) was not 'live', instead visitors are redirected to the 'documents and reports' page which allows access to individual country paperwork only. This discussion is based on information collected from various country CAS pages.

role' suggesting that its role is to ensure that projects are designed in an 'appropriate' gender-responsive manner, if and when a government chooses gender-responsive actions (World Bank 2002: 18). That is, even if a CGA highlights the need for gendered policies and actions, these may not necessarily be adopted by the Bank.

The aim is to have a Country Gender Assessment (CGA) completed for all active borrowers by the end of June 2005 (World Bank 2002: 39). The Manual suggests that a CGA should include:

- a) a description of
 - (i) the different socioeconomic roles of females and males, including their participation in both the market and household economies;
 - (ii) male-female disparities in access to, control over, and use of assets and productive resources;
 - (iii) male-female disparities in human development indicators;
 - (iv) the relative participation of females and males in development decision making; and
 - (v) laws, institutional frameworks, norms, and other societal practices that lead (implicitly or explicitly) to gender discrimination and/or gender inequality;
- b) a review of the country context, including the country's policies, priorities, legal and regulatory framework, and institutional arrangements for implementing its gender and development goals; and
- c) based on a) and b) above, suggested gender-responsive policies and interventions that are relevant for reducing poverty and enhancing economic growth, human well-being and development effectiveness (World Bank 2003b).

The CGA is promoted in terms of efficiency rather than equity, suggested that 'gender-related bottlenecks to development' may occur which vary between countries, and that the key is to "take advantage of opportunities for improved efficiency, effectiveness, and sustainability arising from greater attention to gender issues in policy, program, and project design" (World Bank 2002: 44). However, the documentation also advances discussion somewhat noting, for example, that ideally gender assessments should examine the interrelations among gender patterns in different sectors and spheres, highlighting the importance of gender roles and relations in the household, and how the work of men and women in households has a bearing on their roles and resources in other spheres (World Bank 2002: 47). It notes that because gender-based divisions of labour in rights and resources crosscut all sectors and spheres, a gender analysis needs to address questions about gender disparities throughout the economy (World Bank 2002: 54). Such conceptualisations of gender as multisectoral is an advancement on other Bank literature, as is the fact that the mainstreaming documentation also recognises that economic policies can have different impacts on males and females and that gender mainstreaming means "recognizing these different impacts and, where they are judged to be detrimental to well-being, formulating policy advice to ensure that both females and males benefit from policy changes" (World Bank 2002: 44).

The CGA offers a good opportunity for an analysis of gender roles and relations in the private and public spheres and an analysis of gendered differences both within and between households. This analysis which could potentially highlight the importance of

women's lack of decision-making power, for example, or the importance of secondary poverty, should then translate into policy actions on behalf of the Bank. However, the extent to which this will occur is bounded by the framework within which the CGA operates. The assessment still works within an economic growth framework and presents women alternatively as development 'bottlenecks' or as growth 'enhancers'. Moreover the Bank's insistence that their role is 'advisory' only potentially reduces the extent to which analysis translates into policy.

Summary

The PRSP and the related PRGF, CAS and CGA are all built on a conceptualisation of women as a mechanism to improve the situation of others and gender equity a means to improve economic growth. However, the importance of including gender equity at all is still disputed and this is reflected in the PRGF that remains un-gendered. Even the PRSP demonstrates that as a goal in itself gender equity is still not accepted, and gender is presented as a cross cutting theme. The CAS, which exists to operationalise the PRSP perhaps offers a further chance for engendering the poverty reduction process via the CGA. However even within this most gendered of all the tools the focus remains one of efficiency not equity and the extent to which a CGA can influence policy is questionable.

III. Design of a PRSP

The PRSP Sourcebook⁷ when considering macroeconomic issues (Chapter 12) suggests a sequence of events to be followed when trying to design an integrated poverty reduction and stabilisation programme. It notes that “once a country has developed a comprehensive and fully costed draft of its poverty reduction strategy, it will need to ensure that the strategy can be pursued and financed in a manner that does not jeopardize its macroeconomic stability and growth objectives” (page 9) suggesting that the poverty reduction strategy takes precedence over the stabilisation programme. However to ensure that the one does not jeopardise the other it suggests the following stages be gone through:

?? A full costing of the envisaged poverty reduction strategy.

?? An assessment of the government’s spending program with regard to priority spending, nondiscretionary spending, and discretionary non-priority spending.

?? An assessment of domestic and external sources of budget finance.

It notes that if there is an imbalance between spending and expected financing that could jeopardise realising the growth and stability objectives, then the extent to which additional external financing may be available should be reviewed but concludes that if the desired poverty reduction program cannot be financed in a manner consistent with the country’s economic stability and growth objectives, policymakers will need to reconsider these parameters and the extent to which the desired poverty reduction programs can be pursued (page 10).

From the introductory discussion onwards the importance of macroeconomic stability for economic growth is stressed. In turn it suggests that economic growth is the engine of poverty reduction, noting, however, that it works more effectively in some situations than in others and that two factors appear to determine the impact of growth on poverty; distributional patterns and the sectoral composition of that growth (page 7). It suggests the key driver of growth to be capital accumulation by the private sector. As such it suggests a key objective of a country’s poverty reduction strategy should be to establish conditions that facilitate private sector investment including privatisation and trade liberalization. However, it also notes that “the agenda should certainly include increased and more efficient public investment in a country’s health, education, and other priority social service sectors” (page 5). The Sourcebook suggests that policymakers ‘may wish to consider’ developing alternative macroeconomic scenarios that could be ‘usefully discussed’ with stakeholders and development partners. However, this is with a view to assessing the impact of lower-than-projected economic growth on key macroeconomic targets and poverty outcomes and to developing appropriate contingencies, rather than discussing targets and outcomes (page 10).

In terms of equity, the Sourcebook notes (box 12.3) that policymakers benefit from having a quantitative framework that can be used to assess the distributional impact of the macroeconomic policy options under consideration, noting that such a framework should be capable of identifying some of the critical tradeoffs in poverty-reducing

⁷ The Sourcebook can be accessed at: (accessed 30/05/04)

<http://www.worldbank.org/poverty/strategies/chapters/gender/gender.htm>

macroeconomic policies. However the fact it notes that World Bank staff are ‘developing’ such frameworks suggests that at present no framework by which distributional or equity issues can be systematically examined exists. It is interesting to note that the Sourcebook does not promote the use of Poverty and Social Impact Analysis (PSIA) or Benefit Incidence Analysis (BIA) despite internal promotion within the Bank and the Fund (see Corbacho and Davoodi, 2002; Davoodi et al 2003 for review of these tools).

Impact assessment is only promoted in one of the areas discussed, taxation, where it is noted that “as regards equity, the tax system’s direct and indirect impacts on the poor should be assessed” (page 13). The policy prescriptions laid out suggest a strategy should include a “broad-based consumption tax, such as a VAT, preferably with a single rate, minimal exemptions, and a threshold to exclude smaller enterprises from taxation” and that excise taxes should apply to ‘petroleum products, alcohol, and tobacco’ (box 12.4). It recommends that taxes on international trade should play a ‘minimal role’ and that the corporate income tax should be levied at ‘one moderate rate’. It notes of personal income tax that it should be characterised by ‘only a few brackets and a moderate top marginal rate’ with limited personal exemptions and deductions, but should include a standard exemption that excludes persons with low incomes. The Sourcebook suggests that overall revenues should be raised in as ‘economically neutral’ a manner as possible, taking into account ‘equity concerns’ and ‘administrative capacities’. However, it also notes that it is difficult to have a tax system that is both efficient and progressive and as such governments should seek to achieve a distribution of tax burdens that is seen as ‘broadly fair’ (page 13).

The Sourcebook chapter notes that “adjustment policies may contribute to a temporary contraction of economic activity, but this contingency should not be used to argue against implementing adjustment policies altogether because the alternative may be worse.....in the long run, the restoration of macroeconomic stability will deliver the greatest benefits to the poor” (page 8). It does note the need to protect the poor during adjustment and to adopt compensatory measures that insulate against or offset temporary adverse impacts to the fullest extent possible, which, it suggests, is best by devoting resources to the establishment of effective social safety nets including elements such as public work programmes, transfers to compensate for income loss, social funds, fee waivers, and scholarships for essential services such as education and health. In particular the Sourcebook notes that most reform programmes will call for the reduction or elimination of food subsidies and that such subsidies should be replaced with “better-targeted and less distorting transfers to the poor” (page 17). In terms of the poor’s ability to insulate themselves against shock, the Sourcebook recommends removing ‘market distortions and distortive policies’ including, asset market distortions that prevent the poor from saving and relaxing barriers to access to credit markets because credit availability makes the poor less dependent on current income (page 8).

The Sourcebook when discussing poverty reducing expenditure notes that (page 12) policymakers need to assess not only the appropriateness of a proposed poverty reduction spending program but also take into particular consideration the distributional and growth impact of spending and “should place due emphasis on spending programs that are pro-

poor, such as certain programs in health, education, and infrastructure” and on the “efficient delivery of essential public services”. However, it also notes that the evaluation should consider the extent to which public spending in particular can be justified on grounds of market failure or redistribution. The extent to which public goods or services can be delivered efficiently should also be assessed and policymakers should consider the extent to which the private sector can play a role in improving the delivery of these services.

Overall the promotion of private sector provision, market forces and efficiency provides the focus for the macroeconomic chapter of the Sourcebook. The focus on efficiency is not off-set by discussion of equity, much less a discussion of gender equity. As such macroeconomic issues within the Sourcebook are not seen to be gendered and discussion is gender blind. In fact the only mention of ‘gender’ is within the bibliography, which contains two studies referenced in footnote 11, within the introductory discussion around competing evidence on the role of equity and growth on poverty reduction. That is gender is only mentioned in terms of a conceptualisation of poverty reduction that is not adopted within the macroeconomic guidelines.

The rejection of a more holistic approach to the notion of poverty within the discussion of macroeconomic issues is in contrast to the first chapter of the Sourcebook focussed on poverty measurement and analysis. Hence while this chapter may be seen to be key to understanding conceptualisations of poverty and related poverty metrics within the PRSP process, its influence on other chapters is debatable. This is unfortunate since the chapter explains the key measures of poverty and their relative strengths and weaknesses and much of the analysis recognises gender differences and calls for them to be recognised within the poverty metrics adopted.

However, while gender is mentioned in numerous places and women’s poverty is specifically addressed, the overall focus of the chapter is on the quantitative measurement of poverty. Qualitative research is only introduced into the discussion 35 pages on in the chapter and only 3 pages are given over to specific discussion of qualitative techniques. This construction of qualitative research as of secondary importance is clearly demonstrated when the chapter notes that qualitative data and research can be ‘very useful’ to complement a quantitative poverty analysis (page 66). This for many feminist analysts would suggest from the outset that the sourcebook does not address sufficiently the measurement of women’s relative poverty and gender differences. This is because for many feminists gendered poverty can only be fully captured by qualitative methods.

Despite its limitations the chapter makes a useful contribution in gender terms in its recognition that gendered intra-household distribution of resources can lead to poverty being hidden within households that theoretically have sufficient resources. That is the chapter recognises the notion of secondary poverty. It notes, however, that income and consumption data typically fail to reflect intra-household allocations and that intra-household inequality is better captured through the use of qualitative and participatory surveys and/or through analysis of non-income measures of well being, such as nutrition, education, or health (page 31). That is there is recognition of the existence and importance of secondary poverty at the same time as it is recognised that official poverty

metrics fail to fully capture this poverty. The chapter also notes that qualitative techniques allow better understanding of why certain factors are correlates of poverty. In particular it notes that qualitative work can help uncover discrimination and help understanding of why certain groups in society, as classified by gender or by ethnicity, may be poorer than others (page 66). While the chapter accepts that the gender dimensions of poverty and inequality would be better explored via qualitative methods, it constructs qualitative research as complementary or secondary research. As such it constructs, even if inadvertently, gender concerns as secondary concerns.

It is important to note that each chapter in the Sourcebook represents the views of the individual or group of individuals that wrote it. This means that the Sourcebook does not necessarily reflect the views of the World Bank, and much less the IMF. It also means that the contents will depend on the views of the authors, the issues they consider to be important and that the standard of the analysis will also vary. This may help to explain any discrepancies between chapters, and that the analysis does not always utilise the same frameworks or work from the same principles. Such differences are apparent when the Gender chapter of the Sourcebook (chapter 10) is analysed in relation to other chapters.

The Gender chapter of the Sourcebook suggests there are four main dimensions of poverty: opportunities, capabilities, security and empowerment and that “a PRS involves policies and program interventions to help the poor to overcome each of these dimensions” (page 341). However, these are not the principles of poverty established within the Poverty Measurement and Analysis Chapter of the Sourcebook, which makes no mention of ‘opportunities’ nor of ‘empowerment’. Nor are they the major themes within the PRSP discourse. As such it is questionable from the outset whether the framework adopted for promoting gender within the PRSP process is the appropriate one, given it is not in line with the notion of poverty underpinning the PRSP process nor that presented elsewhere in the Sourcebook.

The poverty framework utilised by the chapter is also problematic in a gender sense. Although it suggests the four elements to arise from a review of the work of Sen and other authors, which could feasibly provide a good gender framework, a very particular interpretation of these concepts is being presented:

?? ‘Opportunities’ is largely defined in terms of income generation.

The discussion implicitly equates well being with economic improvement. For example, it is noted that there is an inefficient allocation of productive inputs within households by gender, which, it notes, has significant costs to household output and income (page 343). However it does not note that unequal allocation of productive inputs will have significant costs for women’s decision making ability within households and secondary poverty as suggested by Sen’s (1990) work on households.

?? ‘Capabilities’ is largely defined in terms of human capital

The conceptualisation fails to distinguish fully between causes and symptoms. For example, data presented for Uganda that indicates that AIDS infection is six times greater among young girls aged 15–19 compared with boys of the same age is used to highlight that although women have different health needs, services are not as accessible to them as they are to men (page 343). That is AIDS and the capability of a person to protect

themselves from the infection is presented as a problem of access and lack of capability to access services, rather than a problem of power and a lack of capability to negotiate the use of a condom, for example.

?? The conceptualisation of ‘Security’ draws on simplistic understandings of complex social problems.

The notion of security is defined as vulnerability to economic risks and civil and political violence. In the discussion of violence it comments that “when men are no longer able to make an important economic contribution to the household budget, the stage is set for family conflict” (page 343) suggesting poverty to be the root cause of violence. More generally the fact it singles out households headed by women as being vulnerable, shifts attention from the ‘vulnerability’ of women in male-headed households and issues such as secondary poverty.

?? Empowerment is defined by what it means to be disempowered

The chapter highlights the lack of empowerment of poor women as their being without voice and without power at the household, community, and national levels, and suggests, “gender inequity and powerlessness are learned from early childhood in households around the world” (page 344). It does little by way of presenting understandings of why this is the case or how such cycles are maintained. That is wider discussion of power are lacking from discussion of ‘empowerment’.

These four dimensions of poverty are the starting point for integrating a gender analysis into the PRSP, beginning with the first stage, the poverty diagnosis. The Chapter suggests that the first step is to ensure that gender is addressed across the four dimensions of poverty, next that for each of these dimensions experiences of poverty are documented and that, a gender analysis of the data gathered is undertaken and the findings integrated into the country’s poverty diagnosis (page 345). However, as noted above, limitations in terms of the conceptualisations of the four dimensions presented in the Sourcebook, will limit the extent to which any poverty diagnosis based on them will be gendered.

In terms of the poverty diagnosis it is suggested ‘opportunities’ indicators should “reveal gender differences in access to the productive resources and opportunities needed to escape from poverty and to promote economic growth” (page 345) effectively reducing the notion of opportunities to income generation or economic opportunities. However, the fact that ‘empowerment’ indicators it is suggested should measure “gender differences in participation and in access to decision-making in the political process at the national and local levels and in control over resources within the community and the household” (page 345), suggests the broadening of understandings of poverty and also implies a need for a non-traditional approach to monitoring and measuring poverty. The chapter notes this suggesting household surveys present difficulties in terms of analysing how resources such as food, money, and productive assets are allocated and controlled within the household (page 347) since they cannot capture patterns of unequal resource allocation within households and as such underestimate the inequality of distribution.

