

GOOD PRACTICE NOTE:

**USING POVERTY AND SOCIAL IMPACT ANALYSIS TO
SUPPORT DEVELOPMENT POLICY OPERATIONS**

August 2008

This note is intended to provide good practice guidance to staff in preparing development policy operations. It is not intended to be a mandatory policy document. This note updates the guidance included in the 2004 Good Practice Note for PSIA to reflect the lessons of experience to date.

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GOOD PRACTICE NOTE

USING POVERTY AND SOCIAL IMPACT ANALYSIS TO SUPPORT DEVELOPMENT POLICY OPERATIONS

I. INTRODUCTION

1. **This Good Practice Note provides advice to World Bank task teams on when, why and how to conduct Poverty and Social Impact Analysis (PSIA) as part of preparing a Development Policy Operation (DPO).** This note updates the 2004 Good Practice Note by incorporating practical lessons from PSIA implementation over the past three years. Poverty and Social Impact Analysis is applied by World Bank teams in a range of other contexts apart from the preparation process for DPOs, including: the preparation process for Investment Projects; as part of routine country policy dialogue; as technical assistance; as part of programs to build the capacity of in-country partner institutions to carry out country-led PSIA. Many local institutions carry out poverty and social impact analysis on a range of reforms and these country-led analyses are crucial in generating domestic ownership of reforms. Much of the analysis presented here is also relevant in these other contexts, although they are not the specific focus of this guidance note.

2. **PSIA is used to better understand the potential impact of a specific policy reform on different social groups, with a particular focus on the poor.** It is a systematic approach to the analysis of potential distributional impacts of key policy reforms. In addition to informing Bank operations, PSIA also informs government policy processes and the national policy debate. PSIA can help increase the effectiveness of policy reforms to reduce poverty by:

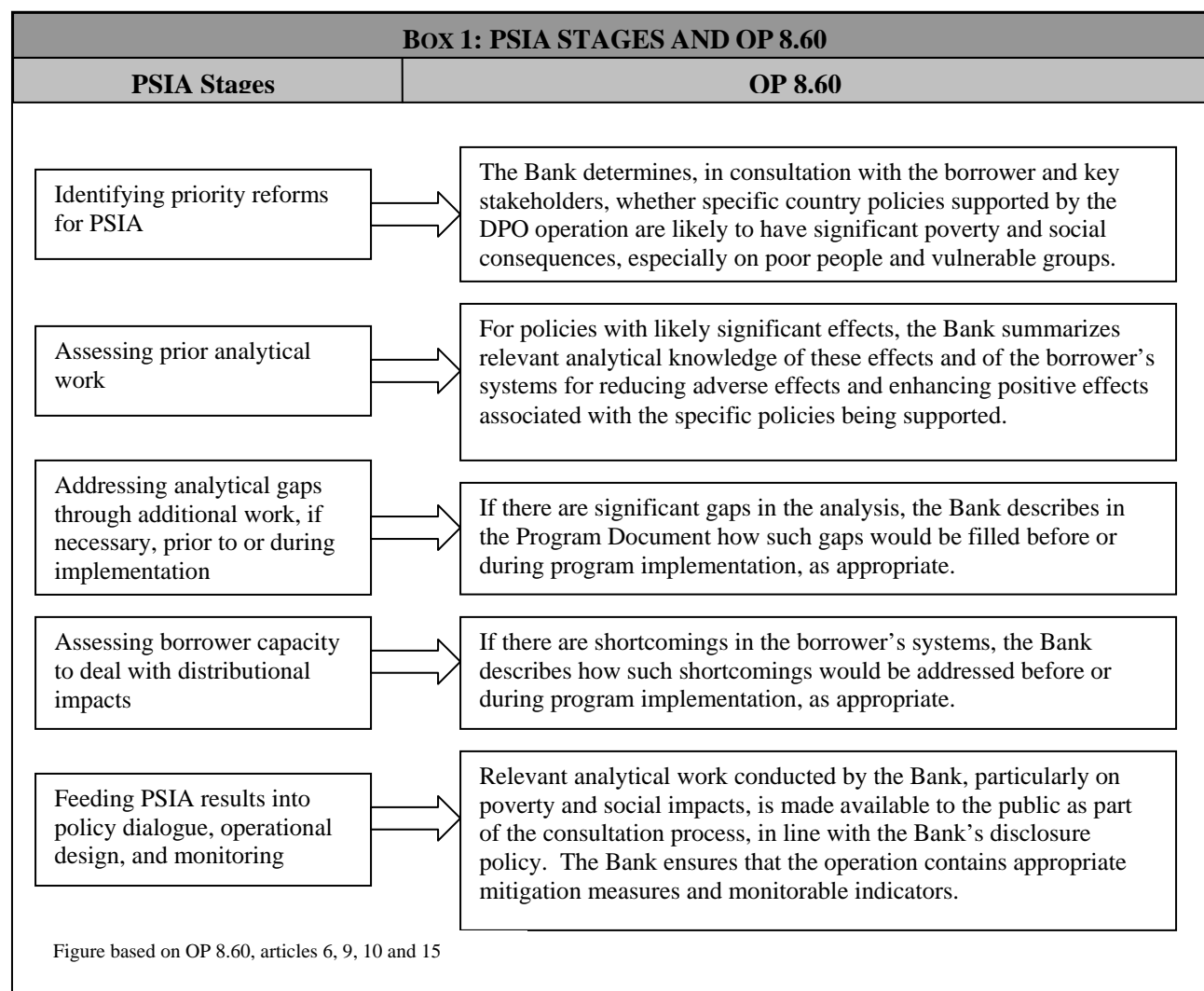
- Underpinning policy reforms with empirical evidence on expected distributional impacts;
- Identifying alternative policy reforms and trade-offs;
- Identifying political economy and implementation risks;
- Supporting country ownership of reforms by promoting a public debate on trade-offs between policy choices.

3. **There are two key elements of PSIA:** First, an analysis to determine the distributional impacts, and second, a process that engages appropriate stakeholders in policy-making. PSIA identifies potential winners and losers of a policy reform. This helps policy-makers to make decisions about the design, sequencing, timing and appropriateness of proposed reforms, and to better define compensatory and complementary measures where appropriate. A public debate about reforms can help identify the most appropriate policy combination to promote growth and reduce poverty.

