# Civil Society Engagement in PSIA Processes:
# A review

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# Executive Summary

Since the first wave of pilots commissioned by DFID and the World Bank/IMF in 2001, Poverty and Social Impact Analysis (PSIA) has become more widely used as an analytical tool in policy-making processes. Some are concerned about the lack of involvement of civil society in the design, formulation and implementation of PSIA.

This study was commissioned by the Bratislava Regional Centre of the UNDP and was undertaken by a small team of consultants in a tight timeframe.

The paper draws on a review of the international literature to introduce PSIAs processes and it then reviews civil society's experience of engagement with PSIAs, and presents three case studies (Uganda, Armenia and Bolivia) as examples[1]. The paper then goes on to identify entry points for future civil society engagement and propose a range of tools that civil society actors might draw on to maximise the effectiveness of their future engagement.

### *How PSIAs came about*

Poverty and Social Impact Analyses (PSIAs) are generally *ex-ante* studies examining the likely social and poverty related impacts of a particular policy change. Drawing on a broad toolkit of methods, they attempt to predict the distribution of benefit and loss that will be generated by a proposed policy change. This form of *ex ante* analysis is particularly important to those groups who are likely to be adversely affected by the policy change as it enables policy makers either to change or modify the policy choice, or to supplement it with mitigating measures.

Recent shifts in aid architecture have boosted the need for evidence-based policy-making. The introduction of Poverty Reduction Strategy Papers (PRSPs) and the increased proportion of aid channelled through general budget support have increased donor focus on the quality of the governance structures. The new aid architecture places greater emphasis on national ownership of development strategies and on the management of national resources and finances. Many donors are keen to support improved national policy formation and budgetary processes as a way of improving the development outcomes of the aid delivered and also reducing levels of fiduciary risk. In many countries, there is evidence that these new aid modalities, particularly PRSPs, have opened up policy debates to national stakeholders. They have provided an opportunity for a national cadre of experts to be developed that are capable of good quality poverty and policy analysis. In this context it is hoped that PSIAs will support good policy formation and implementation which will maximise the poverty reduction impact, or support the identification of measures to mitigate negative impacts on specific groups.

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[1] The UNDP and ODI team selected the countries for these case studies, and conducted the analysis through email-based questionnaires and telephone interviews (see Annex 2 for a list of respondents). In Uganda and Armenia, local consultants have also been involved in liaising with civil society organisations in support of this study. Due to time constraints, respondents were largely self-selecting interviewees who responded positively to an invitation from the UNDP to participate in the study.

*Challenges of implementing PSIAs…*

This paper highlights a number of issues connected to the implementation of PSIA processes: the nature and quality of in-country capacity to carry out PSIAs; problems accessing quality data; and the rapid production of PSIAs if they are to provide real-time policy analysis.

*The role of civil society…*

Experience has shown that civil society organisations (CSOs) have had limited opportunities to engage in PSIAs processes and in places where they have been active, their influence on policy has been limited. This is due to a range of reasons. Many PSIAs have been inaccessible to national CSOs due to their complex and highly technical content. In addition the nature of civil society engagement has been influenced by differences around the perceived audiences for, and purposes of, PSIAs (i.e. a tool to stimulate national debate or for internal consumption by donors), and in some countries civil society has been excluded from PSIA processes to a lesser or greater extent.

This paper shows that where a proposed policy change is highly contentious, civil society has commonly been kept at arms length, arguably to enable government to implement the policy change they desire while limiting public debate. However, in contrast, there are cases where civil society has been invited to participate in highly charged PSIA discussions in order to widen understanding of the government's rationale for the proposed policy change.

PSIAs do create opportunities for CSOs to improve their own ability to engage effectively in policy discussions. Similarly, donors can take advantage of this opportunity to find and support CSOs to engage in future PSIAs. However, ensuring meaningful civil society participation also relies on the design of a particular PSIA (and surrounding processes), and donors and PSIA consultants need to be sensitive to a number of issues:
- power differences in each society
- the political nature of PSIA
- the political context

*Conclusions and recommendations for the international community to strengthen civil society engagement in PSIA…*

This study shows that the main barrier for civil society engagement is lack of awareness of PSIAs and their relevance for CSOs, followed by capacity constraints and a lack of access to information and to PSIA processes. The international community can assist CSOs by providing information and training about the PSIA process. CSOs that seek to engage in PSIAs need to have a thorough understanding of the policy context, the role of evidence in policy-making, as well as technical skills. Networks and partnerships between CSOs, research institutes, and development agencies working with civil society can help CSOs to develop technical skills and to acquire access to information.

# Acknowledgements

# Disclaimer

# Acronyms

| | |
|---|---|
| CSO | Civil Society Organisation |
| DFID | Department for International Development |
| EU | European Union |
| GTZ | Deutsche Gesellschaft für Technische Zusammenarbeit |
| IFI | International Financial Institutions |
| IMF | International Monetary Fund |
| M&E | Monitoring and Evaluation |
| MDBS | Multi-Donor Budget Support |
| MDF | Multi-Donor Fund |
| MDG | Millennium Development Goals |
| NGO | Non-Government Organisation |
| PSIA | Poverty and Social Impact Assessment |
| PRSC | Poverty Reduction Support Credit (World Bank) |
| PRGF | Poverty Reduction and Growth Facility |
| PRS | Poverty Reduction Strategy |
| PRSC | Poverty Reduction Support Credit |
| PRSP | Poverty Reduction Strategy Paper |
| PSIA | Poverty and Social Impact Assessment |
| TIPS | Tools for Institutional and Political Social Analysis |
| TOR | Terms of Reference |
| UNDP | United Nations Development Programme |
| WTO | World Trade Organization |

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**Annexes**

# 1.    Introduction

This study was commissioned by the Bratislava Regional Centre of the UNDP. Its aims are to assess the experience of civil society in engaging in PSIA (Poverty and Social Impact Analysis) processes around the world and to gauge the potential for civil society to contribute to the design, implementation and monitoring of PSIA-related processes. The study also seeks to assess the potential for effective civil society involvement in national policy processes linked to PSIAs and to identify ways to improve the effectiveness of such involvement.

PSIA analyses the intended and unintended effects of policy change, particularly for the poor and vulnerable. PSIAs can be undertaken before a policy is introduced, to assess its likely future impact (*ex ante* analysis), or after implementation (*ex post* analysis). The aim of PSIA is to explore the different effects of the impact of such policy changes on different groups. It can also be used to support the formulation of policy alternatives and mitigating measures for those likely to lose out as a result of the change.

PSIAs also have the potential to open up policy spaces to new participants. CSOs have started to become more involved in policy processes and PSIAs can be a potentially valuable tool for gathering, analysing, and incorporating evidence into policy-making in order to attempt to influence it in a pro-poor way. Research institutes, NGOs, and community-based organisations may have an alternative perspective of the policy changes needed. Evidence generated by PSIAs can help these organisations to lobby for policy alternatives and to monitor the implementation of PSIA recommendations.

Despite these potential advantages, awareness of PSIAs is surprisingly limited among the vast majority of CSOs. The findings of this study reveal that CSOs have not been included in most of the in-country PSIA processes, and where such inclusions did occur, their involvement was generally restricted to attending presentations of PSIA study findings. Most PSIAs are still carried out by technical experts and discussed by high level decision makers in government ministries, specialised agencies and donor organisations. Despite claims to the contrary, donors do not seem very committed to involving CSOs in PSIA processes. Governments can be even more reluctant to involve civil society, particularly if the intended policy change is contentious. In many instances, policy-makers need to make changes, such as opening up policy debates and decision-making fora to civil society actors. However, some of the reasons for the lack of involvement are internal to civil society organisations themselves. Their lack of capacity and resources and their insufficient understanding of policy processes appear to be the major constraints for effective civil society engagement in PSIAs.

Civil Society can engage with PSIAs at various stages and in different ways. In order to participate in a meaningful way, CSOs need to be equipped with a clear understanding of the topic being examined by the PSIA, the policy context, and the transmission channels relevant to various policy alternatives. Furthermore, CSOs need to have access to data and information about the poor and vulnerable groups likely to be affected by these policies, a robust analysis of the possible differential impacts on these groups and a thorough assessment of the risks that each policy alternative may involve. In any case, the degree of engagement will critically depend on the topic and the design of the PSIA.

## 1.1.    Structure of the report

In the remainder of the first section of this report, we describe the approach we used to produce this study and present a brief introduction to PSIAs. Section 2 presents the rationale behind PSIAs, provides an overview of current PSIA activity and identifies the challenges

that have emerged from attempting to use PSIAs to influence policy agenda setting, design and implementation in a pro-poor way. Section 3 focuses on civil society and the role that it has played in connection with PSIA processes around the world. Section 4 presents country case studies from Uganda, Armenia and Bolivia and reviews civil society involvement in PSIAs in these countries. Section 5 presents possible entry points for civil society in the PSIA process and suggests a range of tools that might be used to increase the effectiveness of civil society engagement and Section 6 presents conclusions and recommendations.

Annex 1 contains a sample interview checklist used during the data collection for this study and Annex 2 contains a list of key informant and interview summaries.

## 1.2. Our approach

This review has been undertaken by a small team with a tight time constraint. Data collection has been based primarily on a review of the international literature, on policy processes, PSIAs, civil society engagement in policy processes and tools and methods for effective policy engagement. The three case studies developed following data collection by in-country consultants (in Uganda and Armenia) and telephone interviews with CSO representatives and donors and international NGOs working on PSIAs. The data gathered in this study comprise largely of self-selecting interviewees who responded positively to invitations to participate. These interviews are contextualised by a review of the international literature.

# 2.     PSIAs in Context

## 2.1.     What are PSIAs?

Poverty and Social Impact Analysis is defined as the analysis of the likely intended and unintended impacts of a particular policy change on the well-being of different stakeholders, particularly on the poor and vulnerable. PSIAs focus on the multidimensional nature of poverty and combines social with economic analysis to assess the impact of policy reform.

PSIAs can help to assess the tradeoffs between the social costs and benefits of a reform or policy by analysing opportunities, constraints and social risks. PSIAs are particularly important where a new policy may affect the livelihoods, income or well-being of particular sub-groups in the population. PSIAs can highlight aspects of a policy most likely to generate substantial changes in well-being by enabling policy makers to decide whether to implement the policy as planned, to modify the policy choice, implement it along with mitigating measures or not to implement it at all (Bird et al., 2005).

*Ex Ante* PSIAs generate evidence-based analysis that can inform policy makers, civil society and other stakeholders, thereby improving and influencing national development strategies and policy design. *Ex Post* PSIAs can test the assumptions and predictions of any *ex ante* assessment, ensure that policy adjustments are made where necessary (Bird et al., 2005), and play a role in national M&E systems by monitoring impact after the implementation of a policy.

Data generated by PSIAs do not automatically feed into policy identification or formulation, as use of such information will depend on its role in policy processes in a particular country. Increasing the use of PSIA results is a complex process and its mere inclusion in policy analysis will not necessarily result in a change in national decision making processes. An assessment of the institutional history and political economy of a country may clarify the potential roles that PSIAs can have in a particular country. An emphasis should be placed on determining which individuals or actors may support or oppose a pro-poor change.

## 2.2     The emergence of social impact assessment and the PSIA approach

PSIAs are grounded in a long history of *ex ante* analyses of different sorts, and international donor agencies introduced environmental assessment to assess the likely impact of their development projects in the 1970s. The World Bank and other International Financial Institutions, which increasingly adopted social assessments during the late 1980s, reflected the growing concern about the social implications of large infrastructure projects, such as the impact of large dam projects on indigenous peoples. Consequently, social impact assessments "metamorphosed from a social science into a policing function" (Dani, 2003:10). As social assessments gained profile, donors began to recruit social analysts to undertake the social assessment of development interventions (Dani, 2003).

During the 1990's *ex ante* social assessment was still mainly adopted to assess the likely impacts of large infrastructure and other technical projects. As the focus shifted to structural adjustment, sector-wide approaches, programmatic and policy based lending, and from investment in infrastructure to support of social sector services, there was an increased need for *ex ante* analyses of the likely social and poverty impacts of structural and economic reform policies (Dani, 2003). IFIs are now required to analyse the distributional and poverty impact of reforms that are part of lending agreements. However the World Bank and the IMF have been criticised for focusing on impact mitigation rather than on the analysis of policy options (see section 2.7.).

Poverty reduction has become a core element in development and lending policies. Poverty reduction strategies (PRS) and pro-poor policies are now at the centre of the development agenda, with many developing country governments receiving funding in line with their Poverty Reduction Strategies (PRSPs). This has required governments to align their expenditure with poverty reduction goals. Donors have wanted to monitor whether the budget and sectoral support they provide is having the desired pro-poor outcomes, and monitoring and evaluation systems have been established in many countries to explore the effectiveness of PRSPs *ex post. Ex ante* analyses of policy options were also required to maximise the development impact on the poor and PSIAs have been developed partly in response to this need (Bird et al., 2005).

The processes surrounding the development of PRSs have provided an opportunity to open up policy debates to new participants. In many countries, the consultations around the production of PRSs have involved parliament, civil society and other stakeholders and interest groups. Depending on the country, the consultative processes have ranged from being limited and cosmetic to involving key stakeholders in the finalisation of policy documents and the formulation of recommendations for improved implementation. In some cases PRS consultations have created an environment for more open and transparent interaction between government and civil society; they have also changed the norms around the composition of decision-making. There is an increasing likelihood that CSOs will be sent early drafts of key documents, be invited to join in key committees and attend important events (and that once there, be listened to). However, this is far from the norm, as indicated below.

PSIAs have been linked to PRS processes in many countries. In Armenia, for instance, topics for PSIAs were identified through the PRSP review (see section 4.3.) and in Ghana the consultative processes surrounding the development of the Ghana PRS M&E system resulted in the identification of a number of themes for impact assessment and policy analysis. This created the impetus for PSIAs in Ghana, with a number of donors choosing to fund particular PSIAs (Bird et al., 2005).

## 2.3. PSIA in the policy process

When effective, PSIAs are embedded in the policy process, with the selection of PSIA topics being derived from the national policy priorities as articulated by policy frameworks and strategies for example, Poverty Reduction Strategies. Once a policy change has been proposed, a PSIA can be commissioned to explore the distributional impact of that change and to formulate policy alternatives and mitigating measures for those likely to lose out as a result of the change. The results of a PSIA may be either put into the public domain to stimulate a national discussion or circulated to a limited number of key policy makers and invited stakeholders. Ideally, the results of a PSIA should feed into a number of consultative processes with stakeholder groups and influence decision-making in a pro-poor way.