The chapter notes that once data is collected the next step is to “identify the practices that cause the observed gender differentials” noting that for each of the gender dimensions of

poverty there are a number of barriers that differentially affect men and women (page 351). However, the chapter does not discuss in any depth how these practices should be explored or what the barriers may be, other than to note that gender analysis needs to consider the 'imbalances' in the gender division of labour, gender-based differentials in productive resources, the 'diversity' of households and intrahousehold relationships, and the implications of the invisibility of women's work in the system of national accounts. It then proceeds to present ideas for 'Analysing consequences and impacts of gender differences'. That is the crucial step of understanding the reasons for the noted difference are not explored, this implicitly promotes a focus on symptoms rather than causes. This may be due to an unwillingness to tackle the issues of unequal power and power relations that underpin any gender differences or it may more simply reflect a lack of gender expertise and knowledge.

In terms of the consequences and impacts of the gender differences noted, while a number of important issues are raised, discussion is once again from within the economic framework of analysis. For example, it is noted that reducing women's time burden is a "critical first step to promoting women's economic opportunities and participation in community activities" (page 351) since "multiple demands on women's time severely constrain their ability to respond to economic incentives and to participate in the market economy" (page 352). Such an interpretation builds into the next stage of using the gender analysis of the poverty diagnosis to promote engendered policy choices and the chapter notes, for example, the need for "prioritizing poverty reducing interventions through which investment in the household economy will benefit the market economy in terms of improved efficiency, productivity, and growth" (page 352).

Ultimately the Sourcebook notes that many countries will not have access to much of the information required to conduct a satisfactory gender analysis, and as such the best possible use of available data is needed. This should be complemented by measures to ensure that participatory consultations are designed to capture the priorities and concerns of both women and men. That is, in situations of limited information, the PRSP participatory formulation process is highlighted as the most important means by which a strategy will become engendered. However, the chapter notes that although participatory processes are a required part of the preparation of every PRSP, "experience has shown that socially and economically weak and voiceless groups will frequently be excluded from the consultation process" (page 344) further noting the need for measures to ensure women's participation as a priority. What is interesting is that as the discussion proceeds participation is actually conceptualised as consultation. Moreover, the emphasis is ensuring balance of participants rather than ensuring gendered participation (see checklist page 344). The implicit assumption is that consulting women about a PRSP is sufficient to engender a PRSP, and to lead to policy prescriptions that benefit women. This assumes that women participants will conceptualise themselves as women first, rather than as poor or as old or young etc and that they will prioritise themselves over others which goes against the social conditioning of altruistic women. The focus on individual women rather than women's groups reduces gendered analysis to a 'natural' talent of women, rather than an analytical and conceptual framework.

Given the limited possibilities that a gender informed policy analysis will have occurred makes the next Sourcebook chapter, 'Using a Gender-informed Poverty Analysis in Defining Priority Public Actions in the PRS' largely redundant. This is implicitly accepted in the sourcebook, in that it suggests that the formulation of the PRSP will highlight limitations in the available data and allow a strategy for data collection and analysis to be defined for the future. That is the implicit suggestion is that engendering poverty reduction is a future not immediate possibility. It notes also that merely having information is not sufficient, and that it is important to 'turn the information into usable knowledge' through the preparation of a Country Gender Assessment (CGA). The CGA is presented as an output that should emerge from the PRSP process and that will ensure in the future provision of a set of suggested policy and operational gender interventions. The CGA would then provide "the basis for integrating gender issues into policy dialogue with governments and into other elements of the Bank's work" (page 353) suggesting that such an integration of gender concerns in the policy dialogue would emerge out of the PRSP process rather than inform the PRSP process.

In most cases policy prioritisation will not have been influenced by gender concerns. However, all elements within a PRSP will have gender implications, and a number of elements will be focussed specifically on women. Thus the final step laid out in the chapter in the sourcebook of 'Integrating Gender into the PRS Monitoring and Evaluation' should not be dependent on the process that produced the PRSP being gendered nor the document itself being engendered. Indeed the chapter notes that the gender objectives of monitoring and evaluation are to "document and assess how PRS policies and interventions respond to the needs of both women and men" (page 360).

The chapter notes that "there are no 'gender data collection methods' per se; rather, it is the manner in which they are applied that makes them responsive to gender" (page 363). How they need to be applied, once again, is not fully discussed and while suggestions are made, such as talking to women alone about issues such as domestic violence, or including female headed and polygamous households in analyses, these suggestions are very basic. The application of basic data collection methods to ensure they capture gender difference is not a technical but a knowledge issue, and the application demands an understanding of gender not just an understanding of data collection techniques which is outside the remit, or possibly the reach, of the chapter.

The lack of a wider gendered understanding underpins the whole chapter and is made clear in the section on impact evaluation as it defines what a 'successful' gender impact evaluation would entail: "A successful gender impact evaluation will assess the contribution of policy interventions to the success of the PRS gender priorities and goals. This requires analyzing and assessing the data for their gender outcomes and impacts and distributing and using the findings to improve the PRS" (page 364). It goes on to note that the assessment should be conducted at two levels, each intervention is evaluated on terms of how well the intended objectives were achieved and an overall assessment would consider the extent to which the combined PRS interventions contributed to the gender objectives. That is the evaluation focuses only on what is intended should happen not on exploring what actually happens. It is focussed on measuring the extent to which

policies met their objectives rather than the proposed assessment of how interventions responded to the needs of both women and men.

It is interesting to note that the additional costs, in time and money of engendering the PRSP process are explicitly recognised in the chapter, especially in terms of the undertaking a gender poverty diagnosis (see page 348). Such recognition places a price tag on engendering policy formulation and suggests a cost benefit analysis could allow the exclusion of gender to be a rational economic choice, not least since there is no agreement among economists on its importance for reducing inequality, or more importantly, increasing growth.

Summary

While the Sourcebook is a valuable source of information for those designing a PRSP there are contradictions within and between the chapters in terms of the gender perspective presented. The main policy chapter, guiding the macroeconomic framework, suggests that macroeconomic stability remains the key aim and as such that the PRGF takes precedence over the PRSP, which goes against the notions captured by the key features and wider PRSP literature. The focus is on efficiency not equity and the discussion is completely devoid of any recognition of the gender dimensions of macroeconomic policy formulation and impact, and suggests gender problems associated with past stabilisation policies continue to be unrecognised.

Where discussion is gendered, including in the chapter specifically addressing gender, this focus on efficiency underpins this discussion. The four dimensions that form the basis of discussion of gender in the Sourcebook can each be critiqued: opportunities for its economic growth focus; capabilities for addressing symptoms not causes; security for reinforcing rather than challenging stereotypes; and empowerment for the lack of engagement with power and unequal power relations, and these limitations are apparent throughout the discussion. As such the gender framework presented in the sourcebook is weak and even if the guidelines were followed the resultant 'gender perspective' would be open to gender critique. However, the Sourcebook appears to accept that PRSP will not be engendered, and that engendering of poverty reduction will emerge out of the PRSP process over time. The Sourcebook is useful in that it does recognise that gendered poverty is multidimensional and multisectoral and in particular notes the importance of secondary poverty for women. However, its recognition that official poverty metrics do not capture gendered poverty construct gender concerns as secondary.

IV. The Joint Staff Assessment (JSA) of the PRSP Process

The key tool for evaluating the PRSP process is the Joint Staff Assessment that makes recommendations to the Bank and the Fund on the suitability of a PRSP as the basis for concessional lending. The findings of the JSA for Nicaragua are here compared to a gendered reading of the PRSP utilising the JSA's own framework of analysis.

JSA guidelines

The JSA guidelines⁸ present a series of sixteen questions to evaluate the following four themes that a PRSP is expected to cover:

- (a) A description of the country's participatory process
- (b) A poverty diagnosis
- (c) Targets, indicators, and monitoring systems
- (d) Priority public actions:
 - Macroeconomic framework, fiscal choices and financing planning
 - Structural and sectoral policies, policies for social inclusion and equity, governance and public sector management

Analysing the guidelines highlights that there is explicit recognition of the need to evaluate a PRSP in terms of gender as per World Bank gender mainstreaming policy. Within each of the four themes at least one of the questions includes reference to analysis of gender differences. This being said, while the section on 'priority actions' does include questions around gender, these are related to only one of the two areas it covers and the questions designed to evaluate the 'macroeconomic framework, fiscal choices and financing planning' are not explicitly gendered. Given the economic growth focus underpinning the PRSP this is a significant omission. Moreover it should be noted that the guidelines also note that a PRSP will not necessarily address 'thoroughly' all of the issues raised in the questions and as such a JSA should focus on those issues that are 'most relevant' in the country context. This then allows discretion from the outset as to the depth to which any of the themes is covered and to what extent aspects such as gender are discussed within each.

Despite the discretionary nature of the coverage, the general inclusion of gender within the guidelines suggests that any JSA should include some level of gendered analysis of the strategy. Even accepting that not all PRSPs will address 'thoroughly' each item in the guidelines, each JSA should at the very least review a PRSP in terms of the extent to which women participated in the design consultation process, the extent to which the poverty diagnosis considers gender differences, the extent to which priority social policies will improve equality and the extent to which the system of monitoring policy implementation captures gender differences. The JSA guidelines also provide further opportunities that could be used to promote a consideration of gendered aspects of a PRSP as summarised in Box 2 (see Annex 1 for discussion of how these were derived).

⁸ Available at <http://www.worldbank.org/participation/jsa01.pdf> (accessed 20/06/04)

Two areas are presented as ‘gender neutral’ within the JSA guidelines. Discussion of issues of governance do not reflect the engendered aspects of transparency and accountability, and macroeconomic issues are not presented as being gendered. However, the guidelines around the macroeconomic framework and financing of a PRSP do offer some opportunity for a gendered analysis. The guidelines ask reviewers to consider if the macroeconomic framework promotes growth that is consistent with the poverty reduction objectives laid out in the PRSP. As such, if women’s poverty reduction is included as an objective in a PRSP, then the macroeconomic framework should be analysed for the extent to which it will fulfil this aim. Similarly, the guidelines suggest reviewers need to analyse the ‘comprehensiveness’ of budget data and the extent to which there is a credible financing plan. As such the reviewers should report any aspects of the PRSP that do not have a budgetary allocation or sufficient financing, including any actions and policies focussed on gender equality included in a PRSP. However, while the guidelines go on to ask if the PRSP includes assessment of domestic borrowing and projected aid and other external flows, it does not include reference to ‘internal’ flows. As such the JSA guidelines do not offer an opportunity to recognise the extent to which a PRSP relies women’s reproductive work, that is the extent to which women’s unpaid labour finances a poverty reduction strategy.

Similarly a gendered reading of the guidelines in the other areas covered by the JSA suggests opportunities exist for engendering the evaluation process. Perhaps weakest in gender terms are the guidelines for review of the participatory process. The guidelines only expect that a PRSP describe participation, including whether women’s groups participated, rather than assess the adequacy of the participatory process. This is interesting given that the Sourcebook puts much stress on the participatory process as a means by which a PRSP will become engendered (see above).

More fundamentally the whole review process is limited by the fact that the consistency of the PRSP is not central to the evaluation process. That is, the extent to which the poverty diagnosis informs the policies of the PRSP, the extent to which the goals are appropriate for the policies, the targets appropriate for the goals, and that the monitoring system will fully reflect all impacts and outcomes of PRSP implementation is not suggested as an area for assessment within the JSA.

The JSA of Nicaragua

The following section summarises the main findings of the JSA undertaken by the joint staffs of the Bank and the Fund in the case of the Nicaraguan PRSP.⁹ It concludes overall that the PRSP presents a coherent, long-term and outcome-based strategy to reduce poverty in Nicaragua (point 11) and that it provides a good framework for the country’s efforts to ‘sustainably’ reduce poverty (point 35). As such, despite some reservations, the staffs of the World Bank and IMF considered the PRSP to present a ‘credible’ poverty reduction strategy and a ‘sound basis’ for IDA and Fund concessional assistance and

⁹ JSA of Nicaragua is available at http://poverty.worldbank.org/files/Nicaragua_JSA_of_PRSP.PDF (accessed 20/06/04)

recommended that the respective Executive Directors of the World Bank and the IMF reach the same conclusion (point 36).

The findings of the JSA summarised below are complemented by the findings of a gendered analysis of the PRSP using the gendered framework derived from the JSA guidelines presented above (see Annex 2 for further analysis).

Overall the JSA for Nicaragua notes a number of strengths of the PRSP including the active participatory process; good diagnosis of poverty and its multidimensional nature and the identification and adequate progress in costing of goals, targets, and intermediate indicators (point 1). More detailed analysis reflects the four core elements laid out in the guidelines.

JSA derived Gender Framework

A. Building Country Ownership through Participation

The participatory process includes a description of the nature of the participants and the organisations that participated, including women's groups

Guideline framework also allow for an analysis of:

- ?? The extent to which the PRSP takes account of existing gender policy initiatives
- ?? The extent to which the PRSP takes account of policy proposals raised by the different groups involved in the participatory process, including women's groups
- ?? The extent to which the PRSP includes actions for ensuring dissemination of information to all groups involved

B. Poverty Diagnosis

Poverty diagnosis includes a disaggregation of poverty data by gender, and analysis of the gender dimensions of poverty and a gendered analysis of the growth and distributional impacts of past policies

Guideline framework also allow for an analysis of:

- ?? The extent to which the PRSP is based on an analysis of the root causes of women's poverty and reflects its multiple consequences for all aspects of women's lives
- ?? The extent to which root causes of women's poverty and its multiple consequences are reflected in the monitoring and evaluation of PRSP policies

C. Targets, Indicators, and Monitoring

Monitoring processes include indicators and targets that capture gender differences

Guideline framework also allow for an analysis of:

- ?? The extent to which monitoring processes seek to ensure the participation of men and women

D. Priority Public Actions:

Structural and Sectoral Policies, Policies for Social Inclusion and Equity, Governance and Public Sector Management

Priority public actions include policies for greater equality of distribution of resources and that the fair and equitable treatment of women and men is supported by law

Guideline framework also allow for an analysis of:

- ?? The extent to gendered impact analysis has been undertaken for key PRSP policies and appropriate countermeasures proposed where necessary
- ?? That the actions prioritised in the PRSP are discussed and justified in gendered terms

Macroeconomic Framework, Fiscal Choices, and Financing Plan

Guideline framework also allow for an analysis of:

- ?? The extent to which the PRSP includes an analysis of the possible differential impact of macroeconomic policy on poor men and poor women
- ?? The extent to which policies within the PRSP aimed at improving the situation of women are adequately reflected in the budget

(a) Description of the country's participatory process

The JSA for Nicaragua found that the PRSP consultation process had been both intensive and extensive (points 4 and 5) including a range of stakeholders such as the labour unions, ethnic minorities, women's groups, and the poor themselves. The JSA notes that the recommendations from the consultation process are summarised in an annex in the PRSP and that on the basis of the comments and recommendations received, the government revised the I-PRSP by "placing more emphasis on broad-based economic growth, rural development, social equity, transparency and better governance, and broad participation" (point 6). It is also noted that the government has confirmed that, as proposed in the PRSP, actions are being taken to make available more accessible versions of the strategy to improve dissemination (point 7).

A gendered reading of the PRSP highlights that while it notes that 30% of participants in the consultation process were women, no mention is made of the organisations that participated, only that women's groups were involved in earlier consultation processes. A range of concrete recommendations from the consultation process relating to gender are documented in the PRSP, for example that goals around family planning should include both women and men, but there is no evidence that these influenced the final document. One other recommendation was that further consultations are needed and there needs to be a greater emphasis on gender, suggesting a general feeling that a gender perspective was missing. The PRSP notes that the 'active channel of communication' with civil society and other groups in the future will continue to be CONPES – a discussion forum in which only a small number of 'representatives' of organised civil society participate.

(b) Poverty diagnosis

The JSA concludes that the Nicaraguan PRSP is 'firmly grounded' in a comprehensive poverty diagnosis that provides a multidimensional and disaggregated analysis of the nature and determinants of poverty (point 8). The JSA also suggests that the PRSP contains an 'in-depth analysis' of disparities in the incidence of poverty along various dimensions, including analysis of gender disparities in poverty, as manifested in different variables. It also identifies determinants of, and constraints to poverty reduction and their relation to asset distribution, vulnerability, and risk (point 9). The JSA evaluation suggests that the PRSP contains an assessment of past policies and the ways in which the constraints identified might have become causes of poverty and low human capital development, and how vulnerable groups have been excluded (point 10).

