The role of civil society in monitoring IMF agreements

From the margins to the mainstream

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Summary

Governments are the sole parties that negotiate with the International Monetary Fund, which provides financial assistance to countries in or at high risk of debt distress. Because of this, unpopular deals often lack legitimacy in the eyes of citizens.

But, active and inclusive civil society oversight can significantly enhance the legitimacy, transparency, and effectiveness of IMF programmes. This not only guards against the disenfranchisement of the populace but also ensures that the burdens and benefits of economic adjustments are equitably shared.

This paper examines case studies from Kenya, Sri Lanka, and the Caribbean. The experiences from the Caribbean, where governments have been willing to formally incorporate CSO input into IMF programme creation and evaluation, demonstrate the positive impact of formal CSO representatives in oversight mechanisms, leading to increased public trust and consistent adherence to fiscal discipline. Conversely, the experience from Kenya and Sri Lanka, where CSO engagement was blocked, highlight the challenges faced by CSOs when excluded from meaningful participation in the negotiation and implementation of IMF agreements.

The cases discussed signal a clear imperative for a structured collaboration between governments, international financial institutions, and civil society. Such collaborations ensure that economic reforms are not only technically sound but also democratically legitimised and aligned with the social and economic realities of the country.

Acronyms	
AFRODAD	African Forum and Network on Debt and Development
BERT	Barbados Economic Recovery and Transformation
CSOs	Civil Society Organizations
ECF	Extended Credit Facility
EFF	Extended Fund Facility
EPOC	Economic Program Oversight Committee
FRA	Fiscal Responsibility Act
FROC	Fiscal Responsibility Oversight Committee
IMF	International Monetary Fund
MUHURI	Muslims for Human Rights
PAC	Public Accounts Committee
TISA	The Institute for Social Accountability

Introduction

The role civil society plays in monitoring International Monetary Fund (IMF) agreements varies across contexts.

The IMF provides financial assistance to countries in debt distress or at high risk of debt distress, through arrangements such as the Extended Fund Facility (EFF). With longer payback durations and greater programme engagements, EFFs aim to assist countries in implementing medium-term structural reforms.

Currently, national governments are the exclusive entities that engage in negotiations with the IMF. This exclusivity can sometimes cast doubt on the perceived legitimacy of any resultant agreements, particularly in scenarios where the national debt is attributed to corruption and mismanagement within the state apparatus itself—often involving the same institutions that are party to these negotiations. The lack of broader representation in these talks can exacerbate concerns about the transparency and fairness of the agreements, leading to questions about whose interests are truly being served.

While the IMF tends to deal strictly with governments, many civil society organisations (CSOs) are doing what they can to monitor the implementation of IMF agreements. For example, informal coalitions in Kenya and Sri Lanka have demonstrated a drive to effect change and hold governments accountable and are advocating for legislative changes and greater transparency in public debt management. The IMF's most updated guidelines on staff engagement with CSOs were drafted in 2015 to "provide staff with the tools to further develop and maintain meaningful relationships with CSOs across all IMF member countries while maintaining its accountability to these countries."[1] The guidelines call for engagements with external stakeholders including CSOs to be an "integral part of IMF country and policy work," highlighting the important opportunities CSO engagements provide to enhance support for reforms, change public perspectives, and hold the IMF accountable.

However, the document also highlights that CSOs find IMF staff follow-up on engagements with CSOs to fall short of expectations. A 2013 survey outlines how "CSOs find engagement with IMF staff to be either too rushed or too technical, and many (59 percent) also believed that IMF staff does not effectively follow up on their engagement with CSOs and often do not take CSO viewpoints into account in shaping IMF decisions." [2]

The issues highlighted in the 2013 IMF survey still appear relevant in Kenya, where the Okoa Uchumi Campaign severed its informal input and monitoring relationship with the Government of Kenya and the IMF in 2022 when they found their concerns were not meaningfully acknowledged or addressed. In Sri Lanka, substantive engagement with civil society is also lacking as CSOs viewed the state as "populist and authoritarian" and therefore would not want to be co-opted by the government.[3] Instead, CSOs have sought to influence the quality of key structural benchmarks in the IMF agreement, such as particular pieces of legislation that needed to be adopted. The CSO coalition also implemented its own Governance Diagnostic, feeling that the IMF's Governance Diagnostic did not address the root causes of state capture.