4. **PSIA meets Operational Policy for Development Policy Lending (OP 8.60) by analyzing poverty and social implications of key policy reforms.** OP 8.60 states the following. *“The Bank determines whether specific country policies supported by the operation are likely to have significant poverty and social consequences, especially on poor people and vulnerable groups. For country policies with likely significant effects, the Bank summarizes in the Program Document relevant analytic knowledge of these effects and of the borrower’s systems for reducing adverse effects and enhancing positive effects associated with the specific policies*

supported. If there are significant gaps in the analysis or shortcomings in the borrower's systems, the Bank describes in the Program Document how such gaps or shortcomings would be addressed before or during program implementation, as appropriate."

5. If a DPO has identified the need for additional analytical work on the distributional impacts of reform, a PSIA can take the form of a stand-alone product, an input into a larger piece of analytical work, or technical assistance, etc. (see section II for in-depth discussion). Box 1 below outlines the key steps for applying PSIA to development policy operations according to OP 8.60.



6. **A significant amount of PSIA type work is carried out outside the scope of DPO operations.** These include requests by Governments to assess distributional consequences of reforms not linked to any World Bank loan/credit (e.g. the national slum upgrading program in Morocco), as well as PSIA-type work on reforms supported by investment projects (e.g. Ethiopia Food Security Program and the Cambodia Education Sector Support project). Much of this Good Practice note applies to these cases as well. Of the total PSIA's tracked to date, slightly over half have taken place in Low Income Countries with the remainder in Middle Income Countries.

7. **PSIA will vary based on country and reform specific conditions.** Given that development policy operations vary considerably by lending volume, country context and reform program, PSIA practice will vary accordingly. For example, speed may be critical to providing timely policy inputs in certain cases. In other cases, a longer and more reflective process may be

necessary. Accordingly, PSIA's have ranged from focused, quick turn-around analyses, (e.g. on the impact of reducing fuel subsidies in Indonesia, Bangladesh, Nepal) to more in-depth analyses such as the tax reform in Nicaragua, land reform in Zambia and social protection in Vietnam. The choice of methods will also vary according to country and reform context, research questions being asked, available time, capacity and resources, and the quality of the information base. PSIA work can also be phased in where relatively quick analysis helped build the interest of more in-depth PSIA subsequently (e.g. Morocco water sector PSIA, Mauritania mining sector PSIA). Finally, the range and extent of stakeholder engagement in the PSIA process will vary according to the political economy context of the reform and the related opportunities for promoting public debate on policy options. Box 2 below highlights two good practice PSIA's.

8. **This Good Practice Note provides a guide to core PSIA concepts and process issues, taking into account the plurality of country needs and time needed for the analysis.** Section II presents an overview of how PSIA can be integrated into country work. Section III provides guidance on selecting priority reforms for PSIA and determining if new analysis is necessary. Section IV discusses options for the design and implementation of the analytical work. Section V discusses good practices to inform policy dialogue and operational design, with details on the Program Document and the Bank's disclosure policy. The Annex provides supplementary PSIA resources, including a checklist of key questions that can be addressed by PSIA, and a list of additional PSIA publications and websites.

Box 2: EXAMPLES OF PSIA IN PRACTICE	
Indonesia 2005	Mozambique 2005
<p>Focus: Reduce fuel subsidy in light of rising oil prices</p> <p>Methods applied: Benefit incidence analysis, simple model linking prices, budgetary costs and poverty incidence, key informant interviews</p> <p>PSIA results: The reduction in the subsidy would have significant negative impacts on poor households but would generate sufficient fiscal savings to design an adequate compensation scheme</p> <p>Policy Response: The Government raised fuel prices in two stages but ensured that four large anti-poverty programs were rolled out prior to the second price increase. The largest intervention was a cash transfer program to offset fuel price increases for 15 million poor and near-poor families.</p> <p>PSIA Length of Time: Six weeks until draft report followed by several months of dialogue including on the communication strategy</p> <p>Costs: US\$50,000</p>	<p>Focus: Finding the most pro-poor policy design to improve primary education, among an array of options</p> <p>Methods applied: Qualitative analysis of interviews carried out among policy makers, school staff, parents and community leaders; analysis of a national household budget survey</p> <p>PSIA results: showed that complete elimination of primary school fees could undermine the required school network expansion. The analysis outlined an appropriate balance of policies, targeting exemption from school fees and restructuring the school funding mechanism. This reduced the schooling costs for poor households, while also ensuring adequate resources for the school system to accommodate additional students.</p> <p>Policy Response: The GoM adopted free primary education, but restructured education financing mechanisms by raising budgetary provisions (including mobilizing donor support) for schools</p> <p>PSIA Length of Time: 3 months for field research and drafting of first results, 10 months until final discussions with government</p> <p>Costs: US \$ 125,000</p>

II. EMBEDDING PSIA IN COUNTRY WORK

9. PSIA can be led either by various institutions within the client country or by development partners including the Bank. The following sections describe the context and issues which relate to both Bank-led and client-led PSIA.

A. Integrating PSIA into Country Processes

10. **Improving the development effectiveness of reforms through more systematic attention to the distributional consequences.** The adoption of the Poverty Reduction Strategy Paper (PRSP) approach and the Millennium Development Goals (MDG) framework has increased the need for more systematic analysis of the poverty and social implications of reforms. Because poverty reduction has become the main goal of development, a debate has emerged over the distributional implications of many of the policies implemented within the framework of pro-poor growth strategies. PSIA seeks to inform that debate by paying more systematic attention to the distributional consequences of policy reforms. The Bank and other development partners can play a key role in promoting evidence-based decision-making; building in-country capacity for analytical work including PSIA; and filling critical analytical gaps.

11. **Anchoring PSIA in the National Poverty Reduction Strategy.** The context for carrying out PSIA will vary according to national political dynamics, the enabling environment for participation and the reform issues under consideration. DPOs are expected to support reform efforts of borrowing countries and in IDA countries, policy reforms are likely to emerge from the PRS process. It is therefore good practice to encourage government counterparts to anchor PSIA in the formulation and implementation of national poverty reduction strategies. This can (i) strengthen country ownership of reforms, (ii) improve the quality of debate and decision-making in PRS processes (iii) promote a culture of evidence-based policymaking. In Cambodia, land reform was a key PRSP objective and results from a PSIA on social land concession provided critical analytical inputs that helped implement this national priority.