A gendered reading of the PRSP highlights that no policies relating to women, gender or equality are mentioned, and while the policies of the past, such as privatisation and trade liberalisation, are noted as being 'difficult' no discussion of their differentially large negative impact on women is included. Within the issues raised in the poverty diagnosis women are mentioned in a third of cases and a paragraph on 'gender inequality' is included. No general discussion of unequal asset distribution between men and women and within households is presented, but the diagnosis does note the higher under and unemployment rates and lower incomes of women. This is not addressed by any policy proposals. The root cause of women's poverty is presented as being 'early maternity' and the PRSP presents policy proposals focussed on fertility control that are in line with this

analysis and form the basis for two of the ten national goals. The diagnosis highlights two related ‘risks’ from ‘early maternity’ as being prostitution and sexual and physical abuse. Prostitution is not addressed by any policy proposals and while abuse is mentioned in a number of areas within the PRSP, it is not discussed within health policy.

(c) Targets, indicators, and monitoring systems

The JSA finds of key importance from their analysis of the goals, targets, and intermediate indicators presented in the PRSP the fact they are consistent with the International Development Goals - IDGs (point 12). While it is suggested that most targets appear feasible (point 13) a number of gaps were found in the proposed system of intermediate indicators and the JSA notes as problematic the fact that goals are stated for the entire population rather than focussing on the poorest (point 14). Overall the JSA suggests that the PRSP presents a ‘credible approach’ for monitoring and evaluating the strategy, although some details still need to be worked out, and that the series of surveys together with sectoral statistics will measure progress in reducing poverty and reaching PRSP targets (point 15). In particular it is suggested that there needs to be a clearer indication of ‘which institutions are responsible for providing what information by which date’ (point 16).

A gendered reading of the fourteen targets in the PRSP, shows that only two focus on women and one further goal recognises gender difference. No other goals include mention of gender and the related targets are not disaggregated by gender. Within the two gender goals there is also some lack of cohesion between goals and targets. For example, the target for the goal of increasing access to family planning for ‘all interested people’ refers only to those women with a male partner aged 15 – 19 and 20 –24 years old. The system of monitoring proposed appears to be a top-down, quantitative process and where discussion with ‘beneficiaries’ is mentioned this is in terms of consultation not participation.

(d) Priority public actions

The report does not explicitly discuss ‘priority actions’ but the macroeconomic framework is discussed, and the discussion of ‘policies for implementing the strategy’ includes mention of priorities and trade offs.

In terms of the Macroeconomic framework the JSA notes that the macroeconomic framework represents an ‘appropriate outline of sound economic policies’ for the medium term (point 17) although one that may need to be updated in the context of a new administration taking office in January 2002 (point 21). The framework recognises accelerating growth as the key to reaching the poverty reduction targets (point 18), is based on ‘reasonable’ assumptions about concessional external financing (point 22) and presents an ‘adequate’ fiscal policy (point 20). However, the JSA notes that the PRSP presents a ‘somewhat limited analysis’ of the economy’s sources of growth and while the focus on four strategic growth poles—tourism, textiles, forestry, and coffee—appears appropriate proposed programmes lack sufficient detail (point 19).

A gendered analysis of the discussion of the macroeconomic framework suggests that no thought has been given to possible differential impacts on men and women. The fact that

the proposed economic growth policies have specific gender implications, given that at least two of the growth poles employ a large if not majority female labour force, is not recognised.

The JSA notes that the sectoral expenditure priorities set out in the PRSP appear appropriate, although it notes that it is difficult to determine whether the proposed allocations are sufficient to generate the outcomes targeted in the strategy (point 23). It also suggests that the PRSP would have benefited from an evaluation of trade-offs with other competing sectoral activities. Similarly, while it agrees with the emphasis on institutional reforms in the social sectors the evaluation is not without reservations. It suggests that the elements of the reforms need to be defined more clearly and be more clearly justified, especially since some of the reforms have encountered ‘resistance’ and as such more information was needed about additional measures to overcome this (point 25). The JSA presents more reservations around measures to address social equity noting that while the PRSP does identify specific vulnerable and at-risk groups, such as children under six, and the need to focus on issues such as domestic violence, it does not articulate clear strategies to achieve these aims (point 24).

From a gender perspective the PRSP presents no indication of how it will ‘facilitate’ equal access of women to political, economic, cultural and social institutions, the proposed means by which to address social equity. Although there is no discussion of gender or equity policies within the body of the PRSP the Matrix of Actions does contain specific reference to two policy actions both of which aim to ‘promote’ rather than ensure by law that women’s rights are upheld. More generally the process by which policies were prioritised is not made clear, and no impact analysis, gendered or otherwise, underpins the policy priorities. The document notes that the objectives of the PRSP are based on the goals and targets of the international donor community and that these are ‘supplemented’ by additional goals arising from the specific country context.

The JSA also evaluates two further issues: Public Expenditure Program and Financing and Risks to the Strategy. The JSA concludes that the strategy’s medium-term financing plan seems reasonable (point 26) making an effort to estimate the cost of achieving key program targets, which although tentative and general is acceptable given that the projects are at an early stage of development (point 27). The review notes some anomalies in terms of the sources of financing and spending on poverty reduction presented in the PRSP, suggesting that a comprehensive review of expected financing sources and spending is required if appropriate monitoring of PRSP implementation is to occur (point 29). It is suggested that the donor funding discussed in the PRSP only covers a fraction of all programs financed with external resources, noting it would be ‘advisable’ to set up a better coordination mechanism, led by the government, that covers the entire flow of external resource inflows and its link with the PRSP (point 32). It further notes that the mechanism for monitoring implementation of the PRSP is not comprehensive and needs to be developed further (point 30) and that this also requires improvements in transparency in budget preparation, execution and reporting which remains inadequate (point 31). The review notes that the implementation of the PRSP will require ‘significant’ technical assistance support (point 33).

From a gender perspective most striking is that only one element of the PRSP has no related budgetary allocation – social equity. A review of the Matrix of Policy Actions suggests that the gendered projects included there are to be funded by specific governments or NGOs and many are ‘ongoing’. One interpretation of the absence of a gender allocation within the budget is that the gendered projects contained in the PRSP are ongoing projects and not conceptualised as PRSP policies and thus not discussed as such or budgeted as such. It is also interesting to note that much reliance is placed on women’s reproductive work within the human capital projects contained in the PRSP, as the delivers of goods and services to their families, however, this non-monetary contribution to ‘financing’ the PRSP is not recognised.

Summary

Although the official JSA sees one of the strengths of the Nicaraguan PRSP to be the active participatory process, an alternative reading suggests that:

- ?? Women were a minority of participants in the consultation process and women’s interests, via the participation of actors from women’s movements, do not appear to have been adequately represented.
- ?? No existing initiatives relating to women, women’s issues, gender or equality were taken into account in the design of the PRSP and the issues raised in the consultation process were not incorporated into the final document.
- ?? While there is an initiative to produce more accessible material the means by which this will be made accessible to poor men and women is not made clear.

While the JSA concludes that the Nicaraguan PRSP is ‘firmly grounded’ in a comprehensive poverty diagnosis that provides a multidimensional and disaggregated analysis of the nature and determinants of poverty, it should also be noted that:

- ?? The poverty diagnosis mentions women as a specific category in a number of instances but does not provide a gendered discussion of poverty. In particular the gendered impacts of past policies are not discussed nor are the continued obstacles to overcoming gendered poverty examined.
- ?? The diagnosis does provide the basis for the policies focussed on women presented in the PRSP and their associated targets. However, the diagnosis of the causes of women’s poverty is limited, seeing ‘early maternity’ as the key cause of women’s poverty rather than seeing this as a symptom of wider inequality.

The JSA found ‘gaps’ in the proposed system of intermediate indicators and also found the fact that goals are stated for the entire population rather than focussing on the poorest problematic. However, overall the JSA finds it presents a ‘credible approach’ for monitoring and evaluating the strategy, despite the fact:

- ?? While two of the PRSP goals/targets focus directly on women, all other goals/targets do not disaggregate by gender.
- ?? The monitoring system proposed is largely a quantitative, technical, top down system of surveys and statistics which in general do not encourage the participation of the poor, including poor women, and do not adequately capture women’s experiences of poverty.

The JSA has more reservations where the priority public actions are concerned and notes the ‘somewhat limited analysis’ of the economy’s sources of growth. It does not mention that:

- ?? The pro- growth policies of the PRSP are not analysed in terms of their possible impact on the poor and on poor women.
- ?? Given the nature of the growth poles, there are possible consequences for women’s time and the related costs to women which are not recognised.

In terms of measures to address social equity, the JSA does not note that:

- ?? None of the policies proposed will ensure the fair and equitable treatment of men and women backed by law.
- ?? The financing of gendered projects is not made clear and the projects included in the PRSP are largely on-going projects financed by individual donors.
- ?? There is no budgetary allocation in the PRSP for ‘social equity’.
- ?? Priority actions are justified largely in terms of the donor and international community and not the specific needs of poor men and women.

The JSA framework does provide an opportunity to highlight gender concerns, however, the case of Nicaragua highlights that engendering the analysis is discretionary. The fact that many of the opportunities to consider gender are not explicitly stated but derived from the guidelines may help explain why these opportunities are not taken. That is it demands a disposition to look for opportunities to engender the process rather than promoting a gender analysis. In the Nicaraguan case where gender issues are highlighted this is very brief and can be read as accidental given that more obvious gendered problems with Nicaragua’s PRSP, such as the lack of a budgetary allocation for social equity, are not highlighted. While this may suggest a lack of gender knowledge on behalf of the review team, it may also suggest a lack of interest in issues of gender equity or a lack of political will to ‘mainstream’ gender.

V. Evaluation of the PRSP Process

The operationalisation of a PRSP in terms of the World Bank and the IMF is the CAS and the PRGF respectively. Both have recently been through an internal evaluation, the PRGF in terms of the 'Key Features' that are said to mark it as distinct from the ESAF and the CAS in terms of the extent to which it is aligned with the Bank policy and the PRSP. An 'independent' evaluation was also conducted by the teams from the IMF and the World Bank's evaluation offices; the Independent Evaluation Office (IEO) and the Operations Evaluation Department (ODE) respectively.

Assessment of the PRGF

The IMF recently examined all the PRGFs agreed to date in relation to the Key Features, as summarised in Box 3. However, while Nicaragua was included in this review the IMF findings are presented in aggregate form only and no references to individual countries are made. Using the IMF framework as a guide, this exercise was repeated for the available documentation concerning Nicaragua.¹⁰ A key problem is that while the situation has improved substantially, there is a continued lack of full access to all documentation for those outside the IMF. The review is limited to the documents contained on the IMF web page, in particular Completion Point documentation (IMF 2004c) and to the observations of commentators and participants in the processes, including those of the independent evaluation teams of the World Bank and the IMF.

As noted above, the Key Features are not gendered and the complete lack of reference to gendered difference is also apparent in the discussion of PRGF performance in that the IMF review makes no mention of gender.

The IMF (2002b) review of the PRGF treats the first two Key Features, 'Broad ownership and participation' and 'Embedding the PRGF in the overall strategy for growth and poverty reduction' as a single category. This could be because the review pays little attention to the notion of participation and concentrates instead on the relationship between the PRGF and the PRSP. In turn this lack of attention could reflect the fact that limited changes have occurred in this area and the continued limited participation of governmental and non-governmental actors within PRGF negotiations. The 'secret' nature of PRGF negotiations in Nicaragua have been highlighted and challenged by civil society organisations since the process began (see CCER xxxx). This perception has found support from the independent evaluation process (see IEO/OED 2004a) that recognises that participation was limited. The evaluation highlights that this was the choice of the government of the day, and to some extent seeks to justify this decision given the to 'sensitive' nature of the topics, such as the banking crisis, to be discussed. It suggests that opening program negotiations to non-government actors is 'not realistic' (IEO/OED 2004a: 19). More generally the evaluation suggests the authorities were recognised as playing a 'donor-game', the attitude being "tell us what we need to do to get aid, and we will do it" (IEO/OED 2004a: 38) meaning that the team of

¹⁰ Eurodad (2004) attempted to replicate the complete IMF review, the findings of which question the IMF conclusions.

consultants responsible for producing the document (SETEC) were given a clear and strong mandate to prepare as quickly as possible a IPRSP/PRSP which would be acceptable to the BWIs, a process facilitated by an IMF staff member being located within the SETEC office (IEO/OED 2004a: 24). The longer term consequences in terms of the depth and scope of policy debate are noted by the evaluation (IEO/OED 2004c: point 5).

The extent to which the PRGF can be said to be embedded in overall strategies to reduce poverty is more closely examined in the IMF review of the PRGF. Overall the review finds that PRGFs are consistent with other elements of the PRSP but does not 'rule out' the possibility that the PRGF-supported programmes influence PRSPs rather than the other way (IMF 2002b: 11). One of the key criticisms of the PRSP/PRGF process in Nicaragua is that it has been guided by the PRGF and that it is this that sets the boundaries within which the PRSP operates (see CCER xxxx). The independent evaluation (IEO/OED 2004b) highlights the dislocation between the two processes. The initial PRGF emerged out of the last ESAF agreement in 1998, rather than the PRSP. After going 'off-track' for a period of time a second PRGF agreement was signed in 2002 one year after the PRSP was submitted. By the time of the first PRSP annual report the situation had changed substantially reducing the extent to which the PRSP was seen to be a useful tool in the formulation of the PRGF. These same changes in the situation may have also dictated the nature of the PRGF, given that the need for 'stabilisation' of the economy appears to have been agreed to be a necessary pre condition for pro-poor growth policies as evidenced by the structural measures required by the IMF. As such the extent to which the PRGF can be said to draw from the PRSP is debatable, as is the extent to which it has a pro-poor and pro-growth focus.

However, although the PRSP did not set the framework for the PRGF, rather the reverse may have occurred, there is some consistency between the PRGF and the PRSP. Issues of governance were clearly an important concern for the IMF in the Nicaraguan context. However, the measures agreed within the PRGF suggest that 'governance' in this context is confined to the narrow conceptualisation of improvement in the policy environment in which the PRGF would be implemented. One key concern in this area is the adequacy of the budgetary infrastructure to track how savings under the HIPC initiative are used in order to ensure they are used for poverty reduction. Key feature 3 suggests not only that under the PRGF government spending will be reoriented toward activities that benefit the poor but also that poverty-reducing expenditures should increase in absolute terms. The IMF review suggests there is evidence to suggest budgeted and actual public spending is shifting towards poverty-reducing activities (IMF2002b: 16). However, by their own admission, all the evidence to support increased pro-poor spending is questionable given that "existing budget classification systems do not allow for a precise matching of expenditure allocations and the programs identified as poverty-reducing in the PRSPs" (IMF2002b: 19). The problem of budgetary tracking, and more generally low levels of confidence in the robustness of the budgetary system have been noted in Nicaragua (see IBP 2003). Whatever the limitations on the budgetary system, estimates are that 60% of interim HIPC relief went on non poverty spending such as paying for the internal domestic debt. While Key Feature 3 suggests pro-poor spending should increase, this

non-poverty spending had the agreement of the IMF, which seriously questions the extent to which the Key Features are being complied with, at least in the case of Nicaragua.

Key Feature 3 also includes mention of a specific policy focus; that tax policies should ‘simultaneously’ improve efficiency and equity. While the IMF review concludes that tax policies in its programmes in general have sought more equitable taxation, this is in terms of ‘horizontal equity’, making sure taxpayers with similar incomes are treated equally, rather than ‘vertical equity’, that is, making sure that high-income taxpayers pay higher taxes (IMF 2002b: 24). This focus can be justified in efficiency terms but not equity terms. The IMF’s commitment to equity may for some also be undermined by the fact that the review finds most measures to change the tax system focus on consumption and trade taxes, rather than income and property taxation, and often include VAT measures. While the IMF suggest indirect taxation to be progressive, many believe such taxes to be regressive, that is affect the poorest the most, and in particular consumption based taxes, for example, may have particular implications for women as those charged with ensuring household basic needs are met.

