

**Poverty Reduction Group  
(PRMPR)**

2006-2008 Strategy and Business Plan

**PREM  
POVERTY REDUCTION GROUP**

**2006-2008 Strategy and Business Plan**

*We help our clients fight poverty through ideas that work  
Mission statement of the Poverty Reduction Group (November 2004)*

**I. Introduction**

Since its inception under the mandate of the Poverty Reduction Board (PRB) in 1997, the Poverty Reduction Group (PRMPR) in the PREM anchor has assisted country teams in sharpening the poverty focus of CASs, analytical work and lending operations and has supported senior management in addressing the overall corporate agenda on poverty reduction.<sup>1</sup>

Following its merger with the PRS unit in 2000, the Poverty Reduction Group also became the institutional focal point for the PRS process. The Group's work on PRS-related issues provided an operational focus, but it came at the cost of heavy reporting requirements to senior management and the Board, limiting the availability of resources to work on issues relevant to middle income countries (MICs) or to provide direct support to country teams. With the mainstreaming of the PRS approach in the Bank and a large decline in corporate requirements, there is now an opportunity for the unit to provide more services in response to client demand, address poverty related issues that are of special relevance to MICs, and contribute to other emerging priorities in PREM and the Bank.

To take advantage of this opportunity, PRMPR has recently reexamined its strategic directions and overall work program under the direction of the PRB. In line with current institutional priorities and drawing on feedback received from its affiliates and the PRB, as well as the 2004 QAG review of the PRB, this document outlines a new medium-term strategy (FY06-08) for the Poverty Reduction Group and discusses the resulting proposed business plan for FY06.

Following a review of the main accomplishments of the Poverty Reduction Group and an assessment of its principal strengths and challenges based on the above mentioned inputs, this paper introduces the new strategy and discusses how it will be implemented. A broader discussion of the three main lines of work that are proposed for the Poverty Group is found in Annex 1.

---

<sup>1</sup> The unit is overseen by the PRB which includes representatives from all regions, DEC, WBI, and other anchor units. This is the primary vehicle through which the anchor gets input to and feedback on its work and its content.

## II. The Poverty Reduction Group to Date: Achievements, Strengths and Challenges

*Achievements.* In the early years, the Poverty Reduction Group focused on improving the quality of poverty analysis, monitoring and evaluation within the Bank, contributing to the development of the Bank's overall poverty reduction strategy with a substantive engagement in the preparation of the 2000/01 World Development Report, and satisfying corporate demands to track and report on the poverty focus of country assistance strategies (CASs), analytical work and lending operations. After its integration with the Poverty Reduction Strategy Unit in 2000, the work of the Poverty Group shifted away, to a certain extent, from technical issues and became more focused on operationalizing the PRS process in low-income countries and related corporate responsibilities.

### **Box 1. Main Products of the Poverty Reduction Group (2002-2005)**

#### **Flagship Publications and Papers:**

- \* A Sourcebook for Poverty Reduction Strategies (2002) (Together with FPSI, HD and ESSD Networks).
- \* Empowerment and Poverty Reduction: A Sourcebook (2002) (received the American Library Association's CHOICE Outstanding Academic Title Award.)
- \* Voices of the Poor: From Many Lands (2002).
- \* A User's Guide to Poverty and Social Impact Analysis (2003) (with SDV).
- \* Power, Rights and Poverty Reduction (2004)
- \* Measuring empowerment in practice: structuring analysis and framing indicators (2005).
- \* Pro-poor growth in the 1990s: Insight and lessons from 14 country case studies (2005).
- \* Analyzing the Distributional Impact of Reforms. Volume 1 (2005).

#### **Corporate Products:**

- \* OP 1.00, Poverty Reduction and Good Practice 1.0 note on poverty assessments (2004) (together with OPCS and Legal)
- \* Guidelines for poverty reduction strategy papers
- \* Poverty Reduction and the World Bank: Progress in 2002
- \* Annual Progress Reports on PRSP Initiative (with IMF) (2002, 2003, 2004, 2005)
- \* Partnerships in Development: Progress in the Fight against Poverty (2004)
- \* Integration of PSIA in Bank operations with adoption of OP8.6, Development Policy Lending, September 2004 (together with OPCS).

