DAC Network on Poverty Reduction

DRAFT SUMMARY RECORD OF THE POVNET CROSS CUTTING TEAM ON EX ANTE POVERTY IMPACT ASSESSMENT MEETING

held on 26 September 2005, OECD, Paris

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POVNET CROSS CUTTING TEAM ON EX ANTE POVERTY IMPACT ASSESSMENT

SUMMARY REPORT

26 September 2005, OECD, Paris

1. The purpose of the meeting was to discuss:

   • The “Input Paper” and “Working Paper” with a view to ensure a common understanding of key messages and guidance on how to do an ex ante PIA,

   • Implications for donors’ reporting and monitoring processes, and

   • Dissemination and next steps of the cross-cutting team.

2. Following a presentation by Henry Lucas, the group discussed the input paper chapter by chapter. The following reflect the key outcomes of that discussion:

General outcomes

3. It was agreed that the team would:

   • Produce three products overall: (i) a 3-4 page summary/policy statement to be approved by POVNET and integrated into the Overarching Paper, (ii) a 8-9 page paper setting out the rationale, principles and guidance for Ex Ante PIAs, and (iii) a longer technical paper/handbook on how to do PIAs, to be possibly made into an interactive CD-Rom.

   • Improve linkages and synergies with the work of the other POVNET task teams

   • Simplify and shorten the input paper further, including matrices, without sacrificing rigor;

   • Reflect further on how PIA could provide a basis for better reporting and monitoring in the broader context of fostering local ownership and capacity development for such monitoring;

   • Consider possibilities for piloting the method and further dissemination in the course of 2006.
Next steps include:

- Take on board drafting suggestions (Henry) for the *Input Paper*.
- Prepare a short *policy statement/summary* (Wolf).
- Circulate both the *summary* and *input paper* on 13 October for comments by 18 October. Both papers will subsequently be circulated to the POVNET on 24 October. These later dates take account of the postponement of the POVNET plenary meeting until 16-17 November.
- Reflect on possibilities to continue the group for another year and anchor this work in the aid effectiveness area.
- Include a dissemination strategy in the paper (Henry) and consider possibilities for funding dissemination, training, CD-ROMs etc.
- Provide comments on the working paper by 18 October and leave the Poverty Marker paper as it stands. Peter Poulsen will update the guidance part of document.

**Discussion on chapter one focused on the need to:**

- Prepare a short, 2-3 page standalone summary of the input paper which could build on the note forwarded to the Steering Group at its London meeting and Ch. 1 of the input paper. This would then also serve as an executive summary.
- Clarify the concepts – what is the difference between impacts and outcomes? What does it mean to translate national development strategies including PRSs determined by partner countries into projects and programmes that focus on poverty and MDG oriented outcomes and impacts?

**Discussion on chapter two focused on the need to:**

- Clarify key messages – these are (i) PIAs are important in the context of MDGs to understand the potential effects of a wide variety of interventions on poor people, (ii) the assessments are carried out ex ante – but have to indicate and be precise on the appropriate level of analysis, (iii) this is a tool for donors to monitor activities and assess anticipated effects in coordination with the partners (iv) there are a number of steps that should be taken to do the analysis – in the context of PRSs, analyse the transmission channels on target groups, do a special analysis on poor target groups such as gender, describe aggregated impact, and consider ways to monitor contributions of donors.
- Move the “how to?” part from chapter 4 to chapter 3 and clarify that the exercise should be made as simple as possible without sacrificing rigor. In some cases, the outcome of the exercise might be that there is insufficient information to assess ex ante.
• Indicate that the monitoring process has to be built into the design of the activity and that the project manager is responsible for monitoring. The analysis should be made in the context of a feasibility study. A question remains on the level at which the analysis should be carried out - sector level or project level. One should try to integrate analysis at the level of individual interventions to validate project while drawing on SWAPs.

• Clarify that this is primarily for donors although could be shared with partners in view of improving design of project. It should be presented as an instrument to harmonize donor procedures and an outcome oriented part of the appraisal to be carried out in the context of MDGs. It can be seen as an extension of the logframe/causal chain analysis drawing on existing data and can be carried out at low cost. Partner countries also use these approaches and should increasingly take on the responsibility of monitoring and assessment themselves for domestic accountability. This part should perhaps be elaborated in chapter 4.

The discussion on chapter 3 focused on the need to:

• Clarify what the objectives are – to cover the five steps in the methodology and treat them all equally - vs. concepts and principles behind these steps.

• Consider the PIA for use by the team involved in preparing the project/intervention (with a mix of sector and social economists)

• Indicate that this is a framework with basically agreed terminology but which recognizes the need for flexibility in the application. Spell out definitions and applications, e.g. outcomes vs. impacts, causal path analysis.

• Recognize that there is diversity in the real world and this is a framework for moving towards harmonization. Peter’s piece/diagram could be useful in the background paper – people are more used to livelihoods frameworks. Describe transmission channels leading to impact capabilities and targeted groups, provide guidance on the linkages between the different matrices, and rationalize the process in the context of the PRS and donor strategies.

• Combine chapters 3 and 4. Start with principles, then graph of basic steps of a PIA and how to carry it out in four steps by a donor-led team in collaboration with partner. Make clear that transmission channels are not only about the poor but about impacts on everyone, while matrix 1 is about impacts on target groups.

• Refer in matrices to short and medium term impacts to avoid confusion with outcomes and impacts but don’t be too strict in this guidance. Give clearer guidance on pluses and minuses, on blank cells and on the type of information (availability or quality?)

Chapter 5 discussion

4. The discussion on chapter 5 started with a brief intervention by Brian Hammond on the background to the use of poverty markers in the DAC and on some donor reporting issues in the current results oriented frameworks. He explained that the poverty marker system had been
dropped because of problems of comparability and sustainability, and strongly advised the PIA group against going in this direction. The DAC is currently embarking on an assessment of how the system ought to be measuring impacts but this is heavily subject to what donors can achieve realistically. The current results based approach pointed to the need to have more input at the country level so this is the vision on how to have a better assessment of impacts.

5. It was agreed that flagging the issue was useful but that it should be linked to the broader policy discussions. Our key messages could be short, that: (i) this type of ex-ante PIA could be a basis for a improved reporting, (ii) the political will may be inadequate to encourage such reporting, (iii) there is a broader vision to facilitate the process of country level monitoring and assessments. The PIA could then become part of the learning process and feed into such discussions.

**Decisions on the matrices:**

6. Matrix 1 would have three categories on risks and quality of information: good, adequate and poor. It should be looked at in conjunction with matrix 2. This should be explained in the notes.

7. Matrix 2 would be simplified by cutting out “direct and indirect impacts” and limiting it to short and medium term impacts. Target groups to analyse would be at the discretion of the team that conducts the assessment.

8. Matrix 3 would distinguish by short and medium term impacts only. MDG goals 1, 6 and 7 should clarify the targets. More guidance may be needed on how to answer questions/make assessments.

9. The question was raised as to whether to keep the scoring that had been discussed in Frankfurt. The scoring was done according to (i) how well it is linked to PRSs? (ii) how well groups are targeted? And (iii) impacts on poverty reduction? The scoring would be 0, 1, 2.

**Chapter 6 discussion**

10. Chapter 6 makes suggestions on how to implement and monitor member countries’ use of this instrument. There is still a lot to develop. The process could start with

- Testing in a pilot phase followed by

- Preparation of guidance/handbook, such as a CD-Rom accompanied by training programmes,

- Monitoring through, for instance, the normal peer review process.
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