While the relationship between civil society and government may be antagonistic in some contexts, in others, including instances across the Caribbean, the state has assigned formal oversight roles to representatives of CSOs. In Grenada, a Fiscal Responsibility Oversight Committee (FROC) was created in 2015 to report on the government's fiscal performance. In Jamaica, a multi-stakeholder Economic Program Oversight Committee (EPOC) was implemented in 2013 to monitor the progress of their EFF agreement. In Barbados, the Barbados Economic Recovery and Transformation (BERT) Monitoring Committee, created in 2018, served as an inclusive oversight mechanism. These examples demonstrate how beneficial a more collaborative relationship between CSOs, and government can be when mitigating debt crises.

From formal oversight roles in Caribbean nations to informal coalitions in Kenya and Sri Lanka advocating for legislative changes and greater transparency in public debt management, this paper explores various instances from around the world where CSOs are working to actively monitor and influence the implementation of IMF agreements.

The case of Kenya

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An Okoa Uchumi banner at a demonstration in Kenya. The Okoa Uchumi campaign is civil society initiative committed to the goal of accountability in Kenya's public debt management.

The Kenyan government entered into a fiscal consolidation and Structural Adjustment program with the IMF in 2018. Anchored in the EFF/Extended Credit Facility (ECF), the IMF officially approved a programme in April 2021 intending to stabilise the economy and lay the groundwork for development and shared prosperity.[4]

Eric Kinaga of The Institute for Social Accountability (TISA) highlighted that neither civil society nor parliament was involved in the negotiations around the IMF agreement. He stated that "it is not just civil society actors who are blindsided. The Kenyan parliamentarians are equally not involved in the country negotiations." This statement underscores the limited nature of the dialogue, which has been confined primarily to interactions between the IMF and Kenya's National Treasury. Crucially, according to Mr. Kinaga, the Public Debt and Privatization Committee of the National Assembly remains excluded from these discussions.[5]

Despite the lack of involvement of CSOs in the IMF Agreement, the Okoa Uchumi Debt Campaign[6], a civil society initiative centered on increasing political accountability and constitutional safeguards in the management of public debt, was formed to "work with stakeholders to resolve Kenya's public debt crisis."[7] While the campaign had been engaging informally with the IMF for the past few years on the fiscal consolidation program, in 2023 they decided to withdraw from the IMF's periodic civil society engagements due to feeling "blatantly ignored." An example of the type of policy input provided by the campaign prior to their withdrawal is outlined in box 1.

Box 1: Okoa Uchumi Debt Campaign

Study on Fiscal Consolidation

In 2021, Okoa Uchumi Debt Campaign commissioned a study on Kenya's debt crisis, reviewing the IMF's fiscal consolidation. Their study found that growing foreign borrowing and expanding imports have driven persistent fiscal deficits, resulting in an increasing debt trap. They argue that to avoid a debt trap, Kenya needs to earn enough foreign income to manage its import bill, debt repayments, and interest payments. Without this, Kenya will continue to be trapped in needing to borrow more to access foreign resources.

The study emphasises the unsustainable nature of Kenya's public debt. To "reduce the fiscal deficits and public debt vulnerabilities and lower Kenya's risk of debt distress," the study outlines a set of recommendations, including the following:

- More borrowing should be in local currency. To increase the amount of public debt denominated in domestic currency and boost domestic production, the National Treasury and the IMF should reassess the policy regarding the mix of domestic and international debt;
- If foreign debt is unavoidable, the government ought to steer away from commercial loans to minimize risk to the country. It is important to adhere to the borrowing guidelines outlined in section 50(1) of the PFMA which states that in guaranteeing and borrowing;
- The national government must make sure that its financing needs and payment commitments are met at the lowest possible cost in the market;
- The National Treasury should explain why external debt is used to finance the recurrent balance. This should only be permitted if the financing is essential in preserving or safeguarding valuable aspects of life;
- Parliament should be limited to a maximum of one supplementary budget at the middle or end of the financial year. This will stop actual spending from consistently exceeding budgeted amounts, which indicates that the National Treasury is not adhering to the requirements for managing financial resources;
- Independent body authentication of National Treasury data should be conducted regularly. Furthermore, it is important to guarantee data consistency across government documents and sources; and
- Commitments to loans should only be made once the programs and projects are prepared for implementation.

