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Printed in Thailand
This guidebook is aimed at helping trade unions and employers’ organizations take an active role in the PRSP process through social dialogue.

The PRSP process has become a major decision-making mechanism in the development of social and economic policy geared toward reducing poverty in developing countries. It emphasizes the importance of all stakeholders throughout its formulation, implementation and monitoring. Through their participation, workers and employers can make a worthy contribution to poverty reduction, economic development and social justice.

The International Labour Office (ILO) has been working not only with the international community, but also helping tripartite constituents in member states develop an effective strategy for reducing poverty and contributing to the goal of decent work for all.

This guidebook has been prepared based upon the ILO’s experiences of assisting tripartite partners, primarily in Cambodia and Viet Nam, but also other Asian countries. However, it can be used in any PRSP country, and contains practical and universal lessons on how representatives of labour organizations can participate in the PRSP process.

The guidebook targets leaders and officials of social partner organizations who want to contribute to and influence the national decision-making process on poverty reduction.
This guidebook was written by ILO consultant Ms. Rosalind Harvey and edited by Mr. Chang-Hee Lee (Industrial Relations Specialist of the Sub-Regional Office for East Asia, ILO).

Several other people also contributed. Special acknowledgement to Messrs. Moazam Mahmood and Graeme Buckley, and Ms. Yukiko Arai, who undertook ILO activities on PRSPs and Social Dialogue in Viet Nam and Cambodia. Mr. Nuon Rithy and Ms. Guillemette Jaffrin backstopped most of the social dialogue activities in Cambodia and Viet Nam, respectively. Mr. Seng Bunly, a national consultant for Cambodia, was also engaged to undertake follow-up activities with respect to the ILO’s technical input. Useful tips were provided by Mr. Giuseppe Casale, Deputy-Director of IFP/DIALOGUE.

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Johanna Walgrave
Director
IFP/DIALOGUE

Christine Evans-Klock
Director
ILO Subregional Office for
East Asia (SRO-Bangkok)
Preface

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There is no more important issue than widespread poverty and inequality. This booklet is about how to get involved in reducing poverty in your country. It is aimed at trade union and employer organizations in developing countries that are involved in a Poverty Reduction Strategy Paper (PRSP) process.

Poverty robs millions of people around the world of human dignity and the right to fulfill their potential. It is experienced in every country differently, but its human effects are universal.

"Poverty is a complex, deep-seated, pervasive reality. Virtually half the world lives on less than US$2 a day. More than 1 billion people struggle on $1 a day or less. An even greater challenge lies beyond what the statistics can measure - poverty breeds a growing sense of powerlessness and indignity, of being unable to think, plan or dream beyond the daily struggle to survive."

Juan Somavia, ILO Director-General

Poverty reduction strategies are designed to combat financial hardship. Most people are aware of the national debates, policies and programs in their respective countries. Most of these have been ongoing for many years.

Involvement in the formulation of a poverty reduction strategy is key to being part of major policy-making. Many of the policies and programs approved as part of a PRSP directly impact on employer and union organizations, and their members.

Self-interest is one reason to get involved, but labour organizations also have something to offer. They possess specialist expertise and knowledge on the world of work and business, and how labour and enterprises affect poverty. They are important partners in reducing poverty.
In addition, both types of organizations can benefit from wider networks and co-operation with other parts of society. This booklet outlines how the process works, how it links with the major institutions and issues of our era, and how to make an impact on its direction.

The booklet has two main approaches. Section 1 is an introduction to the PRSP process and why employer and union organizations should be involved. Section 2 sets out the ILO's Decent Work Agenda and how this relates to the PRSP process.

The second half of the guidebook is more practically focused. Section 3 sets out the PRSP process and the three phases of formulation, implementation, and monitoring and evaluation. Section 4 looks at practical ideas on how to make an impact within a PRSP process. Section 5 focuses on the PRSP process from a union perspective, while Section 6 looks at the same issue from an employer organization's point of view. Sections 5 and 6 consider the value of being involved, the challenges and suggestions on how to meet them.

Gender issues are considered throughout the guidebook, but there are also discrete sections on key concerns, including Section 7.

Section 8 provides a list of useful resources for further information.
A PRSP is a national plan for fighting poverty. In Cambodia, the PRSP is referred to as ‘The National Poverty Reduction Strategy’, while in Viet Nam it is called ‘The Comprehensive Poverty Reduction and Growth Strategy’. Other examples of PRSPs in Asia are illustrated in Appendix 3. PRSPs are built on the belief that, while creating the resources for doing so, economic growth will not automatically reduce poverty. If the extra resources are not shared, or leave the country, poverty will prevail. To reduce poverty and allow for further growth, policies need to be pro-poor.

The PRSP process was introduced for very poor countries by the World Bank and the International Monetary Fund (IMF). The World Bank and IMF encourage national governments to use the PRSP process to ensure their policies and programs work in harmony to reduce poverty. Consultation with civil groups, including employer and union organizations, is a key part of the PRSP process. This guidebook explains the PRSP process, and how unions and employers can be involved.

A PRSP should cover all government policies and programs affecting development, and poverty reduction. For example, it is likely to cover economic policies, taxation, employment, public sector reform, gender equality, social inclusion, industry and enterprise development, education, health, social insurance and rural development. This makes a PRSP comprehensive, but also complex.

Because the PRSP process is a relatively new one, countries are learning as they go. Each PRSP will be reviewed and changed due to new developments. In the past, reviews were conducted every three years. Now, the timing of reviews can vary, depending on local circumstances. The PRSP will also develop as part of the implementation, monitoring and evaluation process. This means there will always be opportunities for employer organizations and unions to get involved.

It is best for social partners to take part as early as possible. If you are involved from the beginning, you have a better chance of influencing the PRSP process. However, you can still have an impact if you have not been involved from the outset. It is always worth getting involved, no matter what stage the process is in.
How are PRSPs used?

PRSPs have the potential to be used in many different ways. PRSPs were established to pass on World Bank and IMF assistance to the poorest countries. But they are now used much more broadly, and this is what makes PRSPs so important. For example, many bi-lateral aid donors have vowed to support the PRSP process by bringing their programs in line. Below is a checklist of some potential uses for PRSPs.

Possible uses of Poverty Reduction Strategy Papers

- By the national government as a planning and budgetary framework;
- For World Bank and International Monetary Fund financial assistance;
- For United National Development Assistance Framework (UNDAF) funding for a country;
- By multi-lateral, bi-lateral donors and non-government agencies as a framework for their own aid activities;
- As a monitoring and evaluation tool;
- As a framework for public consultation and discussion on priorities for poverty reduction.

Participation in a PRSP process

A PRSP should be locally developed and owned, and should be created through wide participation. The PRSP process should encourage governments to answer to their own people, rather than to external donors. It is designed to provide a way for poor people to be actively involved, rather than passive recipients.

The World Bank Sourcebook on PRSPs sets out the process and how it should involve different stakeholders. A stakeholder is any organization or group with an interest in the PRSP process. Stakeholders may include government ministries, civil groups (including non-government organizations), religious bodies and donors. Employer and union organizations are also recognized stakeholders who have a right to be involved. However, the running of the participatory process differs from country to country. Section 3 of this guidebook covers the participatory process and how to get involved.

Why should social partners be involved?

'Social partners' is a term used by the International Labour Organization that includes union and employer organizations. They are partners with the government in the social and economic development of their nation. In many countries, there is more than one union or employer organization at the national level. For example, there may be more than one national federation. Also, there are often different types of organizations for employers. There may be an employer federation, a chamber of commerce, foreign investor associations and sector-based organizations, like a chamber of tourism. It is important there is co-ordination and co-operation between the different organizations to maximize effectiveness and resources.

PRSPs will directly affect the social partners: A PRSP for your country is the key to many policy and program decisions. It will set the framework for decision-making for years to come on economic policies, and other government policy, program and spending priorities. It will cover things like sectoral-trade and private-sector development, as well as social-justice initiatives. These decisions will directly affect employers and workers.

The social partners can help: Creating decent work is central to reducing poverty. Employer and union organizations have knowledge and experience in this field, which they can use to help develop the best strategies.

Building broad partnerships: A PRSP process involves many different organizations and individuals working toward combating the problem of poverty. Through their involvement, union and employer organizations are able to extend their networks to other groups and individuals who share common concerns. Any organization would gain from a broader pool of people with whom it can work.

The bigger picture: Governments often consult employer and union organizations on industrial relations, and labour matters, but not on the broader issues. Being part of a PRSP process is a way to uncover the bigger picture and have your say.

Helps organizational planning and development: Employer and union organizations need to plan for their own future and growth, and it helps to know what the policy and program environment is likely to be. This makes it easier to predict potential opportunities and threats.

Learn new skills: Being involved in a PRSP will give new and better skills for union and employer organizations in areas like advocacy, planning, consultation, policy development, programming, monitoring and evaluation. These are all important skills for social partners.
When a country is very poor, it usually has a high level of foreign debt. This is money it owes to other countries, and international and/or regional financial institutions. National debt - which includes both domestic and foreign debt - is usually measured as a percentage of what a country earns. This is called the 'debt to Gross Domestic Product (GDP) ratio'. For example, if a country owes US$2 billion, and produces $4 billion of goods and services each year, then its debt to GDP ratio is 0.50, or 50%.

When a country has a high debt level it is harder to borrow money, and lenders demand a higher level of interest. When this sort of debt builds up, repayments can take a high proportion of the government’s budget. This takes money away from services the government could be providing to the public, especially poor people.

<table>
<thead>
<tr>
<th>Country</th>
<th>Debt (billion US$)</th>
<th>GDP (billion $)</th>
<th>Debt to GDP Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh*</td>
<td>15.7</td>
<td>47.1</td>
<td>0.33</td>
</tr>
<tr>
<td>Bhutan</td>
<td>0.203</td>
<td>0.487</td>
<td>0.42</td>
</tr>
<tr>
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<td>3.4</td>
<td>0.76</td>
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<tr>
<td>China</td>
<td>146</td>
<td>1,100</td>
<td>0.13</td>
</tr>
<tr>
<td>India</td>
<td>99</td>
<td>457</td>
<td>0.22</td>
</tr>
<tr>
<td>Indonesia*</td>
<td>144</td>
<td>152</td>
<td>0.95</td>
</tr>
<tr>
<td>Korea, Republic</td>
<td>128</td>
<td>461</td>
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</tr>
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<td>1.47</td>
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<td>0.970</td>
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<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Thailand</td>
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<td>121</td>
<td>0.66</td>
</tr>
<tr>
<td>Viet Nam*</td>
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<td>31.2</td>
<td>0.41</td>
</tr>
</tbody>
</table>

* PRSP countries
International financial institutions (IFIs) provide money to poor countries. This is usually in the form of loans, or debt relief for very poor countries. Loans are extended to help a country develop its economy. For example, the World Bank provided $19.5 billion in loans at discounted rates in 2002. When a country receives a loan, it must pay it back. In the same year, the World Bank used $331 million, or 1.7% of its funds, for debt relief.

IFIs have used their debt-relief and lending activities to influence the policies of developing countries. They do this by requiring a country to implement certain policies in return for its assistance. These are called 'conditionalities'.

In the 1990s, the IFIs required a country to have in place a structural adjustment program (SAP) to qualify for financial assistance. An SAP committed the country’s government to a range of economic policies. For example, SAPs usually required a country to control its budget deficits, deregulate its economy, privatize public services and introduce user fees.

These policies were designed to re-start economic growth and to reduce debt levels. However, they often resulted in hardships for poor people.

This led to a lot of criticism on the grounds SAPs:

- Were not democratic, because they were imposed by IFIs;
- Were not transparent, because they were not open to public consultation;
- Hurt poor people.

In response to the 1997 Asian financial crisis, the World Bank and IMF required Indonesia to introduce higher prices for cooking oil. This lead to riots and demonstrations as poor people could no longer afford oil to cook their food.

2 Source - World Bank website 2003
The IFIs responded to this criticism, and in 1999 introduced a new framework for their concessional lending and debt-relief programs, for countries covered by the Heavily Indebted Poor Countries Initiative (HIPC).