#### **Other achievements:**

- \* Support to Bank country teams in relation to the PRS process: 48 PRSPs and 45 annual progress reports (July 2005) have been completed by low-income countries.
- \* Contributed to the promotion of rigorous poverty impact evaluations of Bank activities through the creation of a database of existing evaluations.
- \* OED Good Practice Award for the activities of the M&E Thematic Group.
- \* Contributed to strengthening poverty monitoring in PRSP countries through the development of methodological guidance, training material, and technical support

*Results from internal stocktaking.* Mirroring ongoing corporate reflections on how to increase the effectiveness and operational relevance of the networks, and building on the comprehensive review of the PRB by QAG in early 2004 (box 2), PRMPR undertook a stocktaking exercise seeking feedback from its PREM affiliates and the members of the PRB on its overall performance and priorities for future work.<sup>2</sup>

The feedback received, including from QAG, commended the work of PRMPR for its strong technical skills, policy relevance, multi-disciplinary and multi-country approach, as well as for its ability to respond quickly and flexibly to corporate demands. At the same time, there were concerns that the group had limited resources, which constrained its ability to deliver cross support, and that the linkages between the various activities undertaken by the group were not fully exploited (preventing the unit’s outputs from “forming a whole greater than the sum of its parts”). In addition, the discussions revealed that critical constituencies remained unaware of key PRMPR TG activities and even flagship products suggesting that dissemination activities had not been fully effective. Finally, the input suggested that the Poverty Group would do well to broaden its focus beyond low-income countries to include more work on middle-income countries.

**Box 2. Highlights of QAG Assessment of the Poverty Reduction Board (February 2004)**

**Areas of Strength**

- \* Scaling up Bank’s low-income country work (PRSPs)
- \* Operational support in implementing LIC poverty work
- \* Very successful with heavy corporate reporting obligations
- \* Sourcebook for PRSPs and tool kit for PSIA state-of-the-art
- \* Learning opportunities, quality-support material and KM activities (including web-based)

**Areas Needing Improvement and Recommendations**

- \* PRB should drive overall program to greater extent
- \* PRB more proactive on HR functions: staff rotation and skills deployment
- \* More focus on poverty strategies for middle-income countries
- \* More upstream support to PRSPs and CASs
- \* More work on high risk/high-profile activities or countries
- \* Improve quality of PRSPs in LICs
- \* Accelerate work on pro-poor growth

**Systemic Messages**

- \* PREM management has to sort out overlaps in sector board mandates
- \* PREM Council needs to upgrade management-level composition of PRB
- \* Reduce weight of corporate reporting and institutional outreach

An objective of PRMPR’s medium-term strategy is also to ensure that the priorities of the Group are consistent with the Bank’s overall poverty reduction strategy, albeit more narrow in scope so as to be operational. The Bank’s strategy has been articulated at the corporate level through various documents, most notably the *2000/2001 World Development Report: Attacking Poverty* and the *2001 Strategic Directions* paper.<sup>34</sup> The strategy has increased the

<sup>2</sup> See the “Poverty Board Reduction Retreat: Summary of Discussion,” in particular the direction and suggestions given by the PRB to PRMPR in session 3 on the PRMPR Work Program. This retreat took place in March 2005.

<sup>3</sup> Note that the Poverty Reduction Board (and hence neither PREM nor PRMPR) is in charge of developing a poverty reduction strategy for the Bank as a whole, although the Poverty Group and the PRB often provide significant inputs into the development of corporate documents on poverty reduction.

institutional relevance of the Group's work and given its central role in the growing debate on the effectiveness of aid in reducing poverty, but has also created several challenges. The corporate agenda has been traditionally very large; the potential scope of interventions is broad making it difficult to establish strategic priorities that form a comprehensive package; and strong institutional collaboration is necessary to ensure the implementation and sustainability of the work program.

### **III. Medium-Term Strategy (FY06-08)**

Building on the assessment of strengths and weaknesses outlined in the previous section, the medium-term strategy of the Poverty Reduction Group is to provide strategic guidance and knowledge to Bank and client country teams on designing and implementing effective poverty reduction strategies. We view our main clients as the PREM affiliated staff (mainly, although not exclusively, based in the regions) and senior management for corporate products. At times, at the request of country teams, PRMPR staff work directly with external country clients.

In particular, the strategy has two main operational objectives:

- first, to assist Bank country teams in strengthening the analytical underpinnings of Bank and client operations and policies with respect to poverty reduction;
- second, to help ensure that the results of poverty reduction programs are tracked and evaluated more effectively using state of the art tools either developed or operationalized by PRMPR.

The choice of business lines and products discussed below is aimed at attaining the two objectives; the discussion in section VII, Monitoring and Evaluating the Strategy, provides a framework for evaluation of individual programs and initiatives, as well as for feedback in the design of the next FY business plans.

*Product lines.* To help pursue these objectives, PRMPR has revisited its product lines and offerings. PRMPR now organizes its work around three functionally oriented product lines: *Strategic Guidance in Understanding Poverty*; *the Practice of Poverty Reduction*; and *Poverty Analysis, Monitoring and Impact Evaluation*.