As first outlined in their 16 May 2023 letter to the IMF Nairobi Office abstaining from participating in Article IV Consultations[8], the Okoa Uchimi Campaign felt that the IMF had deliberately ignored their contributions in previous engagements, while still using said engagements "to legitimize a process that continues to put majority of Kenyans at a greater risk of hunger and poverty."[9] The letter details how in previous consultations "campaign members felt the lack of the IMF's interest in a meaningful engagement premised by the lack of concrete responses or considerations on the submissions made; as well as the glaring lack of consideration of the effects of austerity measures on growing inequality, hunger and poverty in the country, harming the most vulnerable of our population." The letter then calls attention to the following concerns the campaign had raised during previous engagements that had not been addressed:

- First, they highlight how public debt is surging and that if transparency is neglected, the public finance management regulation amendments, replacing the current debt issuance ceiling, are likely to increase the amount of debt that the public sector can issue without sufficient accountability;
- Second, they felt that IMF's monetary policy, focused on stabilization, "has been promoted at the expense of achieving economic growth" and enables austerities that undermine employment creation, the reduction of poverty and the care burden on women;[10]
- Third, they urged the IMF to use its position to push for better levels of transparency and accountability around debt contracting, debt use, debt repayment, and public procurement; and
- Finally, the campaign called on the IMF to explore all possible solutions to guarantee that the government implements measures for balanced revenue raising that do not restrict individuals' disposable income and expenditure on social services.

In November 2023, Okoa Uchimi again declined an IMF invitation to participate in Article IV consultations, citing "blatant ignorance of the coalition's input into the previous engagement with no feedback whatsoever on why and how the coalition's input was ignored."[11] The campaign stated that not only were their concerns from their 16 May 2023 letter not addressed, but that all attempts to invite IMF representatives to their spaces had since been declined. The Campaign highlighted how their fears of human rights violations and growing inequalities among marginalised groups had become a reality due to the current fiscal consolidation program.

In lieu of collaboration with the IMF, as outlined at the end of their 9 November 2023 letter, the Okoa Uchimi Campaign is continuing to advocate for reforming the 1969 IMF Act No. 16, so all IMF dealings must be approved by parliament. As it currently stands, the Act outlines that the Minister of Finance is authorised to communicate with the IMF on behalf of the Government of Kenya.[12] The Okoa Uchimi Campaign argues that it must be amended to conform with the Kenyan Constitution. The campaign argues that since parliament is responsible for approving all public debt, it should also be responsible for approving IMF dealings.

Mr. Kinaga further expressed concerns about the potential influence of the IMF on the formulation of the original IMF Act, suggesting that it might have been crafted to disproportionately benefit the IMF. In response to these concerns, The Institute for Social Accountability's campaign is undertaking a legal analysis of the act. This review aims to pinpoint any inconsistencies with Kenya's constitutional principles. Additionally, the Campaign is actively seeking to engage members of parliament in this process. The goal of these efforts is to propose amendments that would enable the Kenyan parliament to participate more effectively in future negotiations and agreements with the IMF.[13]

The case of Sri Lanka

Protestors taking part in mass demonstrations in Sri Lanka in 2022, protesting against the Sri Lankan Government led by President Gotabaya Rajapaksa which was accused of economic mismanagement that led to economic crisis.

In 2022 Sri Lanka faced its worst economic crisis as an independent country. After exhausting its foreign reserves, the country was unable to import necessities such as food and fuel, and in May 2022, defaulted on its debt.[14] Crippling international debts coupled with rising inflation triggered unprecedented national demonstrations, pressuring President Gotabaya Rajapaksa to resign.[15]

Transparency International Sri Lanka (TISL) filed a petition against 13 former officials asking the court to examine decisions made by those responsible for the economic collapse and determine whether their decisions were made in accordance with their responsibilities. Sri Lanka's Supreme Court ruled that the conduct of several officials, including former President Gotabaya Rajapaksa and his brother, former Prime Minister Mahinda, contributed to the worst economic catastrophe the nation had seen in decades.[16 17]

Nadishani Perera, Executive Director of TISL, emphasised the importance of having accountability at such a high level. As stated by Ms. Perera, there needs to be checks and balances to power, "because where else can citizens go if the parties to whom we have entrusted governance do not act in the best interest of the country?"[18]