The World Bank and IMF jointly declared that to receive low-interest loans and debt relief under HIPC, countries would be required to write a Poverty Reduction Strategy Paper. So far, 70 eligible countries have been identified, about 50 of which have produced Interim PRSPs (I-PRSPs), and with nearly 30 having full PRSPs in place. There are 10 HIPC countries in Asia that are yet to write their PRSPs.

To qualify for debt relief under HIPC, a country must:

(i) be eligible for highly concessional loans from the World Bank and IMF;
(ii) face an unsustainable debt situation, even after the full application of traditional debt-relief mechanisms; and
(iii) have a proven record in implementing strategies focused on reducing poverty and building the foundation for sustainable economic growth.

The ILO and the World Bank have agreed they should co-operate on the Decent Work Agenda and the PRSP process. Initially, there were pilot activities in Cambodia, Nepal, Tanzania, Mali and Honduras.

In each of these countries, ILO is working to ensure that employment and other aspects of decent work are addressed as an integral part of the economic and social analysis, and policies comprising the initiatives. This approach has now been extended to other PRSP countries.

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The International Labour Organization was founded in 1919, and is part of the United Nations. The ILO promotes social justice and internationally recognized human and labour rights. It sets international labour standards (called ‘Conventions’ and ‘Recommendations’) across all work-related issues.

The ILO also provides technical assistance, including help in vocational training, employment policy, labour administration, labour law and industrial relations, working conditions, management development, co-operatives, social security, labour statistics, and occupational safety and health. It promotes and supports independent employer and worker organizations.

The ILO has a unique tri-partite structure. Worker and employer representatives are equal partners with national governments in its decision-making bodies. As of August 2003, 177 states were ILO members.

The ILO sees employment as a fundamental part of any country’s social and economic development strategy, including poverty reduction. It strongly urges the government, and workers’ and employers’ organizations to work together to create jobs, and help reduce poverty. This is why the ILO is so interested, and stands ready to help in the PRSP process.

“We know that work is the best route out of poverty. But one cannot legislate employment in and poverty out. It is a long and complex process that requires all elements of society to work together... Government, employers and workers each have a unique and crucial role to play in defining a positive consensus.”

Juan Somavia
ILO Director-General

What is the ILO’s Decent Work Agenda?

The ILO’s Decent Work Agenda was unveiled in 1999. It is a re-focusing of the ILO that aims to secure decent work for men and women everywhere. The Decent Work Agenda recognizes that growing insecurity in the world of work is a major problem of our time.

The Decent Work Agenda reaffirms social justice should be pursued for all workers, regardless of whether they are in the formal or informal economy, and whether they are employed or not. This is important, because while almost everyone works, not everyone is employed. Many workers are outside the formal labour market. They are part of the informal economy, including unregulated wage-workers, the self-employed and home workers.

With the Decent Work Agenda, the ILO now focuses on four strategic objectives. These are:

- Fundamental principles and rights at work;
- Employment;
- Social protection; and
- Social dialogue.

Under the Decent Work Agenda, the primary goal of the ILO is to promote opportunities for men and women to obtain decent and productive work, in conditions of freedom, equity, security and human dignity.

The wider context

Over recent decades, government and international institutions focused on opening international and domestic markets to increased competition. Globalization, as it has become known, changed the policy landscape, and the distribution of power and gains.

Somavia J, op. cit.; p 6
We are now in a long period of adjustment to a new global economy. The major issues are:

- How best to adapt national economies and institutions to global change; and
- How to make global change fit human needs.

The problems and solutions vary from region to region, but no country or region has remained untouched.

Globalization has both negative and positive effects. While for some, globalization has generated wealth and welfare, many see it as a source of persistent inequality and social exclusion. It is changing the pattern of development by shifting long-term growth paths and skewing income distribution. If these trends continue unchecked, the greatest threat is instability arising from growing inequality. The challenge is to make globalization better for everyone concerned.

The ILO's Decent Work Agenda and PRSPs

The standard policy response was developed in the 1980s, at the time of an international debt crisis, and was applied in the transition economies. It was based on the basis that markets were central to growth, social stability and political democracy. The main policies were:

- Privatization of public services;
- The liberalization of capital and labour markets; and
- Financial stability.

Economic policy was used mainly to control inflation, rather than to stimulate growth. Labour markets were de-regulated so that they would become "more flexible" in adjusting to changes in demand. International organizations responsible for financial stability, trade liberalization and economic development (such as the World Bank, IMF and the World Trade Organization) subscribed to these policies.

“...the dominant policy message has been: grow first and distribute later. Many countries gave this strategy the benefit of the doubt and followed the recipe. It has not really worked. Distribution has been slow in coming - threatening social cohesion and making people lose faith in government, institutions and those with the power to change things.”

Juan Somavia
ILO Director-General

Conventional policies
These policies were influential because they were simple and universal. They brought discipline, and a new spirit of competition and creativity to the economy. They opened the way for new technologies and management practices. They emphasized the importance of good governance and transparent policy-making.

However, they confused technical means - such as privatization and deregulation - with the social and economic ends of development. They became "inflexible", and did not take enough account of the social and political context of markets. Their impact on people was sometimes devastating.

Increasing doubts about these policies came to a head with the 1997 crisis in the emerging economies, which marked a turning point in public opinion. The result is both greater uncertainty and more openness to a wider range of opinions, including the views of developing countries and of society.

Because these policies do not have a strong record of employment-friendly economic growth, the ILO is in a unique position to fill the gap between the social and economic constraints of policy development.

The ILO believes a global economy without sound social pillars will lack stability and political credibility. The Decent Work Agenda aims to correct this problem.

The Four Pillars of the ILO Decent Work Agenda

The strategic objectives (pillars) are:
- Fundamental principles and rights at work;
- Employment;
- Social protection;
- Social dialogue.

Each of the four strategic objectives of the ILO contributes to the goal of decent work. These objectives are equal in importance, and are inter-related.

Governments, employers and workers now have to accommodate their different interests creatively, to respond to the demands for decent work from individuals, families and communities everywhere.
Fundamental principles and rights at work

All those who work, have rights at work. The ILO Constitution calls for improved conditions of labour, whether organized or not, and wherever work might occur, whether in the formal or the informal economy, whether at home, in the community, or in the voluntary sector. Promoting rights at work includes the so-called ‘core labour standards’, which all ILO members countries are obliged to respect as an absolute minimum.

Beyond these minimum standards, most countries have endorsed the many Conventions and Recommendations of the ILO that lead to better functioning labour markets.

Employment

The ILO seeks to enlarge the world of work, as well as set standards for it. Its role includes promoting more opportunities for people to find productive work and earn a decent living. The ILO, therefore, is as much concerned with the unemployed, and with policies to overcome unemployment and underemployment, as it is with the promotion of rights at work. Creating a good environment for enterprise development lies at the heart of this objective.

Furthermore, the goal is not simply the creation of jobs, but the creation of good jobs. All societies have an idea of decent work, but quality of employment can mean many things. It relates to different forms and conditions of work, as well as feelings of value and satisfaction. The ILO wants to see social and economic systems that ensure security and employment growth, which can also adapt to rapid change in a highly competitive global market.

Juan Somavia
ILO Director-General
Social protection

This involves protecting people against the effects of changes that relate to their work. As it is concerned with the human condition of work, the ILO has the responsibility to address the situations that take people out of work, whether these arise from unemployment, loss of livelihood, sickness or old age.

The aim of the ILO in this objective is to improve the coverage and effectiveness of social protection. Access to an adequate level of social protection is a basic right of all individuals. However, in many countries, most workers and their families have no protection.

Issues covered by social protection include better working conditions, and safety and health at work. Protection for migrant workers and their families, and workers with HIV-AIDS is also part of this pillar, along with retirement income and sickness benefits.

Social dialogue

Social dialogue covers negotiation, consultation and exchange of information between governments, and employer and worker organizations, on issues of common interest, at all levels of the national economy.

Social dialogue is both a means and an end. It is a means of resolving conflict, improving social equity and effective policy implementation. It is a means by which rights are defended, employment promoted and work secured. It can apply to all levels, from enterprises to society at large. It requires participation and freedom of association, and is therefore an end in itself for democratic societies.

Effective social dialogue needs:

- Strong, independent worker and employer organizations with good technical capacity and access to information;
- Commitment to engage in social dialogue by all parties;
- Respect for the fundamental rights of freedom of association and collective bargaining;
- Appropriate institutional support.

It can be a tri-partite process, with the government as an official party, or it can be bi-partite relations only, between labour and management (or trade unions and employer organizations), with or without indirect government involvement. Social dialogue institutions can be bi-partite, tri-partite or ‘tri-partite plus’. The key tri-partite partners are representatives of the government, employers and workers.
These partners may choose to open the dialogue to other parts of society to gain a wider perspective and consensus.

Social dialogue at the national level can address a wide range of issues from labour relations, to wider social and economic challenges. Social dialogue at the national level ensures that voices of workers and employers are reflected in policy-making. Therefore, the participation of social partners in the process of PRSP formulation, implementation and monitoring can be seen as one of most effective ways of social dialogue on national economic and social policy issues.

Social dialogue takes into account each country’s cultural, historical, economic and political context. In some countries, tripartite partners have developed very sophisticated institutions of social dialogue, to address a wide range of social and economic policy issues, as well as labour relations. In others, social dialogue occurs only on a narrow range of labour-relations issues.

Therefore, social partners should examine existing channels of social dialogue in their country before they decide how to participate in the PRSP process. In countries where well-established institutions exist for social dialogue on social and economic policies, social partners may want to influence the PRSP through the existing channels. In other countries, where social-dialogue institutions tend to address only labour-relations issues, social partners may try either to expand the scope of the social dialogue agenda to cover PRSP-related policy issues, or to create new channels for participation in the process.

The Decent Work Agenda and PRSPs

The links between a vicious cycle of poverty and gender discrimination start at the earliest stages of life, within families. Gender discrimination means women are poor, and their poverty contributes to an on-going cycle of poverty for their families.

More and more women are entering the workforce. About two thirds of women in paid work (outside agriculture) are in informal jobs. Most are own-account workers, involved in home-based work or street vending, which are generally the most insecure and lowly paid forms of informal work. Women entrepreneurs have fewer assets than their male counterparts and face even greater problems in obtaining credit, or the title to their property. For those in waged employment, there is a large gap between the earnings of men and women, despite equal pay legislation.

There has been a huge rise in the number of two-income families and single-parent households, but women still do most of the housekeeping, childcare and unpaid work. This means women in paid employment are simply working extra long hours. To balance work and family responsibilities, women move in and out of paid work several times during their lives. As a result, they have less social security coverage and career opportunities, reinforcing poverty and vulnerability in the labour market.

For many rural households headed by women, remittances from the wages of urban-based family members are often an important but unreliable source of income. Rural families are generally large, increasing the number of people dependent on low and unreliable wages.

In addition, women are often subject to other forms of discrimination. For example, they may also be discriminated against on the grounds of race, HIV/AIDS status, religion or national extraction. It is important to be aware of this when designing poverty reduction strategies.

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**Women - inequality at work**

Generally women:

- Have lower levels of education;
- Suffer higher rates of unemployment, particularly when they are young;
- Are paid less than men, even when they are doing similar work;
- Are paid at lower rates because their jobs are seen to carry less worth than those of men;
- Suffer discrimination and harassment at work;
- Have less choice about where they work, as they are concentrated in a narrow range of jobs that are low-paid and low-skilled;
- Are more likely to work in part-time and informal jobs;
- Have less job security;
- Have trouble balancing the double burden of work and family responsibilities;
- Do the bulk of unpaid work, including housework and caring for family members;
- Are absent from the workforce for temporary periods, reducing their social security cover and job prospects;
- When running businesses, tend to be in smaller-scale operations with less growth potential than those managed by men.

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The Decent Work Agenda relates to everyone. At its core is a rejection of any form of discrimination. For freedom from discrimination in employment to be a reality, everything we do in the framework of the Decent Work Agenda must take into account the interests of both women and men, and promote gender equality. This is what we mean by ‘gender mainstreaming’.

Sometimes, there will be a need for special policies and programs for women. Often, it is a matter of looking at how mainstream policies and programs can be changed to have a fairer impact on women. The ILO and other organizations have produced resource materials on gender mainstreaming. See Section 5 of this guidebook for where to find them.