The IMF review suggests that PRGFs demonstrate greater flexibility (Key Feature 4). However, the findings actually demonstrate that where final policy choices in the PRGF processes were different from those initially considered, in the majority of cases the IMF took on board government suggestions around form or speed of implementation of policy, not around the policy itself (see IMF2002b: 14). The review also notes that the “the scope for major changes in the macroeconomic framework while maintaining a reasonable degree of macroeconomic stability may well be quite limited in many low-income countries” (IMF 2002c: 12) questioning the extent to which flexibility in accepting country choices was demonstrated.

This may also help to explain persistent high levels of conditionalities. The IFI structural conditionalities for Nicaragua (see Table 1) suggest some streamlining and it would appear to suggest there was adherence to the notion of a more selective structural conditionality confined to measures in the Fund’s domain (Key Feature 5). This is in line with the IMF finding that ‘considerable progress’ has been made in general in reducing the number of conditionalities in the majority of areas (see IMF 2002b: 31). However, the findings presented in the review also suggest some level of ‘transference’ of non-core conditionalities from the IMF to the Bank and in core areas the number of conditionalities appear to have increased, calling into question the real extent of streamlining. These findings are echoed in the Nicaraguan case. It should also be noted that while the overall number of conditionalities for Nicaragua may have declined relative to ESAF-supported programmes this may be due to ‘natural processes’ rather than any change in policy since, for example, there is very little left to privatise under the PRGF given wide scale privatisation under the ESAF.

Table 1: Nicaragua's Status of Poverty Reduction and Structural Measures for Reaching the HIPC Floating Completion Point

<p>1. Nicaragua's annual PRSP progress report. The full PRSP was submitted to the Board of the Fund in September 2001 and a report of the first year of its implementation was presented in December 2002.</p> <p>2. Use of budgetary savings resulting from the interim relief under the HIPC Initiative . A reliable tracking mechanism of poverty reducing expenditures was approved. The mechanism is already operating and it was consulted with the NGO's, donors and civil society.</p> <p>3. Stable macroeconomic framework and satisfactory performance under a program supported by the PRGF arrangement. A request for a three year PRGF arrangement was approved by the Board in December 2002. First and second reviews under the three-year PRGF arrangement is presented for Board approval.</p> <p>4. Human capital development and social protection.</p> <p>a. Approval of a satisfactory school autonomy law and its implementation. A law considered satisfactory by the World Bank was approved in February 2002. Implementing regulations are pending.</p> <p>b. Approval of a satisfactory general health law and its implementation. A law deemed satisfactory by the World Bank was approved and published in May 2002, and became effective in November 2002. Implementing regulations were approved and published in January 2003.</p> <p>c. Introduce an effective system of social protection. A pilot program was concluded in 2002. Design and adoption of an effective social protection program based on the findings of the pilot program is in process. The government is working on the definition of an integrated social protection policy.</p> <p>5. Governance</p> <p>a. Approval and advance in implementation of a satisfactory civil service law. A draft of the law was submitted to the Assembly in December 1999. Approval is pending.</p> <p>b. Introduction of a satisfactory system of management and inspection of public sector procurement. Implementation of the program agreed with the IDB started in October 2002.</p> <p>c. Satisfactory progress in implementation of a plan to strengthen and improve the efficiency of the Comptroller's Office. Program agreed with IDB started in December 2002.</p> <p>d. Approval of the law on penal procedures and initiation of training programs and technical preparations for its implementation. A law on penal procedures (Law nr. 411) was approved and published in December 2001. Implementation of the law started at the end of 2002. Training programs and technical preparations are advanced.</p> <p>e. Approval of the law on public prosecutors and initiation of training programs and technical preparations for its implementation. A law on public prosecutor (Law nr. 342) was approved in May 2003 and published in October 2000. Implementing regulations are pending.</p> <p>6. Pension system: Restructuring of the social security institute and introduction of a satisfactory private pension system. A new Pension Law and the Pension Superintendence Law were approved in 2000. New law on the social security institute including pending parametric reforms is expected to be approved in 2003. Nomination of the Superintendent of Pensions is still pending. Award of licenses to private fund managers is expected by end 2003 and transfer of all eligible social contributors to the new pension system is expected within the first quarter of 2004.</p> <p>7. Divestment of ENITEL: 40 percent of ENITEL's share and its management were awarded in August 2001. 1 percent of the shares were donated to the workers, 10 percent offered for sale to the workers. The sale of government's share is expected to be completed by end 2003.</p> <p>Divestment of all electricity generating units of ENEL. The sale of the hydroelectric (Hidrogena) and one thermal plant (Gecca) is expected during 2003-2004.</p>
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(Source: Linneker, Bradshaw and Quiros 2004)

The final key feature marking a difference between the PRGF and ESAF supported programmes is the notion that the possible wider distributional impacts of major macroeconomic adjustments and structural reforms should be taken into account. Major reforms should be analysed using PSIA and the findings should be used to ensure countervailing measures are introduced to offset any negative impacts for the poor. Given the differential and negative impact on women of previous IMF policy prescriptions is now largely recognised (Elson 1998) the existence of PSIA is particularly important in gender terms. The review notes that “the majority of policies in PRGF-supported programs with important social impacts are not covered by formal or informal PSIA” and that in many of the ‘important’ categories of reform, such as privatisation, the coverage of PSIA was ‘modest’ (IMF 2002a: 40). Despite this the review finds that about two-thirds of PRGF-supported programmes include countervailing measures to offset the potentially adverse short-run effects of exogenous shocks or macroeconomic or structural reforms on the poor and cover areas and provide higher spending to offset higher costs (IMF 2002a: 41). However, given the fact that a formal PSIA was undertaken for only one third of PRGFs, it is to be questioned on what grounds such measures are implemented, or more importantly not implemented.

In gender terms a number of the findings of a review of the PRGF process are important. The continued low levels of participation in PRGF negotiations which limits general discussion of macroeconomic policy is particularly important in gender terms. The low priority given to gender issues by the IMF suggests that an opening up of these discussions to other (gendered) actors may be the only possible route to engendering the macroeconomic policy framework. In the light of this limited participation, the absence of analysis of the possible impacts of macroeconomic or structural reforms is particularly important especially given the continued high levels of structural conditionalities and the continued focus on stabilisation of the Nicaraguan PRGF agreement.

Box 3 - IMF Guidelines for the Assessment of the Key Features of the PRGF

Key feature 1 and 2: Broad ownership and participation and embedding the PRGF in the overall strategy for growth and poverty reduction

The assessment considered the extent to which it was evident that:

?? The PRGF drew from the country's PRSP and that macroeconomic and other policies had been influenced by growth and poverty objectives

?? There had been flexibility in accepting country choices

?? The PRGF focused on areas within the fund's area of expertise and responsibility

However, the review also notes that PRGF-supported programmes should be consistent with, and drawn from, the country's PRSP *in a manner that takes into account national priorities*. They should also *be consistent with other elements of the PRSP* that are outside the Fund's areas of expertise.

Key feature 3: Budgets that are more pro-poor and pro-growth

The assessment considered the extent to which it was evident that:

?? Government spending had been reoriented toward activities that benefit the poor

?? There was improved efficiency and targeting of spending in key sectors relevant for growth and poverty reduction

?? Tax policies simultaneously improve efficiency and equity

The review also notes that PRGF-supported programmes should *increase poverty-reducing expenditures*.

Key feature 4: ensuring appropriate flexibility in fiscal targets

The assessment considered two elements:

?? Fiscal targets under PRGF -supported programs

?? Flexibility in accommodating changes in financing or revenues

The review notes that fiscal targets in PRGF-supported programs should be designed in a manner that allows greater flexibility in *accommodating higher public expenditures* and accommodating unexpected changes in revenue or financing.

Key feature 5: More selective structural conditionality

The assessment considered the extent to which conditionality had been:

?? Limited to key measures central to the success of the strategy

?? Confined to measures in the Fund's domain and if outside domain are clearly justified

Key feature 6: Measures to improve public resource management and accountability

The review notes as central the need for public expenditure management measures that promote *transparency and accountability* in the use of public resources.

Key feature 7: Social impact analysis of major macroeconomic adjustments and structural reforms

The review notes that PRGF documents should consider and report on the *distributional impacts* of major macroeconomic or structural reforms and *countervailing measures* to offset the impact of these reforms on the poor.

Adapted from: IMF (2002a)

Assessment of the World Bank's gender and poverty instruments

The main means by which the Bank puts into practice a PRSP is via the Country Assistance Strategy (CAS), which should lay out the World Bank's 'business plan' for each individual country, based on the policies and programs laid out in the PRSP. As such in the first instance a CAS should be assessed in terms of the extent to which it reflects the PRSP.

The recent independent evaluation of the PRSP process for Nicaragua concludes that there is a good alignment between the CAS and the PRSP (IEO/OED 2004b: 67). This is perhaps not surprising given that the evaluation also notes there exists a widespread perception that the Bank imposed its agenda on the country (IEO/OED 2004b: 62). That is the fact the two strategies show similarities may not be indicative of home grown policy rather of the influence of the World Bank on the PRSP process. The fact that the Bank did in part fund the consultants in SETEC might help to explain their perceived influence, as does the fact the review suggests they have are perceived to have financial and technical power over the government. This being said, the evaluation also notes that despite this perception it is difficult to see how, for example, the recommendations arising from the World Bank sponsored Poverty Assessment influenced the PRSP.

A review of the Nicaraguan CAS suggests that the contextual discussion therein is not only based on the PRSP but is an uncritical re-presentation of the PRSP discourse. That is in general it does not advance. For example, while the CAS notes that 'problems have been reported' about discrimination against women, as reflected in pay differentials and in women's reduced presence in higher occupational positions in the private sector, rather than acting on this the CAS instead justifies non-action. It notes that the extent of poverty and unemployment in Nicaragua has meant the PRSP has focused attention mainly on "employment creation, rather than on the quality of employment" and suggests that a proposed research project for the future should help 'shed light' on the situation (point 10). Despite the gender limitations of the CAS, social equity is one of the intermediate goals presented in the annexes, the specific aims being to 'prevent abuse to women/ children' and to 'guarantee equal gender access' (to what is not specified). In terms of the related actions to achieve these goals, Bank activities are described only as 'mainstreamed' (see Annex C of the CAS).¹¹

The lack of attention to gender within the CAS translates to financing decisions also. In terms of the cross-cutting themes, three projects or 'credits' related are mentioned. However, the CAS suggests that only two of the three cross-cutting themes, environment and decentralisation, are to receive financing. Within these projects, while indigenous communities and youth are specific target groups, women are not targeted. In relation to specific project proposals women are mentioned only once, as CAS recognises its recent analytical work on Youth at Risk as offering recommendations on what can be done to "create better opportunities for youths, especially young women" (point 51). That is the CAS presents no projects concerned with Social Equity. Where equity is the focus of

¹¹ It is interesting to note that only two other goals have Bank's activities described as 'mainstreamed' and these are the subgoals of 'encourage broader participation' and 'protect the environment'.

discussion it is in terms of the future, and discussion focuses on young people including women, rather than women including young women. Despite this, the CAS states that the PRSPs crosscutting themes are being mainstreamed into the Bank's operations. What is meant by the notion of mainstreaming in this context is unclear, although the fact the report notes that all new projects are routinely subjected to gender assessments in "an effort to guarantee a more equitable project impact" (point 52) suggests the focus is on inclusion of women in existing projects rather than financing gendered projects.

A review of the Performance Targets and Indicators for Nicaragua (Table 8 of the CAS) shows that there are no targets or indicators focussed on gender and that the targets and indicators that are presented are not gendered. The Country Program Matrix replicates the four pillars and the three cross cutting themes of the PRSP. For the social equity theme the Bank's 'development objective' is equal to the PRSP goal of 'guaranteeing equal gender access to economic, social, cultural and political areas'. The related action is to 'design and implement a plan to promote sexual equality in salaries in the public and private sectors' and the 'progress indicators' suggest that this plan has already been designed and its implementation initiated.

OJO what do we know???

Wider mention of women or gender within the Country Program Matrix, are confined to Pillar II, greater and better investment in human capital. Within 'health' an aim is to 'improve coverage and quality of health services for women of childbearing age and for children and adolescents', however, the related indicator is focussed on 'infant and under 5 mortality'. This clearly illustrates women's inclusion as a transmission mechanism, a means to improve the well being of other groups. Similarly women are included as a means rather than an end within 'nutrition' whereby one proposed action is to develop a social communication strategy to promote breastfeeding as part of 'fostering preventative approaches to malnutrition'. Once again the goal is focussed on children while women are the means to achieve the goal. Only within 'population' are women specifically targeted where it is proposed that reproductive health care services be incorporated as a basic service component available to all women and adolescents.

The above discussion should be considered in light of the fact, as a development priority (see annex B9) the Bank's grades gender as 'moderate' and suggests country gender performance as 'fair'. Although all the other development priorities are also further categorised in terms of the major issue within the theme, no issue is identified for gender and instead it is commented 'not a priority'. The lack of priority status of gender within the CAS, despite its ranking as a 'moderate' priority by the Bank, may reflect the fact the country priority rank is 'low', that is gender is not considered a priority by the government.

This is important given that in theory the CAS represents an opportunity to engender policy. The existence of the Bank's gender mainstreaming policy as operationalised by the Country Gender Assessment, suggests an opportunity to engender a CAS where needed, even if the related PRSP does not pay attention to gender issues. However, first of all a CGA needs to have been undertaken and undertaken in time to influence the PRSP/CAS. This was not the case for Nicaragua and may not be the exception. Even the Sourcebook suggests that in fact a CGA may arise from the PRSP process rather than

inform that process (see above). The fact that by the end of 2003 it was reported that only 22% of 'active client' countries had published CGAs supports this view. Despite this the Bank's own evaluation is that in terms of CAS "the record is clearly one of increasingly serious attention to gender issues" (World Bank 2004: 13) and that 73% of the CASs it reviewed were rated Satisfactory or Very Satisfactory (World Bank 2003: 6). Although the criteria on which this assessment is based is not known in any detail, the Nicaraguan case does not support this optimistic viewpoint.

Bank documentation also suggested that up to 86% of countries will have completed a CGA by the end of 2005 as per the Bank mainstreaming targets (World Bank 2004: 3). This is interesting given the Bank's own internal review noted that the process of producing a CGA had proved to be "more complex and taken longer than was anticipated given sex disaggregated data are often difficult to find; gender issues are tied to culture, tradition, and political economy which often evoke strong opinions; and the process of consensus building around the recommendations is time consuming" (World Bank 2003c: 5). This calls into question not only the feasibility of fulfilling the mainstreaming targets but also the feasibility of fulfilling what is a politically sensitive objective. It may also help to explain why, as the case of Nicaragua demonstrates, even when gender issues are raised within policy discourse they are not necessarily acted upon.

While, on the one hand the CAS demonstrate a lack of attention to gender issues, it also demonstrates the dangers associated with a policy focus on women, suggesting that inclusion in the policy process can be as problematic as exclusion in gender terms. Moreover, the review highlights that what the Bank means by the notion of mainstreaming is unclear and appears to suggest a focus on including women rather than engendering projects.

Independent Evaluation of the PRSP process

All the elements considered so far, the JSA, PRGF and CAS, were evaluated as part of an overall review of the PRSP process undertaken by the evaluation teams of the World Bank (ODE) and the IMF (IEO). This focussed on ten country studies of which Nicaragua was one. Despite the World Bank's own gender mainstreaming policy, overall the independent evaluation was not gendered.