PSIAs can improve policy formation in several ways:
- Make explicit assumptions about all linkages between a proposed policy change and its distributional effects (positive and negative, short and long run) on different groups of people in the society;
- Ensure that policies are not judged solely on long-term aggregate economic efficiency grounds; and
- Improve the quality of debate over reforms, opening up an avenue for negotiation between different stakeholders, and in particular between (and within) government, civil society and donors.

(Evans et al., 2003)

**Figure 1: PSIA in the policy process**



Poverty Reduction Strategies

Problem definition/ Agenda setting

Constructing policy options/Policy formulation

Ex-ante PSIA

Selection of preferred policy option/ Decision-making

Monitoring and evaluation

Ex-post PSIA

Policy implementation
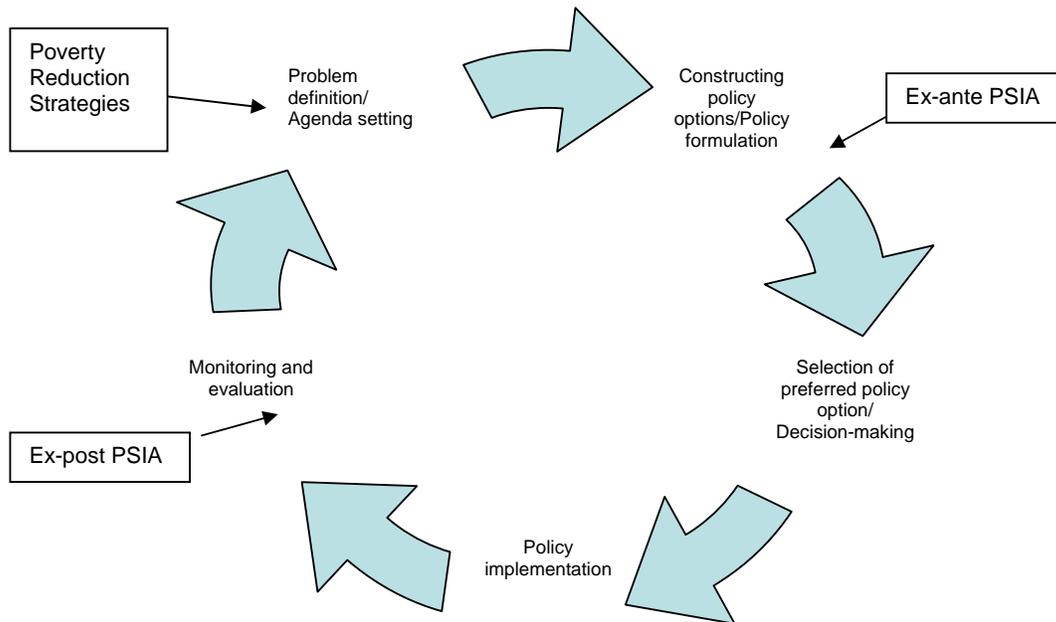
(Adapted from Court et al, 2006)

## 2.4. Steps in PSIA-selection process, implementation and dissemination of results

According to the User's Guide to PSIA (World Bank, 2003a), the first steps in undertaking a PSIA are to identify the set of reforms for analysis and to formulate the question that the assessment wants to address. While this seems straightforward, a study into DFID-led PSIAs has shown that national government and donor approaches to issue identification and prioritisation around PSIAs have varied substantially. There has been a continuum, with a heavy reliance on donors at one end to greater levels of autonomy at the other. At one end of this continuum are a number of studies by the World Bank, where they have identified, designed and funded a study to examine the likely impact of an agreed policy change, in order to 'provide safeguards' (a condition for support). Further along this continuum, donors have suggested a topic to government and offered to provide technical assistance. Alternatively, governments have asked for donor assistance and topics have emerged after donor-organised workshops and consultations or after discussions between donors and local research partners (Bird et al., 2005).

*Asking the right questions*

The formulation of key questions for analysis requires a detailed understanding of the underlying problems that a planned reform intends to address. Problem diagnosis can be used to identify the chain of cause and effect from policy objectives to constraints, to choices, to impacts.

*Identifying stakeholders*

An analysis of  stakeholders is beneficial in identifying people, groups and organisations that have an important role in reforms. They also serve to determine who may be positively or negatively affected by the reforms, as well as those who are in a position to influence the outcome of a particular reform through support or opposition.

*Understanding transmission channels*

The impacts of reform on the well-being of different stakeholders will be manifested though different transmission channels. Experience with pilot PSIAs has shown that it is important to consider multiple transmission channels as a group of stakeholders may be affected positively through some channels and negatively through others.

The World Bank identifies the following transmission channels:
  ▪ Employment
  ▪ Prices – income, production, consumption, and wages
  ▪ Access to goods and services
  ▪ Assets - physical, natural, social, human, financial
  ▪ Transfers and taxes

The transmission channels will convey different impacts on stakeholders, depending on the reform in question. Impacts may differ along two key dimensions. First, impacts can be direct (when they result directly from changes in the policy levers altered by the reform) or indirect (when they result from the reform through other channels). Second, the nature of impacts may vary over time, and so will generate differential impacts for distinct stakeholder groups. (World Bank, 2003).

Figure 2 on the following page shows how policy changes impact at the household level.

**Figure 2: Linking policy change to impact at the household level**

**Intermediate impact**

**Policy Change**

**Trade policy reforms**
Change in relative border prices from multilateral and unilateral trade policy change

**Domestic Macroeconomic reforms**
(i)    Real exchange rate
(ii)   Capital market liberalisation
(iii)  Tax policy reform

**Agricultural sector reform**
(i)    Net tax
(ii)   Promotion of diversification
(iii)  Promotion of non-traditional cash crops

**Institutional reforms**
(i)    Land
(ii)   Market monopolies
(iii)  Reduced parastatals
(iv)  External shocks

**Institutional and policy environment**

Affects (1) the degree of price transmission and ability of producers and consumers to respond to price signals and (2) the functionality of markets for different categories of actors

**National level response**
(i)    Changes in relative prices
(ii)   Changes in value and level of production
(iii)  Changes in import prices
(iv)  Changes in export earnings
(v)   Changes in imports requirements
(vi)  Changes in productivity levels

**Within-country response**
Transmission to different parts of the country will be influenced by a range of transmission mechanisms. Their effectiveness will influenced by:

(i)    Market failures and distortions
(ii)   Location in a spatial poverty trap (disadvantaged region, low potential or marginal area, less favoured areas, remote rural area, weakly integrated regions)
(iii)  Relatives access to productive assets

**Poverty indicators at the household level**

(i)    Income/ production
(ii)   Purchasing power
(iii)  Vulnerability
(iv)  Asset holding (natural, financial, physical, social, human, political)
(v)   Access to services and public goods

**Household level response**
(i)    Livelihood diversification/ consolidation
(ii)   Enterprise expansion/ contraction
(iii)  Increased/ decreased income
(iv)  Complete exit from pre-reform enterprise activities

Adapted from KIPPRA/ODI (2006)

*Institutional assessment*

Policies and policy reforms are transmitted through institutions. Institutions not only determine the framework through which policies may affect the well-being of stakeholders, but also have a key role in implementing these policies. Therefore a PSIA needs to include an assessment aimed at identifying the institutional opportunities and constraints likely to affect the formulation and implementation of policy reforms.

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**Box 3: Institutional Analysis**

Institutional analysis evaluates formal institutions, such as such as rules, resource allocation and authorisation procedures. It also analyses "soft" institutions, such as informal "rules of the game", power relations and incentive structures, which underlie practices. In the latter sense, it identifies organisational stakeholders that are likely to support or obstruct a given reform

*Source: Users Guide to PSIA, World Bank, 2003a*

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*Gathering data and information*

Gathering data and information includes taking stock of existing country data and identifying data gaps that may need to be filled. Where further data needs to be gathered, the World Bank recommends using a mixture of qualitative and quantitative research methods to make findings more robust. The choice of the methodological approach will depend on human and financial resources and the availability of data, time and local capacity. In principle, research should be carried out by domestic research teams. However, this is not always possible because of weak research capacity in many PSIA study countries.

*Analysing impacts*

It is important to assess the likely direct and indirect impacts of a proposed policy change and to ensure that short-term risks and benefits are recognised as well as those anticipated in the longer term.

*Contemplating enhancement and compensation measures*

In theory, negative impacts on particular groups or sectors can be mitigated (World Bank 2006) through redistribution, where benefits to other groups are anticipated over the longer term and where such redistribution is politically and administratively feasible. Such mitigation is particularly important where it is likely that poor people and vulnerable groups risk to be harmed. Policy makers may need to consider alternative policies where harm is likely to be widespread, long-run or difficult to mitigate.

*Assessing risks*

Even if the adverse impacts of a reform have been analysed and enhancement and mitigation measures have been devised, there is a risk that some of the assumptions underlying the analysis will be flawed. Risk analysis can help to identify the factors that could prevent a policy reform from delivering the intended outcomes for poverty reduction and allows for adjustment.

*Monitoring and evaluating impacts*

Monitoring and evaluation allows government, civil society, citizens and others to know how effectively a policy is being implemented and to identify whether further policy reform is required. The provision of good quality information derived from M&E processes can enhance ownership and accountability, if it is presented in a timely manner and in a suitable format.

*Fostering policy debate and feeding back in to policy choice*

Discussions about policy amongst citizens, government, parliament, civil society and the private sector are important. Although a policy change may be hotly contested, such discussions can build ownership and acceptance of a proposed change.

## 2.5.    Actors in the PSIA process

Donors, IFIs, governments, civil society organisations, citizens and the private sector are all actors in PSIA processes along with a range of political parties and other actors. It is likely that their interests and objectives will differ.

Governments' interests in carrying out a PSIA may be based on a genuine desire to improve policy formulation to ensure that it is pro-poor and to increase the poverty reduction impact of a reform. The use of evidence based analytical results, as generated by a PSIA, may also increase their negotiating power with International Financial Institutions, particularly when pressure is felt to implement a particular change in policy.

Donor organisations may support PSIA processes because they want to support the development of evidence based and pro-poor policy making but may also have internal requirements for data which must be met before they can disburse funding.

Some private sector and civil society organisations may be interested in seeing PSIAs undertaken on particular issues because the information that they produce will support a process of policy engagement that they are involved in. Many CSOs regard PSIA as a potentially valuable instrument for bringing the voices of the poor into the policy process and influencing policy making in a pro-poor way. However, the participation of civil society in PSIA processes has been limited (see Section 3.2.).

## 2.6.    PSIA pilots and current PSIA activity

Since the formal introduction of Poverty Reduction Strategy Papers in 1999, the need to treat poverty and social impacts more systematically has intensified within the Bank (World Bank, 2003a). In 2000, the IMF and World Bank agreed to work together to carry out Poverty and Social Impact Analysis (PSIA) of major macroeconomic and structural policies in PRSP countries. In May 2001, DFID and the (P)SIA Working Group of the Joint Implementation Committee of the World Bank and IMF agreed to pilot PSIAs in a number of countries. These took place between 2002 and 2003. DFID pilot studies were undertaken in Armenia, Honduras, Mozambique, Rwanda and Uganda. Two further PSIA studies were carried out in Indonesia and Orissa State, India, under the direction of DFID regional offices (PRSP Synthesis Project[2]). The World Bank and IMF pilots were carried out in Chad, Guyana, Kyrgyz Republic, Malawi, Mongolia and Pakistan[3].

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[2] See http://www.prspsynthesis.org/psia.html

[3] See http://lnweb18.worldbank.org/ESSD/sdvext.nsf/81ByDocName/TrainingMaterialPastEventsDfIDIMFWBtwo-dayPSIAworkshopOct2002

There is now a second-generation of PSIAs, many of which have been commissioned by both the World Bank and DFID. For example, by 2006 150 studies had been commissioned by the World Bank and are either completed or under way (World Bank 2006) and DFID and other bilaterals have also commissioned or co-funded large numbers of PSIAs (see Box 6).

Figure 3 below shows that nearly one fifth of PSIAs have focused on the utility sectors, with large numbers on agriculture (13%), the social sectors (17%), macro-economic issues (14%) and the public sector (13%). A large proportion of studies have been in African countries (37%), with a fairly even spread between Latin America, South and South East Asia and Eastern Europe and Central Asia (Figure 4).