Each product line roughly corresponds to a different point in the Bank's "project cycle". The products within *Strategic Guidance in Understanding Poverty* are primarily intended to feed into the conceptualization and design of Bank operations and analytical work. In *The Practice of Poverty Reduction* products are target implementation of CASs, PRSs, PRSCs and other assistance operations. Finally, guidance and tools provided by *Poverty Analysis, Monitoring and Impact Evaluation* are concerned with measuring and understanding poverty as well as helping clients track the results and evaluate the impact of development initiatives (including Bank supported operations), which in turn will feed back into design processes.

---

<sup>4</sup> The *Strategic Framework paper* translated the WDR's conceptual framework for attacking poverty into two action-oriented pillars: (a) building the climate for investment, jobs, and sustainable growth; and (b) empowering poor people to participate in development and investing in them.

By organizing activities along these three product lines, it will be easier for PRMPR's clients to identify the services that will be most useful to them at any point in the operational cycle. In turn, it will make it easier for PRMPR staff to identify likely clients and promote their products.

The adoption of the three product lines framework is accompanied by changes in the focus of the activities that PRMPR undertakes and the modalities through which it works. For example, while issues related to MICs have been included in many of the activities undertaken by the group, the themes and topics that have been chosen mainly reflect priorities of LICs. Both the QAG review and the stocktaking exercise recommended an expansion of the work program to address poverty reduction in MICs. Accordingly, in cooperation with the PRB, PRMPR will open up a new area of work in FY06—under the Strategic Guidance in Understanding Poverty business line—addressing labor market issues and their role in poverty reduction, an area of particular (although not exclusive) interest to MICs (see next section).

#### IV. What We Will Do and Why

Under each business line, PRMPR will offer a number of services that can be divided into three categories: Operationally-Relevant Knowledge Applications; Direct Frontline Services; and External Partnerships and Corporate Priorities<sup>5</sup>:

- *Operationally-Relevant Knowledge Applications* include new reports and research outputs as well as methodological notes, diagnostic tools and training courses, sourcebooks and the material on the various poverty websites.
- *Direct Frontline Services* refers to services such as cross-support, workshops and on-demand clinics jointly organized with Regional teams, peer reviews, upstream guidance, and brainstorming sessions.
- *External Partnerships and Corporate Priorities* encompass activities to leverage the group's objectives and more broadly poverty reduction mission.

The specific scope of activities of the group will be determined, over the course of the strategy period, by the availability of resources, both budgetary and externally-raised. Given the current uncertainties surrounding the budgetary environment, this document only presents a detailed discussion of the proposed FY06 work-program. In selecting priorities among competing tasks and demands, we sought to enforce the following principles:

- Proposed activities should provide a reasonable balance among the three functional areas of involvement, maximizing client support while providing resources for longer-term investment in knowledge generation.
- An appropriate balance will also be sought between the organization of high-visibility **flagship-like** initiatives (aiming to bring important ideas into the mainstream thinking

---

<sup>5</sup> Detailed work programs by type of activity are in Annex 1.

of Bank staff), and provision of essential knowledge management services on a daily basis, through TG activities, training, websites and publications.

- The group should shift the *modus operandi* for cross-support to regions from (mostly) individual participation to providing ideas and resources for jointly sponsored, high-priority regional initiatives.
- Resource-raising for the purpose of helping country teams develop and mainstream products will remain a high priority; Responding to feedback we have received, the overall PREM learning strategy, will attempt to maximize decentralized training offerings, with major emphasis on those aimed at operational staff.

## **V. Work Program and Deliverables, FY06**

Based on the objectives of the Strategy, and on the operating principles discussed above, we now turn to the proposed PRMPR Work program under each business line, and more specifically to the deliverables for FY06.

### ***Strategic Guidance in Understanding Poverty***

The objective of this area of work is to undertake operationally relevant knowledge creation to provide strategic guidance to teams in addressing poverty reduction. Activities in this ‘knowledge creation’ pillar are normally part of ‘special projects’. These are generally multi-year policy-relevant knowledge-generation activities, undertaken in collaboration with internal and external partners—such as the regions, DEC, other networks and bilateral aid agencies. The recently completed “Operationalizing Pro-Poor Growth” project and the ongoing “Moving Out of Poverty” projects are examples of this type of work and are included in this business line.

The work on pro-poor growth highlights a number of operational policy lessons on increasing the participation of poor households in growth as well as a variety of tools to measure the distributional impact of growth. In FY06, the aim will be to disseminate the main findings to other networks and country clients, to prepare easily accessible publications and notes with key findings, and to work with the other two business lines to improve the analysis of growth poverty linkages in country diagnostic work and poverty reduction strategies. The work will thus be migrating to the “Practice of Poverty Reduction” and “Poverty Analysis, Monitoring and Evaluation” business lines.