A review of the Nicaraguan evaluation illustrates the limitations of the IEO/OED evaluation in gender terms and demonstrates lost opportunities to engender the discussion (see IEO/OED 2004b). The contextual discussion of the evaluation does mention gender as one of the 'other obstacles' to poverty reduction (IEO/OED 2004b: 16). More specifically it notes how gender bias manifests itself in high rates of domestic violence. However, it also notes that while in general the PRSP goals mirror the MDGs, MDG3 focussed on gender empowerment is not reflected in the PRSP (IEO/OED 2004a: 30). The fact the review notes that the government 'claims' to have already achieved the goal suggests some level of scepticism. However, even the obvious contradiction between this claim and the noted existence of high levels of gender violence is not discussed further. Moreover, despite discussions around governance highlighting weak institutionalities blurring the separation of state powers (IEO/OED 2004a: 14) the blurring of State and non-State power and the resultant power of the Catholic Church in Nicaragua with the

resultant implications for gender ‘empowerment’ is also not discussed. Other obvious opportunities for introducing a gender dimension into the evaluation are also missed. For example, it is noted that the composition of expenditures in 2002 were perceived to be biased toward social protection, environment and decentralisation at the expense of human capital investment (IEO/OED 2004a: 42). However, the fact that the other ‘social’ aspect of the PRSP not listed, ‘social equity’, is the only element of the PRSP with no budgetary allocation is not mentioned.

Despite the gender limitations of the evaluation process, the findings for Nicaragua do support concerns raised by non-governmental actors both within and outside the country about the PRSP process. In terms of the PRGF, overall the evaluation confirms that the approach adopted was ‘not very different’ from the previous ESAF-supported programmes and notes that any reported changes in openness and flexibility may not actually be due to the features of the PRGF, but due to the relative macroeconomic stability and increased government credibility over time (IEO/OED 2004a: 44). The evaluation suggests that the IMF team in Nicaragua has at best only partially taken some of the Key Features on board and as such suggests little change in gender terms. In terms of the World Bank, the evaluation notes that the Bank continues to be perceived as imposing its agenda on the country (IEO/OED 2004b: 62). As such it is not surprising that the evaluation found a good alignment between the CAS and the PRSP, including alignment in terms of the lack of a gender focus or any budgetary allocation for projects focused on gender equity. The evaluation also criticises the Bank for its focus on producing a technically sound strategy without paying attention to its sustainability (IEO/OED 2004b: 63) or the process by which it is produced (IEO/OED 2004c: 12). Recognition of the lack of openness in the PRSP process is echoed by the evaluation of the Joint Staff Assessment for Nicaragua that concludes that the JSAs view of the participation process was ‘excessively optimistic’ (IEO/OED 2004a: 71).

More generally the findings from Nicaragua and the nine other countries involved in the independent evaluation confirm the concerns of early commentators as valid concerns (see Annex 3 for full discussion) suggesting:

- ?? There is a mismatch of expectations especially in relation to the extent to which the PRSP process represents a fundamental shift in political accountability.
- ?? The PRSP process represents continued policy imposition and may negatively impact on national policy formation and challenges country sovereignty.
- ?? PRSPs do not actually provide an ‘operational road map’ to policy making despite having received Bank and Fund endorsement.
- ?? Concrete criteria for judging whether the PRSP initiative is succeeding or failing are largely lacking.
- ?? Once irrevocable HIPC debt relief is achieved there are no clear measures to ensure continued commitment to investing in poverty reduction.
- ?? Debt relief under the HIPC dominates the PRSP process influencing the content of the strategy, limiting participation and reducing perceptions of ownership.
- ?? The nature of the participatory processes within the PRSP initiative shows potential to ultimately weaken rather than strengthen civil society.

Summary

It would seem that the PRSP of Nicaragua remains a largely non-gendered document and this is reflected in the Bank's Country Assistance Strategy, despite the fact that scope exists to engender the Bank's operationalisation of the PRSP policy prescriptions. The PRGF is also devoid of any mention of gender, and more importantly does not recognise the differential gender impact of the macroeconomic and structural reforms it proposes. Both the case of Nicaragua and the IMF review question that extent to which the PRGF marks a real change from the ESAF and suggests, therefore, that the gender concerns expressed in relation to ESAF continue to apply under the PRGF.

The independent evaluation of the PRSP process in Nicaragua supports the notion that little has changed. The continued focus on stabilisation suggests little change from previous IMF programmes and any suggested increased flexibility may not actually be due to the features of the PRGF but rather be related to other factors, such as improvements in the macroeconomic environment. There is also no evidence to support the idea that the IMF have become more open to participatory processes and little evidence of an increased commitment to analysing the possible negative distributional impacts of the policies proposed in order to establish countervailing measures. The PRGF is presented as gender neutral both in terms of content and process. In terms of the latter, limiting participation and the limited use of impact analysis, however, may have serious gendered consequences. The Bank is also perceived to continue to impose policy prescriptions and this may explain good alignment between the Bank's CAS and the PRSP. Despite the existence of a gender mainstreaming policy within the Bank, this alignment of the CAS with the PRSP includes alignment in terms of the lack of a gender focus and the lack of budgetary allocation for projects focused on gender equity.

Overall the independent evaluation itself does not use the opportunities presented in the various elements of the PRSP and its supporting policies that would allow the evaluation to have been gendered. More importantly it does not comply with the World Bank's own gender mainstreaming policy.

VI Conclusions and Recommendations

The main points raised by the review of the PRSP process undertaken will first be summarised. This is followed by the presentation of some alternative engendering scenarios the review suggests. These elements formed the basis for a workshop bringing together different actors of the women's movements to discuss ways forward (See annex 4 for further details). The advantages and disadvantages of the different scenarios and related approaches will then be considered, taking into account the opinions raised in the workshop.

Summary of the elements that could allow an engendering of the PRSP process

Underlying conceptual and policy assumptions

The publication of the World Bank's 'Engendering Development' (2001a) and 'Gender Mainstreaming' (World Bank 2002) documents suggests a new commitment to gender. In operational terms the introduction of a Country Gender Assessment (CGA) to feed into the Bank's Country Assistance Strategy (CAS) supports this commitment. The new focus on gender extends to the Bank's policy initiatives including the PRSP, and the 'Sourcebook' that guides the PRSP design process now includes a chapter on gender (see World Bank 2001b).

However, the conceptualisations of gender, poverty and poverty reduction underpinning recent World Bank initiatives are problematic and work from a model that:

- ?? Constructs gender equity as an important economic growth enhancer
- ?? Sees women as important for reducing poverty rather than reducing women's poverty as important.
- ?? Places economic inequality rather than inequalities of power as central for improving the situation of women
- ?? Utilises measures of wealth and poverty that are not adequate to capture gender difference.

These underpinning notions are reflected in the other elements of the PRSP process, including the Sourcebook. Macroeconomic issues within the Sourcebook are not seen to be gendered and discussion is gender blind, to the extent that gender is only mentioned in the discussion of a conceptualisation of poverty reduction that is ultimately rejected. This is in contrast to the more holistic conceptualisation of poverty discussed in the chapters on the theme in the Sourcebook. However, even this more holistic conceptualisation of poverty is limited in terms of the extent to which it places gendered poverty as a central, rather than a secondary issue.

Yet another position is adopted within the Gender chapter of the Sourcebook and as such it is questionable from the outset whether the framework adopted for promoting gender within the PRSP process is the appropriate one, given it is not in line with the notion of poverty underpinning the PRSP process. The four dimensions that form the basis of discussion in the gender chapter can each be critiqued: 'opportunities' for its economic growth focus; 'capabilities' for addressing symptoms not causes; 'security' for

reinforcing rather than challenging stereotypes; and ‘empowerment’ for the lack of engagement with power and unequal power relations. Ultimately the Sourcebook promotes the participatory process, rather than analytical studies, as the most important means by which a strategy will become engendered. The focus on the participation of individual women rather than women’s groups tends to construct gendered analysis as a ‘natural’ talent of women, rather than an analytical and conceptual framework.

The gender framework presented in the Sourcebook is weak and even if the guidelines were followed the resultant ‘gender perspective’ would be open to gender critique. The price tag placed on engendering policy formulation within the Sourcebook also provides the justification for a non-gendered approach on rational economic grounds. Despite these guidelines, studies undertaken to date suggest that gender is not mainstreamed within PRSPs, nor are the processes that produce PRSPs necessarily participatory or engendered.

The PRSP process

In general terms the PRSP framework can be critiqued for its pro-growth rather than pro-poor focus. Essentially the PRSP framework ‘resolves’ the problems of the extreme poor in the short term through social welfare provision (social safety nets). It seeks to construct an outward looking economic growth strategy and improve the policy environment in which this strategy is implemented (so called governance). It also aims to enhance future growth through productivity gains and population decline (via investment in health and education).

As a cross-cutting theme within a PRSP, gender equity is not a goal in itself, but a means to achieve a goal or more correctly a number of goals. This sets up a contradiction, in that at the same time that women are supposedly becoming ‘economically empowered’ through their engagement in productive activities the PRSP process demands a reinforcement of women’s stereotypical reproductive roles. As such although women may share in any benefits the PRSP brings, the cost they pay may be relatively and disproportionately high.

The JSA

Once complete a PRSP is submitted to the joint Board of the IMF and the World Bank and reviewed in terms of the extent to which it provides a good basis for concessional lending. This Joint Staff Assessment (JSA) as it is known, not only evaluates strengths and weaknesses of a PRSP but also makes recommendations as to how it can be improved. A gendered application of the JSA guidelines would allow some important gender issues to be highlighted. A gendered application of the JSA guidelines in the case of Nicaragua illustrates this and the JSA could have revealed:

- ?? The lack of women’s participation in the consultation process, the lack of gendered participation and the fact that any gendered recommendations that did arise were not included in the PRSP.
- ?? A limited discussion of the causes of women’s poverty with only one of the causes identified, early maternity, followed up with policies and actions.

- ?? A monitoring process that is not gendered and targets that do not disaggregate by gender.
- ?? A discussion of macroeconomic policy that does not consider possible consequences for equality in general, and the possible differential impact of the policies on women in particular, and as such does not put in place measures to counteract these potential negative impacts.
- ?? A budget that does not include an allocation for actions around social equity and it is not clear how 'gendered' projects are to be financed.

While a gendered application of the JSA guidelines would allow some important issues to be raised, for the Joint Staffs engendering is discretionary. That is many of the opportunities to consider gender are not explicitly stated in the guidelines but implicit within them. As such an engendering of the JSA would necessitate a political will and gender know how that appears to be absent.

The PRGF

For the IMF the means to operationalise the PRSP is the PRGF, which is said to be guided by seven Key Features. While the Key Features suggest a broadening of the IMF mandate and its extension into social issues, in particular governance, they also contain a commitment to reducing the IMF's influence on national policy formulation, suggesting greater flexibility on behalf of the IMF, a new commitment to growth over stabilisation and pro-poor growth policies and some level of implicit acceptance of the importance of distribution. However, economic growth remains the key aim and other issues are discussed within an efficiency rather than an equity context. The Key Features are not gendered and the documentation that surrounds them suggests a continued assumption of the gender neutrality of macroeconomic policy. The only possibilities for fundamental change may lie, therefore, within the notions of increased country ownership and broader participation that the Key Features promote.

In the same way the Key Features are not gendered, the recent IMF review of the PRGF process makes no reference to gender. However, in gender terms a number of the findings of the review are important. The review of the PRGF process to date suggests continued low levels of participation in PRGF negotiations which limits general discussion of macroeconomic policy and is particularly important in gender terms where the only possible route to engendering the macroeconomic policy framework may be via participatory processes. In the light of this limited participation, the finding that PSIA are most often not undertaken is particularly important and even policies that focus on privatisation or taxation continue to be discussed in gender neutral terms. Given the continued high levels of structural conditionalities and the continued focus on stabilisation within PRGF agreements, however, the potential differential gendered impact remains an important concern.

The CAS and CGA

For the World Bank the CAS is the main tool to operationalise the policies and actions contained within a PRSP. Since September 2001 the World Bank has committed to gender mainstreaming as a Corporate Advocacy Priority which in practical terms means

each country director should oversee the preparation of a Country Gender Assessment (CGA) and ensure that the results of the CGA are also reflected in the CAS. That is even when a PRSP is not engendered a CAS may be. However, the extent to which a CGA can influence policy is questionable given the (self) proclaimed 'advisory' role of the World Bank in this instance and even if operationalised, the CGA framework adopts an efficiency not equity focus limiting the possibilities for engendering.

A review of the Nicaraguan CAS highlights the continued mismatch between the World Bank's gender mainstreaming policy and other policy prescriptions in that the CAS mirrors the PRSP so closely as to mirror also its gender blindness. Moreover it demonstrates the dangers associated with efficiency-focussed policies that target women, suggesting that inclusion in the policy process can be as problematic as exclusion in gender terms. What the World Bank actually means by the notion of mainstreaming is unclear and appears to suggest it is a focus on including women rather than engendering projects.

Alternative Advocacy Scenarios

The PRSP process sets the policy framework for many countries. Social and women's movements must, therefore, assume a position with reference to this framework. A number of different approaches to the PRSP process exist and the case of Nicaragua suggests the following have been the key positions assumed by different actors within the women's movements at different times within the process:¹²

- ?? Introduce gender into the prevailing 'economic growth for poverty reduction' policy framework.
- ?? Exploit existing opportunities to promote policies of gender equity within the existing PRSP framework.
- ?? Promote a strategy that focuses on reducing gender inequality for poverty reduction, rather than reducing poverty.

Each of the scenarios has advantages and disadvantages. Before discussing these it is also important to note, as raised in the recent workshop, that these scenarios are theoretical and ideological positions. It is difficult to decide what would be the best course of action in practical terms given that the extent to which each option is viable depends on other actors, such as the World Bank, national government and international donors, and as such is largely unknown. In ideological terms the first and the last scenarios are most open to debate and difference of opinion.

In terms of the first option, many reject the neo-liberal model that underpins the PRSP discourse and reject the notion of working with a national state power still seen to be corrupt and undemocratic. There is discussion too over the extent to which the assumed relationship between economic growth and poverty reduction is valid and in turn the extent to which 'economic empowerment' is the necessary first step for wider empowerment gains. In particular workshop participants noted the need to recognise the

¹² The scenarios are based on recent work on Nicaragua and Honduras and published as Bradshaw and Linneker (2003)

heterogeneous nature of 'women' as a category in this context, noting that engendering economic growth policies may favour non-poor women entrepreneurs or agriculturalists while leaving unchanged the situation of poor women who rely on the sale of their labour or small scale production. This heterogeneity of 'women' also called into question for some the last option, the supposition being that a focus on equity would include all women, including the non-poor, and not directly address poverty. As such, as some participants argued, improving equality could do little more than produce greater equality of poverty between poor men and women.

The notion of exploiting existing opportunities to promote policies of gender equity appeared to be a position that is more readily acceptable to all. However, even here there are difficulties involved in reaching a common consensus about the utility of this exercise, especially given that it is still not clear whether the PRSP will ultimately actually drive the 'development' process in Nicaragua. It was noted that while there had been limited gendered advocacy to date in the field of the PRSP, this was not to say there was limited interest in actions to influence public policies. Rather energies had been directed to particular areas, for example, violence against women. This strategy fits perfectly with the second scenario which suggests the focus should be on specific issues. The PRSP at least makes mention of violence against women allowing discussion around gender violence to enter the policy discourse. The question this raises, however, is the extent to which a focus on a single issue within the wider policy debate can, alone, change the situation. As such once again suggests the need for multiple actions on multiple fronts as determined by each actor or group according to their own interests and abilities.

An important consideration in advocacy terms is not only the 'what' but also the 'how' and the 'who'. That is different actors are involved in the PRSP process, not just the IFIs, offering other alternatives for advocacy activities. Some within the workshop suggested that agencies and actors other than the IFIs should be the target for advocacy activities since they tend to have a more open attitude to gender. However, there are limitations with approaching each actor. For example, European embassies and ambassadors may be open to gender discourse but may have little real power, especially over their own national policies. The framework within which they operate, as with government backed donor agencies, is itself not only limited by official national discourse but also official international discourse.

The need to recognise that increasingly funds are being focussed on government rather than non-governmental activities was also stressed and that the sector-based approach makes even targeting specific activities within wider 'sectors' more difficult. As such the need to work with government may become more important in the future, with its associated dilemmas and possibilities for discord. At the very least, such targeting raises the profile of governmental actors and actions as the focus of advocacy efforts, not least those focussed on the monitoring and evaluation of the inputs (budgets) relative to the outcomes of these processes. As governmental actors once again assume a more central role within policy formulation and implementation, the need for independent monitoring systems increases. Paradoxically in gender terms the need for independent monitoring of the gendered impact of policies may be more important when the proposed policy bundle

is 'non-gendered', given established goals and targets will not capture possible, unintended gendered impact.