**Figure 3: Sectoral distribution of PSIAs**
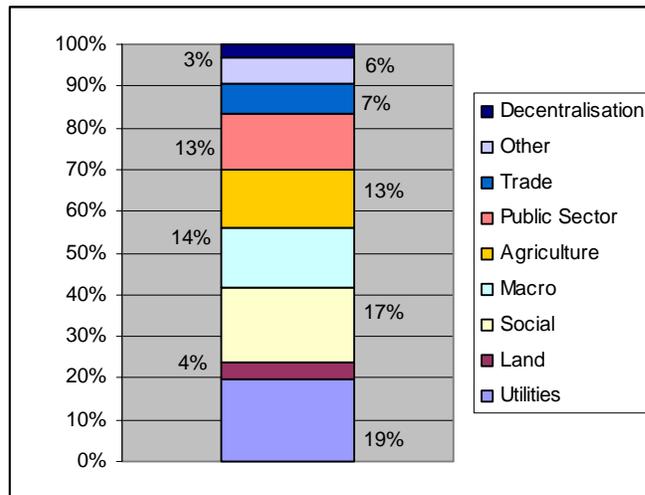


(Adapted from Hayes, 2005)

**Figure 4: Geographical spread of PSIAs**
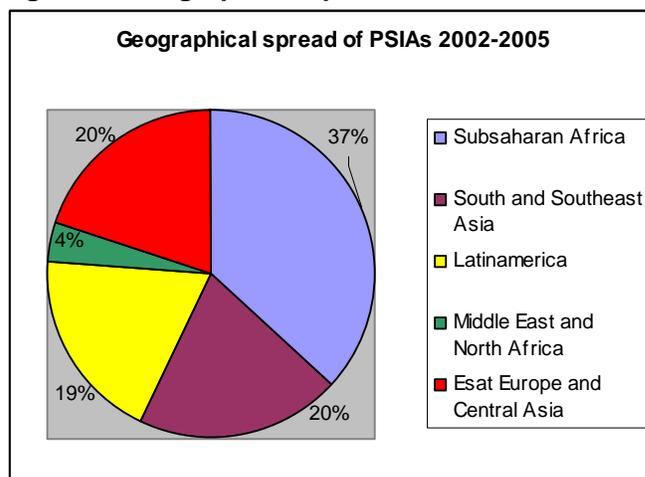


(Adapted from Hayes, 2005)

An example of a set of second generation PSIAs in Ghana is given in Box 4 below:

**Box 4: Designing and implementing PSIA – the example of Ghana**

In 2003 DFID organised workshops in Ghana, in collaboration with the Government of Ghana, to discuss possible PSIA topics. The National Development Planning Commission, a government body also responsible for overseeing the PRS process, largely managed the process and a number of PRS-related policies were selected. The selection process first identified policies that are most likely impact poverty. Government ministries then extracted a list of sixteen possible topics for PSIA studies. The government made the final selection in consultation with the National Development Planning Commission (NDPC), donors, local and international consultants and, to a limited degree, with representatives of civil society. The selection criteria were based on the urgency of the proposed reform, level of debate surrounding the proposed reform, its likely impact on poverty levels and on other Government policies. The topic chosen included fiscal decentralisation, petroleum pricing, tackling vulnerability and exclusion and agricultural modernisation. There appeared to be some controversy with regard to the inclusion of the electricity sector, which was present in the World Bank's choice, rather than that of the government or other stakeholders. In fact, the government only accepted having a PSIA on the electricity sector after the World Bank decided to run the study themselves. Altogether, the selection process appears to have been the most open and public among those reviewed by Eurodad (Hayes, 2005)

Two steering committees were established to oversee the process for each PSIA. A technical committee included technocrats and experts and a steering committee was composed of ministers, heads of departments and CSOs. The selection of the research team was generally open to the public and required the inclusion of at least one international researcher. The selection of methods varied according to the policy issue being investigated.

The PSIAs were produced under tight time constraints which limited opportunities for primary data collection. Despite the lack of disaggregated household data and intra-household behavioural data, as well as information gaps, the PSIA findings were regarded as robust, with the exception of the PSIA on decentralisation. Government ownership of the PSIA process was generally good and they showed a strong commitment to using PSIA findings for improving policy-making. Nonetheless the influence of some donors, particularly the World Bank, in the selection of the topics and the consultant procurement process, was strongly criticised.

The PSIA on fuel pricing was used by the government to introduce a number of mitigation measures to reduce the negative impact of changes in fuel pricing policy. The PSIA on the modernisation of agriculture was a catalyst for changes in the way that the Ministry of Food and Agriculture addressed modernisation, particularly in terms of poverty and pro-poor growth. It challenged the government's ideas about agricultural modernisation, particularly for risk adverse/risk diverse farmer households. PSIA recommendations have influenced the Ministry of Food and Agriculture's policy and are being used by the Ministry in discussions around the revision of the Ghana Poverty Reduction Strategy. Donors providing budget support are tracking the Ministry's progress in implementing the study's recommendations.

The findings from the PSIA on vulnerability are being implemented by government through a set of as cross-cutting measures. The government is now producing a social protection strategy with support from DFID Ghana. The new strategy will feed into the GPRS revision process. The activities being taken forward by the government to implement the findings from the PSIA, including the social protection strategy, are included in the Multi-Donor Budget Support (MDBS) and the World Bank's Poverty Reduction Support Credit (PRSC) performance assessment frameworks.

Despite all these positive findings regarding the process of PSIAs in Ghana and their influence on pro-poor policy, the dissemination of the studies results was very poor – although a dissemination process was written into the terms of reference for each of the studies. As a result the general public were unaware of the studies findings and they have been, effectively, excluded from debate.

Outlined below is some of the work that the World Bank, the IMF, EURODAD and bi-lateral donors are currently engaged in around PSIAs.

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**Box 5: PSIA activity: The World Bank**

The World Bank published sectoral reform notes on its PSIA website in early 2005. These present an overview of studies on utilities, agricultural markets, land policy, monetary and exchange rate policy and trade policy reforms. They identify the technical issues that have arisen in examining the distributional impacts of policy reforms in these areas as well as providing some examples of tools and techniques adapted to each issue. These focus particularly on the ways to investigate the links between a specific issue and poverty. A second volume of reform notes will be produced by the World Bank during 2007 that will look more in detail at issues of pensions, labour markets, decentralisation, public sector downsizing, taxation and transport.

The World Bank has developed a **PSIA User's Guide** for practitioners undertaking PSIAs in developing countries. It introduces the main concepts, presents good practice approaches, and highlights some of the main constraints and operational principles. While it provides some tools for practitioners it does not aim to be comprehensive in coverage.

The recent publication **Poverty and Social Impact Analysis of Reforms: Lessons and Examples from Implementation**[4] includes a stock taking of the Bank's involvement in PSIAs and an assessment of the PSIAs that have been completed. The review emphasises that the Bank is keen on mainstreaming the PSIA through the Bank. The review reflects the PSIAs completed so far and identifies some very good PSIAs that have succeeded in influencing Bank advice and recommendations. The Bank has accepted some criticisms from bilateral donors and NGOs regarding the inadequate integration of Bank-led PSIAs in the PRS process, the lack of stakeholder involvement in Bank-led PSIAs and the need for the systematic disclosure of findings. As a result the Bank aims to identify how the analysis and the operational impact of their PSIAs can be improved.

*Source: PRS Watch 10/03/05, World Bank Web site 15/03/07.*

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**Box 6: PSIA activity: EURODAD (European Network on Debt and Development)**

EURODAD launched a project in 2005 to work with some of their partners on PSIAs. The work aims to:
- raise awareness about the importance of IFI analytic work
- monitor PSIA-related analysis by the IFIs in terms of its adherence to principles of transparency and participation
- examine whether and how PSIAs are influencing policy choices
- communicate with relevant decision-makers if specific or systemic problems with PSIA are identified
- raise awareness about PSIAs being undertaken in different countries
- highlight the potential of PSIA to contribute to more evidence-based policy-making.

As part of its awareness raising/information gathering work EURODAD produces a simple "what is PSIA" flyer in three languages and occasional 'PSIA updates' bulletins. [5]EURODAD has also reviewed some of the PSIA studies initiated by the World Bank. The review focused on the process surrounding the studies, the content of the reports and their impact on policy decision-making. Four in-depth case studies were produced on Vietnam (State Enterprise Reform), Ghana (Electricity), Nicaragua (education, fiscal and trade reform) and in Mali (Cotton Sector Reform). The study finds

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[4] See: http://siteresources.worldbank.org/INTPSIA/Resources/490023-1120845825946/PSIACASESTUDIES_BOOK.pdf
[5] Lucy Hayes (2005). Open on Impact.
http://www.eurodad.org/uploadstore/cms/docs/OpenonImpact.pdf

that the World Bank has not met its commitment to increase participation and suggests that most PSIAs have been wrongly focused, inadequately disseminated and have not had a clear influence on policy-making. It recommends that PSIAs should consider policy options, and that the processes surrounding them should be used to promote national ownership and policy dialogue, strengthen local knowledge and research capacities and be carried out through national structures and institutions.

*Source: Eurodad 08/03/2005*

**Box 7: PSIA activity: IMF**

In 2003, the IMF published a working paper on PSIAs[6]. The objective of the paper is to present some early experience and to explain how PRGF-policies could benefit from more systematic PSIAs. The author suggests that PSIAs can help to design policies that are more pro-poor.

In July 2004, the Fund established a Poverty and Social Impact Analysis (PSIA) group of five experts within an existing division in the Fiscal Affairs Department. Area departments have now identified ten countries (Bolivia, Djibouti, Ethiopia, Kenya, Mali, Moldova, Senegal, Sri Lanka, Tajikistan, and Uganda) where PSIA support would be most valuable. Work plans have been developed by the PSIA group and relevant country teams. The PSIA group has participated in four missions, addressing issues ranging from the liberalisation of energy prices to the response to macroeconomic shocks. If resources permit, the group will also undertake PSIAs in the IMF's core areas where no such studies are available.

*Source: PRS Watch 24/02/2005.*

**Box 8: PSIA activity: Bilateral donors**

Among bi-lateral donors, the UK Department for International Development (DFID) and the German Ministry for Development Cooperation (BMZ), through their implementing agency GTZ, have been the only ones who have been commissioned or funded PSIAs. GTZ commissioned and funded PSIA-pilots in 3 countries. GTZ has also established a Trust fund with the World Bank, on behalf of the BMZ, with the objective of supporting selected PSIAs, promoting capacity-building and identifying lessons leant. DFID funded and commissioned seven PSIA pilots between 2002-2003 and carried out follow-up studies in three of the pilot countries that look at the impact PSIA had on the policy process. DFID is currently also implementing and designing several other PSIA studies. (Hayes 2005, GTZ 06/03/2007). In 2006 DFID and GTZ jointly produced a paper on principles for PSIA processes that highlights the importance of stakeholder participation.

The Belgian Government has provided funds for the UNDP and the World Bank to jointly support 11 PSIAs national initiatives through the Global PSIA project. Project activities focus on the identification and implementation of country-led PSIA work. The current portfolio contributes to developing in-country skills on PSIA tools and processes. To complement this initiative and to prepare countries for the next call for proposals, the UNDP and its partners offer skills building workshops on PSIA[7].

Differences of emphasis remain between different donors over the key purpose of PSIAs and their primary end user. The World Bank has tended to use PSIAs primarily as a component of due diligence accompanying its lending operations, and although they have wished to influence government policies, the focus on internal requirements has strongly determined their approach to PSIA, from the selection of priority topics through to data requirements and methodological design, team composition and the identification of end users. The World Bank has tended to prioritise PSIA topics according to their reform agenda (and lending commitments) in a particular country. PSIAs have been used to respond to previous critiques and to encourage World Bank officials to identify the poverty and social impact of proposed reforms. By requiring both economic and social analysis they have

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[6] Caroline M. Robb (2003). The need for more systematic PSIA.
http://www.eurodad.org/uploadstore/cms/docs/IMFWPPSIAMacroeconomicpolicies2003.pdf
[7] Source UNDP. See also: http://www.undp-povertycentre.org/psia/eng/index.htm

supported a cultural shift in the Bank with economists working together with other disciplines in mixed teams. Although results have often been highly aggregated (i.e. not identifying which income, livelihood, social or ethno-linguistic groups would lose or benefit from change), they are an improvement on the past. However, they have served a largely internal constituency (Bird et al, 2005).

The approach of other donors like GTZ and DFID to PSIAs has differed from that of the World Bank. The key constituency has been identified as national governments, and PSIAs have been seen as opportunities to increase the use of evidence in policy-making. This has led both donors placing much greater emphasis on government involvement in PSIA processes; the production of 'real-time' results and the stimulation of national policy debates. GTZ and DFID have also placed greater emphasis on the identification of differentiated impacts of policy change on the poor and the building of national research capacity (Bird et al, 2005).

DFID and GTZ have been working to try to widen the number of donors supportive of PSIA initiatives. Work has been done to ensure that donor support to a specific country is coherent and this has resulted in the North Sea Manifesto (DFID/The Hague, 2003), which is an attempt to promote in-country harmonisation between bilateral donors on PSIA. In a two day workshop, bilateral donors identified what they regarded as an ideal PSIA process:

- Integrated into PRS, budget and WB/IMF lending cycles.
- Issue selection should be country led;
- Broad participation in design of project and terms of reference (TOR)
- Long lead-time to look at policy choice rather than policy formulation;
- Transparency throughout;
- Dissemination (pro-active)
- Results should support final policy choice, and develop a credible policy dialogue.

More importantly for this report, donors committed to 'ensure that there is effective civil society engagement in the PSIA process'. (DFID/The Hague, 2003). Section 7.2. will assess critically to what extent donors are living up to this commitment.

## 2.7. Challenges in the implementation of PSIAs

*Identification of the poor*

In order to understand which policies may have a positive or negative impact on the well-being of poor individuals and on households in a particular context, it is necessary to identify who the poor are, where they, are and to what degree they are likely to be affected by a reform. When trying to identify who the poor are and were they are located, several challenges emerge:

- How do we identify poor people - by location, household, livelihood or ethno-linguistic group?
- How do we define poverty – by income, consumption or multidimensionally, by severity or duration?

Few PSIAs have generated findings differentiated by the severity or chronicity of poverty, as well as by livelihood or social group. Instead findings tend to speak in general terms about positive or negative impacts on poverty (Bird, 2004). Furthermore, in many remote areas the limited reach of the state in terms of geographical coverage and also service delivery means that the poorest often have limited access to the formal economy and to services. Government policies may impact on them mainly by not impacting. They may have no

strongly negative or positive effects and the *absence* of impact is unlikely to be identified by PSIAs as a problem, as this is not their objective (Bird, 2004).

*Ownership and selection of topics*

The PSIA Users Guide states that PSIAs should be country owned. However, topics are often determined by donors rather than by the government and other national stakeholders. This means that contentious issues may not appear on the list of topics (Oxfam, 2004) and many PSIAs instead have been linked to policy reforms tied to IFI lending to national governments. This tendency is highlighted by a glance through the list of PSIAs undertaken around the world. This shows that common PSIA topics include topics consistent with IFI agendas, such as the privatisation of agricultural boards and utilities, subsidy removal, trade and fiscal reform (Bird, 2004).

*Policy option versus pre-determined reforms*

In theory, the objective of PSIA is to examine a range of policy options and analyse which of these may have the best impact (or the least negative impact) on poor people. In practice, however, most PSIAs do not examine policy alternatives but are limited to the design of mitigation policies of already agreed reforms (Oxfam, 2004). Moreover, many of the reforms that are being assessed are conditions that the World Bank set for access to loans (Hayes, 2005).

*Stakeholder identification and participation*

Some are critical that those living in poverty have not been engaged directly in the PSIA analysis (World Learning, 2002) and suggest that stakeholder identification has focused more strongly on identifying groups likely to support or oppose a given reform rather than on identifying those likely to be most strongly affected. In general, CSOs have had limited involvement in choosing PSIA topics or in research activities (Bird, 2004) and without the involvement of either poor people or their interlocutors in key PSIA activities it is possible that PSIAs are being used more to increase acceptance of reforms rather than to generate a genuine dialogue (World Learning, 2002).