Moving Out of Poverty is an ongoing multi-year, global research program to explore the dynamics of 5 to 10 year transitions out of poverty and the dynamics of wealth maintenance from the perspectives of men and women who have lived through these experiences. The study seeks to bring a micro perspective to the pro-poor growth policy discussion, by exploring from the bottom-up factors that unleash poor people’s economic potential and support their efforts to create wealth and build assets. The work program in FY06 is centered on undertaking and completing the community level and country studies. Preliminary results

will be discussed at a series of events, including the January 2006 GDN meetings; completion of the study is expected in FY07.

Over the past few years, PRMPR has developed—in collaboration with ESSD—a work program aiming at operationalizing and mainstreaming the use of “empowerment” (the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes) as an analytical and operational tool for poverty reduction in Bank work. While the empowerment work in FY06 will mainly focus on mainstreaming the use of approaches, knowledge and tools developed over the last two years, cutting edge, recently initiated knowledge creation work will continue on, the fiscal determinants of empowerment, and, economic empowerment

One of the main findings of these ongoing projects is the crucial role played by employment opportunities and conditions in making growth pro-poor and in bringing the poor out of poverty. Building on these findings, PRMPR—in collaboration with the Social Protection Department and the PREM Trade and Gender Groups—has developed a new work program--*Jobs and Migration*—with emphasis on the crucial role job creation, labor markets conditions and migration play in promoting pro-poor growth. The focus and character of *Jobs and Migration* has recently been finalized following extensive consultations with Regions and external partners. It will consist of a combination of knowledge generation and management activities of high operational relevance conducted in close collaboration with regional staff and leading to a series of corporate and regional learning events.

In the first instance the focus will be on the links between employment opportunities and characteristics and the multidimensional aspects of poverty. The outcomes of this first stage are expected to be a flagship report and a number of products and events designed to increase capacity both within World Bank staff and our clients for evidence-based policy making in what is increasingly perceived as a crucial but relatively under-explored area of development. The aim is to then move on to look more directly at the role of (i) employment opportunities in making growth pro-poor in well performing economies and (ii) labor market and labor force characteristics in enhancing the growth prospects in stagnating economies.

### ***Practice of Poverty Reduction***

The main objective of this business line is to support Bank teams and country clients design and implement effective development strategies that empower and facilitate the participation of the poor in growth. This business line builds on the past work on Poverty Reduction Strategies and Poverty, Social Impact Assessments, and on empowerment, and will provide the focal point for addressing issues of aid effectiveness in the post-Glencagles debates.

With regard to the PRS process, the focus of the work going forward will be on strengthening the architecture of the process and providing advice for increased aid effectiveness. The first step will consist of completing and disseminating lessons and recommendations from the 2005 PRS review (to be presented to the Development Committee in September 2005) and cross-support to country teams on key issues such as the links between the PRS and medium-

term expenditure framework, participation, growth-poverty linkages, and the political economy of aid. The group will also work on identifying lessons for MICs in their “PRSP like” processes and PRS in conflicted afflicted countries. The activities under this heading are conducted in close collaboration with external and internal partners, as discussed in the *Partnerships* section.

Closely related to the above, and as mentioned in the previous section, during FY06 PRMPR will help disseminate the results of the Operationalizing Pro-Poor Growth study and will support country teams, in collaboration with DEC and other PREM units, in introducing and mainstreaming Country-specific growth and poverty diagnostics, feeding into CAS and PRSP preparations.

During FY06, we also envisage a continuing, albeit declining, advisory and dissemination role with regard to the mainstreaming of Poverty and Social Impact Assessments (PSIAs). The objective of the work-program is to continue help country teams identify alternative policy tracks and implementation strategies that will mitigate negative and enhance positive distributional impacts of proposed reforms and reform programs. This is to be accomplished via (i) cross support; (ii) advice, reviews, and technical assistance to teams; and (iii) complete dissemination of technical pieces and examples. At the end of FY06, we assume that responsibility for coordination and quality control of PSIA work will be entirely devolved to Regional offices.

PRMPR will further work at mainstreaming empowerment, through, among other things, the publication of “Empowerment in Practice: from analysis to implementation”, delivery of an empowerment learning module, and support to on-going action research in two pilot countries on empowerment of citizens and local government. Advisory and dissemination activities will continue, overseen by the Empowerment Community of Practice, under the joint management of PRMPR and SDV

### ***Poverty Analysis, Monitoring and Evaluation***

The activities under this business line are concerned with providing internal and external clients with state-of-the art techniques and advice to analyze poverty, and monitor and evaluate the effectiveness of poverty reduction programs.