12. **Promoting country-led, evidence-based decision making by building a constituency for PSIA within the country.** A strong in-country constituency for PSIA and capacity to perform the analysis are essential for mainstreaming PSIA in country policy processes. Until both are well established, countries may require substantial support from the Bank and other development partners to carry out PSIA. Good practice for Bank staff involves three levels of capacity building:

- Raising awareness of PSIA among key government officials, civil society organizations and think tanks, illustrating how it can inform and benefit national policy. This can help build greater in-country demand for distributional impact analysis.

- Strengthening the capacity of research organizations and government agencies to undertake PSIA data collection, analysis and policy recommendations. This implies close collaboration for the selection of tools and methods that can be adopted by local counterparts.
- Enhancing the ability of government policymakers and other key stakeholders to review PSIA results and recommendations and consider policy alternatives based on the findings. This requires that PSIA methods and findings be presented in a way that is easy to communicate across a range of stakeholders and disclosed in a transparent manner. Strong national M&E systems linked to policy-making is also important to ensure that PSIA analysis influences policy.

13. **The Bank has an important role supporting capacity building in-country.** For example, a PSIA on strategic crop pricing in Syria demonstrated that even if a client country is committed to engaging in robust analytical process for evidence based policy-making, it may need substantial assistance to integrate PSIA into policy processes. While the Syrian government committed to the PSIA process by funding a significant portion of the PSIA budget, implementation was significantly delayed, in large part because of weak capacity among government officials available to engage in the process.

B. Preparing for Bank-supported PSIA

14. In order to carry out Bank-supported PSIA effectively, task teams need to consider key issues that shape the PSIA process. These include timing of the analysis, integration in the CAS and ESW cycles as well as funding sources.

15. **Identifying the need for PSIA in the CAS.** Under the revised policy for poverty reduction (OP 1.00, which replaced OP 4.15), the Country Assistance Strategy (CAS) should summarize existing knowledge on poverty, identify analytical gaps, and present the work program by the Bank and others to fill these gaps. The CAS can usefully lay out key reform areas that the Bank will support and indicate whether there are any plans for PSIA-type work.

16. **PSIA analysis should be an integral part of the ESW cycle.** PSIA planning and implementation for development policy operations should take place within the standard cycle of Economic and Sector Work (ESW). For some reforms, PSIA can take significant amounts of time and funding, and the dynamics of the in-country reform process may permit a longer analytical process. In other cases, PSIA may need to be done more quickly because of an evolving country situation. These cases would require within-year flexibility of staff time and resources in order to respond to these unanticipated needs.

17. **Funding for PSIA.** If PSIA is deemed necessary as part of Bank and client country deliberations, the country team will need to identify the required resources for implementing the work. A variety of financial resources is available to support PSIA: Bank budget, appropriate national trust funds; capacity building and research trust funds, client government budgets (and therefore client owned); and partner donors. Several donors such as DFID, Norway, Germany, The Netherlands and Belgium have provided financial resources for PSIA work to date.

18. **PSIA timing.** Poverty and Social Impact Analysis can be carried out before, during, or after a reform. It can be undertaken ex ante to inform reform design and make assumptions more explicit upfront. During implementation, PSIA can help monitor whether or not public actions/choices are working, thereby testing original assumptions and advising on midcourse changes if public actions are not succeeding. Ex-post PSIA can assess whether public actions were successful and use the information to influence future policy design.

19. Ideally, PSIA will be conducted *upstream* – that is, early in the country’s policy-making process before commitments to any particular reform have been firmly established. Upstream PSIA offers the greatest potential for framing alternative policy options and the trade-offs between them, and strengthening evidence-based and inclusive policy-making. Timely PSIA can inform the reform program’s design and establish baseline data for ex-post monitoring and evaluation purposes. In Tajikistan, an upstream PSIA explored two alternatives for cotton farmland privatization. Based on the PSIA findings, the World Bank’s Programmatic Development Policy Grant to Tajikistan supported the implementation of one of these options. The program document of this DPO provides a good practice example and clear evidence of how PSIA, when conducted early in the process, can influence both in-country policy formulation and Bank operations.

20. However, governments often devise reform proposals within a short time span and due to factors such as political timing, exogenous shocks and change in leadership, they may wish to implement these proposals quickly. In these cases a *downstream* PSIA, or PSIA conducted quickly and later in the policy making process, can be very useful. Conducting PSIA downstream can help clarify the likely impacts of a specific reform proposal on the poor and vulnerable, allowing for the introduction of measures to help mitigate negative impacts and enhance positive ones. Downstream PSIA can also inform subsequent reforms that are part of an ongoing reform package, a DPO programmatic series, or a future national strategy (see Box 3 for a specific example).

BOX 3: EFFECTIVE DOWNSTREAM PSIA: MINING REFORM PSIA IN THE DEMOCRATIC REPUBLIC OF CONGO

A downstream PSIA, requested to investigate the impacts of Mining reform in DRC, revealed that mine closures, pursued to shut down highly subsidized, unprofitable operations, would also have severe unintended consequences. Schools that mine earnings had supported would have to close, having lost their primary source of funding and therefore leaving thousands of children without access to education. As a result of the PSIA findings, a short term assistance program supported by the World Bank was implemented, allowing the schools to remain open despite the mine closures and enabling 40,000 children to continue their schooling¹.