*Dissemination of the outcomes of the study*

Where civil society or other domestic stakeholders are given the results from PSIA studies they may have an opportunity to lobby government and influence policy outcomes. However, most completed PSIAs are extremely difficult to access. Even where the results are made public[8], they tend to be written in inaccessible technical language which has made it difficult for civil society to engage with the issues they raise.

*Political context*

PSIAs do not sufficiently consider the political, institutional and social factors that influence, and are influenced by, reforms (Bird et al, 2005; Hayes, 2005). The political context is crucially important in determining the extent to which PSIA-derived evidence is able to influence policy. While robust evidence can be persuasive, it is still only part of the picture and power networks and elite attitudes mediate the impact of evidence on policy (Bird et al., 2005).

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[8] In some cases, like in Nicaragua, PSIAs have been published too late to influence policy reforms. (Hayes, 2005).

There seems to be an agreement that evidence is more likely to feed into the policy process if it is created through national structures and institutions, rather than by international teams of researchers.

*Research quality*

National level research capacity is an important constraint in many countries commissioning PSIAs. This is a long-term problem, compounded by the difficulties in retaining qualified staff (rapidly promoted to better paid posts within government or international organisations). Capacity-building can, arguably, be built into PSIA processes with national researchers 'learning by doing' in teams including international researchers. This was successful in Honduras, as a result of links being built between the government institution co-ordinating PSIAs and the university. However, this may not always replace the need for some international expertise.

Also, accessing good quality data for PSIAs has emerged as a common difficulty[9]. Many PSIAs rely on modelling using household survey data. Such data is not always available, affecting the quality of analysis possible. This does not mean that PSIA cannot be carried out, as a range of qualitative impact analysis methods can be used instead, but the absence of econometric analysis and modelling may make the results less robust in the eyes of some.

*Ex-ante analysis*

Tracing the impact of policy change on poor people is difficult. Predicting such changes requires a thorough understanding of both the direct and indirect and the first and second round effects of the proposed policy change. Transmission mechanisms and multiplier effects must be well understood. Causality must be clear and the counterfactual must have been identified with a degree of confidence (Bird, 2004). Also, there must be thorough and easily accessible information concerning the determinants of poverty and well-being declines and also regarding the interrupters of poverty. The gathered data must provide accurate insights into who is poor or vulnerable to poverty after the policy is implemented, and measures should be taken to determine the geographical area and social sector of these disadvantaged groups.

*Feed-back of results into policy-making*

PSIA teams have not focused sufficiently on policy engagement (Hayes, 2005). Many PSIA studies have focused on gathering and analysing data rather than communicating findings to policy-makers or debating their implications. PSIA teams need to become more effective at communicating their findings and at addressing the political dimension of policy formation and implementation. (GTZ, 2002).

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[9] Donors can contribute to improve data and monitoring systems by funding appropriate agencies (Bureaux of Statistics, etc…). (Bird et al. 2005).

**Box 9 Summary: The key principles of good PSIA process**

- PSIA should be built on an understanding of policies and policy processes: these are not technical instruments that respond in a neutral fashion to emerging evidence.
- PSIA should be embedded in local policy cycles and be a transparent part of the policy process.
- The topic choice should be transparent and consultative.
- The key actors leading the PSIA process should understand their complementary roles: these are commissioners, practitioners and facilitators.
- The appraisal of PSIA proposals should take good process into account: Where it is evident that PSIAs are likely to be extractive. With weak local engagement and ownership, PSIAs are unlikely to be effective.
- Communication and dialogue should be promoted to encourage broadened participation from a wide range of stakeholders. Existing or new sets of relationships that are inclusive and empowering should be further institutionalised through the PSIA process.
- Wherever possible, PSIA should build the capacity of local partners, including research practitioners, policy makers and civil society organisations.

*Source: GTZ/DFID, 2005*

# 3. Civil Society and the PSIA process

## 3.1. What is Civil Society?

Civil society is a very broad umbrella term covering a range of benign and less benign organisations and institutional forms which function in between the household, the private sector and the state: non-governmental organisations, faith-based institutions, professional associations, trade unions, research institutes and think tanks, caste-based organisations/ institutions, the mafia and other criminal gangs. However the term civil society is commonly used synonymously with non-governmental organisations, leaving out the media, trade unions and the less benign aspects of (un)civil society (Bird & Busse, 2006). UNDP defines Civil Society as a third sector, "existing alongside and interacting with the state and profit-seeking firms" Among its potential CSO partners, UNDP includes intermediary non-government organisations (NGOs), cooperatives, trade unions, service organisations, community-based organisations (CBOs), indigenous peoples' organisations (IPOs), youth and women's organisations, academic institutions, policy and research networks, and faith-based organisations (UNDP, 2001).

Civil society organisations are known for their role in service delivery, but they are increasingly influential in policy-making and in their role as watchdogs (UNDP, 2001). In this study, we focus on the role of CSOs in engaging with the PSIA process.

CSOs may act as 'interlocutors' for the poor – speaking on behalf of those who have limited access to political processes. Alternatively, CSOs may have programmes and interventions which directly empower the poor so that they can lobby on their own behalf (for example through the mobilisation of social movements). Furthermore, they may engage with governments' policy processes by trying to advocate, lobby and influence both national and international policy-decisions to make policies more pro-poor. However, in some cases they may have become captured by elite interests (Bird, 2005). Recently, CSOs have also been challenged in terms of accountability and representation. Some CSOs regard themselves as the representatives of the poor, but it is not clear to what extent they really represent the interests of those for whom they claim to speak. Therefore, if CSOs are to be seen as legitimate, they will have to show that they have a constituency that gives them a mandate to speak on their behalf (UNDP, 2001).In addition, their analysis tends to be based on ideological positions and they may have an insufficient understanding of political contexts and policy or budget constraints. As a result, they may lack credibility among policy-makers and may be excluded from decision-making processes. (Court et al 2006).

## 3.2. Civil society engagement in policy change

CSO input into policymaking is constrained in countries with an adverse political environment. But even in countries with a more open political context, CSOs often have a very limited impact on policy. Why is this? Court *et al*. (2006) highlight that some of the obstacles for effective policy engagements are internal to the civil society organisations themselves. The major obstacles appear to be the lack of human and financial resources, in addition to their limited access to information (due to governments' lack of transparency and accountability).

CSOs need to build their capacity and that of the people they represent to enable them to advocate, lobby and influence both national and international policy-decisions in their favour. Arguably, CSOs' capacity can be built through research, either their own research or by improved access to the research, analysis and evaluation of policies undertaken by others (Kumah, 2004). Many CSOs also need to improve their capacity to understand political processes. This knowledge is a crucial foundation to effective involvement in national and

international policy processes and the influencing of national government policies (Court et al., 2006).

Policy-makers need to meet these changes with some of their own, for example opening up policy debates to civil society actors and supporting this with improved information flows and quality of dialogue. Without such changes, CSO engagement is likely to be limited.

## 3.3. Using power-analysis to help to understand the limited role of CSOs in the PSIA process

We have shown that CSO engagement in PSIA processes is limited. In this section we show how this might be expanded through a concerted effort by civil society to create new 'spaces' for engagement with policy-makers on PSIA-related issues.

Decision-making takes place in a variety of arenas or 'spaces'. We suggest that distinguishing between different 'spaces' may help to identify entry-points for CSO contributions to policy debates on poverty-related issues. Currently policy debates using PSIA evidence tend to be either in "closed spaces" or "invited spaces". CSOs with strong capacity in using research findings, and in engaging in policy agenda setting and formulation, may be able to re-set the nature of engagement and create their own space for engagement.

**Box 10: Gaventa's Power Cube**
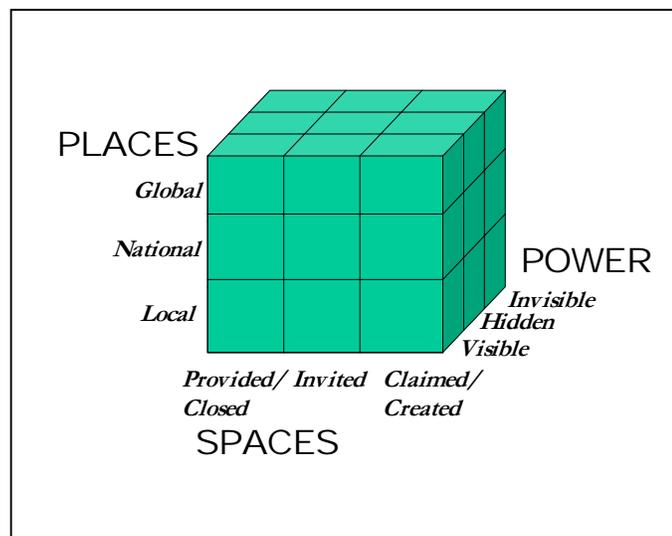


Gaventa's Power Cube presents a dynamic understanding of how power operates.

*Source: Gaventa, 2003 in: Luttrell& Quiroz, 2007*

In terms of the different spaces in which power operates (and how these spaces are created) he distinguishes between three types:

a) 'Provided' or 'closed' spaces: spaces which are controlled by an elite group. These may exist within many government systems, the International Finance Institutions or institutions such as the WTO.

b) 'Invited' spaces: With external pressure, or in an attempt to increase legitimacy, some policy makers may create 'invited' spaces for outsiders to share their opinions. This may offer some possibility for influence but it is unlikely that they will create real

opportunities for long-term change. In extreme cases it may act to legitimate the status quo or perpetuate the subordination of those who are delegated with 'power'.

   c) 'Claimed' spaces: These spaces can provide the less powerful with a chance to develop their agendas and create solidarity without control from power-holders. An example of this is the participatory budget process in Porto Alegre (Luttrell & Quiroz, 2007).

The Power Cube helps us to understand these different forms of space and consequently, improve our understanding of how to use provided spaces better, to create more invited space, and to facilitate the claiming of space through negotiation (Luttrell & Quiroz 2007). The Power Cube also distinguishes between the degrees of visibility of power and describes visible power as the conventional understanding of power which is negotiated through formal rules and structures, institutions and procedures.

However, not all power is visible. Hidden power may be used to control decision-making. It is the way certain powerful people and institutions maintain their influence over decision making and often exclude and devalue concerns and agendas of less powerful groups. Invisible (internalised) power operates by influencing how individuals think of their place in society and explains why some are prevented from questioning existing power relations (ibid).

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**Box 11: PSIA and the Power Cube**

SPACES
**Closed/Provided space**
A PSIA is carried out by a donor without participation of civil society. The results are not published.
**Invited space**
Due to external pressure (e.g. donor pressure), CSOs may be invited to consultation or dissemination workshops. However consultative processes are often limited and cosmetic and CSOs can not influence the agenda-setting.
**Claimed space**
CSOs can demand that a PSIA is carried out on policy reforms which are likely to impact on the poor

POWER
**Visible power**:
These definable aspects of power include the legislation which control and/or restrict civil society engagement in policy processes.
**Hidden power:**
Even though PSIA should be country-owned, topics are often determined by donors and CSOs have little or no influence over their selection.
**Invisible power**:
Even where spaces for public participation are provided, CSOs may chose not to engage with a particular PSIA, as they perceive that their involvement has no impact on decision-making.

(Adapted from Luttrell & Quiroz, 2007)

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## 3.4. Civil society participation in PSIAs

Civil society can contribute information to PSIA processes, mobilise neglected interests and promote participation by those most affected by a reform (GTZ/DFID, 2006). However, a survey, carried out by Eurodad, showed that of 55 civil society organisations who are actively involved in the PRS process in their countries, only 8 had some knowledge about the PSIAs that had been carried out in their country (Hayes 2005). Many of the CSOs were interested in knowing more about PSIAs and potentially participating in them (ibid). Civil society representatives who participated in the Eurodad survey claimed that participation in and information about PSIA processes would be useful if they were to influence policy outcomes The limited awareness about PSIAs uncovered by Eurodad was reflected by our own research undertaken for this paper (see the case studies presented in the following section).

However, civil society participation will only be effective if CSOs have appropriate capacity. Donors making the case for civil society participation face the dilemma whom to involve: A small community-based CSO can contribute grassroots evidence to a PSIA study but often lacks the time and capacity to conduct robust research or to analyse data. Cross-national policy organisations may have more capacity to propose evidence-based policy alternatives but do not necessarily represent the poor. Cooperation between different types of organisations can help to overcome this dilemma and add value to the PSIA process. National research institutes can work together with single issue organisations and with community and faith-based organisations that are more likely to have grassroots knowledge. Advocacy groups and the media can help to disseminate research findings and press for policy alternatives.

**Table 1: Typology of civil society organisations and possible roles in PSIAs**

| Types of CSOs | Role in PSIA |
|---|---|
| Think tanks and research institutes | Gathering evidence by conducting research, analysing data, or providing direct advice and recommendations to policymakers and other decision makers |
| Professional associations | Expert knowledge on specific PSIA topics |
| Advocacy bodies and other promotional groups | Campaigning for policy alternatives and dissemination of PSIA studies |
| Foundations and other philanthropic bodies | Commission research on the impacts of policy reforms on the poor |
| Trade unions and workers co-operatives | Expert knowledge on specific PSIA topics |
| Media/journalist societies | Disseminating information about PSIA and policy options |
| Community based organisations | Bring grassroots evidence or experiential knowledge into the PSIA process |
| Faith based organisations | Bring grassroots evidence or experiential knowledge into the PSIA process Campaigning for policy alternatives |
| Cross-national policy dialogue groups | Advocacy role in the selection of topics, identifying and lobbying for appropriate policy options, access to and dissemination of results, and in monitoring outcomes |

(Adapted from RAPID, 2005)

Civil Society can engage in different stages of the PSIA process. However, the degree of engagement will critically depend on the topic of the PSIA. CSOs might want to engage in a PSIA on utility pricing as many of them are already engaged in service delivery, but few CSOs will have the specialist knowledge to get involved in a PSIA on fiscal reform.

The methodology also matters. In the case of the Armenian PSIA on labour reform, local researchers were involved in qualitative research and analysis. In Bolivia, the World Bank analysed the impact of the planned pension reform on the poor through econometric modelling techniques and no national researchers were involved – partly because the approach used effectively excluded CSOs, as they did not have staff who were confident with using econometric methodologies.

