

# Results from the Survey of IMF Staff in Connection with the Evaluation of the PRSP/PRGF

August 23, 2004

## Introduction

The survey was undertaken during December 2003 and January 2004 and targeted mission chiefs and resident representatives for PRGF-eligible countries. A total of 75 IMF staff responded, about 40 percent of the targeted universe. Close to 40 percent of the respondents indicated that they had been engaged as mission chiefs or resident representatives before December 1999 and the rest afterwards. While the results presented here focus on the means of the responses, we shall also look at the extent to which IMF staff responses indicated consensus or broad divergence of views with respect to the issues raised in the survey.<sup>1</sup> The results are presented thematically (see Table A1).

## Overall impact of the PRSP/PRGF approach

Staff survey viewed the PRSP/PRGF approach as having a significant impact on the effectiveness of IMF-supported programs. The most significant change implied by the new approach was in *better orientation towards poverty reduction*. In defining their *role in the PRSP participatory process*, however, only 36 percent of staff indicated active participation throughout the process, while about a half indicated that their participation was contingent on requests from the authorities.

## Impact of the PRGF-supported program

- On the whole, the *key features of PRGF-supported programs* had important impacts on staff's conduct of Fund business (see Figure 1). Between 50 to 60 percent of the respondents considered six out of seven features to have had significant to highly significant impact. The only exception was for PSIA, where only 20 percent of respondents indicated that it had had a significant or highly significant impact on their work.
- The *impact of the PRSP/PRGF initiatives on the way the IMF staff conduct business* was most notable with respect to interactions with the World Bank and the donor community, while the impacts on changes in approach to program negotiation and design, while also important, were of a lower degree. Lack of time was considered to be a significant or highly significant obstacle to implementing the initiatives by 65 percent of respondents. With regard to *mobilizing donor funding* during program negotiations and design, close to 60 percent of the respondents agreed or strongly agreed that they had adequate guidance on how to balance ambition and realism. They were less certain (only 36 percent agreed or strongly agreed) about the usefulness of requiring staff to solicit prior commitments of donor assistance as a means of ensuring a large external financing envelope.

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<sup>1</sup> Most questions featured a 5-point scale, where 1 is the lowest degree and 5 the highest. A Don't know/Not applicable category was also available for cases where the respondent's own experience did not allow for a response.

Figure 1. IMF staff responses on the impact of the Key Features of PRGF-supported programs on their conduct of Fund business (1 = no impact; 5=highly significant impact)

Chart 1: Broad participation and greater ownership

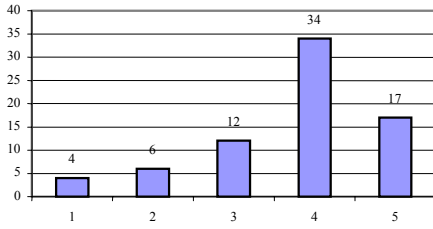


Chart 2: Embedding the PRGF in the overall strategy for growth and poverty reduction

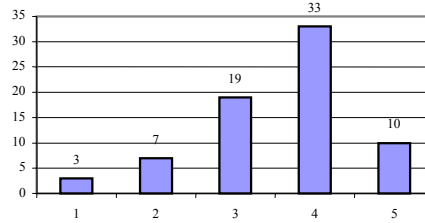


Chart 3: Budgets that are more pro-poor and pro-growth

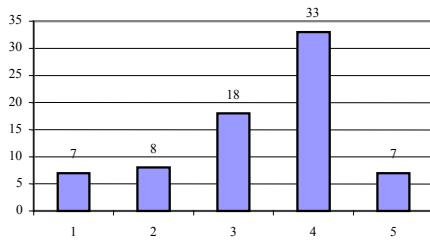


Chart 4: Ensuring the appropriate flexibility in fiscal targets

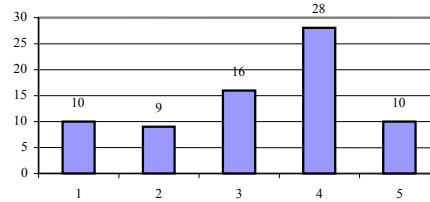


Chart 5: More selective structural conditionality

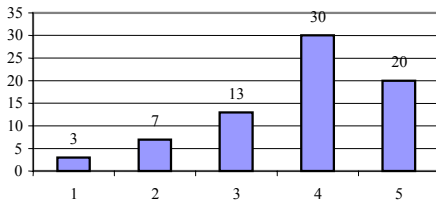


Chart 6: Emphasis on measures to improve public resource management/accountability