**What is Gender Mainstreaming?**

The ultimate goal of gender mainstreaming is to achieve equality. It makes the concerns of women, as well as those of men, part of the design, implementation, monitoring and evaluation of all actions and programs, so that men and women benefit equally, and inequality is not perpetuated.

Gender mainstreaming is a method of assessing the implications for both men and women of any planned action. All actions are included - projects, strategies, legislation, policies and programs - in all areas and at all levels.

**How does the Decent Work Agenda relate to the PRSP process?**

The Decent Work Agenda is about improving the quality and quantity of work, in both developed and developing countries. In poor countries, therefore, the Decent Work Agenda is key to poverty reduction. It is also a framework enabling employers' and workers' organizations, along with other stakeholders, to put forward a national agenda for reducing poverty.
It ensures that the poor benefit: The target of the Decent Work Agenda is everyone who works, or wants to work, not just those in formal employment. It reaches those in precarious situations, such as those in the informal economy, the unemployed and those who lack the benefits and protection of a modern social system. Those who are poor and vulnerable benefit most.

It helps empower the social actors: ILO works toward empowering workers and entrepreneurs, through its fundamental principles of freedoms of association and rights to collective bargaining. This gives the poor a voice and the chance of a better future.

It focuses job creation: Job creation is the only sustainable way of ensuring poverty reduction. Under the ILO’s Decent Work Agenda, job creation is a central strategy for poverty reduction.

It extends social protection: Social protection is one of the four pillars of the Decent Work Agenda. Without adequate social protection for those who are unemployed, retrenched, sick, injured, confined or elderly, poverty will remain.

It supports social dialogue and work with social partners: The ILO promotes and supports the ideal of using social dialogue as a participatory process in policy-making. ILO’s Decent Work Agenda will help social partners participate in the policy-making process, including PRSPs.

It is agreed globally: The development of the Decent Work Agenda was approved by the ILO Governing Body. This means it has been endorsed on a global basis by most member states and their social partners. Therefore, it carries the weight of full international recognition and authority.

It is known by the IFIs: The ILO has discussed the Decent Work Agenda with international financial institutions, including the World Bank and IMF. While these bodies believe the Decent Work Agenda is best pursued directly by the ILO, they have specifically endorsed elements of it, such as the World Bank’s commitment to its core labour standards. The WTO has shown support by stating the core standards do not constitute trade barriers.

It is a framework for input to the PSRP: The Decent Work Agenda is a framework on which submissions to the national PRSP from unions and employer organizations should be based. It is an opportunity to push for national implementation of the pillars of the Agenda to help alleviate poverty. Proposals must be relevant to the country concerned, but the Agenda is particularly useful as a framework and a source of guidance.
National governments are committed to writing the PRSP with participation from civil groups - including employer and union organizations. The World Bank and IMF have no exact requirements on who should be consulted or how this should be done, but the World Bank Sourcebook on PRSPs presents ideas on how to run the participatory process. Both union and employer organizations are listed as key groups that should be consulted. In many countries, World Bank and IMF support for employer and union involvement has helped convince governments to take this seriously.

The World Bank Sourcebook outlines what union and employer organizations have the right to expect in consultation during the PRSP process. The box below includes tips for governments on effective consultation. It is a good checklist of what you should expect. If you are not happy with the consultative process, this should be discussed with the government and other stakeholders.

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**How the process works**

Taking part in a PRSP consultative process

How the process works

What consultation in the PRSP process should achieve

- Encourage a positive spirit of government-society partnership;
- Plan to ensure there are adequate time and resources available;
- Make sure the ground rules are clear and acceptable and stakeholders’ expectations are not inflated, so their views may be considered seriously;
- Ensure an appropriate diversity of stakeholder groups;
- Use a variety of sources for information and knowledge;
- Ensure adequate information is available in advance, in the relevant languages and styles;
- Use respected and experienced facilitators and organizers;
- Provide feedback on participatory input in a timely manner;
- Follow up after the process has concluded, especially if it is possible to offer further opportunities for collaboration; and
- Maximize transparency, making available as much documentation as possible.

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In most ILO member countries, tripartite social-dialogue mechanisms are already in place. For example, the Labour Advisory Council functions in Cambodia as a tripartite social-dialogue forum to discuss labour relations-related policy issues, including legislation and minimum wage. But due to its narrow focus, social partners have to participate in the PRSP process through a newly created mechanism, instead of the existing body.

In Mongolia, however, tripartite partners have established the National Tripartite Committee on Social and Labour Consensus, which addresses a broad range of social and economic policy issues. In this case, the tripartite partners may be able to use the Committee as a forum to produce a policy framework for a PRSP. Even in this case, participation in the PRSP process may require additional effort and forums to influence other stakeholders and multi-lateral/bi-lateral donors.

Often the consultative process allows for Civil Society Organizations (CSOs) to become involved. CSOs are groups representative of different parts of society, other than government bodies. They include employer and union organizations, as well as groups like NGOs, academics and religious groups that are not otherwise involved in the traditional process of tripartite social dialogue.

In general, it is important to note that if the social partners want to have meaningful impact on the PRSP, they should establish contact and build relationships beyond traditional tripartite actors. The Ministry of Labour is usually the most important partner for social partners when dealing with labour relations issues. But when the PRSP is at issue, the social partners should also develop relationships with other economic ministries, which have more prominent roles in the process. In addition, social partners should actively pursue partnerships with other CSOs, as this will enhance their influence.

Furthermore, preparing 'position papers' would strengthen the 'positioning' of social partners, bringing their issues and concerns into the PRSP discussion and its analytical framework. This topic is discussed again in section 4.1 on "influencing others".
Most countries had poverty reduction policies and programs in place before the PRSP process began. In some cases, they also had detailed plans, policies, programs, budgets and government processes that coordinated them. For example, in Viet Nam, there is a well-established five-year planning process.

The PRSP process does not replace established processes, but will need to be adapted to conditions in each country, so it supports and improves them. This may not always go smoothly, as there may be conflict between those involved in the old processes, and those working on the PRSP. It is worth being aware of this, as it may explain why some conflicts occur.

On the next page, there are organizational charts of the participatory framework for the PRSP process and government structure in Viet Nam. In Viet Nam, the PRSP is called the comprehensive Poverty Reduction and Growth Strategy (CPRGS). Both employer and union organizations participated in the consultative processes and structures.
Key elements of the participatory process for PRSP in Viet

**Inter-ministerial Drafting Group**
(52 representatives of 16 Ministries)

**Poverty Task Force**
(Representatives from government, UN agencies, national development agencies and international aid agencies)

**Ministries**
(Some had cross-departmental poverty task forces to coordinate Ministry input)

**Four national consultation workshops**
with national government aid agencies, international and local civil organizations

- Four consultation workshops with provincial and district levels of the administration, local politicians and elected representatives
- Follow up to 1999 poverty assessment (PPA) where 1,800 local officials and poor people were consulted on priorities and policies.

**Other features:**
- The PRSP is in Vietnamese and went through several re-drafts;
- Four drafts were translated into English for international comment;
- The National Committee for the Advancement of Women was actively involved in ensuring gender issues were mainstreamed into the CPRGS;
- Poor communities were directly consulted in a follow-up to a 1999 PPA. The World Bank, selected government ministries and five international NGOs were partners in community-level consultations.
Government structure in Viet Nam

CSD: Council for Social Development;
GSCSD: General Secretariat of Council for Social Development;
PMATU: Poverty Monitoring and Analysis Technical Unit.
A PRSP is an evolving document. Initially, there is often an Interim-PRSP (or I-PRSP). The I-PRSP is a document prepared by the government to provide the basis for consultation with stakeholders in formulating the full PRSP. Subsequently, there is a full PRSP that must be regularly reviewed. How often it is reviewed, depends on local conditions. The PRSP must be implemented, monitored and evaluated.

At each stage in the PRSP cycle, there should be opportunities for stakeholders, including employer and union bodies, to provide input.

It is important to see the PRSP as a long-term, ongoing process. Often the whole process lasts 3-5 years. Objectives will not be reached overnight. Wherever your country is in the cycle, you can still be usefully involved. The importance of the PRSP is not the paper it produces, but public and community action to reduce poverty.

There will be many cycles of the PRSP process. This means that even if you did not get your issues picked up in the first cycle, you can still push for this in a later cycle. For example, when a PRSP is being reviewed, there will be a consultative process. At this stage, you can lobby for your priorities to be picked up.

Formulating a PRSP

Employer and union organizations can be involved in the formulating of a PRSP, either at the beginning of the process, or as part of the review cycle.

A PRSP should be developed and managed by the relevant country. This means PRSPs should vary between countries. However, the World Bank and IMF boards need to agree to the proposed PRSP. They have made it clear, acceptance will be based upon current international understanding of practical methods to reduce poverty. The following five elements should be included:

1. Assessment: How many and what groups of people are affected by poverty? And what causes it? This should also include how men and women experience poverty differently;
2. Targets: Setting goals for poverty reduction;
3. Priority public actions: What should be done first? And with what resources?
4. Monitoring and evaluation: Establishing systematic monitoring of poverty trends, and evaluating the impact of government programs and policies;
5. Participation: Explaining the key parts of the participatory process.

The analysis and establishment of priorities should also take into account the needs of men and women. Promoting gender equality is vital to effective poverty alleviation, as well as being important in its own right.

The World Bank Sourcebook identifies four priority areas for public action in a PRSP. These are set out in the box below.

**World Bank priority areas for public action in a PRSP**

1. Macro-economic and structural policies to support sustainable growth in which the poor participate;
2. Improvements in governance, including public-sector financial management;
3. Appropriate sectoral policies and programs;
4. Realistic costing and appropriate level of funding for the major programs.

Full PRSPs are expected to summarize the priority public actions over a three-year horizon, and include a policy matrix.

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12 World Bank PRSP Sourcebook; http://poverty.worldbank.org/files/5301_overview.pdf; p. 4
13 ibid
A PRSP usually comprises two sections. The first part deals with the analysis of the problems and sets out overall strategies. The second part is a policy matrix, which is usually contained as an appendix.

The matrix sets out main policy actions and institutional reforms, and target dates for their implementation. An extract from the Cambodian policy matrix is set out in appendix 2 on page 73. This will give you an idea of what to expect.

It is important that you have input into BOTH sections, either in the formation of the document, or when it is being reviewed. The policy matrix is the action part of the PRSP and should not be overlooked.

Implementing a PRSP

A PRSP will need an implementation strategy that is drawn from the policy matrix. As PRSPs are new, there is little experience with implementation, but in principle, the issues involved should be no different to those that relate to any new policy or program.

Employer and union organizations can be involved at different levels in implementation, so will need to decide what level of involvement they want to have.

Examples of involvement in implementation include:

- In consultative forums on the implementation of policies and programs;
- As participants in trial processes (in which an idea is tested in a limited way, assessed and then considered for broader implementation);
- Suggesting programs under which they would receive funds;
- Putting forward priorities for implementation when funding is limited; and
- Implementing policies and programs in their own right.

A PRSP is a very complex and long document.

Sometimes a country's PRSP can be too ambitious. When this happens, there is often not enough funding, and decisions have to be made on what is to be implemented. If the social partners are involved in the implementation process, they can influence which priorities are selected for implementation. Also, the availability of external funding may determine what is implemented. The social partners may need to discuss this issue with international agencies, as well as the government.
The implementation phase should be designed to promote gender equality. Policies and programs should be designed to take into account the effects on men and women. This includes making sure budget allocations equally benefit both genders. Often, implementation will be phased in. For example, the government may decide to implement pilot initiatives in targeted districts or provinces.

Monitoring and evaluating a PRSP

Monitoring and evaluation are used to gauge whether the goals of the PRSP are being met. Again, because the PRSP process is new, monitoring and evaluation mechanisms will often not be well developed.

There are two parts to monitoring and evaluation of a PRSP. These are:

- A poverty monitoring system, to ascertain whether key indicators change over time as a result of the strategy; and
- Selective evaluation, to gauge the impact on poverty of policies and programs essential to the strategy.

Definitions from the PRSP Sourcebook

Goals are objectives that a country or society wants to achieve. They are often expressed in non-technical, qualitative terms, such as ‘eradicate hunger’ or ‘reduce poverty’.

Indicators are variables used to measure progress toward the goals. For example, progress toward eradicating hunger could be measured by looking at the number of families who say they are unable to have three meals a day for 12 months of the year.