21. **Tracking and classifying PSIAs within the Bank.** PSIA work can be categorized (in SAP terms) as ESW (or part of larger ESWs), Factual Technical Document, or Technical Assistance. How task teams decide to classify their PSIA can have implications for funding and disclosure². Disclosure is discussed in greater detail in a subsequent section, but regardless of the classification, task teams should aim to make results publicly available:

¹ Adopted from World Bank 2007. Tools for Institutional, Political and Social Analysis of Policy Reform, Chapter 6

² Over the past few years there has been a shift of funding PSIA work from large stand-alone Trust Funds to those supported by Bank budget. This has had implications for tracking PSIAs as significant numbers of Bank budget

- *ESW*: In this form, the PSIA can be a self-standing document (e.g. the Malawi ADMARC PSIA and the Tanzania tax reform PSIA) or integrated within a larger ESW (e.g. Poverty Assessments, Public Expenditure Reviews, and Country Economic Memorandums). There are many examples of the latter, e.g. the Nepal Poverty Assessment and the Laos Public Expenditure Review. PSIA may also be conducted through specialized sector work, as is often done for sectoral reforms. However, given the high interest in PSIA results, task teams should consider presenting the PSIA results as a stand-alone piece or in summary form.
- *Factual Technical Document*: Since PSIA is an analysis underpinning a reform agenda, it can be written up as additional technical information supporting a project or DPO under preparation and therefore have the status of a Factual Technical Document.
- *Technical Assistance*: The Bank can support a client to undertake PSIA through Technical Assistance, as discussed above. It helps the client to build analytical capacity, lead the analysis and take ownership of the process and results. This option is also appropriate when capacity building is a primary objective, the objectivity of Bank-led analysis is likely to be questioned, or the Bank prefers to contribute to a multi-donor fund. In Burkina Faso, one of the PSIA process' explicit objectives was to strengthen the government's analytical capacity to model the poverty impact of changes in key macroeconomic variables, such as cotton's export price. The PSIA team achieved this through direct technical assistance and hands-on training seminars. The Morocco water reform PSIA and the Mauritania mining sector PSIA are further examples where the Bank provided Technical Assistance to a country-led process.

C. Addressing Poverty and Social Impacts in the DPO Program Document

22. As required by OP 8.60, task teams must account for those country policies with likely significant impacts in the DPO Program Document. Such an assessment will be based on existing sectoral and country knowledge, including relevant PSIA work, and should accomplish the following:

- For the key policies supported by the operation, state if significant poverty and social consequences are likely, especially for poor and vulnerable groups. 'Key policies' should include all prior actions and triggers for the operation as well as other actions in the reform matrix that are considered to have a significant distributional impact. A general description of the poverty situation in a country cannot substitute this. The 2007 Third Punjab Irrigation Sector DPO in Pakistan offers an excellent example of how this vetting process can be included in the DPO Program Document. The DPO team expanded the DPO policy matrix to include a column that captured a concise and targeted discussion of component reforms' likely social and poverty consequences.

financed PSIA's have been embedded within other pieces of ESW and hence it has not been easy to bring them to the fore.

- Establish assumptions and analytical knowledge that provide the basis for the assertions above.
- Clearly indicate what groups will be potential winners or losers and who is more likely to be affected than others. Identify risks and potentially negative impacts and highlight expected positive impacts, particularly if the operation can further enhance them.
- Discuss the country's ability to minimize adverse effects by describing the various programs and policies in place to protect vulnerable groups
- Describe plans to address shortcomings, including (i) any outstanding analytical gaps (within both the country and the PSIA process) and (ii) weaknesses in the country's ability to mitigate likely adverse impacts before or during program implementation.

23. PSIA may not be possible in emergencies or crises where there is no time for analysis. In such cases, and in line with OP 8.60, teams are advised to state their assumptions about the expected impacts in the Program Document and the timeline for future PSIA if required, and monitor actual impacts so that the policy design and implementation can be modified as necessary.

III. SELECTING REFORMS FOR PSIA

24. Prioritizing policy reforms for analysis is important since it is neither feasible nor necessary to conduct PSIA for all the reforms that an operation covers or a client government proposes. While the selection of reforms is essentially a matter of judgment at the country level, the following considerations should help guide country teams through the selection process. After priority reforms are selected, it is important to determine whether new PSIA studies are necessary.

A. Identifying Priority Reforms for PSIA

25. **Distinguishing between the pro-poor nature of a sectoral strategy and the distributional impact of a specific reform.** The PSIA approach is designed to analyze the potential poverty and social impacts of discrete reforms, and not to assess entire national or sectoral strategies. PSIA can be one component of such broader assessments e.g. included in a Joint Staff Assessment of a PRSP or within a sectoral ESW. Moreover, the interactions among the potential reforms create further complexities, making it difficult to assess simultaneously the net distributional impacts of an entire reform program.

26. **Screening key reforms for likely distributional impacts.** There are two primary reasons why a reform might be selected for detailed poverty and social impact analysis. First, if the reform has significant negative social impacts, particularly on poor and vulnerable groups. In this case, the reform should either be adjusted, dropped, or mitigating measures should be introduced. The second scenario is where the possibility exists to substantially improve the poverty reduction effectiveness of an operation by adjusting the policy. The rationale for PSIA in this case is simply to improve the impact of the operation. Most policy reforms are likely to have some impact on the distribution of income, assets or power relations. Yet not all reforms can significantly affect people's livelihoods, positively or negatively. To begin, the DPO team should explicitly state assumptions, expectations, and analytical gaps regarding the likely social

and poverty impacts (both positive and negative) for each of the key reforms covered by the operation (refer to Section IV for additional details on impact analysis). These ‘key reforms’ should include all prior actions and triggers for the loan disbursement and reforms that are part of the policy matrix which may have significant distributional impacts. This initial screening should be based on existing sectoral and country analysis. In Ghana, the government and development partners carried out a systematic process to select reforms that will require PSIA (see box 4 below for details). While Ghana’s approach proved to be unique among the reform selection processes documented to date, other countries (e.g. Rwanda, Tanzania, and Malawi) also make annual decisions on what type of PSIA to carry out.

BOX 4: SELECTING REFORMS FOR PSIA – THE GHANA CASE

In Ghana, the process of selecting reform areas for PSIA was grounded in the country’s poverty reduction systems. The first step involved a national workshop based on the new Poverty Reduction Strategy Paper (PRSP) as a way to identify policy reforms for which impact was unclear or likely to have adverse consequences. Participants were drawn from government departments, academia, research institutes, and civil society more broadly, and local experts familiar with the PRSP analytical process and its emerging monitoring and evaluation system facilitated the workshop.