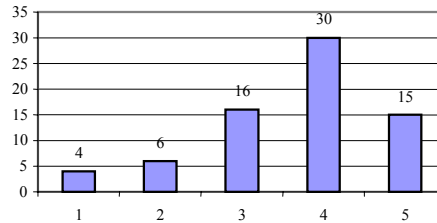
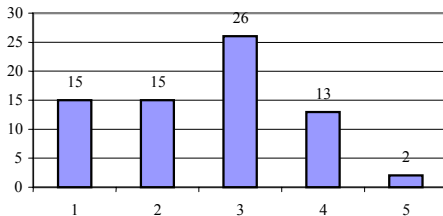


Chart 7: Social Impact analysis of major macroeconomic adjustments and structural reforms



Source: IMF staff survey database for this evaluation

- Most respondents (close to 60 percent) indicated that the imprecise nature of the policies embedded in the PRSP was a significant *hindrance to the alignment of the PRGF-supported program on the PRSP*—it made it difficult to use the document as an operational guide (see Figure 2). On other factors, including lack of realism of the PRSP macro framework, lack of a PRSP at the time of program design and rigidities to adjust afterwards, and absence of policies in the document that are critical to the success of Fund-supported programs, the responses indicated a degree of polarization. Between 25 and 40 percent considered the issues irrelevant or less critical, about 25 percent were neutral, while some 30 percent considered them to be highly critical factors. With regard to the associated issue of *streamlining conditionality*, there was no strong consensus on whether it had enhanced the ownership of IMF programs, improved the effectiveness of PRGF-supported programs or improved collaboration with the World Bank.
- The *failure to incorporate PSIA* was mainly blamed on staffing and funding constraints in the IMF and the World Bank and capacity limitations in the countries—with about 60 percent of the respondents indicating the factors to be critical or highly critical. The majority of staff perceived the role of the Fund in PSIA as limited to flagging areas where the analysis was needed and integrating PSIA in program design if appropriate. Only a fifth of the respondents considered the undertaking of all or part of the analysis in the relevant areas to be part of the IMF’s responsibility.
- Close to 65 percent of staff surveyed agreed or strongly agreed that the size and length of missions were important constraints on the *IMF’s outreach efforts to civil society*. However, there was less agreement that a lack of internal IMF incentives to undertake outreach efforts was an important factor. Respondents indicated, however, that other issues such as the lack of guidance on how to proceed, absence of value-added, and reluctance from authorities, were less significant limitations to outreach efforts towards civil society by staff.

Figure 2. Obstacles to changing the way the Fund does business (8-11) and factors hindering the alignment of the PRGF to the PRSP (12-15) (1=irrelevant; 5=highly critical factor)

Chart 8: Lack of staff time

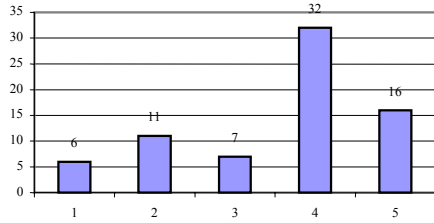


Chart 9: Absence of clear guidelines to staff

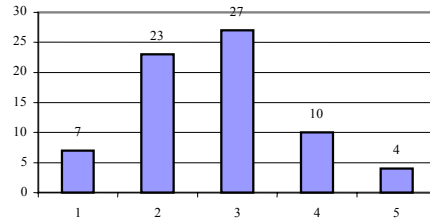


Chart 10: Constraints/inadequacy of the internal review process

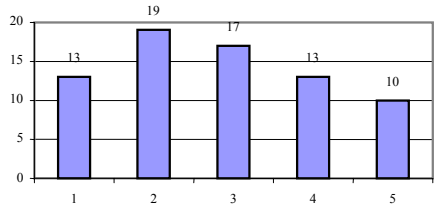


Chart 11: Perception that the purpose/value added of the PRGF/PRSP approaches is unclear