For example, it has been emphasised "that the current growing sense of economic injustice has been exacerbated by the fact that the architects of the economic crisis do not bear any part of the burden of its proposed reform, which has been, again, firmly thrust, without any dialogue, on the victims of this very crisis."[19]

The Civil Society Initiative on Anti-Corruption Reform for Economic Recovery was formed around the shared understanding that for Sri Lanka to work toward real, durable, and equitable economic recovery, the country needs to confront its governance crisis, which is founded on pervasive corruption.[20 21] This includes monitoring the implementation of transparency and anti-corruption commitments contained in the $2.9 billion EFF arrangement approved by the IMF in 2023.[22] Two pertinent examples are provided below.

Civil society governance diagnostic

Sri Lanka's agreement marks one of the first times that the IMF has included governance reforms as a debt restructuring condition.[23 24] While the government reform programme covers areas such as fiscal and monetary policy, taxation, public financial management, and anticorruption, its formation did not involve parliament nor civil society consultation. The IMF's Governance Diagnostic Assessment for Sri Lanka, published in September 2023 and the first of its kind in Asia, examined "governance weakness and corruption vulnerabilities" that they see as standing in the way of economic recovery.

CSOs, however, argued that the IMF diagnostic framework fell short of actually capturing the root causes of state-capture. CSOs therefore decided to conduct their own governance diagnostic. In their version of the diagnostic, they examined IMF diagnostic reports from the last ten years to understand the types of "structural benchmarks" used. The report found the IMF governance diagnostic literature to be "instructive both for what it sought to do, and what it omitted altogether. It appears that the IMF itself is struggling to better understand the role and function of this diagnostic in a conceptual and disciplinary space that is outside its core business area and expertise."[26] Simply monitoring whether a reform such as anti-corruption has been adopted is different from substantive input into individual initiatives.

The interviewees—Nadishani Perera, Executive Director of Transparency International Sri Lanka, and Dr. Paikiasothy Saravanamuttu, Executive Director of the Center for Policy Alternatives in Sri Lanka—felt that civil society is often in a unique position to understand and pulse the needs and realities of citizens. The "Civil Society Governance Diagnostic Report on the Anti-Corruption Landscape of Sri Lanka" was based on two months of intensive local consultation with a variety of community and sectoral representatives as well as specialists in relevant fields, focusing on the primary governance factors that have shaped the corruption context in Sri Lanka. The report highlights key elements that need to be harnessed to support and maintain anti-corruption initiatives necessary to guarantee Sri Lanka's successful recovery from its current financial crisis and make the best use of the IMF's EFF. Recommendations arising from the diagnostic can be found in box 2.

Civil society has an important role to play in monitoring and overseeing government commitments, especially in a country that has a history of selectively implementing legal and regulatory mechanisms. The civil society diagnostic argues for the importance of involving "active and equal participation of appropriate civil society entities" in the monitoring and evaluation of current legal and regulatory mechanisms. To this end, the diagnostic report suggests forming a joint government-civil society committee to ensure targets are met, goals remain in sight, and that the public remains informed.

Box 2: Recommendations from civil society diagnostic in Sri Lanka

The recommendations of the civil society diagnostic were divided into three categories:

- Measures to improve the transparency and accountability of existing systems necessary to produce required governance results;
- Where current legislation is unable to address financial mismanagement and potential corruption, the recommendations identify policy changes necessary to improve macro-political-economic stability and sustainability; and
- Where current legislation is unable to address financial mismanagement and potential corruption, recommendations identify policy changes necessary to reduce corruption risk and impunity.

Beyond box ticking

The importance of the quality of IMF structural benchmarks is clearly demonstrated in the context of Sri Lanka's anti-corruption legislation. Part of the IMF's programme included introducing new anti-corruption legislation to strengthen governance and align it with the UN Convention Against Corruption. This is the first time a metric of this kind has been connected to an IMF program in Asia.[27] In July 2023, Sri Lanka's parliament approved an anti-corruption bill as part of this requirement.[28] It attempts to update and fill in the gaps of outdated anti-corruption laws that had fallen behind what interviewees denoted as sophisticated and coordinated corruption. The bill gives more authority and funding to Sri Lanka's Commission to Investigate Allegations of Bribery or Corruption, which is tasked with conducting significant investigations. It can now work with local and international bodies to conduct joint investigations.[29]