The level at which action should be taken, local, national, regional or international is another important element within advocacy strategies. Some suggest that the only way to bring about 'real' change is through specific, local level actions, as they are able to take into account both the specificity and the diversity of the target group or area. This also reflects an ideological positioning around the utility of the notion of gender equity as a realistic wider development aim. Others recognise that as local policy is to a large extent dictated by national policy, which in turn is at least bounded by the international development discourse, there is a need to try and influence public policy discourse not just its (local) implementation. Whatever the level of operation, the need to take into account best practice examples was recognised. The utility of analysing experiences from other countries was also noted, not just in terms of good practice but in terms of illustrating policy 'failure' also. Joint actions between the countries of the region involved in the PRSP process was also highlighted as a way forward, given that local or national advocacy actions would have limited effectiveness on international actors, compared to a coordinated regional advocacy campaign.

With all this in mind, each of the three scenarios is now considered in terms of the implications for advocacy activities taking into account the possible advantages and disadvantages of each.

?? Introduce gender into the prevailing 'economic growth for poverty reduction' policy framework.

While the framework in which PRSPs operate is largely pre-determined, the focus on poverty does open up new opportunities for policy formulation. Elements now seen as essential for economic growth gains, such as investment in education and health may bring wider well-being as well as higher productivity. As such one aim may be to ensure women share in any gains the PRSP process brings, economic or otherwise.

Actions at a local level may include those that ensure equal participation of women in income generating projects, including equal access to training and credit facilities.

Actions at a national level may include those that ensure women's contributions to economic growth goals are made visible and recognised, as a means to ensure women share in any benefits from economic growth (see FIDEG 1995 campaign).

Associated with this may be demands for legislation that encourages equality of access to the economic 'opportunities' that the PRSP process brings, focussed on issues such as equality of pay and conditions of work, and issues such as access to credit and land ownership.

The different stages and elements of the PRSP process suggest different opportunities for these activities:

PRSP – Lobby to ensure that women are made visible in the PRSP documentation as both reproducers and producers and in the associated policy prescriptions, targets and monitoring. The Sourcebook gender guidelines are ideal for this purpose since they

present no challenge to the dominant perspective and as such could be utilised to call into account national actors responsible for the design of a PRSP through reference to the World Bank's own gender policy.

JSA – Lobby to ensure that a JSA adheres to its established guidelines and as such, at the very least, a JSA includes mention of the nature of participants in the design process, and the extent to which gender is included in the poverty diagnosis, in the priority social policies, and in the system of monitoring their implementation.

PRGF – Lobby to ensure that women are recognised as economic actors important for ensuring the success of economic growth policy, while at the same time those that absorb much of the cost of macroeconomic stabilisation policy. Although not gendered the Key Features can be utilised, demanding that the features focussed on broad participation and greater ownership (Key Feature 1) and the use of Social Impact Analysis (Key Feature 7) be adhered to.

CAS – Lobby to ensure a CGA is undertaken, albeit from the World Bank's efficiency perspective, and that this is taken into account when the CAS is formulated.

Challenges to this approach are both practical and ideological. In terms of the latter, for many the World Bank's gender approach is problematic in that it utilises women to boost national economic growth without establishing mechanisms to remove the inequalities that prevent women from benefiting from their involvement. In practical terms a contradiction exists in terms of a position that lobbies that national governments should follow World Bank guidelines while at the same time lobbying against the macroeconomic conditionalities of PRSPs. As such a focus on the PRGF, CAS and JSA may be better options since this demands only that the IFIs adhere to their own guidelines.

?? Exploit existing opportunities to promote policies of gender equity within the existing PRSP framework.

This notion suggests that the PRSP process presents an opportunity to utilise the spaces opened up by the pro-poor growth agenda or to 'subvert' the dominant economic growth agenda for gender equality aims. The approach goes further than the first scenario in that it seeks to broaden the elements considered within the PRSP framework. For example, although reproductive health is included in the PRSP framework from a population control rather than rights perspective, the fact that it is on the agenda offers an opportunity for donors to direct their PRSP funding to this area and to formulate projects within the PRSP official policy framework that further reproductive and sexual health rights. Similarly, the PRSP discourse does place on the national and international policy agenda issues such as violence against women and provides advocacy opportunities for those working on the theme.

Actions may be focussed at the local level and individual projects designed to bring in wider gender elements while adhering to the PRSP poverty reduction principle, for example including wider training around gender issues within maternal health projects.

Actions at a national level may include those that seek to increase debate around the PRSP process and the gendered implications of the policies and actions proposed (see La Boletina 2001) and those seeking to influence the policy mix (see CCER 2001).

Associated with this may be activities that highlight other internationally established norms and rights that may be infringed upon by the PRSP process or agreements subsumed by the PRSP discourse.

The different stages and elements of the PRSP process suggest different opportunities for these activities:

PRSP – Lobby to ensure that both the PRSP and the processes that produce it are gendered, including the suggested monitoring and evaluation systems. In terms of design this would mean calling on the notion of participatory processes to open a gendered policy dialogue rather than focussing on implementing World Bank guidelines given their narrow, efficiency focus. In terms of evaluation this would mean establishing a set of gender indicators that evaluate the impact of the policies rather than the extent to which policies achieve their aims, thus highlighting possible negative gender outcomes. Alternative donor guidelines could also be utilised to increase IFI acceptability.

JSA – Lobby to ensure that a JSA adheres to its established guidelines, including gender guidelines, and more importantly, for a gendered application of these guidelines that would allow critical gender issues and shortcomings to be highlighted.

PRGF – Although not gendered the Key Features can be utilised, in particular advocacy activities that seek to ensure Key Feature 2 - embedding the PRGF in the overall strategy for growth and poverty reduction – is adhered to, alongside demands for adherence to key features 1 and 7 (Broad participation and greater ownership and the use of Social Impact Analysis).

CAS – Lobby to ensure a CGA is undertaken following the ‘targeted partnerships’ principle that recognises that civil society groups often better understand what are the critical gender issues in a country and actions that are culturally appropriate, and that the CGA is taken into account when the CAS is formulated.

Challenges to this approach highlight that although individual local level projects may bring short-term gains to a few women they do not alter the conceptualisation of gender concerns in official discourse and may work against long-term aims of promoting women’s rights. On the other hand, actions that attempt to widen the poverty discourse to include social and gendered aspects of poverty and well being may achieve limited success given this demands political will on the behalf of governments, donors and IFIs that may be lacking. Ultimately the approach can be critiqued as including gender as a secondary consideration rather than as the central policy concern.

?? Promote a strategy that focuses on reducing gender inequality for poverty reduction, rather than reducing poverty.

The focus on poverty may itself be problematic in gender terms. If women’s relative poverty is to be challenged its root causes need to be addressed and these relate to the structural gender inequalities that underpin it. As such it may be argued that there is a

need to formulate alternative strategies focused on gender inequality, within which income poverty reduction would be one aim. Such policies would focus on power and unequal power relations between men and women, and among women. Such an approach may be seen to reject World Bank notions of gender mainstreaming and in fact locate actions outside of the PRSP process altogether. However, rejecting the dominant discourse and operating outside of it can isolate and marginalise key gender activists and divide women's movements. As such the discussion here will focus on activities that relate to the PRSP process, albeit from a stance critical of that process.

Actions at a national level may seek to advance an alternative policy discourse aiming to formulate alternative policy prescriptions focussed on reducing inequalities drawing on existing experiences both national and international.

Actions at an international level may focus on establishing the need for a Gender Strategy Paper to run parallel to the wider process and guide all policies within it.

Associated with this may be activities that make more visible alternative policy frameworks, for example the established rights framework or agreements made at Beijing, to legitimise proposed actions and to hold actors to account.

The different stages and elements of the PRSP process suggest limited opportunities for these activities:

PRSP – Lobby to ensure that the PRSP process including the policy proposals themselves are compatible with other, gendered, discourses and policy programmes such as the Beijing Platform for Action. This could be complemented by an evaluation system that makes visible any negative gender impacts arising from the PRSP process that work against making progress on other agreed gendered goals.

JSA – Lobby to ensure that a JSA adheres to its established guidelines, including gender guidelines, and more importantly for a gendered application of these guidelines that would allow critical gender issues and shortcomings to be highlighted.

PRGF – Lobby for wider participation in discussion of the macroeconomic policy framework as a means to ensure gendered consideration of policy prescriptions (Key Feature 1).

CAS – Lobby to ensure a CGA is undertaken, led by civil society groups, and that the CGA is not only taken into account within the formulation of the CAS but sets the policy framework within which other actions are defined.

Challenges to this position highlight the contradictions between questioning the role of the PRGF while at the same time calling for the CGA to have the same type of influence. The power of the PRGF to determine the policy framework arises from the recognition of the importance of macroeconomic policy initiatives by the key international actors who control the processes. This is lacking where gender is concerned, and the danger would be that unlike the PRGF agreements, gender agreements would not be enforced, as has been the case with CGAs to date.

To some extent the three scenarios have been seen to be mutually exclusive and the approach has been an either/or decision leading to insiders/outside and as such fragmenting the common voice. While within the recent workshop differences of opinion were apparent, also apparent was a feeling that there was not only room for, but also a need for different, multiple actions to be undertaken at the same time by different actors, depending on their focus and abilities.

The discussion above does suggest some areas where actions could overlap and reinforce each other. In particular:

- ?? Establishing an independent set of gender indicators that are not based on the goals and targets of the PRSP but rather seek to monitor the impact, both on target and non-targeted groups and in terms of intended and non-intended outcomes, of PRSP policies to establish the social and economic cost/benefit to women of the PRSP process.
- ?? Advance discussions at a national and regional level of how the PRSP process interacts with other policy frameworks such as Beijing and the wider rights based approach to development, as a means to assist in the formulation of alternative policies and approaches and to legitimise such actions on the global stage.
- ?? Instigate actions designed to hold the IFIs to account in terms of following their own guiding principles, such as the IMF's Key Features, adhering to their own established guidelines for action, such as those established for Joint Staff Assessments, and in terms of fulfilling their own policy commitments, such as the World Bank's commitment to the formulation and operationalisation of Country Gender Assessments

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Annex 1 Review of the JSA guidelines

Despite the discretionary nature of the coverage, the general inclusion of gender within the guidelines suggests that any JSA should include some level of gendered analysis of the strategy. More specifically the guidelines suggest that a JSA should assess a PRSP in terms of the extent to which:

- ?? The participatory process includes a description of the stakeholders involved, including the sex of participants and the nature of the groups, such as women's groups, participating.
- ?? The poverty diagnosis includes a disaggregation of poverty data by gender, an analysis of the gender dimensions of poverty and a gendered analysis of the growth and distributional impacts of past policies.
- ?? Monitoring processes include indicators and targets that 'appropriately' capture gender differences.
- ?? Priority public actions include structural, sectoral and social policies focussed on greater equality of distribution of resources by gender and the fair and equitable treatment of women and men, including property rights, is supported by law.

The JSA guidelines also provide further opportunities that could be used to promote a consideration of gendered aspects of a PRSP.

In terms of the context in which the PRSP is designed, the JSA suggests the extent to which a PRSP relates to any other current government documents that 'set forth national or sectoral development plans and/or budgets' should be reviewed. This presumably includes consideration of those policies or laws relating to women and gender equality and a review should mention equal opportunities policies or the activities of the Ministry for Women, for example.

In terms of the weakest of the four themes, the participatory process, the JSA asks that the nature of the stakeholders in the process be described, however, the guidelines do not explicitly require that any subsequent analysis take into account the different stakeholders identified as included/excluded from the process. Using the initial breakdown of stakeholders as a guide to the evaluation would allow further possibilities for a gender analysis. For example, the guidelines suggest that evaluators consider if the PRSP summarises major issues raised during the participatory process and the impacts of the process on the content of the strategy. Such an analysis if disaggregated by the different stakeholders mentioned, could ensure the extent to which issues raised by women's groups are included in the summary and how the issues they raised influenced the strategy are explicitly addressed. Similarly, as the guidelines state that plans for public dissemination of the PRSP should be reviewed, at the very least these plans should be considered in terms of the different stakeholder groups involved, ensuring for example, mechanisms are in place that ensure any information reaches women's groups. The guidelines do not recognise potential differences in access to information between individual men and women. The limited consideration of difference is concentrated on consideration of gender differences at the organisational level, that is focussed on civil society organisations, rather than the individual level. Thus there is little room for

assessing the extent to which dissemination plans are gendered and ensure information will reach both men and women.

The guidelines around the poverty diagnosis suggest that the 'adequacy' of existing poverty data be reviewed and explicitly notes the need to consider the 'gender dimensions' of poverty. The guidelines suggest review of the extent to which a PRSP considers social and institutional constraints to poverty reduction. If gender dimensions are considered to be important this would mean the extent to which a PRSP recognises issues such as unequal relations of power between men and women and institutional discrimination as constraints to poverty reduction, need to be reviewed. The guidelines also note the need to consider the extent to which the PRSP discusses the wider dimensions of poverty and recognises the multidimensional nature of poverty, suggesting room to evaluate the extent to which peoples differing and gendered experiences of poverty are recognised. In a similar vein the discussion of assets within the guidelines should, if it is to be 'adequate' in gender terms, analyse asset distribution between men and women, and if it is to be 'adequate' in terms of conceptualisations of poverty, these differences should be analysed both within and between households. That is within the guidelines there is room for an analysis of gender and generational differences within the home, or so called secondary poverty.

Given that the poverty diagnosis is said to form the basis of the PRSP, along with the input from the participatory process, it should also be reviewed in terms of how and to what extent it influenced the final strategy. However, this is not explicitly stated in the guidelines.

In terms of monitoring systems, the guidelines suggest they include indicators and targets that 'appropriately' capture gender differences. The questions to guide evaluation of these systems include consideration of whether the PRSP defines medium- and long-term goals for poverty reduction outcomes, both monetary and non-monetary. If non-monetary aspects of poverty are to be 'appropriately' captured then appropriate methods would use tools such as time use analysis and more qualitative research methodologies. The review does suggest that the PRSP monitoring and evaluation systems should be considered in terms of the scope for the use of participatory methods and since it calls for systems that 'appropriately' capture gender differences then this implies the JSA should consider the extent to which plans allow or promote the participation of both men and women in monitoring the impact of the strategy on poverty levels.

The guidelines do not suggest that the JSA should evaluate the extent to which the goals are appropriate for the policies and the targets appropriate for the goals. Nor does it suggest that a PRSP should be reviewed in terms of the extent to which it will monitor the outcomes of implementation, planned and unplanned.

In terms of Priority Public Actions, it is important to note from the outset that while the guidelines stress that overall greatest weight should be given to the 'clarity and the realism' of the actions, there is no explicit recognition that the realism and feasibility of the actions proposed cannot be fully assessed without reference to the poverty diagnosis;

its adequacy and the extent to which it informs policy choices. As noted above, this is not explicitly addressed or promoted as important within the guidelines.

It is perhaps not surprising that the section that considers ‘Structural and Sectoral Policies, Policies for Social Inclusion and Equity, Governance and Public Sector Management’ allows the greatest possibilities for incorporating a gender analysis, given that equality of distribution of resources by gender is explicitly mentioned as an important concern in the guidelines. The guidelines suggest that reviewers consider the extent to which the PRSP has estimated the likely impact on the poor of any new major policies and included measures to mitigate any negative impacts. The recognition of a gender focus promoted in the guidelines implies each policy should be considered in terms of whether its possible differential gendered impact, both positive and negative on the distribution of resources has been considered. Similarly measures to mitigate any negative impacts should be analysed in terms of the extent they reflect these gender differences. The guidelines also ask that reviewers consider the prioritisation and sequencing of reforms and a gender perspective suggests the need to examine the extent to which policy choices are justified in gender terms.

The guidelines suggest that steps to improve transparency and accountability of public institutions and services should be reviewed as they relate to the needs and priorities of the poor. Within this there is no recognition of differences between ‘the poor’. That is governance issues are presented as ‘gender neutral’ rather than engendered issues.