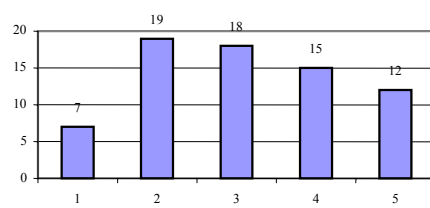


Chart 12: No PRSP available at the time of program design, and rigidities to adjust afterwards

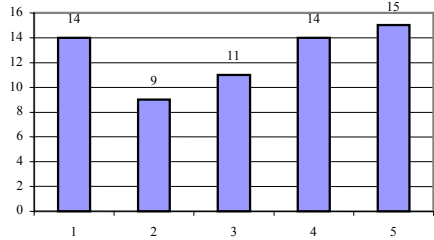


Chart 13: PRSP macro framework not realistic

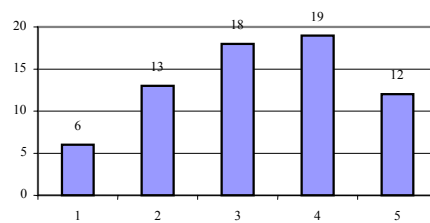


Chart 14: Policies embedded in the PRSP are too imprecise to be an operational guide

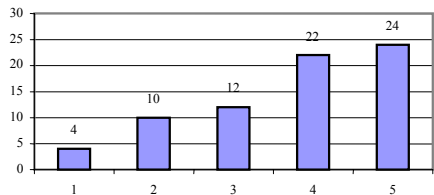
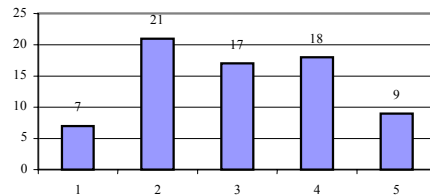


Chart 15: PRSP is lacking policies critical to success of Fund supported program



Source: IMF staff survey database for this evaluation

## **JSAs**

About half of the respondents saw the *provision of feedback to the authorities* on the PRSP process as a significant to highly significant valued added of the JSA. Respondents also indicated that providing an independent expert assessment of the PRSP to interested third parties (donors, civil society etc) was a significant contribution of the JSA. While staff indicated that JSAs were less significant in determining the level of access in PRGF-supported programs, they were, on average, neutral with respect to whether they saw them as instruments for clearing the way for concessional BWI lending. About 70 percent of the respondents indicated that JSAs were candid (or highly candid) (see Figure 3), while among those indicating otherwise, the pressure for the JSA to conclude on a positive note and the need to compromise with World Bank co-authors were considered important factors.

Figure 3. Explaining limited IMF staff outreach to civil society (16), JSAs (17), impact on Bank-Fund collaboration ( 18-19) and on initial Fund positons (20).

Chart 16: Absence of suitable internal incentives

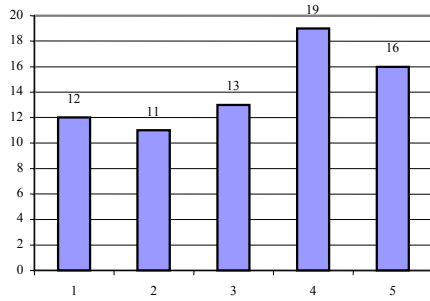


Chart 17: How candid were the JSAs in countries IMF staff are involved in?

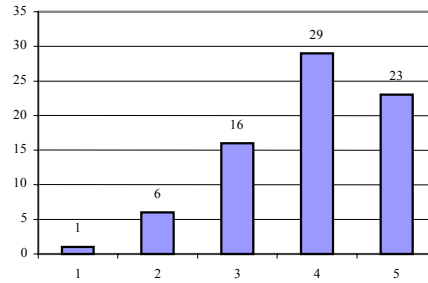


Chart 18: The PRSP/PRGF approach has improved Bank-Fund collaboration at headquarters.

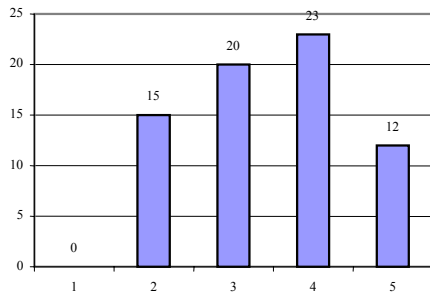


Chart 19: The PRSP/PRGF approach has improved Bank-Fund collaboration in the field.