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**Box 12: Civil society participation in PSIA – some examples**

➢ In **Ghana**, In Ghana CSOs were actively involved in a consultation workshop to identify priority PSIA topics, and were vocal in expressing their priorities. They were also represented in the technical and steering committee responsible for overseeing all stages of the PSIA process. CSOs also actively engaged in reviewing the draft and the final reports. Some CSO representatives however stated that the extent of participation was low (Azeen). After completion of the PSIAs no findings were disseminated among civil society and the media.

➢ In **Honduras**, civil society has only been directly involved through Care, an NGO with strong links to CSOs, which was commissioned to carry out participatory assessments. There was some dissemination of the findings during five regional PRS consultation meetings held between government and civil society actors, where PSIA approaches and lessons were shared.

➢ The PSIA on social land concessions in Cambodia is regarded as an example of best practise in civil society involvement. Stakeholders participated in the design of the questionnaire and the methodology and results of the analysis were discussed in a dissemination workshop. The participatory nature of the process brought the government to accept and endorse the outcomes of the study. The PSIA process thus managed to create a dialogue between civil society and government (Schnell 2005).

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In the following section we consider civil society involvement in the different stages of a PSIA process drawing from the experiences of CSOs in the much broader context of pro-poor policy influence. This experience is relevant for at least two reasons. First, PSIAs, like policies, are processes that involve various stages, actors and are influenced by different factors. Second, PSIA is only one of many tools that can be used to gather evidence to inform policy processes.

As we have seen, in policy processes (see Section 2.3) different actors attempt to shape a series of non-linear and complex components, including:
- Setting the agenda
- Identifying policy alternatives
- Analysing the policy options
- Choosing the desired policy
- Implementing the policy
- Monitoring and evaluating the policy

PSIAs would naturally come into play in the "Identifying" and "Analysing policy options" stages as they are intended to provide policy makers with information about how alternative policies may affect the most vulnerable and poor. This analysis then shapes the process of choosing among the options.

**Setting the agenda (topic identification)**

Topic choice is important but so far, PSIAs have largely focused on topics of interest to donors potentially undermining the usefulness and relevance of PSIAs. Substantial donor involvement is not surprising as they are funding PSIAs to complement their support to pro-poor policy reform in particular developing countries.

Civil society needs to draw on their knowledge of problems facing the poorest to influence topic selection. CSOs are more likely to be influential at this stage if they can both identify key problems and suggest realistic policy options. They can also use evidence gathered from the grass-roots to help shape national development and poverty narratives. This may ensure that they become more inclusive and pro-poor. The case from Armenia shows how this can occur by working through existing structures (such as the PRS working group).

To shape the agenda, however, CSOs must be highly effective communicators – and even campaigners (see Box 13).

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**Box 13: Shaping the policy agenda**

The Coalition 2000 initiative was launched in 1998 to counteract corruption in Bulgarian society through a process of co-operation among NGOs, governmental institutions and citizens. In 2003, the Corruption Monitoring System of Coalition 2000 identified the education sector as a corruption-prone area. University professors and school teachers were consistently rated by the general public in the top five most corrupt professions in Bulgaria.

Based on this evidence, and to support governmental efforts to tackle the problem, Coalition 2000 developed and tested a set of instruments for teaching on corruption for use in secondary and tertiary education. This included designing textbooks, on-line study materials, manuals, and teaching programmes.

These experiences demonstrated to public institutions the benefits of introducing the topic into civic education curricula. They also underscored the usefulness of creating new anticorruption programmes and ready-made teaching materials for the Ministry of Education and Science. As a result, anticorruption classes were introduced in the official curricula of the Bulgarian secondary schools in the fall of 2004.

*Source: Court et al, 2006.*

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**Identifying policy alternatives**

Far from identifying alternatives, PSIA processes often serve to identify the mitigating solutions for policies that have already been chosen by governments, with donor support. However, alternative views of the policy priorities and options may be held by policy research institutions, think tanks, NGOs, grassroots and other CSOs. If they are to be convincing, CSOs must ensure that their arguments are supported by robust evidence and that they have the capacity to present this evidence in a way that is convincing enough to shape (or change) the prevailing narratives of decision makers.

Alliances between respected research and advocacy CSOs may ensure that evidence is taken seriously by those involved in the PSIA process.

**Box 14: CSOs and policy engagement: an example from Kenya**

The political environment in Kenya changed profoundly after the 2002 general elections when new political leaders emerged who were rooted in civil society organisations. This contributed to improved relationships between civil society and policymakers and the Kenyan government has invited civil society to participate in decision-making more frequently. An example has been civil society's involvement in national trade policies through its membership in the National Committee on the WTO (NCWTO). This enabled CSO representatives to work with trade officials to elaborate Kenya's negotiation positions for Cancun. Civil society representatives also lobbied successfully for their inclusion in the national WTO delegation in the wake of Cancun and CSO researchers, academics and staff of international development NGOs provided support to government actors. *"This situation in Kenya, where civil society actors have been part of a multi-stakeholder process to elaborate a government position, has been held up as an example of best practice in the trade arena" (Brock and McGee, 2004: 50).*

CSOs involved in trade see their overall objective as ensuring that trade policies benefit the poor. Public political debate and the media are regarded as important instruments for lobbying in Kenya. CSOs also work with parliamentarians, regional civil society networks, and networks between Kenyan CSOs and Northern NGOs.

*Source: Busse, in: KIPPRA/ODI, 2006. Trade Poverty Linkages in Kenya.*

Civil society can participate in PSIAs (and other forms of poverty and policy analysis) directly (by conducting the research, analysing the data, or providing direct advice and recommendations to policy makers and other decision makers) and indirectly (by providing primary evidence for the analysis, through consultations with researchers, or liaising with think tanks or other policy oriented research institutions). But the research and analysis components of PSIAs have tended to be undertaken mostly by donor experts and international consultants (Hayes, 2005). This has been largely due to the lack of capacity amongst local researchers and within civil society to carry out the type of research and analysis required. If CSOs want to increase their involvement in the research element of PSIA processes then they will need to invest in the systematic development of new relevant skills or establish (or join) support networks from which they can draw these skills (Mendizabal, 2006).

**Box 15: Skills necessary for research-based engagement in PSIAs**

CSOs should ensure that they are able to draw on:

- Knowledge about the policy being reviewed;
- Knowledge about policy processes and institutions;
- Understanding of transmission channels relevant to policy alternatives (see Figure 2);
- Differentiated data and information about the poor and vulnerable groups likely to be affected
- by these policies;
- A robust analysis of the possible impacts of the proposed policy/ policies; and
- A thorough assessment of the risks that each policy alternative may involve.

The failure of CSOs to participate can be due to the limited relevance of the data they have access to. If CSOs have been excluded from choosing the PSIA topics, and have been unable to plan ahead, it is very unlikely that they will be ready to contribute with relevant and up-to-date information to subsequent debates. Therefore, a lack of participation in the topic

selection could mean that CSOs are effectively denied access to subsequent stages in the process. To avoid this, CSOs could attempt to develop and sustain, possibly though research networks and partnerships, long-term research programmes on a range of different topics likely to be the focus of PSIAs. The box below (Box 16) illustrates how a research think tank in Tanzania has attempted to build this type of in-depth knowledge base and credibility, to increase the likelihood that they will be included in future policy debates.

They can use the evidence that they generate to provide precisely what PSIAs have seldom achieved so far: a space for public debate that contributes to the development of pro-poor policy choices.

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**Box 16: CSOs and Research: the case of ESRF, Tanzania**

The Economic and Social Research Foundation (ESRF) is a Tanzanian think tank that assists the Government of Tanzania in developing various policies for the country. ESRF gathers evidence through its wide portfolio of work such as research, commissioned studies, policy dialogue and capacity building. Examples of its work include: social and economic impact of HIV/AIDS in Tanzania; trade and poverty issues in Tanzania; the Participatory Poverty Assessment; and public expenditure reviews. In order to strengthen its credibility with policymakers, ESRF emphasises extensive consultation with government institutions, while developing appropriate research methodologies, publishing research papers regularly (e.g. quota expenditure reviews), organising public seminars, workshops and policy dialogues and working to build capacity for other CSOs in Tanzania through running short training programmes. The challenges faced by ESRF resonated with the comments made by CSOs elsewhere. There are problems with limited financial resources, low demand from the private sector, poor retention of quality staff and an overall development environment where the agenda is set by different stakeholders making the policy process complex and varied. ESRF has contributed substantially in making development research in Tanzania credible, so that future Tanzanian policies will be evidence based and policymakers in Tanzania will be more accommodating to civil society involvement

*Source: Chowdury et al., 2006.*

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**Choosing the desired policy**

The choice of a policy – and possible mitigation measures - is a highly political affair. Arguably, robust evidence has less impact than the institutions, structures and processes that govern political life in a country. Civil society is often part of this political life, either directly engaging through political parties, politically motivated campaigns or social movements, or indirectly shaping the intellectual debate, advising political actors, or forming partnerships with the media and the private sector.

However, a focus on delivery of services or research often means that CSOs have a limited understanding of their political environment. In fact, CSOs often report that one of the key challenges they face in influencing policy is a weak understanding of the political context. To change this, CSOs can build their capacity to analyse the policy contexts in which they work and incorporate "context assessment tools" into their strategic and communications planning processes (see Box 17, below). This is particularly important for research oriented CSOs, but would benefit any CSOs wishing to be taken seriously when engaging in policy debates.

**Box 17: Improving Understanding of Policy Processes: Context Assessments**

We have noted that political and institutional issues were the most important set of factors affecting CSO engagement and influence. The main problem here is that CSOs often have a surprisingly limited understanding of policy processes – and the incentives and constraints affecting key actors and institutions. As a result, they fail to engage in policy processes in a strategic manner or use evidence in an effective way.

A practical starting point is for CSOs to generate rigorous assessments of political contexts and policy processes. What issues should they look out for? And how should they do it? Recent work has identified five key clusters of issues that CSOs could focus upon:

- Macro political context: extent of political freedoms; pro-poor commitment of the elite or government; what drives change; culture of evidence use; impact of civil society.
- Specific policy context: the climate surrounding the relevant stage of the policy process (agenda setting, policy formulation, implementation, monitoring and evaluation); extent of policymaker demand; degree of consensus or resistance; and importance of the issue to society.
- Implementation: nature of bureaucratic processes (transparency, accountability, participation, corruption); incentives, capacity and flexibility of organisations to implement policies; degree of contestation; and feasibility of a specific policy reform.
- Decisive moments in the policy process: character of the policy process on an issue; predictability of the policy process; existence of policy windows; and sense of crisis regarding a particular issue.
- The way policymakers think: extent that policy objectives and cause-effect relationships are clear; openness to new evidence; capacity to process information; policymaker motivations; and types of evidence they find convincing.

*Source: Court et al, 2006.*

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**Box 18: Case Study: Policy Process Mapping and SME Policy Development in Egypt**

This case describes the findings of a workshop to promote evidence-based policy for the small and medium enterprise (SME) sector in Egypt. The workshop presented a range of approaches to assess the political context and policy processes for SME policy and aimed to help with strategy development in the Government of Egypt.

A review of the literature and discussion groups both identified features that made policy processes challenging. Secondly, participants used a simple approach to develop a policy process map for SME policies in Egypt. This identified the key actors that were important for policy formulation (mostly central government) and implementation (local bureaucracies). Participants also used the RAPID Framework (Annex 3) to develop a detailed understanding of: the policymaking process; the nature of the evidence they had, or hoped to get; all the other stakeholders involved in the policy area; and external influences.

The participants also completed a political context questionnaire. This helped to reinforce an understanding of local realities and to identify new issues to consider. Based on this understanding, participants used a range of tools (e.g. Forcefield and SWOT analyses) to identify key objectives and develop strategies and action plans to achieve them.

*Source: Chowdury et al., 2006.*

**Implementing the policy**

New policies are often communicated poorly, contributing to poor implementation and weaker than anticipated impact. PSIAs provide rich information about why a particular policy has been chosen and its desired and undesired effects. Where a policy is likely to have a strong impact on the poor, CSOs may choose to communicate findings from a PSIA before a policy is implemented or lobby for an adjustment to the policy by communicating the problems that the policy may cause. However, if they are to communicate PSIA results effectively, some CSOs will have to improve their communications skills and to know how to tailor outputs for different audiences. They will also have to develop networks with the grassroots (close to the poor) and with NGOs and other CSOs working with them and on general national issues, and also with policy research centres and think tanks, who are often close to PSIA processes.

> *Information needs to be explained and communicated to policymakers in such a way that real solutions and benefits are obvious, and the right advocate must be selected to present the findings. In some cases short reports (along with informal meetings and networking) have proven more effective than major publications*
>
> Source: Chowdury et al., 2006.

**Monitoring and evaluating the policy**

Many PSIAs have focused on ex-post assessments of policies and although these do not give civil society an ideal platform for participation, they do provide some advantageous entry points. For instance, the information required to carryout an ex-post PSIA can be more easily accessed by organisations working with the poor. CSOs, in particular those working at the grassroots, can access evidence of the effects of policies that can be used in the PSIA. However, as in other participatory processes the type, quality and coverage of the evidence provided can have an effect on the degree of participation that CSOs are awarded in invited spaces (and the extent to which they might be able to create new spaces – and demand PSIAs based on their evidence of the negative impact on the poor). CSOs can also use their links with poor communities to communicate the results of PSIAs and to stimulate policy adjustment (as we see in the box below).

A key finding of RAPID's consultations with CSOs over the last three years has been the lack of appropriate monitoring and learning systems that may allow CSOs to gather relevant evidence in a manner that will be appropriate for policymaking purposes. For example, non-representative case studies from the field are often regarded to be anecdotes and this can act as a barrier to participation. Knowledge management skills and methods could assist CSOs in turning those case studies into reliable evidence of impact by improving their research methods.

> *Using the media could be an effective means of reporting findings back to the grassroots level. It is undeniable that politicians are forced to take more interest in issues when they come to public attention, in either a positive or negative way.*
>
> Source: Chowdury et al., 2006.

A study by GTZ and DFID (2005) identifies ways of including stakeholders in the PSIA process, many of which are relevant for CSOs. The report distinguishes between "entry

points" and "vehicles for participation" (see Box 19). In Table 2 below we build on this listing of vehicles and entry points, identifying also challenges and ways of overcoming them.