Transparency International Sri Lanka (TISL) unsuccessfully tried to challenge one provision of the bill that allows the anti-corruption agency to send those who file false complaints to jail, something TISL worries about "in a country where good laws/provisions are abused."[30 31], as Nadishani Perera puts it. Furthermore, TISL has not seen money being allocated in the budget to support these acts and is continuing to monitor to see that an action plan is created to implement the plan.[32]

The implementation of structural benchmarks within the IMF's Extended Fund Facility programme underscores a crucial aspect of international financial agreements: the essential role of quality and depth in the benchmarks themselves. CSOs in Sri Lanka, such as TISL, have been at the forefront of critiquing these measures. They have articulated that, although anti-corruption laws were put in place as part of the IMF's programme, there remains a significant gap between the benchmarks' formal establishment and their capacity to address endemic corruption and governance challenges. CSOs emphasise that for structural benchmarks to be meaningful, they must not only be formally adopted but must also be capable of driving substantive changes that address specific governance dysfunctions.

In this light, civil society's engagement becomes paramount, providing essential oversight and contextual knowledge to ensure that these benchmarks do not merely tick boxes but actively promote meaningful reform. The involvement of these organizations introduces a layer of accountability and local expertise into the process, holding the benchmarks to a standard that transcends formality and truly resonates with the nation's governance needs. It is against this backdrop of civil society activism and scrutiny that the following observation by Transparency International Sri Lanka was made in December 2023: "The CSOs welcome the IMF's focus on promoting governance reforms within Sri Lanka's program. However, they note with concern that the government has failed to implement basic commitments around transparency and anti-corruption that are mentioned in the current program. For example, the program expected the government to publish by the end of March 2023 on an online platform relevant information on large-scale public procurement contracts and those receiving tax exemptions through various laws. The government has failed to do so to date. As noted in the IMF documents as well, the government is still significantly slow and incomplete in operationalizing and adequately structuring the expected anti-corruption initiatives including implementation of the new Anti-Corruption Act. The IMF has now reclassified some of these actions as Structural Benchmarks."[33]

Lessons from the Caribbean

A student asks a question at the student townhall event with former International Monetary Fund Managing Director Christine Lagarde at the University of the West Indies, Mona Campus in Kingston, Jamaica November 17, 2017.

In contrast to the contexts of Kenya and Sri Lanka, in several Caribbean jurisdictions, the establishment of an external oversight body has been a key measure to ensure compliance with fiscal rules and targets set by parliament, consistent with the EFF. This approach has been adopted in Jamaica, Grenada, and Barbados.

Jamaica

In Jamaica, an EPOC (Economic Program Oversight Committee) was created to monitor the implementation of an IMF EFF programme, mediated during a debt crisis in 2013. When the agreement was mediated, there was strong skepticism by other international partners and the general populace over Jamaica's dedication to the programme's objectives.[34] The oversight committee comprised a wide range of stakeholders including civil society, the financial sector, the private sector, and trade unions. The first of its kind, EPOC closely monitored the targets of the EFF program and gave quarterly reports updating the public on the government's fiscal performance in clear transparent terms. Regular meetings were jointly chaired by the governor of the Bank of Jamaica and leading members of the private sector, financial sector, trade unions, farmers organisations, and other stakeholders. As outlined by former Minister of Finance and Planning, the Hon. Dr Peter Philips, "this built public confidence in the government and placed good pressure on the government to ensure that they met the terms of the IMF agreement they had entered into."[35]

According to Dr Phillips: "(The EPOC) proved to be very good in our case in Jamaica to have the wider civil society groups and other stakeholders, particularly the financial sector, the private sector, the trade unions all participate in the monitoring of our program, but truth be told we actually didn't plan such an oversight. We came upon it because the public sentiments at the time when we were embarking on the program were so generally distrustful of the program itself, of the government's commitment to doing the program and making certain, in the words of one of the trade union leaders, that 'we never walk this way again.' The only response I had at the time as minister to this level of distrust bordering on general hostility was to say to them 'okay we will incorporate you as monitors of this program. We will give you all information on the state of public finances, except for anything that might be market sensitive or of any national security implication and that they would have all this information and they would be free to report to the public as they saw fit with some regular schedule. So there were regular meetings [and] it was jointly chaired by the Governor of the Bank of Jamaica and leading members of the private sector and had representation from the financial sector, private sector organizations and trade unions… It proved in the end to be very, very worthwhile because it built public confidence in what we were doing and placed particular pressure on the government to ensure that we met the terms of the agreement that we had entered into because it was clear to the society it was going to be a very difficult program to implement".[36]