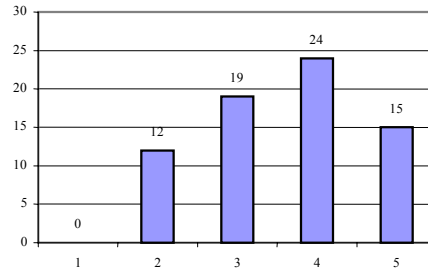
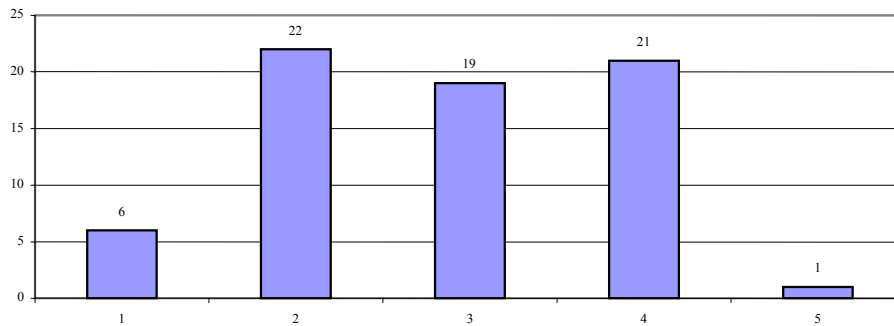


Chart 20: The PRSP/PRGF approach has led to a significant change in the way initial policy positions are discussed and established within the IMF



Source:IMF staff survey database for this evaluation

### **Internal IMF procedures**

Close to 50 percent of the respondents indicated that the *limited duration of IMF missions* from headquarters was a significant constraint on adapting to the new way of doing business called for by the PRSP process (including outreach activities as indicated above). Over 50 percent agreed or strongly agreed that the *role played by resident representatives* in the formulation of IMF policy positions during the process had increased. However, only 29 percent of the respondents agreed that the process had led to a significant change in the way initial positions are discussed and established within the Fund, while a larger share indicated that there was no significant change in this regard (and the rest were neutral).

### **Areas of significant consensus and wide divergence of views among staff**

Generally, the results show that IMF staff showed a high level of consensus with respect to the perceived policy impacts of the PRSP/PRGF initiatives. On the other hand, on issues of attribution, especially in linking policy gaps to particular institutional and related deficiencies, respondents indicated a higher level of divergence in views. The *areas of consensus* were as follows:

- The PRSP/PRGF initiatives have had a positive impact on the conduct of Fund business in the areas of program design, collaboration with the World Bank, and interactions with the rest of the donor community. They also have improved prospects for program implementation and for embedding the PRGF in the overall strategy for growth and poverty reduction.
- JSAs were candid.
- Lack of funding/staff constraints are to blame for the limited incorporation of PSIA.
- The proposition that “the PRSP/PRGF process has led to a significant change in the way initial policy positions are discussed and established within the IMF” was not accepted.

However, IMF staff responses varied widely with respect to the following issues:

- The lack of a PRSP at the time of program design, and rigidities to adjust afterwards, is limiting the alignment of the PRGF.
- The perception that PSIA has limited relevance has led its limited incorporation into the new approach.
- The limited outreach efforts to civil society are to blame on lack of internal IMF incentives.
- Clearing the way for concessional lending by the BWIs was a significant valued added of the JSAs.
- Constraints/inadequacy of the internal review process was a significant obstacle to the conduct of Fund business.
- The limited duration of missions from headquarters was a significant constraint on adopting the new way of doing business called for by the PRSP process.

- Streamlining conditionality has improved IMF collaboration with the World Bank
- Mission length/size is a constraint on IMF staff outreach efforts to civil society

On the whole, splitting the respondents into “mission chief” or “resident representative” categories did not change results by much. However, there were a few exceptions. Mission chiefs agreed more strongly (a score of 4.4 out of 5) than resident representatives (3.58) that lack of funding/staffing constraints were critical factors in inhibiting the incorporation of the PSIA. In contrast, resident representatives agreed more strongly (4.2) than mission chiefs (3.75) that PRSP/PRGF initiatives had changed the way they conducted Fund business. However, resident representatives were equivocal with regard to whether the streamlining of conditionality has led to improvements in Fund collaboration with the World Bank, while mission chiefs were more favorable to this view.