**Box 19: Entry points and vehicles for stakeholder participation**

**Entry points:**
- Selecting the topic for the PSIA.
- Refining the specific questions to be analysed.
- Drawing up the ToRs and selecting the research team.
- Participating in the actual analysis, e.g. being part of the research team.
- Using participatory techniques for data collection and analysis.
- Discussing draft reports.
- Being informed about the results of the PSIA (Dissemination).
- Giving views/preferences for the policy options to be recommended by PSIA.
- Monitoring the implementation of PSIA-recommendations.

**Vehicles:**
- **Committees/ working groups**:
  These can be focused on uniting middle- and high-level decision makers in order to secure political ownership and leadership; pooling specialised expertise, to secure a high technical standard; combining decision-makers, experts and civil servants in a "change management team".
- **Workshops:**
  While working groups will often have to be restricted to a small number of participants in order to be effective, workshops can expand the dialogue to additional relevant stakeholders.
- **Public Information.**
- In some cases, just presenting objective information to the public can help to demystify misconceptions, improve accountability, and act as an incentive to key actors to pursue their interests within the democratic policy-making processes. It is important that information presented can be easily understood, including the relevant local language(s). Where literacy is low, other forms of communication, such as radio phone-ins and public meetings, should be considered.

*Source: GTZ/DFID, 2005*

**Table 2: CSO involvement in PSIA- opportunities, challenges and ways to overcome them**

| Steps in the PSIA process | Entry point | Challenges CSOs face | Ways to overcome challenges |
|---|---|---|---|
| Planning a PSIA | ➢ Put pressure on the government that a PSIA is carried out on planned reforms | ➢ State repression and lack of basic political freedoms<br>➢ Isolation from key influential networks and actors<br>➢ Insufficient knowledge on PSIA<br>➢ Lack of technical knowledge<br>➢ Limited access to evidence about impact of policies on the poor to inform PSIAs | ➢ Gain knowledge about PSIA and how they can be used<br>➢ Improve understanding of policy processes through context assessments<br>➢ Develop strategies to get access to information on policy issues<br>➢ Press donors/government to set up a multi-stakeholder PSIA steering committee involving CSO representatives |
| Selection of topics | ➢ Participate in the discussion and make sure to include relevant topics<br>➢ Setting the agenda to shape PSIAs | ➢ No access to the policy debate<br>➢ Lack of technical knowledge<br>➢ Limited access to evidence about impact of policies on the poor that inform PSIAs | ➢ Get information on planned policy reforms likely to have an impact on the poor |
| Identifying priority areas for analysis/selecting stakeholders | ➢ Use local knowledge and proximity to community level to contribute to research<br>➢ Channel resources and expertise into the policy process | ➢ No access to the leaders of the process<br>➢ Lack of technical knowledge<br>➢ Limited access to evidence about impact of policies on the poor to inform PSIAs | ➢ Cooperation between international/national researchers and community-based organisations |
| Gathering data and analysing impacts | ➢ Conduct or participate in research<br>➢ Participate in analysis, e.g. be part of the research team | ➢ Limited or inappropriate research skills and resources<br>➢ No networks or partnerships with think tanks or research centres<br>➢ Low credibility as sources of evidence | ➢ Network with universities, research institutes and NGOs/INGOs to build or access research capacity |

| | | | |
|---|---|---|---|
| Contemplating policy alternatives or mitigation policies | ➢ Give views/preferences for the policy options to be recommended by PSIA<br>➢ Ensure that policy alternatives are considered<br>➢ Propose alternative policy options | ➢ Limited capacity to influence the opinions of decision makers<br>➢ No access to robust evidence to support alternative policy options | ➢ Campaign for policy alternatives<br>➢ Networking |
| Monitoring and evaluating impacts | ➢ Monitor the implementation of PSIA-recommendations<br>➢ Follow up on implementation and press government into action if implementation progress is not satisfactory | ➢ Limited or no monitoring and evaluation skills<br>➢ Low credibility as evaluators<br>➢ Weak links to those affected by policies | ➢ Train community-based monitors<br>➢ Conduct participatory surveys |
| Fostering policy debate and feeding back into decision-making | ➢ Be informed about the results of the PSIA<br>➢ Discuss Draft Reports<br>➢ Encourage the dissemination of findings<br>➢ Use findings to press for alternative policy options<br>➢ Give views/preferences for the policy options to be recommended by PSIA.<br>➢ Monitor the implementation of PSIA-recommendations. | ➢ Lack of communication skills<br>➢ No access to the PSIA reports and recommendations | ➢ Identify communication channels (e.g. political parties, media)<br>➢ Develop effective communication strategies<br>➢ Strengthen credibility with policy-makers through consultations with the government institutions<br>➢ Put pressure on government to get access to research findings and reports<br>➢ Ensure that outcomes of the analysis affect policy decisions |

# 4.    Country case studies

## 4.1.    Methodology

Data collection has been based primarily on telephone interviews and meetings with CSO representatives and donors and international NGOs working with PSIA. These have been largely self-selecting interviewees who responded positively to invitations to participate in the study. Data for the Uganda and the Armenia case studies was collected by local consultants, whereas the Bolivian case study was drawn largely from telephone interviews. Interviews for all three case studies were carried out using a checklist containing questions about the degree of involvement a respondent's organisation had in PSIA, their assessment of in-country PSIA processes and outcomes and their view on the challenges that CSOs faced for more effective engagement with PSIA processes (see Annex 1).

We have faced a major constraint in identifying eligible respondents in Uganda, Armenia and Bolivia despite following up on contacts given to us by key informants in the World Bank, DFID and GTZ and in International and National NGOs. Most of the civil society organisations we contacted had no knowledge of PSIA at all and the few that had had some degree of involvement in PSIAs had not been included major elements of the PSIA process. Their involvement had been limited to attendance at PSIA dissemination workshops. However, these interviews have been supported by an extensive review of PSIA and policy engagement literature.

## 4.2.    Uganda

### PSIA in Uganda-context and processes

Uganda was one of the countries where one the first PSIA pilots was carried out. The PSIA arose out of discussions between a DFID mission and the Ministry of Finance, Planning and Economic Development (MFPED). Following consultations with officials, NGO and donor stakeholders in Kampala it was decided to analyse the social and poverty impact of the Strategic Export Initiative (STRATEX).

The pilot itself was managed by the government of Uganda through the respective line ministries and funded by World Bank, DFID and the government of Uganda. The research team was composed of three international consultants and one national consultant from the Makerere Institute for Social Research. The study relied mainly an existing secondary data with the exception of limited primary data obtained from focus group discussions with one fishing community living on the shores of Lake Victoria.

The consultants presented their findings to the Ministry of Finance and partners (DFID and World Bank) after which a dissemination workshop organised by DFID was held in Kampala. A cross section of the stakeholder community was invited including bilateral and multilateral donors, academics, the press corps, legislators and interested development partners. However, dissemination of the final PSIA pilot report among a wider audience appears to have been very limited.

Since the STRATEX PSIA was finalised, five other PSIAs have been planned in Uganda. One of these is ongoing and four others are at various stages of design (see Table 3, below). Due to information gaps, the country case study focused mainly on the PSIA on Strategic Exports completed in 2003 and to a limited extent on the planned PSIA on Land Use Policy and on Land Policy Reforms in Northern Uganda.

**Table 3: PSIAs in Uganda, topics and progress.**

| Topic | Sector | Status |
|---|---|---|
| Strategic Exports (STRATEX) | Trade | Completed |
| Land Use Policy | Land | Commenced in April 2007 |
| Privatisation of urban water sector/ water tariffs | Utilities | Ongoing |
| Common external tariffs in East Africa | Trade | In design stage |
| Land policy reforms in northern Uganda & implications for resettlement/recovery | Land | In design stage |
| Local government tax reforms in Uganda, Tanzania & Kenya | Taxation | In design stage |

**Civil society participation in the PSIA process**

In Uganda there are over 3,000 registered NGOs and many more community based-organisations, associations and interest groups active on various topics and in various parts of the country. Thematic foci include: health, education, HIV/AIDS, the environment, street children, orphans and vulnerable children, widows and youth, pastoralists, fishing, emergency relief and disaster management and peace building.

The role played by CSOs in shaping social and public policy in Uganda has been growing over the years, albeit slowly. However, having participated in the formulation of the original Poverty Eradication Action Plan 1995-97 (Uganda's PRSP) and in its first revision in 2000, CSOs have been eager to be a part of the policy agenda in Uganda.

One of the key objectives of the PSIA on Strategic Exports was to analyse the feasibility of undertaking 'real-time', policy relevant PSIA studies and as a result limited attention was given to CSO involvement in the process. Direct involvement in the pilot was limited to consultants and focal persons in government ministries (particularly the Ministry of Finance Planning and Economic Development) and donor agencies like DFID, World Bank and UNDP. The dissemination stage involved some civil society representatives, with participants being invited to a couple of workshops and a video conference. Although workshop participants were given a summary of the draft report, the final report was not disseminated.

If we look now at the five new PSIAs, there is no indication that Ugandan civil society has had any involvement in topic selection, the design of terms of reference or the actual implementation of two of the most of advanced PSIAs, on land. However, interviews showed that NGOs see PSIA as a useful instrument and would like to have a greater involvement in the process:

*"PSIAs should not come as an afterthought, but rather as a deliberate inclusion ……(so that) CSOs would be able to add real value to the process".*
(Warren Nyamugasira, NGO Forum)

**Perspectives of civil society engagement in PSIA**

CSOs initially embraced the idea of subjecting national policy to the PSIA process and advocated for PSIAs to be undertaken on all policies. After this initial enthusiasm there is

now growing concern that the completed PSIA has had little impact on policy, with an apparent lack of political will to address issues highlighted by the PSIA or to accept and implement the study's policy recommendations. CSOs feel that if political decisions disregard PSIA recommendations, this limits their relevance and this will, in turn, reduce the willingness of civil society to have substantial involvement. Respondents provided examples of where they had been actively involved in other policy reviews – such as the Plan for Modernisation of Agriculture (PMA), Health Sector Strategic Plan (HSSP) and the Education Review – only to find that their involvement did not result in the hoped for policy or programme re-design. This may indicate a misunderstanding of the limited role that evidence can be expected to play in policy making but may also simply reflect an unwillingness to engage in empty processes.

We found that CSOs in Uganda are also sceptical about the degree of national ownership in PSIA processes:

*"The invisible hand of donors is very strong in influencing national policy directions with predetermined policy prescriptions which may render technical process such as PSIAs functionally redundant"* (Warren Nyamugasira NGO Forum)


## 4.3. Armenia

### PSIA in Armenia-context and processes

In Armenia, PSIAs have been carried out on water sector reform and on social policies. The water sector reform aims to modernise the existing legal and regulatory arrangements governing water resource management, and to implement tariff, institutional and administrative reforms. The PSIA study was intended to assess the implications of the reform on the poorest. Rather than being an ex-ante assessment of policy options, the PSIA on water sector reform focused on a reform that had already been decided upon but where aspects of the design of the reform were still being discussed.


**Table 4: PSIAs in Armenia, topics and progress.**

| Topic | Sector | Status |
|---|---|---|
| Water sector reform | Utilities | Completed |
| Labour market policies | Public Sector | Completed |

The PSIA on labour market policies aimed at analysing the poverty impact of the existing family benefit system and employment policies as compared to the reforms envisaged by the PRSP. The Armenian PRS proposed a set of labour market reforms aimed at supporting a more active labour market. Some of these were contentious, among them the phasing out of unemployment insurance and the suspension of family benefits.

Discussions between the Ministry of Finance and Economy, the Ministry of Labour and Social Affairs and GTZ resulted in a proposal to carry out an assessment. The proposal was submitted to the PRS Working Group, which then recommended a PSIA. The PSIA itself was carried out by the Ministry of Labour and Social Affairs with support from GTZ. A PSIA Working Group was created to guide the PSIA process.

The PSIA study was commissioned and fully funded by a sub-project of a GTZ project for PRSP support. The original terms of reference for the Armenian PSIA were designed by the

GTZ together with the two partner ministries, after which it was again presented to the PRSP Working Group to be confirmed.

Once the topic was agreed, a two-day workshop was held with representatives of government agencies and NGOs working in the employment sector. The objective of the workshop was to discuss the need for reform of employment legislation. A draft law on labour market reforms was presented and NGOs had the opportunity to express their concerns and ideas. The draft law was discussed and participants suggested amendments.

The study was implemented over nine months in two medium-sized, post-industrial cities of Armenia. Qualitative research methods were used to assess the efficiency and targeting of existing training programs, unemployment benefit and the feasibility of suspending financial assistance. International consultants undertook an institutional analysis with local researchers who were carrying out the bulk of the qualitative research.


**Civil society involvement in the PSIA process**

Although civil society in Armenia is still in its early stages of development, CSOs have gained experience in policy influencing through their participation in the Armenian PRSP. A specific feature of the Armenian participatory PRS process is its legally binding Partnership Agreement, signed in October 2004 by representatives of the government, the National Assembly, municipal governments, trade unions, NGOs, associations of executives and employers, Diaspora organisations, and the Armenian Apostolic Church. The partnership agreement establishes the creation of a participatory working group and an integral role for civil society and the private sector in PRS implementation and monitoring processes (PRSP Watch, 2005). As a result, CSOs have also been actively involved in PRSP working groups.

If we look at civil society involvement in PSIAs in Armenia we see that limited attention was given to civil society engagement with the first PSIA on water policy. Again, this was a pilot, and it was perceived that the study addressed difficult technical issues that were not immediately accessible to non-specialists (Roe et al 2003). As a result, civil society engagement was restricted to a consultation workshop which aimed to inform stakeholders about the process. Interviews with NGO participants from these workshops highlighted that NGOs regard PSIAs as a valuable entry point for engagement in policy reform discussions and respondents indicated enthusiasm for greater involvement in all stages of the PSIA process.

In contrast, civil society did have some indirect involvement in the PSIA on labour market policies through their participation in the PRSP Working Group. This Working Group endorsed the proposal to carry out a PSIA and was involved in discussions the draft law and the findings of the PSIA. However, the actual PSIA Working Group, in charge of steering the PSIA process was composed of representatives from both ministries and labour agencies but civil society was not represented.