Targets are quantified levels of the indicators that a country or society wants to achieve at a given point in time - for example, a target of all families being able to eat three meals a day for 12 months of the year by 2015.

Different people use different words when they talk about monitoring and evaluation. As a first step, it is important to be clear about what the words mean. The box above sets out the definitions that the World Bank uses in its PRSP Sourcebook.14

The United Nations Millennium Development Goals (MDG) is an example of a document with goals, indicators and targets. The MDGs are set out in appendix 1 and are linked to the PRSP process. The PRSP should map out how a country will work toward achieving the MDG goals.

A PRSP needs to have a strategy to monitor and evaluate progress. Because not every part of a strategy can be constantly monitored and evaluated, decisions need to be made on what are the most important. Monitoring and evaluation does matter. The information and lessons learned are used when discussing how a strategy might need to be changed. Chapter 3 of the World Bank Sourcebook has detailed information on monitoring and evaluation of a PRSP.

It is important that evaluation and monitoring processes include:

- Goals, targets and indicators for gender equality; AND
- A gender component for all other aspects of the country’s PRSP.

Civil organizations, including social partners, have an important role to play in monitoring and evaluation. This is recognized by the World Bank Sourcebook. The role is outlined in the checkbox below:

**Role of social partners in monitoring and evaluation**

- Build consensus on what to monitor and evaluate;
- Contribute knowledge and expertise;
- Carry out monitoring and evaluation activities directly (e.g. taking advantage of easy access to membership to monitor and evaluate views);
- Monitor and evaluate their own activities, to implement the PRSP as a contribution to the overall evaluation;
- Ensure that gender is taken into account;
- Use the results to keep governments honest;
- Participate in discussions on how to improve poverty reduction strategies.

Being engaged in monitoring and evaluation can be a good way to build support for your priorities. For example, you could monitor performance on priority issues and highlight any inadequacies. The results can be sent to other stakeholders and published. This is a way of building support for your issues and seeking changes in any revision of the PRSP to reflect your priorities.

The objective of being involved in a PRSP process is to make an impact. You want to get your priorities and ideas included in the content of the PRSP, how it is put into practice, and how it is monitored and evaluated. This is not always easy.

There are two main steps - having something to say, and influencing others. In other words, you need to develop a set of priorities you want to be a part of the PRSP, and you need to influence others so they consider your priorities important enough to be included.

You must take into account both steps if you want to have an impact in a PRSP process. There is no point demanding to be consulted if you have nothing to say.

Likewise, there is no point having the most complete and expertly produced documents if you cannot influence others to accept the ideas contained within. The documents will just sit on a shelf gathering dust.

The importance of priorities

Any PRSP is comprehensive and complete. The key to having something to say within this is focusing on your priorities. Within these priorities you can identify issues, propose solutions, be involved in implementation, and take part in monitoring and evaluation. The priorities become your agenda for engagement in the process.

Without a priority focus, your organization could easily be overwhelmed and give up on the process. In the rest of this section, the guidebook will...
focus on how to work out your priorities in a simple five-step process. The Decent Work Agenda is a good framework to begin identifying priorities, objectives and strategies. Employer and worker organizations do not have to limit themselves to the Decent Work Agenda, however. So when beginning to discuss the sort of input you might want to have into the PRSP, you could use headings from the Decent Work Agenda, plus other issues, as set out in the box alongside.

You can discuss issues informally, at a formal meeting, or better, during a workshop held for this purpose. Make sure the people involved in the discussion are from different backgrounds, include as many women as men, and have ideas to which they can contribute.

In the rest of this section, we suggest a step-by-step process you can work through to help develop your input into your country’s PRSP. You may find this useful, or you may prefer to use your own methods.

A five-step process for setting priorities

Step 1: Identify issues

Under the five suggested headings, ask why poverty exists in your country, and why it is difficult to do tackle. Write down the issues or problems as they are mentioned. If you are at a workshop, then you should write down the issues without comment on a flip chart or whiteboard as they are identified.

It is important to understand the point is to identify issues at this stage, not to discuss them, and not to propose solutions. If they are discussed at this stage, then fewer may be identified and some people may be discouraged from speaking openly.

After this brainstorming session you might have a list of issues or problems that is something like the example on the next page. (NB. Some of the examples may relate more strongly to workers’ and employers’ organizations than others. There is a mix of ideas from different perspectives).
### Example: Why poverty exists

| Principles and rights at work | Freedom of association does not exist in practice;  
|                             | Child labour is still a problem and many children do not go to school;  
|                             | Few women are employed in good jobs;  
|                             | No effective mechanism exists for resolving industrial disputes;  
|                             | Wildcat strikes.  
| Unemployment                | Any new jobs are low skill and low pay;  
|                             | Few big employers;  
|                             | Public sector is inefficient and overstaffed;  
|                             | Lack of skilled workers;  
|                             | Vocational training system is inadequate and poor quality;  
|                             | Labour code is too inflexible;  
|                             | Agricultural workers are exploited;  
|                             | The government does not give help to new businesses;  
|                             | Government does not support the self-employed;  
|                             | Hard for small businesses to obtain loans;  
|                             | Hard to find premises for small businesses.  
| Social protection           | Employers do not pay sickness benefits;  
|                             | No income available for those who cannot work;  
|                             | No social insurance for maternity protection, which pushes costs onto individual employers;  
|                             | The elderly must rely on their families;  
|                             | Hard to return to work after injury.  
| Social dialogue             | Employer and worker organizations are not fully independent of the government;  
|                             | No institutions to support tripartite decisions;  
|                             | Government sees social dialogue as low priority;  
|                             | Employer and worker organizations do not fully represent society;  
|                             | Employer and/or union organizations are fragmented, and there is not a sole national body.  
| General policy issues       | Worker productivity and wage levels are very low;  
|                             | Most workers have only primary education;  
|                             | Poor facilities to market products;  
|                             | Cumbersome regulatory framework for businesses (e.g. registration, customs, taxes, etc.);  
|                             | Poor health facilities;  
|                             | Corruption is widespread;  
|                             | Lack of transparency in government tendering processes;  
|                             | Many households do not have clean water, sanitation or electricity;  
|                             | Few Internet cafes.  

Step 2: Put in priority order

Now that you have your list of issues or problems that contribute to poverty, you need to consider which of these are priority issues - for your organization and for the country as a whole. Remember that a priority is something that is both urgent and important. Priorities should be determined not by your wishes, but by concrete needs. Also, you need to remember that you cannot address all priorities as you have limited resources. Therefore, at this stage, it is important to gauge the relative priority of one item against another.

At a workshop, you can do this by voting. This is how it works: Give each participant 10 points. They then allocate their points to the items they believe are highest priority in any way they wish. If a participant thinks that one of the issues is of extreme priority, then they will allocate all 10 of their points to that item. If someone thinks that three issues stand out, then they will allocate 4 points to one, and 3 points each to two others. If someone thinks that 10 issues stand out, then they might allocate one point to each of them. It doesn't matter how the 10 points are split, but each participant must use their total allocation.

Make sure you also allocate yourself 10 points. Then total the points for each issue and order them from highest to lowest. At the end of this stage, your list should look something like this:

<table>
<thead>
<tr>
<th>Priority Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority Points</td>
</tr>
<tr>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
</tr>
<tr>
<td>3.</td>
</tr>
<tr>
<td>4.</td>
</tr>
<tr>
<td>5.</td>
</tr>
<tr>
<td>6.</td>
</tr>
<tr>
<td>7.</td>
</tr>
<tr>
<td>8.</td>
</tr>
</tbody>
</table>

Making an impact
In this example, the top eight priorities should be concentrated upon, because of the difference in points between Priority 8 (39 points) and Priority 9 (23 points). Also, Priorities 3, 4 and 8 are different aspects of the same issue and could be grouped together. The list would then look like this:

### Priority Issues

<table>
<thead>
<tr>
<th>Priority Points</th>
<th>Issue</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Low skills and productivity levels (including child labour) leading to low wages; Many households do not have clean water, sanitation</td>
<td>143</td>
</tr>
<tr>
<td>2.</td>
<td>or electricity;</td>
<td>72</td>
</tr>
<tr>
<td>3.</td>
<td>Corruption is widespread;</td>
<td>61</td>
</tr>
<tr>
<td>4.</td>
<td>Cumbersome regulatory framework for businesses;</td>
<td>48</td>
</tr>
<tr>
<td>5.</td>
<td>Hard for small businesses to obtain loans;</td>
<td>43</td>
</tr>
<tr>
<td>6.</td>
<td>Few women are employed in good jobs;</td>
<td>40</td>
</tr>
<tr>
<td>7.</td>
<td>Employer and worker organizations are not fully</td>
<td>39</td>
</tr>
</tbody>
</table>

**Step 3: Change issues into objectives**

Identifying the key objectives for your organization in the PSRP then becomes clear. The objectives can be identified by inversion. Just re-state the issue as a positive objective. For example, Priority 3, *corruption is widespread*, as an objective would become *reduce corruption*, or *eliminate corruption*. Your objectives then become:

### Examples of objectives

<table>
<thead>
<tr>
<th>Priority</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Improve skill and productivity levels, and eliminate child labour;</td>
</tr>
<tr>
<td>2.</td>
<td>Provide clean water, sanitation and electricity to all households;</td>
</tr>
<tr>
<td>3.</td>
<td>Reduce corruption;</td>
</tr>
<tr>
<td>4.</td>
<td>Streamline and simplify regulatory frameworks;</td>
</tr>
<tr>
<td>5.</td>
<td>Improve access to loans for small businesses;</td>
</tr>
<tr>
<td>6.</td>
<td>Ensure more women are employed in good jobs;</td>
</tr>
<tr>
<td>7.</td>
<td>Make employer and worker organizations fully independent of the government</td>
</tr>
</tbody>
</table>
### Step 4: Develop strategies

When taking part in the PRSP process, it is desirable to have ideas on how to achieve the objectives. These are basic strategies. At a workshop, you can allocate different objectives to small groups and ask them for ideas on how to achieve each objective. At meetings and informal discussions, ideas always arise, but make sure this question is asked: *How can our country achieve each objective?* Ideas for strategies should be specific, practical and cost-effective. It is important to review the strategies selected to ensure men and women benefit equally. Ask yourself how each of the strategies could be adapted to promote gender equality and make changes, if necessary. Select the best ideas to include in your summary. Your list for input into the PRSP process would then look something like this:

#### Examples of objectives and strategies

<table>
<thead>
<tr>
<th>Priority</th>
<th>Strategies to achieve the objectives</th>
</tr>
</thead>
</table>
| 1.       | Improve skill and productivity levels, and eliminate child labour:  
  - Make primary education compulsory by law for boys and girls;  
  - Improve the quantity and quality of teacher training;  
  - Ban child labour under the ILO Convention;  
  - Increase teacher wages and status;  
  - Establish a program for promoting the education of girls at community level;  
  - Establish skill-training centers and a tri-partite advisory structure;  
  - Improve labour-force information systems to assist in planning vocational education and training. |
| 2.       | Provide clean water, sanitation and electricity to all households:  
  - Identify the most-affected regions;  
  - Allocate clear responsibility to the local government;  
  - Train more plumbers, drainers and electricians;  
  - Locate clean wells in consultation with local women who are the major users;  
  - Provide sewage treatment plants in all towns with over 50,000 people;  
  - Seek development funding from the World Bank. |
| 3.       | Reduce corruption:  
  - Set up a special anti-corruption commission;  
  - Raise public-sector wage levels so that bribery is unnecessary;  
  - Encourage the filing of reports on corruption to the commission;  
  - Announce a crackdown;  
  - Adopt transparency in accounting laws and tendering processes;  
  - (and so on)...

Making an impact
Step 5: Get your plan endorsed

At this point, you have a draft list of objectives and strategies that your organization would like to input into the PRSP process. Before you network and consult on the list, get it endorsed by your organization’s representative body. A trade union centre would put it before a meeting of delegates for endorsement. An employer organization would go to its board of directors. Modify the list according to any substantial changes the representative body wants made before it proceeds through the PRSP process, so it truly represents the views of your organization.

Using your priorities in the three phases of the PRSP process

The cycle for a PRSP has three phases, as discussed in section 3. These are set out in the diagram below.