Although splitting the data by IMF department did not change results by much, the responses from EUII (with a much smaller sample of 11)—which dealt with the countries of the Former Soviet Union—was different in a number of aspects. Respondents contrasted with the average in agreeing that the lack of clarity in the relevance of PSIA was a key factor in explaining its slow adoption. They also indicated more strongly than other groups that the perception that the value added of the PRSP was unclear was affecting the conduct of Fund business and that the limited duration of missions was inhibiting the staff’s outreach efforts to civil society. Also EUII respondents, on average, did not think that streamlining conditionality had improved IMF collaboration with the World Bank.

## **Conclusions**

- The staff’s overall assessment of the various aspects of the PRSP/PRGF process is positive. However, on a number of issues considered integral to the process, such as a participatory approach or PSIA, IMF staff were decidedly guarded in their responses or indicated, as in the case of PSIA, a lack of clarity as to the level and extent of IMF involvement in the process.
- Staff perceived that their involvement in the PRSP/PRGF process had, as a whole, improved the manner in which they conduct Fund business, both within the IMF itself—poverty issues are now highlighted to a greater degree in the process of program design—and in their collaboration with the World Bank and interaction with the broader donor community during program implementation. Notably, the factors driving these processes were seen by staff to be broader than the streamlining of conditionality.
- Further progress is, however, impeded by the slow change in IMF institutional culture. Missions are still constrained in terms of size and time and the process has not led to more policy space for country-driven options.
- The JSA was found by IMF staff to be a useful policy tool in providing feedback to the authorities and an independent expert assessment of the PRSP to third parties, notably civil society and donors. The majority of staff considered them to be candid.
- While there was broad consensus among staff on the impacts of the PRSP/PRGF initiatives on the Fund’s way of doing business, positions were more divergent with regard to issues of attribution—notably the causes of the policy gaps and slow implementation of the various facets of the new approach.



Table A1. Summary of IMF Staff Responses on the PRSP/PRGF Process (Divided into Issues which Staff Accorded a High Level of Significance, those on which Staff was Neutral and those which Staff Accorded a Lower Level of Significance) 1/

Areas on which the survey was focused	Issues which staff accorded a high level of significance in the process	Issues which staff accorded a neutral stance	Issues which staff accorded less significance in the process
1. Overall Impact of the PRSP/PRGF Approach	<ul style="list-style-type: none"> <li>• Significant improvement in the effectiveness of Fund-supported programs.</li> <li>• Better orientation towards poverty reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Better orientation towards growth</li> <li>• Improved prospects for program implementation</li> </ul>	
2. The PRGF The importance of the key features of Fund-supported programs on the way IMF staff conduct Fund business	<ul style="list-style-type: none"> <li>• More selective structural conditionality</li> <li>• Broad participation and greater ownership</li> <li>• Emphasis on measures to improve public resource management/accountability</li> <li>• Embedding the PRGF in the overall strategy for growth and poverty reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Budgets that are more pro-poor and pro-growth</li> <li>• Ensuring the appropriate flexibility in fiscal targets</li> </ul>	<ul style="list-style-type: none"> <li>• Social impact analysis of major macroeconomic adjustments and structural reforms</li> </ul>
Impact of PRSP/PRGF initiatives on the conduct of Fund business	<ul style="list-style-type: none"> <li>• Better collaboration with the World Bank</li> <li>• Improved interaction with the rest of the donor community</li> <li>• Program design</li> </ul>	<ul style="list-style-type: none"> <li>• Program negotiation process</li> </ul>	
Obstacles to changing the way the Fund conducts business.	<ul style="list-style-type: none"> <li>• Lack of staff time</li> </ul>	<ul style="list-style-type: none"> <li>• Perception of staff that the purpose/value added of the PRGF initiative is unclear</li> </ul>	<ul style="list-style-type: none"> <li>• Absence of clear guidelines</li> <li>• Constraints/inadequacies of the internal review process</li> </ul>
Obstacles to aligning the PRGF to the PRSP	<ul style="list-style-type: none"> <li>• Policies embedded in the PRSP are too imprecise to be an operational guide</li> </ul>	<ul style="list-style-type: none"> <li>• No PRSP available at time of program design, and rigidities to adjust afterwards</li> <li>• PRSP macro framework not realistic</li> <li>• PRSP is lacking policies critical to success of Fund-supported program</li> </ul>	