Of the twelve reforms chosen, five were short-listed by the National Development and Planning Commission in line with the immediacy and relevance of the reforms to the National agenda, and availability of funding. Although different donors were identified to finance the studies, most were willing to coordinate procedures to follow a common procurement mechanism, in line with government systems. Stakeholder committees were established for each study, at Ministerial and technical levels, which oversaw the preparation of the ToRs, bidding and contracting process – thus developing ownership of the studies and analysis at an early stage. The technical committees included all relevant ministries, local experts, and CSO representatives. Tendering was targeted towards Ghanaian firms. This enabled local firms to identify their own needs for capacity building, and to determine how and when to draw on international expertise.

Each set of committees met to discuss, and comment on, an average of three drafts of the PSIA in various stages of completion. Of the five studies, one consulting firm was unable to deliver an appropriate product. Of the remaining four, the political commitment engendered through such an inclusive process fostered adoption of the reports’ recommendations.

A joint Government/Donor committee tracked the integration of the recommendations in subsequent years. Many of the issues analyzed were not new to Ghana, but the ownership engendered by the PSIA process demonstrated significantly more progress in restructuring and implementing reforms than the purely technical analyses of the past.

27. **Selecting priority reforms.** Ideally, if time and resources permit, PSIA should be carried out for all the key reforms identified as having likely significant distributional impacts during the initial screening. In practice, conducting an extensive PSIA for all of these reforms may not be realistic, and the country team will need to prioritize reforms that warrant further investigation through PSIA. Again, it is important to explain this decision-making process in the Program Document. The following criteria can help country teams in selecting priority reforms for PSIA³:

- **Significant poverty and social impacts on different groups, particularly poor and vulnerable groups:** PSIA ought to be carried out if there are potential negative impacts on specific groups of households, particularly among the poor. This is particularly important in order to design compensation mechanisms, but may also lead to the decision

³ For more information on selecting reforms, see *A User’s Guide to PSIA* page 9

to drop a particular reform component, or to adjust the policy so it does not have serious negative social consequences. In addition, because policy change affects social groups differently and can lead to distinct behavioral responses, reforms must be evaluated according to their impacts across communities, with particular attention to politically sensitive groups and issues. For example in countries with high ethnic tensions, or high levels of gender inequality, even a small perceived or realized gain of one group over another one may lead to serious social consequences.

- **Potential to significantly improve the benefits of a reform for poor and vulnerable groups:** PSIA can be used to enhance positive effects as well as to identify and mitigate negative ones. The key criterion for using PSIA in these cases is to identify the potential to significantly improve poverty and social outcomes from a given reform by making adjustments which are practical to implement and affordable.
- **The prominence and urgency of the reform in the government’s policy agenda:** Governments are far more likely to consider and use PSIA results when the reform assessed is a high priority within their current political and reform agenda and there is an urgent mandate for implementation. Therefore, it is essential to coordinate reform selection for PSIA with the priorities of government counterparts. A PSIA on Sugar Sector Reform in Guyana revealed that the proposed reform had high potential for social risks, yet a lack of urgency around implementation meant that for three years following the analysis the government neither utilized the PSIA findings nor pursued the planned reform. Only when the European Union created urgency by requiring analysis about the social implications of sugar sector reform before it would renegotiate Guyana’s trade agreement, did the government begin both the reform process and integrate the PSIA recommendations and results.
- **Level of national debate surrounding reform:** Reform proposals often provoke public reactions and debate. Even if a preliminary study concludes that a given reform would only result in minor distributional impacts, the issue’s political sensitivity can still spark strong public responses and prompt attempts to block decision making and implementation. Undertaking PSIA in such an environment can contribute to productive policy debate because the empirical evidence provided can help correct misperceptions or reinforce concerns expressed by the public. At the same time, findings can inform reform design to be more socially acceptable. The PSIA process in Lesotho helped to mediate what had been a heated national debate about electricity reform. The inclusion of participatory processes in the PSIA contributed by not only better informing stakeholders about the objectives and envisaged measures of the reform but also by integrating their views into the reform proposal, which then lessened their opposition and made a successful implementation more likely.

B. Determining the level and type of analysis

28. Once priority reforms have been identified, prior analytical work should be reviewed to determine if the Bank, client country, or development partners have already undertaken sufficient analysis regarding the distributional impacts of a chosen reform. In determining whether

sufficient prior analytical work has been conducted, the following questions can help guide decision-making on the need for additional PSIA:

- Has the Government conducted PSIA for priority reforms relevant to the DPO during formulation of the PRSP?
- Has the relevant PSIA analysis been carried out by any other civil society organization, or development partner⁴, within the country?
- Has PSIA been conducted within the Bank for priority reforms relevant to the DPO through core diagnostic ESW or specialized sector work?

29. If the answer to any of the above is YES, and the findings from previously conducted PSIA illustrate whether the identified distributional impacts are adequately addressed and are still applicable to the current context, then it is likely there is no need to conduct additional PSIA. However, if this is the case, the results of prior analysis ought to be summarized in the DPO Program Document. (Refer to Section V for additional details.) If the answer to all three questions is NO, and if the operation is intended to support reforms with significant distributional impacts, then it is likely that PSIA work will be necessary.

IV. DESIGNING AND CARRYING OUT PSIA

30. PSIA is an approach to ex-ante impact analysis rather than a standardized instrument. It combines social and economic analytical tools to gauge the potential distributional impacts of reforms. PSIA can also help with understanding the political economy of reform. The choice of tools to use for PSIA depends on the specific reform issue, as well as resource, capacity and data limitations. This section summarizes lessons from the analytical framework applied in PSIA's to date. Task teams can find further suggestions how to operationalize this conceptual understanding by using the references cited in the annex. In particular, the *PSIA User's Guide* is recommended for an overview, the *Toolkit for Evaluating Poverty and Distributional Impact of Economic Analysis* for guidance on economic theory and analysis as applied to PSIA, and the *Tools for Institutional, Political and Social Analysis (TIPS) Sourcebook* for guidance on applying social theory and analysis.

A. Framing the Analysis

31. **The PSIA User's Guide outlines an indicative process for conducting the analysis.** Possible elements of the analytical process depend on context and include the following: asking the right questions; identifying stakeholders; understanding transmission channels; assessing institutions; gathering data and information; analyzing impacts; designing enhancement and compensation measures where appropriate; assessing risks; linking to country based monitoring and evaluation systems; fostering policy debate and feeding back into policy choice.