Once you have set your priorities and have a plan, this becomes your guide for involvement in the PRSP. By focusing on your priorities, you can concentrate your involvement in the areas that are the most important to your organization and its members. On the next page, there are some ideas on how to use the priorities to guide your work in each stage of the process.
Phase | You can use your priorities:
--- | ---
**Formulation** |  
- As demands of what you want included in the PRSP;
- As your lobbying agenda with others;
- To consult with members.

**Implementation** |  
- To argue for priority if funding is limited;
- To identify gaps in the implementation of a PRSP;
- To propose how others should implement a particular objective that overlaps with your priorities;
- To identify which aspects of the PRSP implementation plan relate to your priorities, who is responsible for implementation, and the nature of the activities;
- To determine if you want to be involved with another organization, such as a ministry or donor, in implementation activities;
- To determine any activities you want to undertake as a contribution to implementation of your country’s PRSP.

**Monitoring and Evaluation** |  
- Identify aspects of the PRSP’s monitoring and evaluation in which you may want to be involved;
- Undertake your own monitoring of PRSP performance in your priority areas;
- To monitor any activities your organization has undertaken to implement the PRSP as a contribution to the overall evaluation.

A simple checklist based on your priorities and proposed strategies can be used to track what is happening. An example is provided on the next page. The checklist covers actions by other organizations (e.g. government, donors, NGOs) and your own, in each priority area.
Example of how the priorities can be used as a checklist in implementation, monitoring and evaluation

| Priority: Improve education and skill levels, and eliminate child labour |
|---|---|---|
| Strategies (objective?) | Implementation (action taking place) | Monitoring and Evaluation (is it achieving its) |
| | Others | Own Organisation | Others | Own Organisation |
| • Make primary education compulsory by law for boys and girls | | |
| • Improve the quantity and quality of teacher training | | |
| • Ban child labour under the ILO Convention | | |
| • Increase teacher wages and status | | |
| • Establish a program for promoting the education of girls at community level | | |
| • Establish skill-training centers | | |
Being able to influence others is a skill. How you go about it depends on the context in which you are working, and on conditions in your own country. Think about how you will get your message across and the best way to convince others. Below are some ideas to help you consider how you might best influence others.

**Find out what is going on**

Before you can influence any process, you will need to find out what progress has already been made.

Below are some questions you will need to answer:

- Has a PRSP been completed? Does it have a different name in your country?
- If a PRSP has not been completed, what stage is the process at? (e.g. first draft completed, commencement of community consultations, final draft submitted to the World Bank and the IMF)?
- Where can you obtain copies of documents?
- If the PRSP is completed, how is it being implemented?
- What are the structures and forums that guide the PRSP process?
- Is there a pre-existing poverty reduction strategy, and how does this relate to the PRSP?
- Who are the important others you want to influence, within and outside the government?
- Who is responsible for monitoring and evaluation, and how will it be carried out?
- Which ministry has responsibility for coordinating the PRSP?
- What are the mechanisms for community consultation?
- Is there a women’s network or structure to contribute toward gender equality?
- Can your organization be included on the mailing list and invited to meetings?

**Sources of information about the PRSP in your country**

- Websites - start with your government and World Bank websites;
- Talk with other civil organizations, like NGOs or religious groups, and academics;
- Contact UN agencies, like the ILO or UNDP;
- Contact bi-lateral government aid agencies;
- Contact the ministries responsible for finance and planning.

There are lots of sources of information. See the box above for some ideas. Section 5 has a detailed list of resources.
You may want to check websites first as this will give you some basic information. Then, talk with any organizations or groups with which you already have relationships. They may be able to fill you in on the background. Bi-lateral aid agencies are often another source of information. These are aid agencies from other countries that give development assistance to your country (e.g. the Department for International Development in the United Kingdom).

Once you have enough background information, you should seek formal meetings with the official organizations, like the government, ministries and international financial institutions, on how to get involved in the process.

When you are clear on what is happening, you can think about how to influence the process. For example, if the PRSP has just been completed and the focus is on implementation, there is no point in producing proposals to amend the PRSP. However, if a review is about to take place, this may be appropriate. You will need to think about how your priority issues fit into the relevant stage of the PRSP process.

Publicize your views

Publicizing your views is an important part of influencing the process. There are many ways this can be done. For example, you can produce leaflets and media releases, address meetings, or give interviews on community radio. Producing a simple brochure or poster can be very effective.

**Tips on publicity material**

- Keep the message short, clear and simple;
- Use plain language;
- Focus on the priorities;
- Clearly state your desired outcome (e.g. explain any amendments you want included at meetings);
- Think about who you are trying to influence and which arguments will be most effective for them;
- Use publicity materials in different ways (e.g. to lobby, distribute at meetings and as a basis for talks);
- Make sure your publicity material is inclusive (e.g. of women and ethnic groups);
- Make sure any facts quoted are correct;
- Include your organization’s contact details.
In some countries, employers and workers organizations prepared their 'position papers', and discussed their issues and concerns through tripartite dialogue. For example, in Indonesia, the workers organization prepared its position papers according to the four pillars of the PRSP identified by the Government. The table below summarizes the key decent work-related issues that were raised by employers and workers organizations in Pakistan.

<table>
<thead>
<tr>
<th>Key issues for the workers</th>
<th>Key issues for the employers</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Poverty Reduction, Labour and Employment&quot; by All Pakistan Federation of Labour (APFOL)</td>
<td>&quot;Connecting to Growth: Pakistan's Poverty Reduction Strategy&quot; by the Employers Federation of Pakistan (EFP)</td>
</tr>
<tr>
<td>• Improvement of social services, extending micro credit programmes for disadvantaged groups</td>
<td>• Deterioration in the employment and labour market.</td>
</tr>
<tr>
<td>• Concern over unemployment and violations of human and labour rights</td>
<td>• Economic growth and creation of new job opportunities, especially for the youth</td>
</tr>
<tr>
<td>• Redistribution of national income</td>
<td>• Private sector’s role in economic growth and poverty reduction</td>
</tr>
<tr>
<td>• Tax system</td>
<td>• Privatization and impact on employment</td>
</tr>
<tr>
<td>• Concern over real wages</td>
<td>• Participatory PRSP process monitoring</td>
</tr>
<tr>
<td>• Structural reform and adverse effect on workers</td>
<td>• Role of ‘decent’ work in sustainable job creation</td>
</tr>
<tr>
<td>• Privatisation, and impact on quality and quantity of jobs</td>
<td>• Support for the UN Global Compact</td>
</tr>
<tr>
<td>• Investment</td>
<td>• Flexibility in the labour market and its balance with workers’ rights, including FOA</td>
</tr>
<tr>
<td>• Resolution of labour issues through social dialogue</td>
<td>• Request for the PRSP to consider EFP or labour law amendments</td>
</tr>
<tr>
<td>• Unemployment</td>
<td>• Investment climate</td>
</tr>
<tr>
<td>• Working condition issues (wage, OSH, social protection, FOA) and their link to productivity</td>
<td>• Lack of proper infrastructure</td>
</tr>
<tr>
<td>• Child labour</td>
<td>• Competitiveness of the garment sector and its social responsibility</td>
</tr>
<tr>
<td>• Bonded labour</td>
<td>• Growing informal economy</td>
</tr>
<tr>
<td></td>
<td>• Applicability of labour laws to sub-contractors</td>
</tr>
<tr>
<td></td>
<td>• EFP’s willingness to support youth in starting businesses</td>
</tr>
<tr>
<td></td>
<td>• Development of tourism sector for employment generation and poverty reduction.</td>
</tr>
</tbody>
</table>

Meet with key players

Make sure those who have the most influence understand your point of view. Often, this can be more effectively achieved in a face-to-face meeting. In a big seminar or workshop, you will be competing with others for attention. So make an appointment to meet some of the key players to discuss your concerns.

In addition to ‘networking’ with other key players, representatives of social partners in some countries, including Indonesia, participated in the PRSP formulation process by becoming members of Task Forces that were set up by the relevant authorities. Obtaining seats as Task Force members ensured constant involvement in PRSP discussions and provided opportunities for their views to be heard.

Tips for getting the most out of meetings

- Identify which organizations and individuals are important in influencing the PRSP agenda;
- Think about the best timing of a meeting (such as before a major consultative forum);
- Make an appointment;
- Take with you anyone from your organization who already has an established relationship with the relevant organization or individual;
- Have equal numbers of men and women in your delegation;
- Write an agenda for the meeting and focus on priorities;
- For each agenda item, agree on any action, who is responsible and a timeframe, as appropriate;
- After the meeting, send a letter that confirms the outcomes;
- Do what you have pledged to do;
- Keep in regular contact (through meetings, passing on new material, or phone calls).
Attend workshops and seminars

Normally the PRSP consultative process will include a number of seminars and workshops. It is important to attend these whenever you can.

Tips for getting the most out of workshops and seminars

- Prepare - read the documents beforehand;
- Think about the priority issues you want to raise - you will only get limited speaking time;
- Give equal speaking time to issues affecting women;
- Decide as a group who will speak, and make sure as many women as men speak on behalf of your group;
- If you speak, make the action you want taken very clear (such as an amendment, or when a follow-up meeting should be held);
- Take your publicity material and distribute it;
- Listen to others. Identify those who share similar views and introduce yourself during breaks. There might be ways you can work together;
- Follow up any commitments that were made by others to you, or vice-versa.

Make it easy for those you want to influence

Often, the people you are trying to influence may support your position. But all too often this does not translate into the action that you want. Maybe this is because they are very busy and stressed, so make it easy for them to build in your ideas.

Tips to make it easy for those you want to influence

- Be very clear about the outcome you want;
- If you want changes to a document, draft them as amendments so it is easy to see how they fit in;
- Offer to help if your proposals result in additional work;
- Think about your proposals clearly. Identify possible opposition and support. If you take this into account in your proposals, you may be able to get more support and less opposition. This helps those who are trying to co-ordinate and reach a consensus;
- Be calm, professional and reasonable.
Working with others

You are more likely to get what you want if you have others supporting you. This is a two-way process, as others may also want your support. It is often not easy working with other organizations that have different ways of working and different priorities, but it is worth the effort. You may be able to build alliances within the PRSP process and also on other important issues.

Tips for working with other organizations

- Listen and treat others with respect;
- Be flexible;
- Focus on areas of agreement, and if necessary agree to disagree on other areas;
- Start small and get used to working together before launching big joint projects;
- Attend caucus meetings (e.g. NGO caucus meetings) and try to get your priorities into any joint documents;
- Be prepared to support others.
The reasons why social partners should get involved in the PRSP process were discussed in section 1.4. This box recaps why it is a good idea to participate from a union perspective.

**Why get involved in a PRSP?**

- The PRSP will directly affect unions and their members;
- Unions can help reduce poverty through contributing their ideas, experience and support;
- The PRSP process offers the opportunity to work with other organizations and to form alliances;
- A PRSP gives unions an opportunity to have a say about the government’s approach to development;
- It helps organizational planning and development by providing a better idea of government policies, programs and plans;
- Involvement in a PRSP helps unions learn new skills.

There are challenges, as well as advantages, when involved in the PRSP process. Unions need to be aware of these so they can take them into account when deciding what to do within the PRSP, and how to go about it. Some of the challenges are set out below and on the following pages:

**Meeting the challenges for unions**

### Sufficient resources

Being involved in a PRSP process takes resources. A resource is not just money. It includes people’s time, funds for things like publications, skills, and the support and understanding of members. If your union makes a decision to be involved in the PRSP process, then those resources will not be available for other union work. Unions often already struggle with their day-to-day union work. The PRSP may not seem a priority.
Ideas to meet the resource challenge

- Start small to get experience so you can make informed decisions about what is needed;
- Be realistic about how many resources you can put into the PRSP process;
- Focus on a limited number of priorities;
- Seek help from organizations such as the ILO, other UN agencies, ministries and NGOs;
- Share resources by working with other like-minded individuals or organizations (e.g. academics, NGOs or religious organizations);
- Share the workload within the union (e.g. perhaps there is someone on the executive board who does not have other heavy responsibilities to coordinate).

There are low rates of union membership in many developing countries. This is partly because few people work in formal jobs that are unionized. Often, others see anyone with a formal paid job as being free of poverty. This means unions may be seen as representatives of an elite, and not the truly poor. This view is strongest where unions are not involved with pro-poor groups, like NGOs and religious organizations.