Table A1. Summary of IMF Staff Responses on the PRSP/PRGF Process (Divided into Issues which Staff Accorded a High Level of Significance, those on which Staff was Neutral and those which Staff Accorded a Lower Level of Significance) 1/ (continued)

Areas on which the survey was focused	Issues which staff accorded a high level of significance in the process	Issues which staff accorded a neutral stance	Issues which staff accorded less significance in the process
Hindrances to incorporating the PSIA	<ul style="list-style-type: none"> <li>• Lack of funding/staffing constraints in Fund and Bank</li> <li>• Capacity constraints in the country</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of interest from authorities</li> </ul>	<ul style="list-style-type: none"> <li>• PSIA's relevance for program design is not clear</li> </ul>
Mobilization of donor funding during program design	<ul style="list-style-type: none"> <li>• With regard to projections of aid flows, IMF staff have adequate guidance on the balance between ambition and realism</li> </ul>	<ul style="list-style-type: none"> <li>• The requirement for staff to solicit prior commitments of higher donor assistance is helpful in obtaining a larger external financing envelope in program design</li> </ul>	
Hindrances to IMF outreach efforts to civil society	<ul style="list-style-type: none"> <li>• Mission length/size constraint</li> </ul>		<ul style="list-style-type: none"> <li>• Reluctance from authorities</li> <li>• Absence of value-added</li> <li>• Absence of guidance on how to proceed</li> </ul>
Streamlining conditionality		<ul style="list-style-type: none"> <li>• Has enhanced the ownership of IMF programs</li> <li>• Has improved the effectiveness of PRGF-supported programs</li> <li>• Has improved IMF collaboration with the World Bank</li> </ul>	
3. JSAs and Bank-Fund Collaboration			
Valued-added of the JSA	<ul style="list-style-type: none"> <li>• Provides feedback to the authorities on how to improve their PRSP in the future</li> <li>• JSAs are candid</li> </ul>	<ul style="list-style-type: none"> <li>• Clear the way for concessional lending by BWIs</li> <li>• Provide an independent expert assessment of the PRSP to interested third parties (donors, civil society etc)</li> </ul>	<ul style="list-style-type: none"> <li>• Contribute to the determination of the level of access in PRGF-supported programs</li> </ul>

Table A1. Summary of IMF Staff Responses on the PRSP/PRGF Process (Divided into Issues which Staff Accorded a High Level of Significance, those on which Staff was Neutral and those which Staff Accorded a Lower Level of Significance) 1/ (concluded)

Areas on which the survey was focused	Issues which staff accorded a high level of significance in the process	Issues which staff accorded a neutral stance	Issues which staff accorded less significance in the process
Bank-Fund collaboration	<ul style="list-style-type: none"> <li>The PRSP/PRGF process has improved Bank-Fund collaboration at headquarters and in the field</li> </ul>		
4. Internal IMF Procedures and Incentives	<ul style="list-style-type: none"> <li>The structure of short-term missions from headquarters is a significant constraint on adapting to the new way of doing business called for by the PRSP process</li> <li>Resident representatives have a sufficient role in the formulation of IMF policy positions in the PRSP/PRGF countries</li> </ul>		<ul style="list-style-type: none"> <li>The adoption of the PRSP/PRGF process has led to a significant change in the way initial positions are discussed and established within the IMF</li> <li>The briefing paper/review process allows more policy space for country-driven options than before</li> </ul>

1/ The questionnaire allowed respondents to indicate their responses using a 5-point scale, where 1 was the lowest degree (of agreement or significance of the issue) and 5 the highest. For our purposes, an average score of 3.4 and above was considered a high level of agreement or significance. Scores below 3, were considered to indicate that staff did not consider the issue to be significant. Scores in between indicate that respondents took/verged on a neutral position.