The assumed gender neutrality of macro level policy is further displayed by the fact that the only case where the guidelines include no reference to gender is in relation to macroeconomic policy and budgetary decisions. However, although not explicitly mentioned, the guidelines do suggest the possibilities for a gendered analysis. For example, the guidelines ask ‘does the macroeconomic framework promote growth that is consistent with the poverty reduction objectives laid out in the PRSP?’ as such, if women’s poverty reduction is included as an objective or if the poverty of ‘all’ is mentioned then macroeconomic policies should be analysed in terms of their possible differential impact on women’s and men’s poverty. In terms of budgets the guidelines call for a review of the ‘comprehensiveness of budget data’, at the very least this suggests that every element of the PRSP should have a budgetary allocation clearly laid out, including, actions around gender equality. Similarly the guidelines ask ‘does the strategy have an adequate and credible financing plan’, suggesting an examination of the extent to which there is a clear indication of how projects, including those aimed at improving gender equality, will be financed.

Although the guidelines go on to ask if the PRSP includes assessment of domestic borrowing and projected aid and other external flows, it does not include reference to other ‘internal’ flows most notably the contribution of women’s unpaid labour. When women’s unpaid contribution is not considered the extent to which the JSA can adequately review the sustainability of the financing plan is questionable.

Annex 2 Review of the Nicaraguan PRSP using the Gender Framework derived from the JSA guidelines

A. Building Country Ownership through Participation

The participatory process includes a description of the nature of the participants

- ?? The PRSP notes that 30% of participants were women.
- ?? The ‘nature’ of the women who participated, that is their affiliation in particular to women’s groups is not mentioned. Nowhere is it noted that representatives of groups that seek to improve the situation of women participated in the PRSP process. This omission is particularly striking given that in the description of earlier consultations (point 3) the presence of women’s movements is specifically noted.
- ?? A specific recommendation arising from the consultation process stresses the need for further consultations before the full PRSP is finalised, and with more emphasis given to gender (point 99 annex 1).

The extent to which the PRSP takes account existing gender policy initiatives

- ?? No existing policies relating to women, women’s issues, gender or equality are discussed in the section on ‘background on policies and strategies and their impact on poverty’ in the PRSP (see pages 13 – 20).

The extent to which the PRSP takes account gender policy recommendations raised during the participatory process

- ?? A wide range of recommendations relating to women are included in the summary of the consultation process (annex 1), some conceptual (for example, the need to recognise women’s productive as well as their reproductive roles; point 53), some practical (for example, the creation of special shelters for those suffering from abuse; point 77), some focussed on of goals/targets (for example, that the goal of increasing the number of women with access to family planning should be complemented with goals that include the participation of men; point 63), some focussed on the setting of priorities (for example, that women and children should be priorities within the objectives for the medium term; point 78).
- ?? The document notes of the recommendations from the consultations processes that “all were considered, and as the preface indicates, led to an improved strategy document” (point 16). Reference to the preface however, shows a lack of detail and the only specific comment is that “the local consultation process highlighted several key elements, amongst which was the conviction that the implementation phase of the strategy must fully incorporate regional characteristics” (preface point 3). All other changes made to the IPRSP are attributed in the PRSP to suggestions from the international community or the IFIs.
- ?? There is no evidence that the recommendations from the consultation around gender were incorporated into the PRSP, for example, women’s income generating role is not recognized, practical measures around tackling abuse are not discussed, family

planning policies focus only on women, and while children are a priority within the objectives for the medium term, women are not (see below for further discussion).

The extent to which the PRSP includes actions for ensuring dissemination of information will reach all people, women as well as men

- ?? It is noted that CONPES will continue to serve as an ‘active channel of communication’ with civil society and other groups (point 8), however, no indication is given that women’s groups or women’s interests are represented by the NGOs that participate in CONPES.
- ?? It is noted that ‘less technical’ summaries of the PRSP are being prepared, however, very little is said about how these will be distributed in general and there is no discussion of the mechanisms by which women’s knowledge and understating of the PRSP will be ensured.

B. Poverty Diagnosis

Poverty diagnosis includes a disaggregation of poverty data by gender, and analysis of the gender dimensions of poverty and a gendered analysis of the growth and distributional impacts of past policies

- ?? In the 15 issues discussed in the poverty diagnosis no gender analysis is presented, however, women are mentioned in a third of cases. Where women are the mentioned it is within discussion of fertility, health (reproductive health) and family violence. The only non-stereotypical discussion of differences by sex occurs in the context of unemployment where it is noted that unemployment reaches a high of 21 percent among extremely poor women and that one out of two poor women are underemployed (point 32).
- ?? Rather than discuss gender within each of the sections on education, malnutrition, natural disasters etc one paragraph is dedicated to the discussion of ‘gender inequality’, which largely focuses on women’s fertility. It does note, however, that women have fewer employment opportunities than men and that women’s income is 20 percent lower than men’s.
- ?? The poverty diagnosis presents the policies adopted during the 1990s. Policies focussed on trade liberalisation, privatisation of public utilities and state owned businesses, pension reforms creating a system of privately-funded individual retirement accounts, and a revision of the tax system with a view to “broadening the taxation base and lowering top tax rates” (point 62) were implemented. It is noted that as a result of these ‘major and difficult reforms’ the economy responded positively. The document also notes that the resultant increased growth “has laid the foundations for further expansion which in turn is expected to produce a drop in Nicaragua’s poverty levels” (point 68). No further analysis of the well documented negative social effects of this type of policy package is presented.
- ?? The poverty diagnosis also presents a number of ‘obstacles’ that remain, including the fiscal deficit and the external debt, the fragility of the banking system, weak property rights, technological aspects, the state of human capital, infrastructure problems, vulnerability and shocks, public expenditure and its efficiency (point 70 – 78). Gender differences and inequalities are not considered within this analysis.

The extent to which the PRSP is based on an analysis of the root causes of women's poverty and reflects its multiple consequences for all aspects of women's lives

- ?? The poverty diagnosis notes that under and unemployment is higher among women and that women's income is 20 percent lower than men's. The PRSP policy proposals for broad based economic growth (Pillar 1) include four 'strategic clusters with high growth potential', two of which would employ a large, if not majority female labour force (textiles and clothing manufacturing and tourism). The discussion of all aspects of Pillar 1 is not gendered and more specifically, women's potentially important role as workers in the proposed growth sectors and the resultant possibilities to improve women's economic situation are not discussed.
- ?? The poverty diagnosis presents 'early maternity' as a key cause of women's unequal situation: "early maternity, prevalent among the poorest women, further reduces women's opportunities. The most common risks that poor women face are prostitution and sexual and physical abuse. Early pregnancy as well limits their personal and economic prospects" (p 45).
- ?? The PRSP presents proposals to address 'early maternity' with associated goals and targets (see below). However, the 'most common risks' identified by the poverty diagnosis of 'prostitution and sexual and physical abuse' are not adequately addressed in the PRSP.
- ?? Despite being recognised in the poverty diagnosis as a 'risk' poor women face, prostitution is not mentioned at any other stage in the PRSP.
- ?? Sexual and physical abuse, highlighted as important gender concerns in the poverty diagnosis, is not discussed within the section on health policies. Family violence is mentioned within discussion of 'population' (within pillar 2 'greater and better investment in human capital'). It is noted that a goal is to "reduce the violence and family disintegration that go typically hand-in-hand with economic crises" and to this end education programmes are proposed to encourage "self-esteem, responsible paternity and maternity and family unity. Activities to prevent or penalize family violence and assist victims will also be developed" (point 135). Within discussion of 'social equity' (a cross cutting theme) it is suggested that a national plan to reduce domestic violence will be prepared 'over the next few years' (point 154). Discussion of 'Better protection for vulnerable groups' (pillar 3) suggests that "special protection must also be afforded to youngsters (especially children under five years of age) and other particularly vulnerable groups, such as abused women and children, the disabled and the aged" (point 136). All policy discussion related to pillar 3 focuses on young children.

The extent to which root causes of women's poverty and its multiple consequences are reflected in the monitoring and evaluation of PRSP policies

- ?? The key cause of women's unequal situation is seen to be 'early maternity' and this is reflected in the goals presented in the PRSP. Of the 10 national goals, 2 focus on women: reducing maternal mortality rates by three quarters; ensuring access to reproductive healthcare services to all interested people of appropriate age by 2015 (point 83). All other goals are not disaggregated by gender.

?? Although it is noted in the poverty diagnosis that under and unemployment is higher among women and that women's income is 20 percent lower than men's, the key target of the PRSP, to reduce extreme poverty by 17.5 percent by the year 2005 (point 87) does not differentiate by gender.

C. Targets, Indicators, and Monitoring

Monitoring processes include indicators and targets that capture gender differences

?? Of the 14 targets set out in the PRSP 2 focus on women (reduce the maternal mortality rate; reduce unsatisfied demand for family planning services). Only one other target recognises gender difference, noting that the education policy will continue to ensure gender equality in access to schools (point 90).

?? Although the goal of the PRSP is stated to be to ensure access to reproductive healthcare services for 'all interested people of appropriate age' (point 83) the associated targets are distinct focusing on reducing unsatisfied demand for family planning among 'women with partners in the 15-19 age group' (Target 6) and among 'women with partners in the 20-24 age group' (Target 7).

The extent to which monitoring processes seek to ensure the participation of men and women

?? Overall the monitoring process as presented in the PRSP appears to be very much a top down concern and the majority of the discussion focuses on improving technical capacity. Where discussion of the inclusion of 'beneficiaries' in the process occurs, it is phrased in terms of consultation rather than participation.

?? At the local level the PRSP notes that consultative and monitoring bodies for the municipal pilot projects will be set up. At the municipal level, it suggests a 'special effort' will be made to include representatives of beneficiaries and notes that attempts will be made to ensure the composition of local committees will reflect an 'appropriate' gender balance. However, it also notes that each municipality will define the structure of its own local committees (point 210).

D. Priority Public Actions: Structural and Sectoral Policies, Policies for Social Inclusion and Equity, Governance and Public Sector Management

Priority public actions include policies for greater equality of distribution of resources and fair and equitable treatment of women and men is supported by law

?? The poverty diagnosis notes that Nicaragua, like much of Latin America, has a high degree of inequality in income distribution, and that Nicaragua ranks among the top quartile of countries in the world with the highest income disparity (point 29). No policies to redistribute resources are presented in the PRSP.

?? The Executive Summary of the PRSP notes that "social equity will be addressed by facilitating equal access for women, children and adolescents to political, economic, cultural and social institutions" (point 15). Although not explicitly addressed in the body of the PRSP document, the Matrix of Policy Actions includes an objective aiming to 'Guarantee equal gender access to economic, social, cultural, and political areas'. The two policy actions presented are to 'Promote follow-up of international conventions: Female, children and

adolescents’ and to ‘Design plan to promote sexual equality in salaries, in the public and private sector’ (page 139). Neither of the proposed actions will be guaranteed by law nor will they alone ensure the proposed equal gender access to economic, social, cultural, and political areas.

?? The consultation process highlighted the need for the PRSP to include actions that would create the necessary conditions to provide equal opportunities in the social, economic, labour, productive, institutional, and juridical environments, without racial, religious, political, ethnic, or sexual discrimination (annex 1 point 53)

The extent to which gendered impact analysis has been undertaken for key PRSP policies and appropriate countermeasures proposed where necessary

?? No analysis of the possible impact of policies was undertaken.

Prioritised actions are discussed and justified in gendered terms

?? Priority actions are justified largely in terms of donor and international community. It is noted that “virtually all the long-term targets aim at meeting those set out as objectives by the OECD-DAC for the year 2015, *supplemented* by additional goals and targets resulting from domestic consultations and reflecting specific country characteristics and needs (point 82, emphasis added).

That the PRSP reflects gender differences as they relate to issues of governance and management of public funds

?? The discussion of governance, accountability and transparency is not gendered, nor are the associated targets disaggregated by gender. Reference is made to women, when it is noted that that “Finally, offices for the defense of human rights and the public defenders for the protection of children, women and indigenous populations will be further reinforced” (point 147).

D. Priority Public Actions: Macroeconomic Framework, Fiscal Choices, and Financing Plan

The extent to which the PRSP includes an analysis of the possible differential impact of macroeconomic policy on poor men and poor women

?? No analysis of the possible implications of macroeconomic policy proposals on poor men and poor women are presented, other than to state that the proposed reduction in public expenditure will not have an adverse effect “in part due to the elimination of public investment in the utilities that are to be privatized, and in part due to increased expenditure on the portfolio of high-impact social programs” (point 167) noting that “while public expenditure is being reduced, resources will be better focussed on programs related to poverty reduction and the efficiency of public expenditures will be improved” (point 169).

The extent to which policies within the PRSP aimed at improving the situation of women are adequately reflected in the budget

?? Within the public investment programme proposed by the Government, the only element of the PRSP without a budgetary allocation is ‘social equity’ (see Table 8,

page 49). That is no actions specifically aimed at improving gender equality are to be financed by the government.

- ?? The Policy Matrix does suggest that financing has been assured for some of the actions related to social equity, via international NGOs such as Oxfam and SNV and institutions such as BID and UNICEF (see page 139).
- ?? The Matrix of Policy Actions also includes details of financed actions focussed on women that are not detailed in the PRSP documentation. Within policies related to the Protection of Vulnerable Groups among the policy actions proposed is the ‘improvement of productive capacity of the extremely poor’, including ‘Programs to fight women’s poverty’ with finance from Norway and Taiwan (page 131). The fact that the matrix notes that the programme is already underway may help to explain this, that is that this is not a specific PRSP initiative, but an established initiative included within the PRSP.

The extent to which financing plans adequately recognise women’s invisible contribution to the economy

- ?? The need to change ‘behavioural patterns’ through education programmes to ensure the goal of improved human capital is noted (point 125, 129). It is also noted that “women in Nicaragua have traditionally been the key to family health and education; thus their health and education is a vital variable in improving family welfare” (point 126). While women’s role in ensuring the success of policies aimed at improving the health and education of children is recognised, the potential extra costs to women are not recognised.
- ?? The PRSP documentation suggests continued privatisation to be a key aim, including the privatisation of energy and water. The use of private firms to provide ‘public’ services is also a preferred option, especially in the area of health care provision. In other areas, such as education, there are plans to ‘decentralise’ responsibilities to the community level. As women are the key providers of basic goods and services such as water, health care and child care for the household; all these proposals have possible but unrecognised consequences for women’s time.

Annex 3 Independent evaluation of the PRSP process

The evaluation refers explicitly to the role of the JSA, CAS and the 'key features' of the PRGF within the process and evaluates each in turn. Beginning with the PRGF, overall the evaluation confirms what many commentators have noted within and outside Nicaragua and concludes that the approach was 'not very different' from the previous ESAF-supported programmes (IEO/OED 2004a: 44). More specifically it notes:

- ?? Stabilisation rather than poverty remained the focus, a necessity agreed upon by both the IMF and the government (56).
- ?? A decline in IMF conditionalities overall but an increase in conditionalities in core areas and some degree of conditionality transference to the Bank is apparent (56).
- ?? The PRGF negotiations, rather than the PRSP, remained the 'driving force' behind the formation of the macroeconomic framework (51).
- ?? There was limited space for negotiation but increased flexibility over time (47).
- ?? Some key aspects of the PRGF are 'government owned' but the programme lacks broad ownership (59).

Such conclusions suggest that the IMF team in Nicaragua has at best only partially taken some of the key features on board. However, the evaluation justifies some of these shortfalls particularly around participation. For example, it suggests that the government rather than the IMF chose to limit broader discussion and finds the sensitive nature of some of the issues to be discussed, such as broader sharing of the banking crisis, to justify this choice. The evaluation recognises that civil society were not content with the limited opportunities for discussion, but at the same time notes that broader participation could undermine the sustainability and continuity of policies. Such justifications question the extent to which broader participation is supported as an objective within the PRGF framework. The evaluation itself suggests that the reported changes in openness and flexibility may not actually be due to the features of the PRGF, but due to the relative macroeconomic stability and increased government credibility over time.

The use of social impact analysis is not discussed in relation to the PRGF but rather in discussion of Bank/Fund relations. The evaluation finds the process by which PSIA themes were prioritised to have been an 'unsettled business' and notes that although both IFIs had a role in setting agendas both took a 'subsidiary role' possibly because as the evaluation notes, the candidates for PSIA were 'politically charged issues with great analytical difficulties' (IEO/OED 2004a: 73). That is the ability of each institution to negate its responsibility within this new closer partnership is implicitly being recognised. Once again the sensitive nature of the topics to be discussed is also used to justify to some extent the lack of action. Moreover where impact analysis did occur it could be assumed their significance was limited given, for example, the ex-post nature of the review of tax reform and the fact civil society calls for a PSIA to feed into the CAFTA negotiations were not prioritised.