Ideas to meet the credibility challenge

- Explain the link between decent work and poverty reduction;
- Produce short case studies of the problems facing workers and their families, such as short accounts of real life experiences;
- Don’t be defensive when others have misperceptions and criticisms;
- Work in alliances with others and support common concerns;
- Think about all workers (unionized and non-unionized, formal and informal) when working on issues such as social security, minimum wages, access to health and education;
- If you represent a public sector union, explain the link between quality public services and a quality workforce (low wages can lead to corruption).
There are many issues in a PRSP that can affect union interests. There are both issues to which you may wish to respond, or to add. In the boxes on the next page, there are some examples of issues in which unions may have an interest. They have been taken from the Cambodian PRSP documents. These are in the policy matrix, but are just a few examples from a complex document. Implementation and budget allocations are the real test of any PRSP.

### Membership support

Members may not agree their union should be spending time on the PRSP, as it may seem removed from their day-to-day problems. They may prefer their union to work on solving problems in the workplace.

**Ideas to meet the challenge of membership support**
- Choose priorities for the PRSP you are likely to be able to influence that reflect membership concerns;
- Explain the importance of being involved in the PRSP to members (e.g. executive meetings, training, workplace activities);
- If you produce materials, make sure members also get copies;
- Regularly report back on the process and any ‘wins’;
- Involve members in the process (e.g. take a membership delegation to a workshop and organize a special PRSP consultative process).

### Complexity

The complexity of a PRSP is a challenge for any organization. Governments and IFIs have teams of trained professionals working full-time on the PRSP. No union or community organization could ever match this.

**Ideas to meet complexity challenge**
- Stay focused on your priorities;
- Don’t try to cover everything;
- Insist that documents are written and meetings run in local languages;
- Insist that documents are produced with enough time for civil organizations to read and discuss;
- Co-ordinate with others and specialize in your own areas of interest;
- Request training and skills seminars from the coordinators of the PRSP process; Request funding to help with specialist skills and advice.

### Having something to say - possible union issues

There are many issues in a PRSP that can affect union interests. There are both issues to which you may wish to respond, or to add. In the boxes on the next page, there are some examples of issues in which unions may have an interest. They have been taken from the Cambodian PRSP documents. These are in the policy matrix, but are just a few examples from a complex document. Implementation and budget allocations are the real test of any PRSP.
Examples of how a PRSP could affect union interests
(Cambodian National Poverty Reduction Strategy)

- Stabilize prices of goods and food items;
- Reduce budget deficit;
- Use employment-generation programs for road building;
- Implement tariff reduction program;
- Support employees most impacted by trade reform to facilitate adjustment;
- Provide incentives for teachers to work in low-income communities and ensure adequate government financing to achieve goals;
- Consult with employer and union organizations to improve governance;
- Scale up official user fee schemes with strong regulatory mechanisms for staff performance, and exemption for the poor;
- Ensure payment in full and on time in the civil service;
- Define a remuneration policy and program in the civil service;
- Implement anti-corruption programs;
- Disseminate labour law to both employers and employees, and enforce;
- Review and pilot employment-guarantee scheme, paying a minimum wage as a basic safety net;
- Monitor working conditions in private enterprises in co-operation with the ILO;
- Promote tri-partite dialogue;
- Develop ways to ensure that all children enter and stay at school.

Cambodian unions and the PRSP - a case study on the minimum wage

An early draft of the Cambodian PRSP included a proposal to reduce the minimum wage in the Cambodian textile and garment industry, to improve international competitiveness. The minimum wage is set at US$45 per month. In Cambodia, the poverty rate is $16.20 per month, or $0.54 per day per person.

The Cambodian textile worker unions were unaware of the draft proposal until another NGO told them about it. The unions went to the next community consultative workshop, which discussed the draft. They strongly opposed the proposal with support from some NGOs and community organizations. The proposal was removed from the final PRSP, although some contentious wording still remains. The unions felt strongly that it was only the presence of other civil organizations and their support that forced the government to remove the proposal.

The unions are now working with academics on a study of the minimum wage. Their research has shown that on average, one worker’s wage supports three family members. This means that family members surviving on the worker’s wage are, in fact, below the poverty line (i.e. all three members of the family have a daily income of only $0.50 per day). The unions now intend to pursue lifting the minimum wage for workers within the context of the PRSP.
The reasons why social partners should get involved in the PRSP process were discussed in section 1.4. This box recaps why it is a good idea to participate from an employer perspective.

**Why get involved in a PRSP?**

- The PRSP will directly affect employers and their businesses;
- Employers can help reduce poverty through contributing their ideas, experience and support;
- The PRSP process offers the opportunity to work with other like-minded organizations and to form alliances;
- A PRSP gives employers an opportunity to have a say about the government’s approach to development;
- It helps business planning by providing a better idea of government policies, programs and plans;
- Involvement in a PRSP helps employer organizations to gain new skills.

For employer organizations, poverty reduction has important economic benefits. Eradicating poverty means creating employment and generating income. This will translate into demand for goods and services, and will directly benefit local enterprises. Also, there is a growing emphasis on corporate social responsibility. Through active involvement in a country’s PRSP process, employer organizations are showing their commitment to the communities in which they operate. This reflects well on an employer’s reputation. In a PRSP process, there are opportunities for individual employers to directly engage and demonstrate this commitment.

**Meeting the challenges for employers**

There are challenges, as well as advantages, in being involved. Employers need to be aware of these so they can take them into account when deciding what to do within the PRSP, and how to go about it. Some of the challenges are set out on the following pages:
Involvement in a PRSP process takes resources. A resource is not just money. It includes people’s time, funds for things like publications, skills, and the support and understanding of business members. If your organization makes a decision to be involved in the PRSP, then those resources will not be available for other work.

### Ideas to meet the resource challenge

- Start small to get experience so you can make informed decisions about what is needed;
- Be realistic about how many resources you can put into the PRSP process;
- Focus on a small number of priorities;
- Approach organizations (such as the ILO, other UN agencies, ministries, and business or professional organizations) for help;
- Share resources by working with other like-minded individuals or organizations, such as academics and business or professional organizations;
- Share the workload within the employer organization. Perhaps there is someone on the executive board who does not have other heavy responsibilities to coordinate.

In most countries, there is little relationship between business organizations and support groups for the poor, such as NGOs and religious organizations. Often, others see business organizations as focused on their own interests and not particularly concerned with poverty. In some cases, they may even be hostile. However, this may be balanced with a more supportive attitude from government and ministries.

### Ideas to meet the credibility challenge

- Explain the link between business success, decent work and poverty reduction;
- Produce research on employment rates and the affect on poverty;
- Don’t be defensive when others have misperceptions and criticisms;
- Work in alliances with others and support common concerns;
- Focus on the employment-creation and skill-enhancement role of business.
Employer members may not think their organizations should be spending time on the PRSP, as it may seem far removed from their day-to-day problems. They may prefer their employer organization to work on solving practical problems.

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**Ideas on meeting the challenge of membership support**

- Choose priorities for the PRSP you are likely to be able to influence that reflect membership concerns;
- Explain the importance of being involved in the PRSP to members at executive meetings, training courses, and in publications;
- If you produce materials, make sure members also get copies;
- Regularly report back on the process and any ‘wins’;
- Involve members in the process (for example, take a delegation to a work shop, or organize a PRSP consultative process with members).

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**Complexity**

The complexity of a PRSP is a challenge for any organization. Governments and IFIs have teams of trained professionals working full-time on the PRSP. No employer organization could ever match this.

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**Ideas on meeting the complexity challenge**

- Stay focused on your priorities;
- Don’t try to cover everything;
- Insist that documents are written and meetings run in local languages;
- Insist that documents are produced with enough time for civil organizations to read and discuss;
- Co-ordinate with others and specialize in your own areas of interest;
- Request training and skill seminars from the co-ordinators of the PRSP process;
- Request funding to help with specialist skills and advice.
There are many issues in a PRSP that can affect employer interests. There are issues to which you may wish to respond, or to add. In the box below, there are some examples of issues in which employers may have an interest, taken from the Viet Nam PRSP documents. These are taken from the policy matrix, but are only a few examples from a complex document. Implementation and budget allocations are the real test of any PRSP.

**Examples of how a PRSP could affect employer interests**  
(Vietnamese Comprehensive Poverty Reduction and Growth Strategy)

- Remove barriers for registration and start-up of businesses;
- Create a level playing field for different forms of enterprises;
- Revise and amend some articles of the Labour Law (2002);
- Complete the equitization, transfer to employees, sale, contracting out, leases, mergers, divestiture and liquidation of around 2,800 state-owned enterprises;
- Strengthen the tax system and increase the tax base;
- Restructure state-owned commercial banks;
- Carry out a bi-lateral trade agreement with the United States, paving the way for accession to the World Trade Organization;
- Increase activities to organize quota auctions for garment exports;
- Encourage the development of small and medium enterprises, in traditional sectors and professions, with modern technology;
- Develop a legal framework for establishing business associations;
- Promote use of local labour for implementing infrastructure projects;
- Increase net enrolment rate in lower secondary education with the aim to achieve universal schooling at this level by 2010;
- Ensure job security, extend unemployment insurances, provide training for the redundant workforce and improve working conditions;
- Provide guidance and implement regulations to encourage industries to relocate to rural areas;
- Simplify and rationalize customs procedures.
The social partners can make a huge contribution to gender equality. One of the main things they can do is ensure that women are well represented in their own structures. This will make social dialogue more relevant. The participation of women at all levels of union and employer organizations makes it much more likely the interests of women workers and employers will be heard.

Some ideas for employer and union organizations on how to promote gender equality in their organizations can be found in the box below.

Some ideas for employer and union organizations on how to increase the participation of women

- Increase the number of women members through targeted recruitment;
- Create internal structures, such as women’s committees or focal points;
- Ensure women are represented at all levels of the organization’s structure, including executive (e.g. create special positions for women);
- Educate all members on the importance of gender equality;
- Run skills training for women;
- Set up special consultative processes for women members to identify priorities for policies, programs and collective bargaining;
- Include gender equality issues in collective bargaining;
- Ensure women are represented on all delegations;
- Check that your organization’s policies, programs and budgets equally benefit women and men;
- Make sure all publicity material is inclusive of women and men.
Using a web-based search engine is a good way to find information. Most websites also have links to other sites on a similar issue. Some good websites to start with are listed below.

www.ilo.org | International Labour Organization
www.worldbank.org | World Bank
www.imf.org | International Monetary Fund
www.undp.org | United Nations Development Programme
www.developmentgoals.org | Millennium Development Goals
www.unifem.org | United Nations Development Fund for Women
www.icftu.org | International Confederation of Free Trade Unions
www.ioe-emp.org | International Organization of Employers
www.dfid.gov.uk | Department for International Development (UK Government)

Useful resources

World Bank, *World Bank PRSP Sourcebook*,


At the Millennium Summit in September 2000 the states of the United Nations reaffirmed their commitment to working toward a world in which sustaining development and eliminating poverty would have the highest priority. The Millennium Development Goals grew out of the agreements and resolutions of world conferences organized by the United Nations over the previous decade. The goals have been commonly accepted as a framework for measuring development progress.\(^{16}\)

### Millennium Development Goals

<table>
<thead>
<tr>
<th>GOALS AND TARGETS</th>
<th>INDICATORS</th>
</tr>
</thead>
</table>
| **Goal 1** Eradicate extreme poverty and hunger | • Proportion of population below $1 a day  
• Poverty gap ratio (incidence x depth of poverty)  
• Share of poorest quintile in national consumption |
| **Target 1** Between 1990 and 2015, halve the proportion of people whose income is less than $1 a day | |
| **Target 2** Between 1990 and 2015, halve the proportion of people who suffer from hunger | • Prevalence of underweight children (under five years of age)  
• Proportion of population below minimum level of dietary energy consumption |
| **Goal 2** Achieve universal primary education | |
| **Target 3** By 2015, ensure that children everywhere, boys and girls alike, will be able to complete a full course of primary schooling | • Net enrolment ratio in primary education  
• Proportion of pupils starting grade 1 who reach grade 5  
• Literacy rate of 15 to 24-year-olds |