The objective of the poverty analysis work will be to increase the policy relevance and analytical quality of poverty analysis by identifying, distilling, and disseminating innovative topics, techniques, and approaches. This activity will focus on (i) the coverage of sectoral and structural policies and interventions and the analysis of how they affect poverty and the ability of poor households to participate in growth, (ii) the approaches for poverty analysis which ensure that the findings are used for policy design and that institutional capacity is built (e.g. programmatic approach), and (iii) techniques, tools and advice on emerging methodological issues related to poverty analysis, covering such issues as measuring the distributional impact of growth, comparing poverty trends over time, and measuring poverty in countries in the face of changes in relative prices and price inflation, and measuring vulnerability.

The objectives of the poverty monitoring activities are to help clients (i) understand how they can measure poverty at the *local level* and use this knowledge to design more effective poverty alleviation policies; and (ii) put in place poverty monitoring systems that promote evidence-based decision making, with respect to poverty reduction strategies in particular. The first objective will be served by an analysis of the policy areas for which poverty maps have contributed to a better understanding of poverty and informed policy, the approaches which best ensure sustainability and effective use for policy design, as well as the promising developments in this field. In terms of monitoring system, a synthesis of recent experience in setting up the *institutional arrangements* for PRS monitoring systems, and related guidance and diagnostic tools will contribute to the second objective.

Finally, another important area of emphasis going forward will be impact evaluations. The objectives of the activities under this heading are to promote and improve the quality of impact evaluations in the Bank. A special focus in FY06 will be made on analyzing the issues that arise in impact evaluation for different sectors of intervention.

## **VI. Partnerships**

PRMPR staff works together with other staff in the anchor and with colleagues in regions and other networks to support the Bank's overall poverty reduction objective. Given that poverty reduction encompasses many sectors, PRMPR sees its function very much as that of an integrator. As a result, PRMPR staff work with a wide variety of partners, both internally and externally. The former include other units in PREM, regional PREM colleagues, and other Bank departments such as OPCS, DEC and ESSD, as well as WBI, through our work on PRS, on PSIA and on impact evaluations. External partners include the bilateral and multilateral funding agencies, the IMF, and academic institutions. While these relationships are expected to continue, there will be a strong effort in FY06 to leverage other partners in a more systematic way, particularly within PREM, in academia, and through the provision of well-targeted cross support to the regions. The PRB will continue to be used as a vehicle for identifying new partners as well as guidance in implementing partnerships.

### *Internal PREM Anchor Partnerships*

In FY05 PRMPR collaborated in several areas with PRMPS within PREM, in particular on issues related to pro-poor spending, the role of public expenditure management in PRSs, and the impact of political economy issues on pro-poor growth outcomes. In FY06 the PRS team is continuing its partnership with PRMPS in areas of public spending for poverty reduction and the integration of PRS reporting with the budget process. The Pro-Poor Growth team will work with PRMED to collaborate more closely on country diagnostics of growth and growth-poverty linkages, to co-manage a thematic group on Growth and Poverty Reduction, and possibly to collaborate together on the labor market work. In addition, PRMPR is also examining a possible collaboration with the gender group to disseminate and apply the findings related to gender from the pro-poor growth work, as well as fully integrate gender issues in the proposed Jobs and Migration flagship work. Finally PRMPR is planning to work closely with PRMTR on migration.

### *Other Bank Internal Partnerships (Excluding Cross Support)*

In the past two years PRMPR's strongest partnerships in the Bank have been with OPCS, DEC and ESSD (in particular Social Development (SDV) and Agriculture and Rural Development (ARD)). In FY06, most of these partnerships will continue to flourish in the work on poverty reduction strategies (OPCS and SDV), PSIA (SDV), pro-poor growth dissemination (ARD), empowerment (DEC, SDV), monitoring (OPCS, DEC) and impact evaluation (DEC). The strong partnership between PRMPR, HDNSP and DEC on labor markets and migration issues which begun in FY05 will also continue. Finally PRMPR will strengthen regional and network partnerships by undertaking a large number of dissemination events and training sessions in full cooperation with various regional and network offices and the PRB. In-depth consultations have been held with WBI to ensure harmonization of the relevant work programs.

### *External Partnerships*

PRMPR has a record of strong partnerships with external agencies. The bilateral agencies have been very actively involved with Poverty Reduction Strategies, Pro-Poor Growth, Moving out of Poverty and PSIA, both as funders and analytical collaborators. In addition, the unit collaborates closely with the IMF on Poverty Reduction Strategies. The group has also taken a leading role in several areas of the current international debate on aid effectiveness and priorities, and collaborated with UN agencies as well as with the Development Assistance Committee of the OECD. These collaborations will continue as well as significant new partnerships in the areas of impact evaluation, poverty monitoring systems, and empowerment. The Moving Out of Poverty project also includes strong academic collaboration with research institutes in developing and developed countries. PRMPR is also investigating the possibility of bringing in a visiting scholar from a developing country to act as a guru for the Strategic Guidance pillar. The potential for external partnerships in the Jobs and Migration area also appears to be strong and it is currently being explored.

