
Institutional arrangements for overseeing the debt relief process should include a formal role for civil society.

● **Debt relief**

Institutional arrangements for the use of the proceeds from debt relief appear to have improved in the countries which have improved performance, relative to others, in terms of institutional transparency and governance. This is not surprising but illustrates the ongoing need to promote transparency - not just towards donors - but towards the public. No system of public accountability on debt relief exists in Ethiopia for example. In Niger, funds released as a result of debt relief go into a Presidential Fund which is supposedly allocated towards poverty reduction programmes. Failure to have proper institutional mechanisms for oversight of the use of debt relief means that, firstly, funds may be misdirected as a result of corruption and secondly, the programmes which are funded can be of poor quality.

Governments with somewhat more progressive attitudes towards accountability and participation, such as Zambia and Bolivia, have still failed to put in place transparent instruments to allow public monitoring of the use of debt relief. The same is true in Rwanda and Malawi where systems for tracking debt relief expenditure exist on paper but are not in public view. In many countries, civil society organisations are advocating that institutional arrangements for overseeing the debt relief process should include a formal role for civil society.

²³ IDA and IMF (2002); IEO (2003, p. 6-7)

²⁴ Booth (2003; p.143-4; 263-4).