The final results of the report on labour market policies were presented to the wider public (NGOs, independent experts, the media) in May 2005 as part of the PRSP Open Forum. This is a public discussion forum established by the Armenian Government, with donor support, which aims to bring citizens' voices into the PRSP process.

We have found that participation in PSIAs was limited to being consulted and informed about the PSIA *process*. Most respondents highlighted that the unwillingness of the Government to involve NGOs in key steps of the process and poor communication about topic selection, outcomes and policy implications, consequently, the consultation process had limited participation and led to a centralised debate.

One respondent thought that the PSIA process had contributed to an increase in civil society involvement in policy-making:

*"An attempt was made that I consider positive. The volume or the number of involved organisations do not allow (us) to document a (concrete) ….change, but … as a precedent it is very valuable"* Gayane Shagoyan, Hazarashen

When asked if they would have liked to have a bigger role in the PSIA process in Armenia, respondents stated:

*"Certainly, we would like to have a bigger role in PSIA since it is directly connected with PRSP implementation".* Hripsime Kirakosian, Mission Armenia

*"Definitely yes, since we work with socially vulnerable groups, and are actively engaged in protection of their rights by participating in the improvement procedures of their right protection laws and policies. We are also involved in PRSP implementation management team"* Tamar Abrahamian, Araza.

**Perspectives of civil society engagement in PSIA**

The creation of the Open Forum (mentioned above) provides CSOs with the opportunity to get involved in policy-reform discussions. For example, during the first Open Forum, members of CSOs, the government and other stakeholders discussed the increase of water tariffs and its impact, particularly on vulnerable groups.

While CSOs welcome the partnership agreement, they seem to be sceptical about its effectiveness:

*"Institutional structures have been created; real mechanisms still have to be provided. The absence of the latter can turn achievements into formalities"*
Hasmik Aslanian, Shoger

## 4.4. Bolivia

**PSIA in Bolivia-context and processes**

In Bolivia, the World Bank carried out three PSIA in collaboration with the Ministry of Finances and the Economic Analysis Policy Unit (Unidad de Análisis de Políticas Económicas, UDAPE) of the Ministry of Planning and Sustainable Development. The three studies included (1) an analysis of the impact of adjusting the price of hydrocarbons (gasoline and liquefied petroleum gas, LPG) on the population; (2) the distribution-related incidence of social expenditure and (3) a cost assessment of the Pension Reform. It is important to highlight that all three studies were carried out in a context of political instability, characterised by transitional governments and social unrest and looked at highly controversial issues.

**Table 5: PSIAs in Bolivia, topics and progress.**

| Topic | Sector | Status |
|---|---|---|
| Subsidies on Gasoline and LPG (liquefied petroleum gas) | Utilities | Completed |
| Social Expenditure | Social | Completed |
| Pension | Public Sector | Completed |

The first PSIA tried to assess the social impact of eliminating subsidies on hydrocarbons. The objective of the second study was to identify the incidence of public social expenditure on the poor and non-poor population. The last study explored alternative solutions to reduce the cost of pension provision. In all three cases the PSIA was carried out using household surveys provided by the National Institute of Statistics (Instituto Nacional de Estadística, hereafter INE) and the sectoral ministries. The World Bank analysed the surveys using econometric modelling techniques to simulate the impacts of different policies. All three assessments were characterised by the complete absence of qualitative research methods despite the World Bank's stated commitment to combine qualitative and quantitative methods and to use multi-disciplinary research (World Bank, 2004). Interestingly, none of these PSIAs are accessible at the World Bank's web site.


**Civil society involvement in the PSIA process**

Bolivia has a very strong and organised civil society, rooted in the trade union movement and indigenous grassroots organisations. Participation has been institutionalised through the "Law on National Dialogue" and by the Social Control Mechanisms, a body made up of civil society representatives. Their role is to supervise and evaluate the impact of public policies and participatory decision-making processes. The Social Control Mechanism (MCS) is also responsible for monitoring the impact of the Bolivian Poverty Reduction Strategy (adopted in 2000) and the use of financial resources stemming from HIPC.

The degree of participation in Bolivia has been generally highlighted as a case of best practice. The increased role of CSOs and participating organisations has gained considerable experience in the policy process. In light of this, the total lack of civil society involvement in any of the commissioned PSIAs comes as a surprise. No attempt was made to include civil society and in all cases, interviews with CSOs showed that they were completely unaware of the World Bank studies and research findings.

This can be explained by the fierce opposition from Bolivian society to such policy reforms. Between 2003 and 2005 Bolivia experienced three transitional governments, violent protests and blockades. Faced with this opposition the government was reluctant to consult, let alone involve, civil society in PSIAs on these highly politicised topics (Newmann, pers. comm.).

*"The government deliberately kept civil society out of the PSIA as they feared that any involvement would only further fuel riots and blockades"*
(Juan-Carlos Requena, World Bank Consultant)…."

# 5. Key findings from the country case studies

Findings from the three country case studies confirm that civil society engagement in PSIAs mainly takes place in closed or invited spaces. In Armenia, civil society had some indirect involvement through the PRSP Working Group, but was not part of the PSIA Steering Group itself. Although the on-going process and findings were discussed with the PRSP group on a regular basis, meetings took place on a consultative rather than participatory basis. However, the research itself was carried out by a number of local researchers in cooperation with international consultants.

In Uganda, civil society engagement was also restricted to consultation. A workshop was held to present findings of the only complete PSIA study to different stakeholders, among them civil society representatives. However, CSOs had no involvement in the PSIA process and did not receive a full copy of the final report.

The Bolivian case illustrates that the presence of a strong civil society or a legal framework in favour of participation alone does not guarantee civil society involvement in PSIAs. Furthermore, the way in which the assessments were carried out in Bolivia was not conducive to civil society engagement. Unlike in Armenia and Uganda no local research institutes were involved in the study and analysis was purely based on econometric modelling.

In all three countries respondents highlighted that PRS processes had created new spaces for civil society engagement and that CSOs were using this space to become more engaged in the policy process. However, most of the CSOs that are actively engaged in PRSPs had no knowledge about PSIA processes that had taken place in their countries or about PSIAs in general. CSOs did not seem to be aware of the links between PRSP and PSIA, nor its potential for their work.

Despite this lack of awareness most of the CSOs interviewed felt that PSIA might be a useful instrument and stated their interest to be more involved in the PSIA process. Yet, in light of past experiences, there is some scepticism that civil society input in PSIA will have an impact on policy making.

Some of the key obstacles that arise from the case studies and from interviews with donors and INGOs involved in PSIA are presented in the sections below.


**Insufficient knowledge about PSIA as a tool for shaping more pro-poor policies**

The findings seem to indicate that most CSOs are not aware of the potential that PSIA can offer in engaging in policy agenda setting and formulation. One respondent suggested that most CSOs do not know nor seem to care about PSIAs (Jo-Marie Griesgruber pers. comm.).

Interviews with CSOs reveal that they often do not regard PSIAs as relevant. Many CSOs are more likely to engage in discussions about social sectors than in macro-economic or financial issues and may feel that they can not contribute in a meaningful way to these topics. However, macro-economic and structural policy reforms have a significant impact on the poor and vulnerable, and therefore, CSOs will have to engage with these topics if they want to influence policy-outcomes. In addition, many of the CSOs interviewed regarded PSIA as yet another donor-instrument. CSOs often feel that participation ends wherever donor expectations are met and as a consequence, there is a certain "consultation-fatigue" among CSOs (Sarah Hague, Christian Aid pers. comm.). There is a need to demystify PSIA

and demonstrate that they can be a valuable tool for shaping policy-making (Sarah Hague pers. comm).

## The political nature of PSIA

The political economy in many countries does not favour pro-poor policy formulation. Governments are unlikely to prioritise the poor and the vulnerable over more powerful groups as they might have little to gain and much to lose as a result (Bird 2004). This might explain why many governments seem to show little interest in carrying out PSIA.

Also when considering bringing civil society into policy-making processes there is a need to recognise how complex, often non-transparent and undemocratic policy formulation/decision making processes can be. Policy processes are often a highly complex blend of horizontal and vertical processes that, in the end, have to work together to establish consensus (Evans pers. comm.) The Bolivian case has shown that a in a highly polarised environment, government might have little inclination to bring yet another player into the process. It has also been argued that the first challenge is to change these decision making-processes within the government before getting civil society involved (Newman, pers. comm.).

## There is an obvious tension between using a PSIA as a process to change the way policy is made and using it as a set of research tools

Donors might feel under pressure to turn PSIA into a study and the links between research and policy-making are often not clear. There seems to be a disconnection between civil society, researchers and policy-makers. It is often not clear how a piece of research links into national policy making and researchers commonly do not think how evidence can be used in a meaningful way. Often, research results come too late to inform decision-making. The insufficient integration of PSIA results into policy-making remains a challenge and where CSOs do not perceive an impact on decision-making, they may be reluctant to get involved (Hayes Eurodad, pers. comm.).

## Lack of capacity

CSOs may be aware of the implications of a policy reform but lack the technical knowledge to get involved into the subject. However, according to Hague, often the lack of capacity is less about lack of technical skills and more about the lack of time and human and financial resources. Capacity-building in the form of workshops or training sessions alone can not solve this problem. Also, training is often supply rather than demand driven. Funding for research and policy engagement might be a way forward, but donors often prefer the funding of more tangible activities like service delivery (Sarah Hague, pers. comm.). In any case, the lack of capacity should not be used as an excuse not to involve CSOs since engaging them in the process is a good way to build capacity.

Also, often PSIAs are presented in a too complex way, with difficult, technical language and this prevents CSOs from participating even where opportunities are given. Research institutes need to make their research more available and "digestible" for local NGOs. However, there can be a tension between the need to produce robust, scientific research and the importance of presenting it in an accessible way (Kirsch, pers. comm.)

# 6.    Main Conclusions and Recommendations

## 6.1    Conclusion

The objective of this report is to review the scope for effective civil society engagement in PSIA processes and to identify possible limitations for such engagement. Findings show that six years after its introduction the main challenge is that PSIAs have not found a prominent place on donor, government or civil society agendas. Given this, it might seem premature to think about civil society engagement in PSIA processes (Kirsch, pers. comm.). Yet, it could be argued that one of the functions of civil societies is to lobby for pro-poor change or champion new ideas. Therefore, CSOs might be useful partners in promoting PSIA and in pressurising governments to use it more widely.

Civil society has undoubtedly a role to play in shaping Poverty and Social Impact Assessments. CSOs who work with poor communities may have a good understanding about the needs of poor people and the realities they face. They can help to make sure that the PSIA topics selected are relevant. Their local knowledge can contribute to research and to the analysis of research findings. CSOs can also contribute to the debate about policy options and press for options that take poor people into account. Lastly, they can play an important role in disseminating findings and in promoting public debate.

However, one of the key messages of this study is that PSIA cannot be seen in isolation from the broader policy-making process. Despite this, there is a certain tendency to regard PSIA either as an academic study or as a depoliticised tool for evidence-based policy-making. But even though a PSIA might be an analytical instrument, the policy choices it analyses are highly political. Policy-making is a highly complex and often messy process and the role of evidence in formulating policy choices is not as straightforward as it may seem.

So where can civil society position itself in this complex environment? Should CSOs try to get actively involved in the decision-making process or should they aim at gaining a better understanding of the process and learning how to spot the advocacy opportunities rather than attempting to position themselves as a major partner in defining and designing PSIAs?

Some argue that civil society needs to be actively involved in decision-making processes and thus should be a major partner in designing and implementing a PSIA. However, whilst civil society has an important role in ensuring that the government takes into account the voices the poor, it is ultimately the government that has to implement the policy and to justify its outcomes. Furthermore, the active involvement of civil society in decision-making raises questions of legitimacy and representation.

Others see the role of civil society in informing and influencing policy choices. This approach implies consultation and advocacy. Government should consult civil society at different stages of the process, such as the identification of stakeholders; asking the right questions; and fine-tuning research. CSOs can assume an advocacy role in the selection of topics, identifying and lobbying for appropriate policy options, ensuring access to and dissemination of results and in monitoring outcomes. As we have seen, space is not often willingly provided by governments and CSOs need to find ways to claim their space through advocacy and negotiation.

In any case, civil society will need a thorough understanding of the policy process if they want to be able to influence it (Court, 2005). Equipped with this understanding, CSOs can help to ensure that the choice of topics, research and analysis of research findings are relevant to poor people as their work allows them to bring grassroots evidence or experiential knowledge into the PSIA process.

But it is important to bear in mind that there is a hierarchy of evidence, and this kind of evidence presented by CSOs at consultations is often dismissed by researchers or technical officials as partial and inaccurate. Also, CSOs often lack understanding of macroeconomic analysis and these limitations mean that many CSOs are unable to conduct rigorous analysis on policy or budget documents or able to propose realistic policy alternatives. In order to ensure that evidence-based advocacy is effective, CSOs need to build their capacity to generate or to access the influential types of information. (Grant et al., 2006).

Generating evidence alone is not enough, though. CSOs also have to develop communication strategies and identify channels to transmit their messages. Civil servants, political parties, parliamentarians, other CSOs and the media are all important communication channels and CSOs need to build alliances with them.

Smaller CSOs might simply not have the resources or time to get involved into PSIA processes. Nonetheless, they can play an important role by pressing government for dissemination of the findings of a PSIA or using research findings to foster public debate.

The next section will look at ways in which the International community can promote civil society engagement in PSIA.

## 6.2.    Recommendations for the International Community in promoting CSO involvement in PSIA

### Awareness

PSIA processes, as the country case studies have shown, are not well known among CSOs and one could expect that the general public is even less aware of them. Influencing the choice of issues to be addressed with a PSIA requires CSOs and the general public to have knowledge of the process. Without it, those seeking to influence those choices will lack the necessary networks and voice to draw attention to key issues or topics.

The PRSP process has created spaces for CSO engagement in policy processes. Examples from Armenia and Uganda show that civil society has used that newly created space to become involved in policy processes. Considering that it is a common complaint among CSOs that policy reforms introduced under a PRSP fail to address the needs of the poor, it seems surprising that PSIA are almost unheard of, even among organisations actively engaged in PRSP. One possible explanation is that PSIA is insufficiently embedded in the PRSP process. Given that PSIA is a highly relevant instrument to strengthen the poverty-reducing effect of PRS, it is desirable to strengthen the link between PRS and PSIA.