Furthermore, a provision from the 2012 Fiscal Responsibility Framework ensured that there was some parliamentary oversight of the fiscal and debt targets. A Public Administration and Appropriations Committee was established in parliament, chaired by a member of the opposition.[37] Additionally, the Auditor General's Office was required to provide a report to said committee about the extent to which each budget accorded with the rules of the fiscal responsibility framework.[38]

EPOC has produced impressive outcomes and spanned the course of two opposing political administrations. The financial sectors and the public sector have recovered government finances and established macroeconomic stability across administrations thanks to tax and monetary policy reforms.

Jamaica's success shows how powerful it can be when civil society can engage meaningfully to both hold the government accountable and help restore public confidence in the government.

Grenada

In Grenada, the legislative framework for oversight was established through the passage of the Fiscal Responsibility Act (FRA) in 2015. The act notably led to the creation of the Fiscal Responsibility Oversight Committee (FROC), a five-member committee tasked with monitoring adherence to the fiscal rules and targets outlined in the FRA. The committee also has the responsibility to report its findings and assessments annually to the House of Representatives.

The inaugural report of the FROC, published in 2017, presented a thorough review of the government's fiscal performance for the year 2016. This report not only scrutinized the compliance with the rules and targets set in the FRA but also critically evaluated the variances between the actual fiscal performance and the targeted objectives. Additionally, it provided insights into the government's overall implementation of the Act.

This crucial report was compiled by FROC's five-member committee, using data provided by the Macroeconomic Policy Unit of the Ministry of Finance. Once completed, the report was tabled in the House of Representatives. Subsequently, it was reviewed by several key committees, including the Public Accounts Committee (PAC), the Standing Orders Committee, and the Standing Committee on Finance. This process ensured a comprehensive and transparent review of the government's fiscal performance and adherence to the established fiscal discipline framework.

Barbados

The practice of social dialogue in Barbados, involving consultation through bipartite and tripartite arrangements, has its roots in the economic crisis of the early 1990s. At that time, the Barbadian government, in collaboration with the IMF, introduced structural adjustment programmes that were met with public resistance. The proposed measures were criticised for not sufficiently considering their social impact and for inequitably distributing the burden of economic adjustments. This period saw unprecedented tensions due to the IMF and World Bank's structural adjustment measures, leading to widespread protests, including from the trade union movement, employers' organisations, and civil society.

In response to this unrest, social dialogue emerged as a key strategy for national problem-solving and effectively reduced industrial unrest. This process helped build trust and facilitated a more collaborative environment for consultation and engagement among the parties involved. This led to the establishment of the first protocol on social partnership in 1993, aimed at the sustained economic development of Barbados, and marked the creation of the Social Partners – a collaborative group consisting of government, employer representatives, and trade union representatives.[39]

The formation of this tripartite structure was a response to the country's challenges at the time, which included declining foreign exchange reserves, a worsening balance of payments situation, rising unemployment, and a high fiscal deficit. Despite overcoming the crisis of the early 1990s, this tripartite structure has been maintained, with all parties continuing to work together to address the country's economic and social challenges.

In a similar vein, the Barbados Economic Recovery and Transformation (BERT) programme, set up in 2018, is governed by a comprehensive oversight mechanism. This programme aims to restore fiscal and debt sustainability and enhance economic growth and job creation while ensuring a strong social safety net. The governance of BERT involves a unique arrangement, including a broad-based oversight group known as the BERT Monitoring Committee. This committee is composed of representatives from the government, the private sector, and labor unions, ensuring a multi-stakeholder, inclusive approach to monitoring the programme's implementation and progress.

Conclusion

In conclusion, the analysis of civil society's engagement with International Monetary Fund (IMF) agreements across various contexts reveals that active and inclusive civil society oversight can significantly enhance the legitimacy, transparency, and effectiveness of IMF programmes. The experiences from the Caribbean demonstrate the positive impact of formal CSO representatives in oversight mechanisms, leading to increased public trust and consistent adherence to fiscal discipline. Conversely, the situations in Kenya and Sri Lanka highlight the challenges faced by CSOs when excluded from meaningful participation in the negotiation and implementation of IMF agreements.