\(^{16}\) [http://www.developmentgoals.org/About_the_goals.htm](http://www.developmentgoals.org/About_the_goals.htm)
<table>
<thead>
<tr>
<th>Goal 3</th>
<th>Promote gender equality and empower women</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target 4</strong></td>
<td>Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015</td>
</tr>
<tr>
<td></td>
<td>• Ratio of girls to boys in primary, secondary, and tertiary education</td>
</tr>
<tr>
<td></td>
<td>• Ratio of literate females to males among 15 to 24-year-olds</td>
</tr>
<tr>
<td></td>
<td>• Share of women in waged employment in the non-agricultural sector</td>
</tr>
<tr>
<td></td>
<td>• Proportion of seats held by women in national parliament</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Goal 4</th>
<th>Reduce child mortality</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target 5</strong></td>
<td>Between 1990 and 2015, reduce by two-thirds the mortality rate for under-fives</td>
</tr>
<tr>
<td></td>
<td>• Under-five mortality rate</td>
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<tr>
<td></td>
<td>• Infant mortality rate</td>
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<td></td>
<td>• Proportion of one-year-old children immunized against measles</td>
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<tr>
<th>Goal 5</th>
<th>Improve maternal health</th>
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<tbody>
<tr>
<td><strong>Target 6</strong></td>
<td>Between 1990 and 2015, reduce by three-quarters the maternal mortality ratio</td>
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<tr>
<td></td>
<td>• Maternal mortality ratio</td>
</tr>
<tr>
<td></td>
<td>• Proportion of births attended by skilled health personnel</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Goal 6</th>
<th>Combat HIV/AIDS, malaria and other diseases</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target 7</strong></td>
<td>To have halted and begun to reverse the spread of HIV/AIDS by 2015</td>
</tr>
<tr>
<td></td>
<td>• HIV prevalence among 15 to 24-year-old pregnant women</td>
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<tr>
<td></td>
<td>• Contraceptive prevalence rate</td>
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<tr>
<td></td>
<td>• Number of children orphaned by HIV/AIDS</td>
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</tbody>
</table>
### Goal 7  Ensure environmental sustainability

<table>
<thead>
<tr>
<th>Target 8</th>
<th>To have halted and begun to reverse the incidence of malaria and other major diseases by 2015</th>
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<tbody>
<tr>
<td></td>
<td>Prevalence and death rates associated with malaria</td>
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<tr>
<td></td>
<td>Proportion of population in malaria-risk areas using effective prevention and treatment measures</td>
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<tr>
<td></td>
<td>Number of children orphaned by HIV/AIDS</td>
</tr>
<tr>
<td></td>
<td>Prevalence and death rates associated with tuberculosis</td>
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<td></td>
<td>Proportion of TB cases detected and cured under DOTS</td>
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</tbody>
</table>

### Target 9  Integrate the principles of sustainable development into national policies and programs, and reverse the loss of environmental resources

|          | Change in land area covered by forest |
|          | Land area protected to maintain biological diversity |
|          | GDP per unit of energy use |
|          | Carbon dioxide emissions (per capita) |

### Target 10  By 2015, halve the proportion of people without sustainable access to safe drinking water

|          | Proportion of population with sustainable access to an improved water source |

### Target 11  Achieve a significant improvement in the lives of at least 100 million slum dwellers by 2020

|          | Proportion of population with access to improved sanitation |
|          | Proportion of population with access to secure tenure [urban/rural disaggregation of several of the above indicators may be relevant for monitoring improvement in the lives of slum dwellers] |
### Goal 8: Develop a global partnership for development

#### Target 12

Develop further an open, rule-based, predictable, non-discriminatory trading and financial system (includes a commitment to good governance, development, and poverty reduction - both nationally and internationally).

Some indicators below will be monitored separately for the least-developed countries, Africa, land-locked countries and small island developing states.

<table>
<thead>
<tr>
<th>Official development assistance: Address the special needs of the least-developed countries (includes tariff- and quota-free access for exports-enhanced program of debt relief for HIPC and cancellation of official bilateral debt, and more generous ODA for countries committed to poverty reduction)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Net ODA as a percentage of DAC donors' gross national income</td>
</tr>
<tr>
<td>• Proportion of ODA to basic social services (basic education, primary health care, nutrition, safe water, and sanitation)</td>
</tr>
<tr>
<td>• Proportion of ODA that is untied</td>
</tr>
<tr>
<td>• Proportion of ODA for environment in small island developing states</td>
</tr>
<tr>
<td>• Proportion of ODA for the transport sector in land-locked countries</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market access: Address the special needs of land-locked countries and small island developing states (through the Barbados Programme and 22nd General Assembly provisions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Proportion of exports (by value, excluding arms) admitted free of duties and quotas</td>
</tr>
<tr>
<td>• Average tariffs and quotas on agricultural products, and textiles and clothing</td>
</tr>
<tr>
<td>• Domestic and export agricultural subsidies in OECD countries</td>
</tr>
<tr>
<td>• Proportion of ODA provided to help build trade capacity</td>
</tr>
</tbody>
</table>
Debt sustainability:
Deal comprehensively with the debt problems of developing countries through national and international measures, to make debt sustainable in the long term
- Proportion of official bilateral HIPC debt cancelled
- Debt service as a percentage of exports of goods and services
- Proportion of ODA provided as debt relief
- Number of countries reaching HIPC decision and completion points

Other:
In co-operation with developing countries, develop and implement strategies for decent and productive work for youth
In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries
In co-operation with the private sector, make available the benefits of new technologies, especially information and communications
- Unemployment rate of 15 to 24-year-olds
- Proportion of population with access to affordable, essential drugs on a sustainable basis
- Telephone lines per 1,000 people
- Personal computers per 1,000 people
Executive Summary

The Royal Government of Cambodia (RGC) is committed to reducing poverty and inequality, and improving the quality of life of the vast majority of Cambodia’s rapidly growing population, so that all Cambodians can enjoy the benefits of economic growth and participate in the development.

The RGC’s Vision for Poverty Reduction

The Triangle Strategy for the sustainable development of Cambodia launched by Prime Minister Hun Sen following the 1998 elections is:

- The building of peace, stability and security;
- Cambodia’s full integration into regional and international relations; and
- The promotion of economic and social development through the implementation of various reform programmes within the environment created by these policies.

The rapid reduction of poverty is perceived by the RGC as an integral part of this strategy. The RGC’s vision of Cambodia is a socially cohesive, educated and culturally vibrant nation without poverty, hunger, illiteracy, and ill health. To achieve this vision, the RGC will implement the SEDPII and NPRS with the full support by all stakeholders.

This NPRS is the result of a truly national effort, reflecting the state of knowledge and capacity of the RGC. Further interactions will incrementally improve the quality of the NPRS. The next Socio-Economic Development Plan covering the period 2005 onwards will enfold the NPRS, building on the successes and lessons learned from current efforts to reduce poverty.

The Participatory Process of NPRS Formulation

The development of the Poverty Reduction Strategy started in early May 2000, parallel to work on the Second Socio-Economic Development Plan (SEDPII). The Interim-Poverty Reduction Strategy Paper was coordinated by the Ministry of Economy and Finance, while the SEDPII was prepared under the supervision of the Ministry of Planning. The SEDPII was approved by the Council of Ministers in December 2001 and by the National Assembly in June 2002.

Responsibility for the full PRSP was transferred to the Council for Social
Development (CSD), an inter-ministerial body chaired by the Minister of Planning. The CSD is assisted by a General Secretariat (GSCSD), established in August 2001, which is chaired by an Under Secretary of State of the Ministry of Planning (MoP). A series of consultation and participation activities were developed and implemented by the GSCSD:

- In April 2002, the first PRSP National Workshop discussed the process of consultation, with strong and lively NGO participation.
- The second National Workshop of 28-29 May 2002 saw most of the line ministries present their draft PRSP matrices.
- The Poverty Monitoring and Analysis Technical Unit of the Ministry of Planning held a National Poverty Forum in early July to discuss plans for monitoring and analysis.
- The first draft of the NPRS was released at the third National Workshop of 26-27 August 2002 attended by over 200 people.
- The NGO Forum of Cambodia organized dialogues on development issues, culminating in a National NGO Workshop held on 24-25 October 2000 and attended by 85 NGO representatives, mostly Cambodian.
- The second draft of the NPRS was presented at a fourth and final National Workshop of 12 November 2002 to provide any additional inputs and comments prior to the finalisation of the NPRS, and to collectively discuss next steps in implementing the NPRS.

The Multiple Dimensions of Poverty in Cambodia

In 1990, the first year of the Human Development Report, Cambodia’s Human Development Index (HDI) was calculated at only 0.501, placing the country at the "low human development" status. Today in 2002, Cambodia’s HDI is 0.543, having moved up to the "medium human development" category, placing Cambodia at 130th among a total of 173 nations. Poverty in Cambodia, however, remains widespread.

- 36 percent of the Cambodian population lives below the poverty line of US$0.46-0.63 at the current exchange rate.
- Poverty in Cambodia has largely resulted from high population growth, inadequate opportunities, low capabilities, insecurity, exclusion, and vulnerability.
- Although more than 70 percent of Cambodia’s population are employed in agricultural production, between 12 and 15 percent of them have no agricultural land.
- The access of the poor to other natural resources such as forest- and fishery-related resources is constrained.
- The majority of the poor (79%) are those with household heads employed in...
In the period between 1998 and 2000 the average growth rate of agricultural employment only 1.6%. Employment opportunities in secondary and tertiary sectors are still limited (only 8% and 18%, respectively). Average employment growth for the service sector was only 1.08%, while that in the industry sector was a substantial 43.29% during 1998-2000. In spite of such industrial growth, only 8.4% of the population has benefited.

Poor health is the major cause of impoverishment and other forms of social deprivation (e.g. loss of educational and employment opportunities). The cycle of poverty, ill health, and high health care expenditure by households economically cripples poor Cambodian families.

Poverty rates are higher for households in which the head of the household has had either no formal education or only some primary schooling. The share of education in household consumption expenditure of the poor is less than 1.1 per cent.

The poor have little access to basic social services and facilities. Approximately 21 percent of people in the poorest quintile have to travel more than 5 kilometres to reach a health clinic. About 6 percent of the poorest two quintiles live more than 5 kilometres from the nearest road.

Illiteracy is a barrier for the poor to improve their lives for they are excluded from the development process.

Women in Cambodia do not enjoy equal access to education, paid employment, land ownership and other property rights. Women also suffer from poor to non-existent reproductive health services. They are generally in a disadvantaged position in both family and society.

Ethnic minorities are disadvantaged due to lack of representation at the management and legislative levels, and because of language barriers.

Lack of access to government information and decision-making has prevented the poor from participating in community activities, contributing to gaps between government policies and their implementation.

Lack of access to law and rights is a serious issue, since the poor are not able to understand the law, unaware of their rights and vulnerable to exploitation.

Priority Poverty Reduction Actions

The priority poverty reduction actions are:

- Maintaining macroeconomic stability;
- Improving rural livelihoods;
- Expanding job opportunities;
- Improving capabilities;
Strengthening institutions and improving governance;
Reducing vulnerability and strengthening social inclusion;
Promoting gender equity; and
Priority focus on population.

Maintaining Macroeconomic Stability

The central objective of the Royal Government’s policy is to promote broad-based sustainable economic growth with equity, with the private sector playing the leading role. Economic growth is central to the promotion of income opportunities for the poor. As set out in the SEDPII, the RGC aims to achieve a sustainable real rate of inclusive broad-based economic growth of 6 to 7 percent per year. Such an achievement translates into income per head (in 2000 prices) of approximately US$320 at the end of 2005. This represents an annual growth rate in real income per head of 3.5 percent.

Achieving macroeconomic stability with high economic growth of 6-7 percent would require serious actions in implementing the reform programs and supporting policies. This includes:

- No monetisation of fiscal deficit;
- Sound financial system oversight;
- Deepening banking reform;
- Improvements in revenue;
- Spending increase for social and economic sector, sound budget and treasury management;
- Improving the investment climate;
- Civil service reform; and
- Legal and judicial reforms.