While overall it appears to have been 'business as usual' with the IMF, the World Bank's role in the PRSP process is a little more difficult to evaluate not least since the bank has no equivalent to the 'Key Features' to use as a framework. The evaluation highlights the

widespread perception that the Bank imposed its agenda on the country (IEO/OED 2004a: 62). This being said, the evaluation notes that there is little evidence of the Bank having successfully imposed specific policy measures, and that it is difficult to see how even the Poverty Assessment undertaken by the Bank and the concrete recommendations it contained influenced the PRSP. However, the fact that the Bank did in part fund the consultants in SETEC might help to explain their perceived influence, as does the fact they have are perceived to have financial and technical power over the government. The evaluation also criticises the Bank for its focus on producing a technically sound strategy without paying attention to its sustainability (IEO/OED 2004a: 63). The Bank's own means to operationalise the PRSP is the CAS, and, not surprisingly if it accepted that the Bank 'imposed' its own agenda on the PRSP, the evaluation suggests good alignment between the CAS and the PRSP (IEO/OED 2004a: 67).

The evaluation also refers to the Joint Staff Assessment for Nicaragua evaluating the JSA in terms of the extent to which it identifies risks, presents a clear and candid assessment of the PRSP and the extent to which this is placed in the country context. The evaluation finds no problems in terms of the first and the last criteria. However, in terms of the clear and candid assessment the overall summary is that the JSA was 'insufficiently candid' in some areas and notes that their view of participation processes was 'excessively optimistic' (IEO/OED 2004a: 71). However, it concludes that despite these limitations the JSA has played a 'useful role' in Nicaragua (IEO/OED 2004a: 72). No evidence is presented to support this statement or to suggest how and why the JSA has been useful and to whom.

Many of the experiences of Nicaragua are echoed in the other nine case study countries. One of the initial concerns raised by commentators was that linking debt relief under the HIPC II initiative with the production of a satisfactory PRSP would mean government's would write, as quickly as possible, documents that they believed would please the Bank and the Fund. It was also noted that this coupled, with the complexity of the policy matrix might mean that governments rely on the 'advice' of the IFIs in writing their 'country-owned' strategy. The recent meeting to discuss all the case study country reports included in the independent evaluation noted "Ownership is in some cases limited by the conditionality of deliverables with acceptable quality to gain access to HIPC relief or concessional BWI¹³ lending. Authorities have hence often sought to incorporate features in the strategy document that they perceive the BWIs want to see, rather than formulating an entirely "homegrown" strategy" (IOE/OED 2004b: 3). While a number of country case studies highlight that government saw the production of a PRSP as necessary to satisfy donors rather than as a strategy to guide national policy (see cases study of Tajikistan; Vietnam), the case of Nicaragua is perhaps the best example of this.

The evaluation notes the rapid nature of the formulation of the PRSP in Nicaragua and accepts that this was due to the fact the government "embarked on the PRSP process because it was a precondition for entering the enhanced HIPC initiative" it goes on to highlight the longer term consequences in that this underlying motivation may have

¹³ The IEO/OED document uses BWIs (Bretton Woods Institutions) throughout rather than the more usual IFIs (International Financial Institutions) when referring the World Bank and IMF.

“driven many subsequent processes and decisions, including the depth and scope of policy debate, which affected ownership perception across stakeholders” (IEO/OED 2004c: point 5). The authorities are recognised as playing a ‘donor-game’ even by those within the government and given the economic problems faced the attitude was that donors should “tell us what we need to do to get aid, and we will do it” (IEO/OED 2004a: 38). In Nicaragua the team of consultants responsible for producing the document (SETEC) are said to have had a clear and strong mandate to prepare as quickly as possible a IPRSP/PRSP which would be acceptable to the BWIs, a process facilitated by an IMF staff member being located within the SETEC office (IEO/OED 2004a: 24). More generally the IEO/OED evaluation also notes the contradictory role played by IFI staff in preparing a PRSP given the “vested interest of the staff in charge of the Joint Staff Appraisal when they have been directly involved in PRSP formulation” (IEO/OED 2004b: 12).

The evaluation concludes that ownership was limited to the ministries that formulated the PRSP a point highlighted by the case study of Nicaragua when it comments that those who produce the PRSP saw themselves as having ‘intellectual property right’ over the document (IEO/OED 2004a: 26). However, in terms of ‘participation’ within the PRSP process it is noted that “Officials and NGOs in the case study countries did not understand what was the role of Bank and Fund staff in supporting participation, and the Joint Staff Assessment (JSA) guidelines are not clear on how the JSA should present and assess participation” (IEO/OED 2004b: 4). It goes on to note that there exists ‘confusion’ on the part of civil society organisations (CSOs) in terms of participation and a ‘mismatch of expectations’ arising from the promise of participatory design processes.

Participants in the IEO/OED workshop noted that underlying the insistence on broader participation had to be a judgment that existing political/democratic processes were inadequate (OED/IEO 2004b: Minutes of session 1). This process would then, by definition, be weak and the fact of being the result of donor pressure would prevent it from becoming a domestically-driven process thus weakening it further. Noting that the lack of a minimum threshold on levels of participation means the extent to which this occurs depends to some extent on political will, the case study of Cambodia also notes how the timing of the PRSP/HIPC initiatives have negative implications for the development of a participatory design process and the country report for Tanzania suggests that while civil society organisations felt the participatory process there to be very limited, they found themselves unable to put forward demands to increase participation as this would have delayed submission and consequently delayed attainment of debt relief. A similar situation has been noted by civil society organisations in Nicaragua (CCER 2001) however, here the situation was further complicated by the fact that as the evaluation notes, while there is no doubt that the timing of the submission of the PRSP was heavily influenced by HIPC process, the rapid design time was ultimately the governments decision (IEO/OED 2004a: 23).

The experience in a number of countries in the evaluation highlight that even when participation is widened to include civil society organisations the extent to which it is wide ranging and ‘broad based’ is questionable. For example, some representatives from the countries included in the evaluation noted that PRSP participatory processes had been

limited in what could and could not be discussed and in particular issues such as budgetary provision and allocation (OED/IEO 2004:b Minutes of session 1). The extent to which processes were broad based was limited by the finances needed to participate and some suggest that only large NGOs, with access to donor funds, had the resources to take part in the PRSP process. It was also noted that NGOs that were not seen to contribute to a consensus were sidelined within the process with the result that civil society became split along the lines of insiders and outsiders (OED/IEO 2004:b Minutes of session 2) and wider issues such as gender and human rights were often absent from discussions (OED/IEO: Minutes of session 1). Such divisions would ultimately weaken rather than strengthen civil society, a point noted in relation to the women's movements in Nicaragua and Honduras (see Bradshaw and Linneker 2003).

The evaluation suggests the Nicaraguan case illustrates that tensions can exist between government driven process and other aspects of the process, notably broad based participation and partnership aspects, but concludes that the expectation of civil society was unduly high and this mismatch of expectations could be regarded as one of the potential costs of new approach (IOE/OED 2004a: 23). The lack of realism of Nicaraguan civil society is again noted in relation to PRGF negotiations. While it is accepted the negotiations were conducted in private it suggests that the involvement of other actors would be unrealistic as were expectations that this would occur (IOE/OED 2004b: 60). It has been noted that if the IMF is sincere about encouraging a participatory discussion of the macroeconomic framework then there is a need for the "de-mystification" of macroeconomic issues (IEO/OED 2004b: Minutes of session 4) and to enhance the capacity of various stakeholder groups through the promotion of economic literacy (IEO/OED 2004b: Minutes of session 2). However, suggesting that the lack of economic ability of CSOs means they have little to add to policy debates ignores the fact there is a similar lack of capacity among many government officials in many countries. The fact they are not excluded from macroeconomic discussion reinforces the notion that the issue is the lack of willingness of the IMF to widen debate (IEO/OED 2004b: Minutes of session 4).

The situation that occurred in Nicaragua is not unique and the case study report of Ethiopia also suggests a general feeling that consultations 'promised more than they delivered' and that there was little space to consider policy alternatives especially given that some felt the government had used the process to get endorsement for existing policy without discussing whether or not they were working (a concern raised by civil society actors in Nicaragua also – see Quiros, Bradshaw and Linneker 2003). The evaluation team suggest Ethiopia's civil society expectations that a more fundamental shift in political accountability would occur with the PRSP process to 'arguably' go well beyond the PRSP framework. That is a shift in political accountability is not realistically seen to be an expected outcome of the PRSP process by the teams of the Bank and the Fund.

This is interesting given that the principles guiding the PRSP and PRGF in essence suggest some shift in accountability on behalf of the IFIs at least can be expected. The case study of Nicaragua notes that the Bank is 'improving its behaviour' and that according to stakeholders the Bank has become 'more open to dialogue' and is 'taking steps to increase its responsiveness to civil society', however it is also noted that some

felt that the 'fine line' between support and imposition had in several cases been overstepped through the insistence on certain policy elements. This evidence of the Washington influence is well illustrated by events surrounding the government's formulation of a National Plan for Development (IEO/OED 2004:b 36). The elements of the plan would demand a shift in resources away from pro-poor projects to pro-growth initiatives. The fact the PRSP and indeed the PRGF (in line with key features) included targets on poverty reducing expenditure limited the possibilities of doing this. While this 'protection' of poverty reducing expenditure by external agencies may be welcome it does call into question the sovereignty of internal agencies, and the ability of a national government to make its own decisions about and for the nation that elected it.

The evaluation concludes that the Bank could do more in focusing on improving processes in Nicaragua and not just working towards preparation and refinement of a strategy (IEO/OED 2004c: 12). It also notes that the Bank should do more to widen the issues discussed within this process, most notably to integrate discussion over broad based growth and the trade-offs between growth and poverty-related spending under the PRSP framework (IEO/OED 2004c: 13). A common feature of the case studies was the concern around the fact that discussion about macroeconomic and economic growth policy had been 'especially limited'. While noting this, the response was once again to suggest a 'confusion' on the part of CSOs and overly optimistic expectations, noting that 'an appropriate' role for Fund staff would be to "help ensure that the PRSP is built on realistic assumptions; to make explicit what are the tradeoffs between different options and to clarify why the staff is recommending certain policies" (IEO/OED 2004b: 4). That is, there is no suggestion that the Fund should open up discussion to CSOs merely that they should better explain why they are making certain demands on national governments. A point made explicit in the evaluation of Nicaragua: "Opening program negotiations to non-government actors is not realistic, but efforts by both the government and the IMF to broaden the discussions of macroeconomic policy could contribute to fostering a better understanding of trade-offs and policy choices" (IEO/OED 2004a: 19).

The case study country reports would seem to provide evidence that little has changed, in terms of the way the Bank and the Fund operate and in terms of the PRGF and the PRSP process representing a change from the past. The joint IEO/OED survey of 779 stakeholders from government, civil society and the donor community in the 10 countries undertaken as part of the evaluation supports this view (IEO/OED 2004b: 6). This suggests that most stakeholders agree that the PRSP had some 'value-added' and there is what is termed 'moderate' agreement that PRSPs are focused on outcomes that benefit the poor, that they make an adequate diagnosis of the causes of poverty and that they constitute an adequate roadmap for long term goals. However, there is less agreement (described as 'marginally in agreement') on some fundamental issues such as that the targets and plans presented in PRSPs are realistic and more fundamentally that the benefits of the PRSP outweigh its costs. Lowest levels of agreement (described as stakeholders being 'uncertain, on the whole') were found in terms of alternative policies having been fully explored and that PRSPs strike the right balance between growth and poverty reduction (it is not made clear if this latter point refers to there having been too much emphasis on growth or on poverty reduction). It could be concluded that many stakeholders view the PRSP to be a continuation of past macroeconomic policy

prescriptions with the high related costs for little benefit that this growth focus brings. It could also be concluded that many stakeholders view the PRSP to be a continuation of past macroeconomic policy prescriptions with similar high (social) costs and little (growth) benefit.

Despite these not inconsiderable stakeholder concerns, the IEO/OED (2004b) evaluation is that despite initial ‘scepticism’ that the PRSP would be completely BWI driven “Most donors are now in full support of the PRSP initiative” (IEO/OED 2004b: 8). This being said the report does note that smaller donors have generally been more supportive of the PRSP process. This support perhaps stems from the fact, as the report notes, that the PRSP process has given some the opportunity to “punch above their weight” in terms of having a say or participating in broad policy agenda-setting (IEO/OED 2004b: 9). The implications of this, or notions of who has the right to set national policy agendas and why, are not considered. A number of case studies contradict the idea of increasing donor confidence over time, and suggest continued scepticism among donors and CSOs in more than half the case study countries including Nicaragua (see also Albania, Cambodia, Ethiopia, Mauritania, Tanzania). While Washington may be perceived to have taken responsibility for the design of a PRSP in many countries a CSO participant during discussion at the workshop in Ethiopia (IEO/OED 2004b: minutes of session 1) noted that the notion of responsibility did not extend to the outcomes of the process and that BWIs often point to shortcomings in implementation when policies fail to work, rather than accepting the role (their) design shortcomings have to play.

The final session in the IEO/OED meeting of stakeholders focussed on implementation of PRSPs. Overall the evaluation seems to suggest that at the moment PRSPs do not actually provide an ‘operational road map’ to policy making despite having received JSA endorsement. A preliminary review of outcomes of implementation highlights a further problem in the evaluation of results in that “a multiplicity of intermediate objectives is mentioned in various policy documents establishing the initiative, but often in general and not easily measurable terms. Consequently, it is hard to establish concrete criteria for judging whether the initiative is succeeding or failing” (IEO/OED 2004b: 15). That is, the evaluation implicitly accepts that the criteria by which a PRSP will ultimately be addressed have not been clearly established. The review suggests that there has been “improved focus on measuring outcomes and putting in place systems of indicators” (IEO/OED 2004b: 16). While noting an improved understanding of the multidimensional aspects of poverty, the extent to which these indicators are actually adequate or appropriate ‘measures’ of improved well being is not discussed. In fact of the 10 countries reviewed by the IEO/OED in only two cases (Cambodia and Tajikistan) was it noted that non-income measures of well being were taken into account. A further two case study reports (Albania and Cambodia) mentioned the so called ‘cross-cutting themes’ that are supposed to form part of a PRSP but in both cases it was to note the weakness of these areas.

In evaluating the PRSP process, rather than the results of that process, overall the independent evaluation judged the PRSP of Nicaragua, on balance, to be relevant (IEO/OED 2004a: 23). That is it suggests that the PRSP fills a previous policy gap or represents advancement on the previous situation, in this case a ‘donor led’ development

process. The PRSP is evaluated to be weak in terms of Pillar I, notes that Pillar II is 'built on' existing programmes and suggests the focus of Pillar III is to define a work agenda and how to avoid 'negative effects' of existing social programmes (IEO/OED 2004a: 30). The final Pillar, focussed on accountability and transparency, in particular raises concerns. In terms of Public Expenditure Management, for example, of 15 benchmarks in this area only 5 have been achieved. Although it may be assumed that a PRSP should contain new policy initiatives, the evaluation accepts that Nicaragua's PRSP consists to a large extent of already existing projects funded by donors (IEO/OED 2004a: 32) and sees ensuring the re-alignment of these projects to the PRSP process to be the key challenge. It notes, however, that even if the donor community, and the government, do commit to the PRSP there still remains severe challenges to the government given their lack of implementation capacity (IEO/OED 2004a: 39). That is the evaluation calls into question the governments commitment to the PRSP and their ability to implement the strategy. The case study of Mauritania is interesting in this context and the evaluation notes that now Mauritania has achieved 'irrevocable HIPC debt relief', stakeholders perceive a 'policy fatigue' on the part of Government highlighting that sustained Government commitment to the PRSP to be 'an area of concern' in Mauritania. The report does not discuss what will happen to governments that 'misbehave' after completion point has been reached and debt relief provided, something which could be of great importance for Nicaragua in the future.