Part of the politics that explain why CSO engagement succeeded in the Caribbean and was blocked in Kenya and Sri Lanka can be explained by the government's willingness to formally incorporate CSO input into programme creation and evaluation. Dr Philips highlighted the action taken to incorporate civil society into monitoring Jamaica's debt agreement when the government's role in leading to the crisis had left it lacking major legitimacy. However, in Sri Lanka and Kenya, the government's perceived lack of legitimacy (due to corruption and mismanagement) did not leave them feeling obligated to bring members of civil society into the monitoring arrangement.

In the Caribbean, institutionalising civil society input into the IMF review process helped CSOs garner the respect and credibility necessary to successfully hold their governments to account.

The cases discussed signal a clear imperative for a structured collaboration between governments, international financial institutions, and civil society. Such collaborations ensure that economic reforms are not only technically sound but also democratically legitimised and aligned with the social and economic realities of the country. The advocacy for legislative changes to involve parliamentary oversight, as seen in Kenya, and the independent governance diagnostic efforts by Sri Lankan CSOs, are powerful reminders of the need for domestic accountability mechanisms and the recognition of local expertise.

Ultimately, the legitimacy of IMF programmes and the sustainability of the economic reforms they support are greatly enhanced when civil society is engaged as a partner rather than an outsider. This not only guards against the disenfranchisement of the populace but also ensures that the burdens and benefits of economic adjustments are equitably shared. The lessons learned from these diverse experiences should guide future IMF engagements to foster more resilient and inclusive economic governance structures globally.

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Annexes

Annex 1: Okoa Uchumi Campaign Members

1. The Institute for Social Accountability
2. Econews Africa
3. East African Tax and Governance Network
4. Action Aid Kenya
5. The Kenya Human Rights Commission
6. Transparency International Kenya
7. Inuka Kenya Ni Sisi! Ltd
8. International Budget Partnerships Kenya
9. Centre for Economic Governance
10. Muslims for Human Rights (MUHURI)
11. CRAWN Trust
12. Christian Aid Kenya
13. Centre for Fiscal Affairs
14. Katiba Institute
15. Oxfam Kenya
16. Institute of Public Finance
17. African Forum and Network on Debt and Development (AFRODAD)
18. Social Justice Centres.
19. Okoa Mombasa Coalition

Annex 2: Members of the Civil Society Initiative on Anti-Corruption Reform for Economic Recovery

1. Transparency International Sri Lanka
2. Verite Research
3. The Centre for Policy Alternatives
4. Sarvodaya
5. People's Action for Free and Fair Elections
6. The National Peace Council

Annex 3: Interviewees

1. Eric Kinaga, Programs Manager, The Institute for Social Accountability (TISA), Kenya
2. Nadishani Perera, Executive Director, Transparency International Sri Lanka
3. Paikiasothy Saravanamuttu, Executive Director, Centre for Policy Alternatives, Sri Lanka

Endnotes

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9 Okoa Uchumi Campaign members to Ms. Haimanot Teferra, Mission Chief International Monetary Fund (IMF) African Department, "Re: Decision to Abstain from Participating in Perfunctory Article IV Consultations," May 16, 2023.

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30 Interview with Nadishani Perera, Transparency International Sri Lanka

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About the author

Geoff Dubrow is a WFD Associate expert on oversight of public debt. Geoff is a public financial management (PFM) expert, with a specialised focus on the critical nexus between parliamentary oversight and public debt management. His expertise is informed by over 20 years of global experience in strengthening accountability and transparency in parliamentary systems. A Fulbright Scholar, Geoff's academic background includes master's degrees in public administration from Cornell University and Political Science from the University of Toronto. His work spans 5 continents, having worked to enhance PFM and parliamentary oversight practices across Asia, Africa, the Caribbean, Eastern Europe, and Canada.

Geoff authored WFD's Financial Accountability Series (2019), WFD's Policy Brief on the Role of Parliament in Public Debt Management (2020), WFD's e-course on public debt oversight (2021) and WFD's Public Debt Management Assessment Toolkit for Parliaments (2022). Geoff also authored four policy briefs on parliaments and public debt for the National Democratic Institute and WFD in 2022.

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