Improving Rural Livelihoods

A stable macroeconomic environment and sound financial sector policies are important, but these will not guarantee improvements in livelihoods in the countryside, where the vast majority of Cambodia’s poor live. The NPRS sets out the existing constraints and policy agenda in a series of key areas, with the overall objective of increasing incomes of Cambodians living in rural areas: land, water, agriculture, forestry and fisheries and transport. Improvements in these areas will contribute to improvements in other aspects of poverty, through better access to basic services, for example. There are also important links between actions in other areas, including decentralisation and rural livelihoods.

Improved rural livelihoods depend also on reduced poverty in other dimensions. Poor health, poor education, lack of agriculture infrastructure, and low productivity...
lead rural people to poverty.

Expanding Job Opportunities

The poor work long hours for low returns; productivity is low and there is limited security. The generation of jobs and improved conditions of work are key to reducing poverty. The Royal Government’s policies are intended to improve work opportunities specifically through:

- Facilitating private sector development;
- Expanding exports; and
- Expanding tourism.

The extent to which these policies will be effective is closely related to success in improving the capabilities (education, skills and health) of the Cambodian people, as well as efforts to improve governance and transparency.

Improving Capabilities

The NPRS highlights the priorities that will particularly affect poor Cambodians in education, health and nutrition.

- To achieve Education for All (EFA), that is completion of nine-year basic education for all, the education sector will address simultaneously supply, demand and quality, and efficiency constraints, focussing especially on the poorest and the groups at risk. Education policy will facilitate economic growth through increasing equitable access to quality and relevant post-basic education, and will sustain institutional development towards pro-poor sector planning and management.
- The Health Policy Statement 2003-2007 seeks to provide high quality, evidence-based health services, with equity, and no discrimination by gender, age, place of residence, or ability to pay, that are pro-poor, and are based on trust between providers and users.
- To address the specific causes of malnutrition, the focus will be on prevention of malnutrition during the early years of life, with interventions starting before birth and focussing on the first two years of life. It is also necessary to improve the nutritional status of women of childbearing age and pregnant women with a view to the prevention of intra-uterine growth retardation.
Strengthening Institutions and Improving Governance

The RGC is committed to the implementation of the Governance Action Plan (GAP), a rolling strategic framework that provides a consistent and transparent approach to coordinate efforts in eight priority areas:

- Legal and judicial reform;
- Administrative reform;
- Decentralization and local governance;
- Public finance reform;
- Anti-corruption;
- Gender equity;
- Demobilization and reform of the Armed Forces; and
- Reform of natural resources management (Land, Forestry and Fisheries).

The fight against corruption is crucial to reducing poverty. Cambodia will face difficult challenges to meet its objectives. Competition for investments is fierce among countries and industries. Cambodia controls few of the parameters for success. The only one it controls and that can make a significant dent in poverty is the pursuit of good governance and the fight against corruption. The Royal Government has elected to approach corruption with a holistic set of measures that address root causes. Increasing the risks associated with corrupt practices is an integral part of a strategy.

But codes, rules and laws cannot do it alone. Effective and fair enforcement mechanisms are the necessary complement to any legal framework. The Royal Government is actively building such capability while it is putting the finishing touch to what would become an enforceable legal framework.

Reducing Vulnerability and Strengthening Social Inclusion

Increasing environmental sustainability and improving natural resource management is a key dimension in reducing vulnerability. Priority issues are:

- Disaster management - especially in the face of floods;
- Land mine clearance, a legacy of long years of war;
- Vulnerability of the disabled, those affected by HIV/AIDS, orphans, street and abandoned children, and the homeless;
- Food security; and
- Safety net programmes, limited by budget and capacity constraints.
Promoting Gender Equity

Since 65 percent of agricultural labour and 75 percent of fisheries production are in the hands of women, poverty cannot be reduced unless policies and programmes equitably address the situation of Cambodian women. The RGC priorities, led by the MOWVA are:

- To reduce gender-based disparities and improve gender equity in health and education;
- To promote agricultural resources, socio-economic and political empowerment and legal protection;
- To ensure that women and girls receive full legal protection, as well as legal education concerning their rights and benefits such as access to land titles and natural resources;
- To promote gender mainstreaming in all government departments;
- To collaborate with MOH on health issues, MOEYS for matters on education, and MAFF, MOWRAM and MRD for agriculture and rural income generation issues;
- To address legal barriers to women’s equal rights; and
- To direct gender education and awareness at key officials of the RGC at all levels.

The Royal Government will encourage political parties to place women on party lists in positions which will allow them an equitable chance with men of being elected to parliament. It will adopt affirmative action policies in the recruitment and promotion of women into decision-making positions in the public service. It will ensure that in all consultative processes, as well as in monitoring and evaluation teams, there will be an equal number of women and men.

Priority Focus on Population

The NPRS recognises the central, critical and crosscutting role of population as is reflected in three primary programmes with priority focus on:

- Specially targeted reproductive health and family planning services for the poor by the Ministry of Health;
- Increasing primary education enrolment for the poor by the Ministry of Education; and
- Creating rural employment opportunities for the poor by the Rural Development sector Ministries.
Public Resources Requirements and Management

A critical aspect of NPRS implementation is that:

- Budget allocations need to be consistent with the NPRS; and
- The execution and management of the budget must follow as intended.

Revenue mobilisation has been the key element in the RGC’s fiscal policies and the RGC has rigorously implemented reforms aimed at achieving the targeted increase in revenue ratio from 9 percent of GDP in 1998 to 14 percent by 2005. Meeting the revenue target of 14 percent of GDP by 2005 is critical for implementation of poverty reduction programmes.

- Over the next three years, Cambodia aims to increase revenue by 2 percent of GDP to finance growing social spending and debt services. This will require consistent implementation of existing fiscal measures (both tax and non-tax) and improvement in governance.
- The total costs of NPRS action plans for the next three years 2003-2006 are estimated at US$1.5 billion. Government has to spend a minimum of US$500 million per year to have a real impact on poverty alleviation in Cambodia. These planned expenditures will be financed by the Government’s own capital budget resources (US$230 million), Foreign Direct Investment (US$250 million) and Overseas Development Assistance (US$1.08 billion).
- The Government intends to spend more than US$1 billion over the next three years on expanding job opportunities and strengthening capabilities of the poor, by focusing on health and education.
- To increase opportunity, the NPRS proposes more investment in the energy sector, part of which can be financed by the private sector under the BOT project. The NPRS proposes to spend US$216 million on promoting income opportunities, especially on road and transport projects.
- Moreover, the Government intends to spend US$102 million and US$174 million respectively on institutional strengthening and governance and reducing vulnerability.

Monitoring and Evaluation

Monitoring and evaluation (M&E) and capacity-building activities, including poverty and social impact analysis, are critical components of the NPRS. These activities are essential if the NPRS is to be periodically modified and improved, and established on a sustainable basis. The Poverty Monitoring and Analysis institutional
framework was established early in 2002. The NPRS monitoring and evaluation process will involve the participation of all stakeholder groups. Participation will be complemented by clear identification of the institutional responsibilities of the central and local administrative bodies and complete transparency. All stakeholders have free access to both preliminary and final information and data that they need to carry out their responsibilities.

The monitoring and evaluation process also requires the establishment and strengthening of relevant institutional capacities.

- The MOP is the principal agency responsible for coordinating efforts in monitoring the NPRS.
- Within the MOP, the National Institute of Statistics is responsible for designing and conducting socio-economic surveys, while the General Department of Planning (GDP) is in charge of policy analysis.
- The CSD is responsible for promoting, coordinating and monitoring development policies and programs related to the poverty reduction goals. The CSD has 14 members who are Secretaries of State. In the future nine additional members, representing eight other ministries and the Municipality of Phnom Penh will join the CSD.
- The PMATU is the research arm of the GSCSD, and will coordinate data collection and analysis, and help strengthen national capacity in data collection and analysis.
- The Ministry of Economy and Finance (MEF) will monitor budget execution and implementation of the MTEF, i.e., in monitoring whether necessary financial inputs have been made available to the line ministries to enable them to implement the Priority Public Actions.
- Line ministries and other government agencies responsible for implementing SEDP II and NPRS in their respective sectors will participate in monitoring of their own performance in terms of inputs and outputs, and for collecting and maintaining needed data.

Four key line ministries have been designated by the RGC to play a key role in poverty reduction: MAFF, MOH, MOEYS and MRD. These key line ministries have established working groups to set up and strengthen their technical units to monitor their own performance, collect data, and work with GSCSD to ensure the effectiveness of NPRS implementation.

- On an overall, strategic basis, the Supreme National Economic Council (SNEC) will assess the effectiveness of the NPRS and recommend necessary adjust-
ments to the Prime Minister.

- The Parliament and Senate will be responsible for reviewing the progress of NPRS implementation, and for providing feedback and recommendations for necessary adjustments to the NPRS. They will also participate in meetings, workshops and national poverty forums organized by CSD and GSCSD.
- Commune Councils and civil society are the representatives of the targeted beneficiaries, and will provide feedback and be the source for signals in the NPRS “early warning system”. The commune councils and civil society will also provide information on natural disasters.
- NGOs, including both local and international organisations are expected to be key partners in monitoring and evaluating the NPRS. In addition to providing comments on the results of socio-economic household surveys and monitoring the progress of NPRS implementation, NGOs are expected to provide useful data and information from their own micro-level surveys and evaluation studies.
- The RGC looks to the private sector, through such organisations as the Chamber of Commerce and Worker Federations/Trade Unions, to play a crucial role in poverty reduction, especially, through job creation.
- Finally, the media will be key to poverty monitoring exercises. The media will be able to help provide regular information on the issues faced during the implementation of the NPRS and their progress, as well as intermediate outcomes of the NPRS execution.

**NPRS Monitoring and Indicators**

Monitoring of annual progress towards NPRS poverty reduction goals is a key component for the NPRS process. Appropriate indicators and targets for the various Priority Public Actions in the NPRS will be sex disaggregated, and to the extent possible, will be consistent with those of other key RGC planning documents (SED-PII, MTEF), as well as the longer-term Millennium Development Goals.

The indicators for monitoring and evaluating the NPRS as presented in the Action Plan Matrix and M&E framework are selected to account for:

- Resources from the RGC sources and donors;
- Delivery capacity of institutions;
- Timeframe of the NPRS;
- Measurable and monitorable characteristics;
- Poverty-sensitivity of the indicators;
- Baseline information, and
- Capacity of the line agencies in collecting, maintaining and analysing relevant information.
Annual Progress Reports on Implementation of the NPRS will be prepared by CSD.

Conclusions and Next Steps

The NPRS has laid out the key priorities for Cambodia to implement over the next three years in order to meet the poverty reduction goals of the RGC. The NPRS has adopted a comprehensive approach, outlining pro-poor actions to improve rural livelihoods, promote job opportunities, ensure better health, nutrition and education outcomes, and to reduce vulnerability.

It is envisioned that the next Socio-Economic Development Plan and the corresponding NPRS will be merged and formulated and presented as a single document in 2005. This document will build on the successes and lessons learned from the current efforts to reduce poverty, managed by the Supreme National Economic Council (SNEC) and the CSD. The SNEC will exercise its role consistent with its nature as support to the Prime Minister in the area of strategy and policy, and thus contribute to the NPRS II with regard to overall strategy and policy formulation. The CSD will manage the monitoring of operational activities and implement the consultative processes that will ensure that the NPRS continues to be participatory in formulation as well as in execution.
As of February 2004, nine countries in this region were engaged in the PRSP process. The official names of the PRSPs in each country, together with their current status, are summarized below.

<table>
<thead>
<tr>
<th>Country</th>
<th>Official name of the PRSP</th>
<th>Current status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>National Poverty Reduction Strategy (NPRS)</td>
<td>PRSP completed in December 2002 and approved by the World Bank/IMF in February 2003. Political instability has some ramifications on implementation.</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>National Growth and Poverty Eradication Strategy (NGPES)</td>
<td>I-PRSP approved in April 2001. Submitted in September 2003 under the name of National Poverty Eradication Programme (NPEP) and later renamed to NGPES.</td>
</tr>
</tbody>
</table>
### PRSPs in Asia

<table>
<thead>
<tr>
<th>Country</th>
<th>Title</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>Accelerating Economic Growth and Reducing Poverty: The Road Ahead</td>
<td>Full PRSP was delivered in December 2003.</td>
</tr>
</tbody>
</table>