## **VII. Monitoring strategy implementation**

In three years, PRMPR would judge itself to be successful if the various initiatives that it has undertaken to support the design, implementation and monitoring of poverty reduction strategies have been successfully mainstreamed in Bank operational products and if operationally useful analytical products have been prepared on labor markets and poverty reduction that are applicable to both LICs and MICs. With respect to PRMPR's initiatives related to poverty reduction strategies, the following medium-term goals are proposed:

- For *Poverty Impact and Social Analysis (PSIA)* this will imply that PSIA analysis is effectively integrated into poverty reduction strategy credits (PRSCs) and other regional products.
- In the case of *Operationalizing Pro-Poor Growth*, the quality and frequency of growth-poverty diagnostics increases in Bank analytical products, PRSCs and country assistance strategies.

- Bank assistance strategies and analytical products increasingly address *empowerment* issues.
- Bank CASs, poverty assessments and PRSCs focus increasingly on the *monitoring* of poverty programs and poverty reduction strategies.
- The frequency, quality and scope of Bank *impact evaluations* of poverty programs and related investment interventions has grown as well as their relevance in designing CASs, operational interventions and PRSs.

To assess PRMPR's progress towards these goals, working with OPCS and QAG and building on the regular reviews of PRSs, the Poverty Reduction Group will examine the coverage of the above issues in CASs, PRSs, analytical work, and PRSCs in FY06 to provide a baseline and again in FY08 to identify progress to date. In addition, PMRPR will also carry-out annual surveys of its affiliates to capture feedback on its performance and to help shape its priorities.

## **VIII. Conclusions**

The development of a new medium-term strategy coincides with the mainstreaming of the PRS initiative and the reduction of corporate responsibilities which provided a clear opportunity to refocus our objectives and work program. In designing this strategy, we have sought to build on PRMPR's strengths and address some of the corporate concerns about the network structure in general, as well as some of the weaknesses identified by QAG and the stocktaking exercise.

The strategy that has emerged focuses on strengthening the analytical underpinnings of Bank and client operations and policies with respect to poverty reduction, and on helping country teams to track and evaluate the results of poverty reduction programs. The medium-term strategy places a clear priority on operationally relevant products and support, issues related to MICs, country diagnostics of poverty, poverty and social impact analysis, empowerment and growth-poverty linkages, and monitoring and evaluation. The adoption of a clear medium-term strategy, work program, and three year monitoring targets as well as the new structure of the unit will help increase its cohesiveness and effectiveness in delivering quality outputs. In addition, we expect that by having a well-defined strategy and work program in place we will also help our regional clients better understand and exploit the products and services of PRMPR.

## **Annex 1: Work Programs for FY06 by Business Line**

### ***I. Strategic Guidance and Knowledge Creation***

The objective of this area of work is to undertake operationally relevant knowledge creation to provide strategic guidance to teams in addressing poverty reduction. This business line encompasses the moving out of poverty study as well as some of the pro-poor growth and empowerment work. In FY06, the aim of the pro-poor growth work will be to disseminate main findings to other networks and country clients, to prepare easily accessible publications and notes with key findings, and to work with the other two business lines to improve the analysis of growth poverty linkages in country diagnostic work and poverty reduction strategies. In moving out of poverty, the work program in FY06 is centered on undertaking and completing the community level and country studies. Preliminary results will be discussed at a series of events, including the January 2006 GDN meetings; completion of the study is expected in FY07. While the empowerment work in FY06 will mainly focus on mainstreaming the use of approaches, knowledge and tools developed over the last two years, cutting edge, recently initiated knowledge creation work will continue on, the fiscal determinants of empowerment, and, economic empowerment

In addition to these ongoing projects, a work program is being developed with emphasis on issues of job creation, labor markets and migration, in collaboration with the Social Protection Department and the PREM Trade and Gender Groups. The work program, now being finalized following extensive consultations with Regions and external partners, will consist of a mixture of joint work with regional staff as well as special studies on a number of topics of high operational relevance. The precise modalities will be determined also on the basis of success in raising resources from internal and external partners.

#### **A. Operationally Relevant Knowledge Applications**

##### ***Flagships:***

- Publication of a book with the OPPG synthesis report and the best case studies.
- Publication and dissemination of Moving Out of Poverty country reports.
- Flagship on Labor Markets, Job Creation and Informality.
- Publication of “Empowerment in Practice: from analysis to implementation”, Directions in Development Series.

