DAC Network on Poverty Reduction

TASK TEAM ON POVERTY IMPACT ASSESSMENT - PROGRESS REPORT

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POVERTY IMPACT ASSESSMENT:
PROGRESS REPORT

I  Background and context

1. To help donors assess, ex ante, the expected distributional impacts of their interventions and maximise the poverty reduction impact, POVNET has developed a Poverty Impact Assessment (PIA) approach. A general overview of the PIA approach [DCD/DAC(2006)24] was approved by the DAC in 2006 and published in “Promoting Pro-Poor Growth: Policy Guidance for Donors”. In May 2007, the “Practical Guide to ex ante Poverty Impact Assessment” was approved by the DAC [see DCD/DAC(2007)32].

2. At its meeting in April 2007, POVNET agreed to the PIA Task Team’s 2007-08 Workplan [DCD/DAC/POVNET(2007)2; DCD/DAC/POVNET/M(2007)4]. In order to move from an output-oriented work programme to an outcome and impact-oriented outreach strategy, the work plan identified three work streams: i) scaling up to promote donor buy-in; ii) raising partner country awareness and ownership; and iii) strengthening linkages to the Managing for Development Results (MfDR) agenda.

II  Progress to date

a) Scaling up to promote donor buy-in

3. Several of the tasks outlined in the 2007-08 work plan have already been fulfilled:

- **Preparation of a promotional package:** The “Practical Guide to ex ante PIA” was published in the DAC Guideline and Reference Series and sent to senior managers in development agencies, together with an introductory “flyer” and a letter to encourage the use of PIA. This has strengthened some donors’ commitment to try the application of PIA to increase the poverty impact of their programmes.

- Two POVNET members organised awareness raising workshops in their agencies (Switzerland and Sweden). Another awareness raising workshop is planned in Germany in November 2007.

- To facilitate information sharing, the POVNET webpage has been updated regularly. Reports on recently conducted PIAs were published on the webpage.

- The POVNET/Train4Dev pro-poor growth learning event has integrated a module on PIA in its pilot learning event scheduled for December 2007.

- The PIA Task Team has managed to widen its membership. World Resources Institute, Ireland and Norway have now joined the Task Team.
4. The outcome of this dissemination strategy has been that, so far, around 15 PIAs were implemented in the following fields:

   i. Agriculture, natural resource management.
   ii. Private sector development.
   iii. Infrastructure (Transport, Urban Water and Sanitation, Export Processing Zone).
   iv. Health.

5. The PIAs that were conducted in the private sector development area linked PIA to the two other POVNET Task Teams: on Social Protection and Empowerment and on Employment and Labour Markets. Anecdotal evidence shows that the PIAs so far conducted have increased the discussion on the pro-poor design of the interventions. In most instances, mitigating measures were identified and adaptations to the design of interventions were made. In one case, the strong participation of all stakeholders in the partner country led to discussions on the programme in the press and in the National Assembly. All PIAs identified recommendations on how to increase the positive impacts on the poor. The World Resources Institute plans to make PIA a component of their new venture portfolio on small and medium enterprises. An evaluation report to grasp the impacts of the PIAs conducted so far is in preparation. It might be desirable to bring together information on lessons learned and concrete impacts achieved to further dissemination activities.

b) Raising partner country awareness

6. The PIA Task Team has joined forces with the PSIA donor group. In order to raise awareness and support capacity development in partner countries, the PIA Task team wanted to closely co-operate with the PSIA Donor Group. So far, only a few activities have been realised.

   • A note showing the value of analysing the distributional impacts of policy reforms, programs and projects, using PIA and PSIA approaches, in order to fulfil the MfDR agenda has been drafted.

   • It has been planned to participate in awareness-building events in a number of partner countries. So far, capacity development was successfully done in Senegal, where the government has stated its interest in applying PIA more widely. The PRS secretariat is particularly interested in scaling up the approach. At “Poverty Data Monitoring and Evaluation Seminar and East Asia Poverty and Data Initiative Coordinator Conference”, organised by the World Bank Institute and the International Poverty Research Centre China (IPRCC), a presentation on PIA attracted interest from a number of participating Asian countries. PIA was also presented at a conference on “Taking Action for the World’s Poor and Hungry People” organised by IFPRI and IPRCC, in Beijing in October 2007.

   • In co-operation with the PSIA donor group, the Task Team will try to identify further opportunities to raise awareness and support capacity development in partner countries. Potential countries are Zambia, Tanzania, Malawi and Benin.

c) Strengthening linkages to the MfDR agenda

7. The work plan included the preparation of a contribution for the September 2008 Accra High-Level Forum on Aid Effectiveness to present good practices on the use of distributional impact
analysis (PIA, PSIA). In this connection, a letter has just been circulated to all DAC Subsidiary Body Chairs from Jan Cedegren, Chair of the Working Party on Aid Effectiveness\(^1\) (copies will be circulated to POVNET members in advance of the meeting). That letter invites contributions to the preparations for the Accra High-Level Forum. POVNET, in general, as well as the PIA Task Team, should consider how best to respond to this invitation.

### III. Challenges ahead

8. In 2008 the Task Team will continue its efforts to scale up the PIA approach by following its communication and dissemination strategy. The challenge ahead is to convert the POVNET output into outcomes at agency and partner country level. To address this challenge, the Task Team will focus in 2008 on the following:

- Encourage *joint PIAs* on the basis of an intensified and permanent information sharing in order to build partner country interest and ownership of the PIA approach.
- Explore more intensively PIA application for sector programs and reforms as well as for the private sector.
- Disseminate the successful experience of Senegal to *promote country-led PIAs* in Africa, facilitated i.a. by efforts to bring together lessons learned and information on concrete impacts.
- *Continue systematisation of learning experiences* to improve didactical materials for the application of PIA.

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