It also seems that, despite their commitment to increase civil society participation in PSIAs, donors have been concerned about raising awareness among governments rather than CSOs. If donors are serious about their commitment, they will have to find ways to increase awareness among CSOs about what PSIA means and why it matters.

Training courses and user-guides can be a useful instrument to familiarise CSOs with PSIA. UNDP intends to commission a toolkit to strengthen civil society engagement in PSIAs. Such a toolkit could highlight how CSOs can benefit from becoming more familiar with PSIAs and what skills they need to have impact and influence over PSIA processes. A toolkit might be a useful instrument to give a clear overview of what a PSIA is, and to offer concrete ideas on how civil society can get involved in the different steps of the process.

UNDP and other international actors can use their existing networks with CSOs to organise workshop tailored to the country context and capacity reflecting capacity of these CSOs. As the case studies have shown, a number of CSOs have developed capacity for policy engagement through their involvement in PRSP. The international community could help to foster this capacity by funding practical capacity development workshops on the use of a PSIA toolkit, policy advocacy skills, research skills, methodology, strategy development, policy analysis, communication, and monitoring and evaluation of policy implementation.

International NGOs can also help to raise awareness among local CSOs. A number of INGOs engaged in PSIA processes have criticised donors for failing to create ownership and build local capacities. Providing training and building capacity by forging alliances with Southern CSOs might be a way to overcome these shortcomings.


## Access to information and to the process

Access to information is critical for civil society engagement in PSIA. Donors can encourage governments to include CSOs in the PSIA. This does not require a new form of conditionality, though. Training of policymakers on PSIA could include skills to include proper consultation processes and research-based evidence. For example, civil service reform programmes would incorporate incentives to promote engagement with civil society at various levels and stages of the policy process.

PSIA Steering Committees can provide CSOs both with access to information and the process. Governments, donors, parliamentarians and civil society should work together in a multi-stakeholder group and take responsibility for selecting the topic, drafting the Terms of Reference, selecting researchers, discussing policy options and ensuring that research findings feed into policy processes. Also, bringing CSOs into the PSIA process from the very beginning by involving them in PSIA Steering Committees is a good way of building capacity (Renate Kirsch, World Bank, pers. Comment). The international community can facilitate civil society involvement by encouraging donors and governments to institutionalise multi-stakeholder groups in PSIA processes.

If a government is generally not willing to undertake controversial PSIAs, donors can cooperate with parliamentarians or a credible and effective social movement to implement a PSIA. However, the Bolivian case shows that donors need to consider very carefully the political context and the topic in question before making the case for civil society engagement in PSIA.

Also, often it is the donors themselves who lack transparency. Therefore INGOs and CSOs need to continue to pressure donors to make information about planned or ongoing PSIAs more accessible. CSOs themselves will also have to be more pro-active in accessing information by liaising with civil servants and donors.


## Technical skills

PSIA is a process that demands technical expertise and credibility. Access to robust and convincing technical skills is a desirable starting point to build credibility and to promote the involvement of CSOs in PSIA processes. Currently many CSOs are more likely to engage in debates which focus on the social sectors than in macro-economic or financial issues. CSOs need to develop an understanding of economic and fiscal policies and why they matter for poor people if they want to engage in policy-making. UNDP and other international actors can contribute to capacity-building by offering learning programmes in areas like tax or economic policies.

Skills, however, do not only relate to the PSIA issue but also to research and communication which are essential to ensuring that the 'voices of the poor' influence policy decisions. Partnerships between CSOs and research institutes can help to build capacity. The ODI Civil Society Partnership Programme (CSPP), is an example for a partnership between researchers and CSOs, aimed at strengthening the voice of Civil Society to use research-based evidence to promote pro-poor development policy.[10]

On the other hand, donors and researchers also have a responsibility to ensure that research findings are produced and communicated in a way that is relevant to CSOs and policy-makers. However, there might be a tension between the need to present robust research findings and the need to make the study accessible for a larger audience. Research institutes or NGOs might help to overcome this tension by adopting a transmitter function and helping CSOs to make sense of research and findings (Kirsch, pers. comm.).


**Networks**

Participation in PSIAs, however, cannot be extended to all CSOs and, at different stages, a different number of civil society representatives will have access to the process. To ensure that representation is not captured by resource and skill-rich institutions, donors can seek to strengthen linkages between CSOs by highlighting and promoting cooperation between different types of organisations (e.g. think tanks and grassroots). Convening networks to foster these linkages would constitute an important investment that would have effects beyond PSIA processes.

*"The value of creating successful networks between all actors involved in policy processes right from the initial stages – including local communities, CSOs, policymakers, researchers, international governments and donors (or other external influences) – could not be more highly stressed. Networks are more effective than individuals at producing, sharing and strengthening evidence"* (Chowdhury et al., 2006:30)

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[10] See: http://www.odi.org.uk/cspp/Index.html for more information on CSPP

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# Annex 1: Key Informant Interviews Checklist

**GENERAL**

1. Can you give a brief description of the PSIAs that have taken place in country xxxx? And to what extent was your organisation involved?

2. What were the main challenges to CSO involvement in your country?
   a.) Capacity of your organisation (or lack of)
   b) The political framework (willingness of the government to involve CSOs or lack of)
   c) lack of information?

**PROCESS**

1. Commissioning and funding of the PSIA
   Who commissioned the PSIA?
   Who funded the study?

2. Selection of topics
   Who selected the topics?
   On what criteria was the selection based?
   To what extent was your organisation involved in the selection process?

3. TOR and contracting of consultants/researchers
   Who drafted the TOR for carrying out the PSIA?
   Was there a bidding process and if so how was it carried out/where was it published?
   Who chose the consultants/researchers? Based on what criteria?
   To what extent where CSOs involved in the process?

4. Methodology
   How was the methodological process decided and by whom?

5. Research
   How were the participants chosen and by whom?
   Who participated in the study?
   Where was the research carried out and when?

**OUTCOMES**

1. What have been the main tangible and intangible outcomes of the PSIAs undertaken in xxx?

2. When where the results published?

3. Where the results made accessible to civil society?

4. Where the results accessible in terms of language and content?

5. Do you feel that PSIAs have contributed to an increase in civil society involvement in national policy-making? If so, in what way?

# Annex 2: List of informants

**International NGOs:**

| Respondent | Organisation | Role |
|---|---|---|
| Sarah Hague | Save the Children UK | |
| Lucy Hayes | Eurodad | Author of the Eurodad study "Open on Impact" |
| Patricia Huyghebaert | Reseau impact | Author of of a study on PSIA 'l'analyse des impacts sur la pauvreté et sur le social' |
| Jo Marie Griesgraber, | New Rules for Global Finance Coalition | |
| Fletcher Tembo | World Vision | Co author of 'Recommendations on the future of TIPS within PSIA agenda' |

**World Bank**

| Respondent | Organisation | Role |
|---|---|---|
| Mesky Brhane | World Bank | Invited to discussions of draft STRATEX PSIA report |
| Kyran Sullivan | World Bank | Consultant on STRATEX PSIA |
| Renate Kirsch | World Bank | Focal Person on PSIAs in MFPED |
| Margaret Rugadya | Associates for Development | Part of the Team that conceived the ToRs for PSIA on Land Policy Reforms in Northern Uganda |
| Onesmus Mugyenyi | ACODE | Insights into CSO involvement in current Policy debates |
| Robinah Kaitiritimba | Uganda National Health Consumers Organisation | Insights into CSO involvement in current Policy debates |

**Uganda**

| Respondent | Organisation | Role |
|---|---|---|
| Warren Nyamugasira | Exec Director Uganda National NGO Forum | Invited to discussions of draft STRATEX PSIA report |
| Dr. Deborah Kasente | Makerere Institute for Social Research | Consultant on STRATEX PSIA |
| Margaret Kakande | MFPED | Focal Person on PSIAs in MFPED |
| Margaret Rugadya | Associates for Development | Part of the Team that conceived the ToRs for PSIA on Land Policy Reforms in Northern Uganda |
| Onesmus Mugyenyi | ACODE | Insights into CSO involvement in current Policy debates |
| Robinah Kaitiritimba | Uganda National Health Consumers Organisation | Insights into CSO involvement in current Policy debates |
| Mary Bitekerezo | World Bank | Part of the Team that conceived the ToRs for PSIA on Land Policy Reforms in Northern Uganda |
| Diana Sekagya | UNDP | Provided Leads to prospective respondents |
| Charles Mbeeta Busingye | DFID | Provided Leads to prospective respondents |

**Armenia**

| Respondent | Organisation | Role |
| --- | --- | --- |
| Tamar Abrahamian | "Araza" NGO | PRSP steering committee member |
| Ms. Narine Mailyan | "Foundation for Small and Medium Business" | involved in PRSP working groups |
| Gayane Shagoyan | "Hazarashen" NGO | PRSP working group member |
| Ms. Hripsime Kirakosian | "Mission Armenia" | participation in the discussions about PSIA findings |
| Ms. Hasmik Aslanian | Shoger" NGO | PRSP working group member |
| Mr. Christopher Mallmann | GTZ | Responsible for the implementation of the PSIA on Labour Reform |
| Arsen Kharatyan | GTZ | Responsible for the PRSP project |

**Bolivia**

| Respondent | Organisation | Role |
| --- | --- | --- |
| John Newman | "World Bank | Responsible for World Bank led PSIAs |
| Juan Carlos Requena | Independent Consultant | Part of the PSIA analysis team |
| Carlos Toranzo | FES | Political foundation |
| Carlos Arce | CEDLA | Policy-advocacy CSO |
| Oscar Rea | Fundación Comunidad y Axión | Policy-advocacy CSO |
| Edgar Pabon | CEBEM | Policy-advocacy CSO |
| Jim Shultz | Democracy | Policy-advocacy CSO |
| Jennie Richmond | DFID | Social Devt Adviser |

# Annex 3: What Influences Research to Policy Uptake? The RAPID Framework

Often, the link between research and policy, or evidence and practice, is viewed as a linear process, whereby a set of research findings or lessons shift from the 'research sphere' over to the 'policy sphere', and then has some impact on policy-makers' decisions and practical programmes. Reality tends to be much more dynamic and complex, with two-way processes between research, policy and practice, shaped by multiple relations and reservoirs of knowledge.

The traditional question 'How can research be transported from the research to the policy sphere?' has been replaced by a more complex question: 'Why are some of the ideas that circulate in the research/policy networks picked up and acted on, while others are ignored and disappear?'.
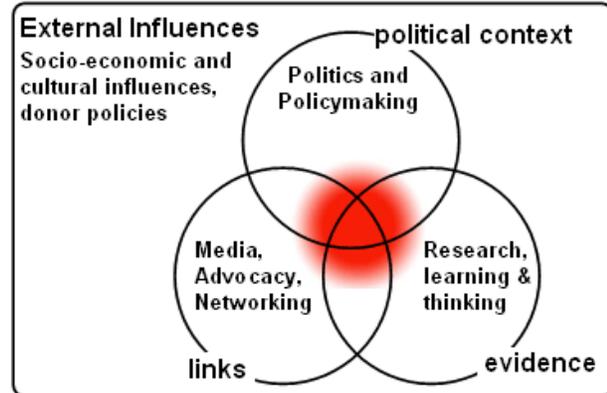


**Fig 1 – ODI's Policy Process Framework**

ODI's theoretical, case study and practical work has identified a wide range of inter-related factors, which determine whether research-based and other forms of evidence are likely to be adopted by policymakers and practitioners. These factors can broadly be divided into three overlapping areas: the *political context*; the *evidence*; and the *links* between policy and research communities, within a fourth set of factors: the *external context*. This is shown in Figure 1: ODI's Policy Process Framework. The framework should be seen as a generic, perhaps ideal, model. In some cases there will not be much overlap between the different spheres; in others the overlap may vary considerably.

*Political Context*: Research-policy links are dramatically shaped by the political context. The policy process and the production of research are in themselves political processes, from the initial agenda-setting exercise through to the final negotiations involved in implementation. The extent of civil and political freedoms in a country does seem to make a difference for bridging research and policy. Political contestation, institutional pressures and vested interests matter greatly. So too, the attitudes and incentives among officials, their room for manoeuvre, local history, and power relations greatly influence policy implementation. In some cases the political strategies and power relations are obvious, and are tied to specific institutional pressures. Ideas circulating may be discarded by the majority of staff in an organisation if those ideas elicit disapproval from the leadership.

*Evidence and Communication*: Our findings and experience suggests that the quality of the research is important for policy uptake. Policy influence is affected by topical relevance and, as importantly, the operational usefulness of an idea; it helps if a new approach has been piloted and the document can clearly demonstrate the value of a new option. A critical issue affecting uptake is whether research has provided a solution to a problem. The other key set of issues here concern communication. The sources and conveyors of information, the way new messages are packaged (especially if they are couched in familiar terms) and

targeted can all make a big difference in how the policy document is perceived and utilised. For example, marketing is based on the insight that people's reaction to a new product/idea is often determined by the packaging rather than the content in and of itself. The key message is that communication is a very demanding process and it is best to take an interactive approach. Continuous interaction leads to greater chances of successful communication than a simple or linear approach.

***Links***: Third, our work emphasises the importance of links; of communities, networks and intermediaries (e.g. the media and campaigning groups) in affecting policy change. Some of the current literature focuses explicitly on various types of networks, such as policy communities, epistemic communities, and advocacy coalitions. While systematic understanding remains limited, issues of trust, legitimacy, openness and formalization of networks have emerged as important. Existing theory stresses the role of translators and communicators. It seems that there is often an under-appreciation of the extent and ways that intermediary organizations and networks impact on formal policy guidance documents, which in turn influence officials.

***External Influences***: Finally, a synthesis of the RAPID experience emphasises the impact of external forces and donors actions on research-policy interactions. While many questions remain, key issues here include the impact of international politics and processes, as well as the impact of general donor policies and specific research-funding instruments. Broad incentives, such as EU Accession or the poverty reduction strategy paper (PRSP) process, can have a substantial impact on the demand for research by policymakers. Trends towards democratization and liberalization and donor support for civil society are also having an impact. Much of the research on development issues is undertaken in the North, raising concerns of relevance and beneficiaries' access to the findings. A substantial amount of research in the poorest countries is funded by international donors, which also raises a range of issues around ownership, whose priorities, use of external consultants and perceived legitimacy. As policy processes become increasingly global, this arena will increase in importance.

(Young&Court, 2004)