##### **• *Other knowledge products:***

- PREM note on the OPPG synthesis results.
- Website development on pro-poor growth(merge Pro-poor growth TG with Growth TG website).
- Five background papers on poverty and mobility to feed into MOP work.
- Publication of Brazil, Indonesia, and Ethiopia empowerment cases and Policy Research working Paper.
- Publication of “Local Organizations in Decentralized Development: their functions and performances in India: Directions in Development Series.
- PREM note on methodological issues and existing evidence on the link between growth, employment and poverty reduction.

- Sourcebook on labor market data and diagnostics.

#### **B. Direct Frontline Services to Regional Clients:**

- ***Strategic cross support and reviews:***
  - Cross-support on internal migration to ECA region;
  - Cross support on labor market to Burkina Faso;
  - Reviewing ECA Regional Migration Study and Living Standards and Regional Development Study in Slovakia;
  - Reviewing the WDR07 on Youth and advisory to WDR team;
  - Reviewing Labor Market Study of Ethiopia;
  - Advisory on a number of regional and country levels studies of labor market and migration.
  - Cross-support on pro-poor growth in Tunisia, East Asia, other TBD
- ***High-priority regional events and dissemination activities:***
  - One or two international workshops for country teams in MOP study.
  - One or two international country workshops for country teams in PPG (Mali and Vietnam) (to be co-sponsored with regions and OPPG donors).
  - Expert conference on informal labor market and labor market vulnerability.

#### **C. External Partnerships and Corporate Priorities:**

- OPPG work joint with a number of partners including DFID, AFD, AFDB.
- Partnerships with country research institutes on MOP study.
- Empowerment work with national research organizations.
- Partnerships with international and bilateral partners on labor market and migration.

## ***II. Practice of Poverty Reduction***

The main objective of this business line is to support Bank teams and country clients design and implement effective development strategies that empower and facilitate the participation of the poor in growth. This business line builds on the past work on Poverty Reduction Strategies and Poverty, Social Impact Assessments, and on empowerment. With regard to the PRS process, the focus of the work going forward will be on strengthening the architecture of the process and providing advice for increased aid effectiveness. The objective of the PSIA work-program is to continue to help country teams identify alternative policy tracks and implementation strategies that will mitigate negative and enhance positive distributional impacts of proposed reforms and reform programs. PRMPPR will further work at mainstreaming empowerment, through, among other things, the publication of “Empowerment in Practice: from analysis to implementation”, delivery of an empowerment learning module, and support to on-going action research in two pilot countries on empowerment of citizens and local government. Closely related to the above, during FY06 PRMPPR will help disseminate the results of the Operationalizing Pro-Poor Growth study and will support country teams, in collaboration with DEC and other PREM units, in introducing and mainstreaming Country-specific growth and poverty diagnostics, feeding into CAS and PRSP preparations.

#### **A. Operationally Relevant Knowledge Applications:**

- **Flagships:**
  - Publication of Volume on PSIA for selected reforms Reform Notes (Volume II).
  - Publication of Volume with about 12 PSIA case studies.
- **Other knowledge products:**
  - PPG Paper on role of institutions in poverty reduction.
  - Redesign of PRS knowledge management (including sourcebook).
  - PSIA technical notes (published as needed).
  - Summary memo on PRS review findings.
  - Lessons for MICs from PRS experience
  - Economic empowerment: three country analysis (Ethiopia, Malawi, Zambia) on barriers and options to enhance market engagement.
  - Empowerment Community of Practice: website, newsletters, bulletins.

#### **B. Direct Frontline Services to Regional Clients:**

- **High priority regional events and dissemination activities:**
  - Seminars on PRS review findings for regional and network staff.
  - PPG Regional dissemination workshop in Tunis on increasing the effectiveness of poverty reduction strategies (co-sponsored by the Africa and Regions (TBC), GTZ, DFID and the AFDB).
- **Formal and informal Learning:**
  - PRS learning including e-course and brown bags.
  - Action learning on mechanisms and processes for state-citizen empowerment.
  - Half day training session at HQ on PPG.
  - Six BBLs on pro-poor growth analysis and policies (organized by in conjunction with Growth TG).
  - Publication of Understanding Empowerment learning module.
  - PSIA learning courses including e-course and brown bags.
  - Leadership of TG on growth and poverty reduction (with PRMED)
  - Leadership of empowerment TG.
- **Strategic cross support and reviews:**
  - PSIA cross support on PAMS and other issues.
  - Cross support on key issues in the PRS including public expenditure issues, participation, the political economy of aid, and lessons for MICs (as needed).
  - Empowerment peer reviews and advisory inputs to the design of lending operations.
  - Corporate reviews of CASs and PRSCs

#### **C. External Partnerships and Corporate Priorities:**

- Completion of 2005 PRS Review joint with the IMF.
- Seminars and ongoing outreach on PRSP issues with UN agencies and bilateral partners.
- Continued interaction with external partners on PSIA.
- CPIA Activities.