⁴ For example, The UK Department of International Development financed and conducted PSIA on a governmental strategic export initiative in Uganda. The German Development Cooperation contributed to PSIA work on water sector reform in Yemen. The European Union commissioned PSIA work in Lao jointly with the World Bank. For details please see the following website www.worldbank.org/socialanalysis.

32. **There is no methodological template for designing poverty and social impact analysis.** Reform agendas vary, as do the specific social, political, institutional and economic contexts. Good practice PSIA provides timely and useable inputs to the policy process. Hence, methods may need to be customized to provide rapid and reliable results. Nonetheless, the following dimensions are important to consider in all contexts as part of an initial screening process. The depth of analysis needed in each area, in any given case, will be a function of resources, capacity, timing and type of reform.

- **Understanding stakeholders.** Stakeholder analysis plots the key stakeholder groups and their relationship to the policy process. It helps to understand the drivers of reform and the incentives that shape reform process. This includes incentives of groups who might not be intended beneficiaries of the reform but have a stake in the process as they can exercise their influence and power to either support or oppose the reform. Sound reforms may fail because of lack of ownership or political support for the reforms. It is therefore essential to identify key stakeholder groups, their characteristics, interests and incentives, and the nature and degree of their influence on existing or future policies or reforms. Stakeholder analysis can serve as a first step towards understanding the political economy surrounding the reforms. In Sri Lanka, the stakeholder analysis of the PSIA on land reform revealed that groups likely to be affected by the reform had not yet been consulted nor the impacts they would face considered. By identifying these previously overlooked stakeholder groups, the PSIA enabled their integration into a facilitated consultation process around the reform proposal
- **Analyzing institutions and the broader political economy.** A careful analysis of the political economy of the reform process is often necessary for effective management of risks and opportunities in a reform process. Such an analysis should consider the broader political context, as well as the key actors and institutions in the reform arena. For instance, a good practice anti-corruption law supported by a DPO may be enacted but it may not be effective if the institutions set up to enforce it lack sufficient power to do so, or powerful informal relationships of patronage linked to the national political economy constrain its capacity to act. Hence effective analysis of institutions and the political economy of the reform process is important broadly for reform effectiveness, as well as to understand the poverty and social impact of the particular reform⁵.
- **Assessing impacts through an analysis of transmission channels.** Assessing the poverty and social impacts of policy reform requires discerning what impacts are likely to occur, how they are likely to be transmitted, whom they are likely to affect and when the effects are likely to play out. A first step towards effective distributional analysis is to understand the transmission channels by which the policy reform affects household/individual outcomes (macro-micro links). The PSIA framework suggests the systematic analysis of at least six transmission channels through which policies

⁵ For a more detailed introduction to Stakeholder and Institutional Analysis in the context of PSIA please see *Tools for Institutional, Political and Social Analysis of Policy Reform*, Chapter 8 (www.worldbank.org/tips). For a comprehensive framework for the analysis of the political economy of sector reform see *The Political Economy of Policy Reform: Issues and Implications for Policy Dialogue and Development Operations* (World Bank 2008 forthcoming)

can affect the household. These six channels are: *employment*, *prices* (production, consumption and wages), *access to goods and services*, *assets*, *transfers and taxes*, and *authority* (see Box 5). Certain policies may have an impact on only one of these channels while others will require an understanding of a combination of these transmission channels.

BOX 5: SIX TRANSMISSION CHANNELS THROUGH WHICH POLICIES AFFECT WELFARE

Employment. To the extent that a policy change affects labor market structure or labor demand, particularly in sectors that employ the poor (such as unskilled, rural off-farm, and agriculture), low-income households' welfare will be affected. Transmission may be direct or indirect and may differently affect formal and informal sectors, including self-employment.

Prices (production, consumption, and wages). Prices determine real household income, both the actual monetary price paid as well as opportunity costs (e.g. of queuing), and costs incurred through rent-seeking behavior. Price changes will affect both consumption and resource allocation decisions. Producers will also be affected by policies that cause relative changes output and input prices. Wage changes will affect net buyers and sellers of labor differently, and policies that change relative prices will induce shifts in both demand and supply.

Access. Access to goods and services affects well-being, whether in the form of access to markets and service outlets or through improvements to public or private sector quality and responsiveness.

Assets. Changes in assets' values affect income and non-income welfare dimensions. Asset endowments include physical (i.e. housing), natural (i.e. land, water), human (i.e. education, skills), financial (i.e. savings accounts), and social (i.e. membership in social networks that increase access to information or resources) capitals.

Transfers and taxes. Transfers, which can take the form of private flows (such as gifts and remittances) or public flows (such as subsidies and taxes), affect welfare. Public finance has a direct impact on the welfare of specific groups through transfers -- including subsidies, targeted income transfers and social protection initiatives -- and tax policy that can be more-or-less progressive in its distributional impact.

Authority. This channel encompasses changes in power, structures and processes that govern public institutions' formal and informal functions, operating at the macro level (i.e. public service reform), meso level (e.g. decentralization of administrative authority), and micro levels (e.g. redirecting welfare payments from men to women).

- **Assessing and managing risks.** Risk assessment is a standard part of the design process for DPOs, but without a sound analytical base, it may be restricted to a range of relatively obvious exogenous and institutional factors. Building on the analysis suggested above, Poverty and Social Impact Analysis can bring to the fore distributional and political economy risks through the emphasis on understanding winners and losers in reform processes, and the application of stakeholder analysis to determine key actors and their perceived interests.⁶ A key dimension of political economy risk is conflict. For example, in Guinea Bissau the Integrated Poverty and Social Assessment highlighted the risks of rapidly reducing public sector expenditures in the context of fiscal consolidation. While it recognized the need to reduce expenditures in the medium-term, it pointed out the need to improve living conditions in the military barracks and to ensure the payment of public sector salaries in the short-term to maintain socio-political stability.

⁶ Chapter 10 of the World Bank publication 'Tools for Institutional, Political and Social Analysis' has a more in-depth discussion of risk analysis.

