

# Handout: Main Points on PRSP and Stakeholders

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## **Objectives:**

*This handout provides an example of how to summarise the main points with regard to the entire PRS process. It also represents a good starting point for jointly analysing the specific national PRS process.*

## **Procedure:**

*This handout can be used in a workshop, seminar, etc., and should be adjusted according to the knowledge of the participants and the individual situation of the country in question.*

## **PRSP**

### **What is it?**

**PRSP** stands for **P**overty **R**eduction **S**trategy **P**aper.

Poor countries formulate and implement a strategy stating how they intend to reduce poverty. The term “PRSP” denotes to the document itself, while **PRS** can mean the political process or an instrument to fight poverty.

### **Who is involved?**

The **World Bank** and the **IMF**, the two most important international financial institutions, with 184 countries as members. These institutions initiated the PRSP approach in 1999, and approve the PRSPs of their member countries.

**Government:** Today, approximately 70 countries are conducting their own PRS process. The governments of these countries are supposed to be the main actors in the process.

**Civil society:** The civil society should play an important role in the PRS process. Organisations and institutions such as NGOs, churches, parties and trade unions should be able to give their opinion on how to reduce poverty.

**Others:** Parliaments, international development agencies and UN agencies also participate in the process.

### **Why was the PRS approach established?**

The PRS strategy was set up by the World Bank/IMF to enable countries which formulate such a strategy to obtain debt relief and access to World Bank/IMF credits. This money should be used to implement the country’s Poverty Reduction Strategy.

### **How does it work?**

The PRS is an ongoing learning process, consisting of three main phases:

- **Formulation** (9–24 months): all stakeholders decide on the main points of the strategy. To understand the nature of poverty in the country, a poverty analysis should be conducted. Consultations, workshops and other events also take place.
- **Implementation** (3–5 years): The programmes and actions decided in the formulation process and written down in the PRSP are put into action.
- **Monitoring and evaluation** (this phase starts in parallel to the implementation phase): This is an ongoing process. Approximately every year a progress report is written, with an evaluation at the end of the implementation phase which influences the formulation of the next PRSP.