### **III. Poverty Analysis, Monitoring, and Impact Evaluation**

The activities under this business line are concerned with providing internal and external clients with state-of-the art techniques and advice to analyze poverty, and monitor and evaluate the effectiveness of poverty reduction programs. The objective of the poverty analysis work will be to increase the policy relevance and analytical quality of poverty analysis by identifying, distilling, and disseminating innovative topics, techniques, and approaches. Poverty monitoring activities will help clients (i) understand how they can measure poverty at the *local level* and use this knowledge to design more effective poverty alleviation policies; and (ii) put in place poverty monitoring systems that promote evidence-based decision making, with respect to poverty reduction strategies in particular. Finally, another important area of emphasis going forward will be impact evaluations. The objectives of the activities under this heading are to promote and improve the quality of impact evaluations in the Bank.

#### **A. Operationally Relevant Knowledge Applications:**

- **High priority regional events and dissemination activities:**
  - Conference on innovative poverty assessments.
  - Workshop on impact evaluation
  - Conference on poverty maps for policy making
  - In-country workshops on indicators and analysis of empowerment in Bangladesh, Ethiopia, Ghana, Jamaica
- **Flagships:**
  - Volume on the institutional arrangements for PRS monitoring systems (synthesis, 12 country studies, diagnostic tool, and guidance note).
  - Conference on Volume on innovative/better poverty diagnostics for poverty reduction policies
  - Conference on poverty maps for policy making
- **Other knowledge products:**
  - Series of notes on best practice/innovative approaches, techniques and topics for greater policy-relevance of poverty analysis, including:
    - Two technical notes on selected themes in poverty analysis (comparing poverty over time and using price data in poverty analysis).
    - Note on best practices in WB ESW in analyzing the distributional impact of growth.
    - Note on tools to analyze the distributional impact of growth.
    - Note on programmatic poverty assessments.
    - Guidance Note and Base Survey for measuring empowerment.
  - Synthesis paper on the use of poverty maps for policy design, case studies, and note on the future of poverty maps.
  - Series of notes on evaluation methods for selected sectors.
  - Central resource base on impact evaluations on methodology, practice and political economy.
  - Impact evaluation website, database, and roster of consultants.
  - Leadership of the TG on poverty analysis, PSIA, impact evaluation and monitoring.

- Publication of Guidance Note and Base Survey for measuring empowerment. Note on best practices in WB ESW in analyzing the distributional impact of growth.

## **B. Direct Frontline Services to Regional Clients:**

- ***High priority regional events and dissemination activities:***
  - Workshop(s) on impact evaluation in East Africa and South Asia (TBC)
  - In-country workshops on indicators and analysis of empowerment in Bangladesh, Ethiopia, Ghana, Jamaica
- ***Formal and informal Learning:***
  - BBL/Seminars on innovative poverty analysis (approaches, techniques and topics), impact evaluation (sectoral, technical and political economy issues) and monitoring (poverty mapping, institutional arrangements for PRS monitoring systems).
  - Clinics on impact evaluation.
  - Training on PRS monitoring systems (PREM week).
  - Training on impact evaluation (staff orientation, sectoral events) (ongoing)
  - In-country capacity building with clients, partners and Bank staff in research and mixed method empowerment analysis.
  - Leadership of the TG on poverty analysis, PSIA, impact evaluation and monitoring.
- ***Strategic cross support and reviews:***
  - Peer review and upstream guidance (QERs) for poverty assessments, impact evaluations, other poverty analytical workCEMs, and PRSC, and other poverty analytical work (with a view to strengthening empowerment, poverty analysis and monitoring and evaluation issues)
  - Peer reviews of PAs, CEMS and other analytical products, QERs (with a view to strengthening empowerment, poverty analysis and monitoring and evaluation issues)
  - Selected cross-support on poverty analysis, impact evaluations and PRS monitoring systems.
  - Embedding indicators and analysis of empowerment into country and project monitoring systems. Demonstration countries include Bangladesh, Ethiopia, Ghana, and Jamaica.
  - Empowerment work with countries on improving the flow of M&E information into policy design and implementation.

## **C. External Partnerships and Corporate Priorities:**

- Coordination of impact evaluation activities with DIME initiative, OED and OPCS.
- Joint work on PRS monitoring systems with DFID, GTZ and PARIS21.
- Joint work on poverty mapping with GTZ (TBC).
- Resource raising: Launch of PPG Trust Fund for growth and growth-poverty reduction-equity country diagnostics (TBC).