BOX 6: UNDERSTANDING HOW POLITICAL ECONOMY ISSUES AFFECT POLICY REFORM: ELECTRICITY PRIVATIZATION IN MOLDOVA

Moldova, like other countries emerging from the collapse of the Soviet Union, grappled with a citizenry accustomed to the state absorbing utility costs and distrustful of privatization. Much of the public of Moldova, one of the poorest countries in ECA, believed that the partial privatization of the electricity sector that had been implemented harmed rather than helped consumers, especially the poor. Entities in the government attempted to capitalize on the public's negative stance towards privatization by threatening to re-nationalize the sector.

B. Conducting the Analysis

33. **Multidisciplinary approaches are a feature of good practice PSIA:** Using a combination of different methods, types of data and disciplinary perspectives enhances the understanding of the poverty and social impacts of reform. The design of the methodology and the selection of tools will depend on the nature of the reform problem being addressed, the availability and quality of data, the time available for analysis and the in-country capacity available. Key dimensions include mobilizing both quantitative and qualitative forms of data as appropriate, considering approaches which can deliver results in a timely way, and employing the right analytical expertise (economic, social and political) to address the key problems. The *User's Guide to PSIA* includes a set of multi-disciplinary tools that can be applied in various circumstances.⁷ The Tanzania PSIA on tax reform is a good example of the use of mixed methods. The PSIA's economic analysis focused on the extent of taxes paid by households and businesses before and after the reform. The socio-political and institutional analysis focused on the attitudes and views of households, businesses, and local government toward the reform and toward taxation policy more widely.

34. **Understanding the impact of a reform across different socio-economic groups, defined by income/expenditure cut-offs, is important but not sufficient.** A breakdown of potential impacts by a range of other factors relevant in the context concerned such as ethnicity, gender, location, religion, is also necessary. For example, in countries with high ethnic tensions, or high levels of gender inequality, even a small perceived or realized gain of one group over another one may lead to serious social consequences. Policy change affects different socio-economic groups differently and can lead to distinct behavioral responses. Reforms should be evaluated with particular attention to politically sensitive groups and issues.

35. **Gender analysis is a key part of PSIA, as women and men encounter differing constraints and opportunities in all contexts.** Good practice involves including gender indicators and intra-household data, understanding differential needs and ensuring that both men and women have a voice in the policy-making process. In Romania, PSIA findings revealed that the first phase of the Government's mining sector reform had disproportionately affected women. The gender sensitive analysis revealed that women suffered a higher percentage of direct job losses, in part because of management practices that pressured women to take voluntary leave more often than men. While comprising 16% of the mining labor force in 1997, women constituted 20 % of the cumulative layoffs during this period and by 2004, they made up

⁷ *User's Guide to PSIA* , Annex 1: Economic and Social Tools for Poverty and Social Impact Analysis, page 47 -80.

only 7 % of the workforce. Based on these PSIA results, the Government created a small grants scheme targeted to women.

36. **In order to assess the poverty and social impacts of a given reform it is useful to have a general sense of its net effects.** This implies balancing effects which can be positive and negative, short and long term, and indirect as well as direct⁸. Precise quantification of impacts is likely to be easier for short term and direct effects. How far an ex-ante analysis can go in quantifying longer term and indirect effects will depend on availability of data, time and capacity. In reaching conclusions about the likely net impacts of a given reform, it is important to spell out the key assumptions underlying the ex-ante analysis. These assumptions can then be compared with the actual results achieved during implementation.

37. **Rapid approaches to both social and economic analysis can be applied for PSIAs that face a tight timeline.** For example, if a full CGE model that will allow for modeling both the direct and indirect effects of a change in relative prices does not exist, a partial equilibrium analysis using a recent household survey can be done in a relatively short span of time. If the issue merits further analysis then investments in deeper analytical work may be required. In Zambia, the team decided to start with applying participatory rapid assessment methods to provide timely inputs to thinking through a program of land reform with complex institutional and social dimensions.⁹

V. USING PSIA TO INFORM POLICY DIALOGUE

A. Enhancing Policy-making Processes

38. **PSIA aims to improve the evidence base for decision-making, and to contribute to better informed and inclusive policy development processes.** This requires attention to dialogue, negotiation and decision-making, as much as to written outputs. The availability in the public domain of a robust analysis of the likely impacts of a given reform on different social groups can help to generate a more informed public debate. The public's interest in, concern and support for a particular reform can both strengthen a government's political will to implement the reform, increase transparency and accountability in the design and implementation process and improve the outcomes. In several partner countries this has helped to enhance transparency in reform design. PSIA good practice emerging from country experience offers some suggestions on how PSIA findings can influence the policymaking process¹⁰.

<p>BOX 7: CONTRIBUTING TO BETTER INFORMED AND INCLUSIVE POLICY DEVELOPMENT PROCESSES: WATER REFORM PSIA IN YEMEN</p>

⁸ The World Bank publication 'A User's Guide to PSIA' page 18 – 27, has a more in-depth discussion on these issues.

⁹ Carvalho S and H White, 1997 and Rao and Woolcock, 2003 provide suggestions how to combine quantitative and qualitative methods in analytical work.

¹⁰ The following two documents provide a fuller discussion on process related issues in PSIA: *Stakeholders, Power Relations and Policy Dialogue: Social Analysis in Agriculture Sector. Poverty and Social Impact Analysis* (<http://go.worldbank.org/ROFUG1W1C0>) and the *TIPS Sourcebook*, chapter 4.

In 2005, the Ministry of Water and Environment developed the National Water Sector Strategy and Investment Program (NWSSIP) to improve service distribution and reduce groundwater overdraft. As part of the program diesel price subsidies that largely benefited the better off were eliminated. Yet the PSIA found that the reform also led to an increase in water prices and in a drop in consumption by poor irrigating farmers and rural water consumers. Thus, while the program saved water, it risked depressing the rural economy, hampering employment and lowering the incomes of the poor. Based on PSIA generated evidence, which supported changes in the sequencing of reforms, the government altered its previous approach to better reflect the needs of the poor. As a result, the public increased support for reform implementation.¹¹

39. Involving key stakeholders is an important part of the PSIA process¹². It is good practice to involve key stakeholders in PSIA design and implementation processes. Broad-based stakeholder participation can enhance policy-making, transparency and strengthen country ownership over reform. One should note that where the Bank responds to Government demands for market sensitive analysis of reforms, it may not be feasible to involve a wide range of stakeholders in the process. Key stakeholder groups typically include different government ministries, civil society organizations, Parliamentarians, the media and national think tanks. PSIA experience to date offers a number of institutional coordination mechanisms through which to solicit opinions and input from stakeholders. They range from multi-stakeholder steering committees that guide the entire process (particularly appropriate for more in-depth PSIA) to soliciting inputs to the analysis from a group of local experts on a rapid-turnaround basis. PSIA experience to date offers examples of multi-stakeholder committees and research teams in Cambodia, Nicaragua and Yemen¹³. In Cambodia, extensive stakeholder consultations during the PSIA provided smallholder farmers with the opportunity to express their concerns regarding the Government's land reform. The process revealed that unless better provision of infrastructure and support services accompanied the reform, changes in land tenure would not lead to significantly greater economic returns. The consultations eventually raised awareness and understanding for such concerns.

40. Coordinate closely with other development partners. To promote a country-led policy process in line with the OP 8.60 framework for Development Policy Lending it is important that donor agencies working with government partners on PSIA coordinate with each other. The Paris Declaration on Aid Effectiveness outlines five key principles for effective development co-operation to which all major donor agencies are committed: ownership, alignment, harmonization, managing for results and mutual accountability. The five principles can provide a useful framework for discussing how development partners can use PSIA to promote effective policy dialogue. The process adopted in Ghana (Box 4, above) provides an example of a sequence of steps which promote country ownership, donor alignment and harmonization, and a results focus in PSIA.

41. Coordinate analytical work with dialogue and a communications strategy. In order for PSIA to be effective, there must be close coordination within the Bank between teams

¹¹ Ward, Beddies, Hariri, Yaffiei, Sahoooy, Gerhager, 2007. Yemen's Water Sector Reform Program - A Poverty and Social Impact Analysis (PSIA). World Bank, Washington DC. (www.worldbank.org/psia)

¹² For a more extensive discussion on stakeholder participation in PSIA see the *TIPS Sourcebook*, chapter 4, 68 -75.

¹³ Establishing a multi-stakeholder steering committee as a governance structure for decision making has helped to build awareness, capacity and – even more importantly - consensus and political commitment around contested issues in a number of PSIA (for example, the PSIA in DRC on Mining Sector reform). For further information go to www.worldbank.org/psia and see the country experience a brief presentation of these country cases.

conducting PSIA and leading DPOs as well as between the Bank and key Government counterparts. This means that PSIA teams should share provisional findings and provide updates throughout the PSIA process so that countries are best prepared to use them in policy formulation. In such circumstances, it is good practice for all teams involved to agree on a timetable for outputs, the specific responsibilities of each party, and a mechanism for communicating results. Helping Governments develop a communication strategy on PSIA findings can be a particularly useful way of supporting the client. This was carried out in the case of the Indonesia fuel subsidy PSIA (see Box 1) and proved highly successful. The country team worked closely with the Government in developing a communication strategy for the price hike, which included the analysis from the PSIA work.

42. **Disclosing PSIA results.** The Bank's disclosure policy supports the notion of free access to information, asserting that the *presumption should always be in favor of disclosure*. In addition, OP 8.60 emphasizes the importance of transparency and disclosure of documentation for DPO-supported reforms. Disclosing PSIA results assists in the generation of an informed public debate on policy reform processes. Timely disclosure is recommended for the different Bank classifications of PSIA. While gray-cover ESWs must always be publicly available, non-gray-cover ESWs and Factual Technical documents should be disclosed while ensuring that confidential information is protected and the country authorities concerned are adequately consulted in the disclosure process.

43. As discussed earlier, PSIA's are conducted in different contexts and with varying extent of Bank involvement in the analysis. There are several examples where the Government leads the PSIA exercise and Bank staff provides specific analytical inputs. In a few cases, the Government can ask the Bank to comment on highly market sensitive reform decisions (such as, changing trade tariffs, increasing energy prices, etc.), in its advisory capacity, on a confidential basis. In those cases, the level of disclosure of results is in practice at the discretion of the borrower government. If the Bank is involved in supporting these reforms through a DPO then the task team should summarize the key messages from the distributional analysis and make them available to the public.

44. **Timely dissemination of PSIA results helps to foster policy debate and influence policy design.** There is significant in-country demand for PSIA and there are clearly multiple ways of disseminating results. Utilizing several different avenues for dissemination increases the likelihood that results will be actively circulated integrated into the reform process. Different dissemination options serve distinct purposes.

- *Client consultation workshops* offer a powerful and direct means to foster debate and seek feedback, dispel myths about reform impacts and encourage evidence-based dialogue on the reform. Discussing interim and final results with in-country stakeholders and development partners in a workshop setting can help interpret the results, provide insights to refine operational recommendations, facilitate donor coordination for country programs and increase the likelihood of country ownership of reforms that draw on the PSIA.
- *Documentation* that can be posted on the web, provide an enduring record that can serve as both a mechanism for ongoing dissemination of results and a tool that captures on-the-ground experience to inform future cases. These reports or briefs are most effective

when they are available in both hardcopy and electronic form and are translated into the main local language. Bank staff should be able to give a clear account in the public domain of the main elements of the PSIA process and analysis. Experience conducting PSIA has shown that within client countries, local and international development partners and the general public are interested and invested in PSIA results being publicly disclosed and disseminated widely.

45. **Integrate PSIA within the overall national monitoring and evaluation framework.** Poverty and social impacts should be tracked starting when a reform is introduced and evaluated ex-post so that any necessary policy corrections can be made. PSIA should ideally be integrated within existing national monitoring systems. This will help align capacity building activities more closely with overall national requirements, so that the skills sets that are developed can then be applied in a fungible manner.

Annex A: Key Question Checklist for PSIA

The questions below can be used as a checklist to verify if a PSIA has addressed all essential elements. The list is also useful as a guide to formulate the text for a DPO Program Document. In addition, if available information provides answers to each question, there is no need for PSIA.

1. What reform(s) addressed in the Development Policy Operation was chosen for PSIA and why?

Criteria might include a reform's prominence within the national policy debate, uncertainty of impact (particularly between short-run and long-run effects), likely impacts' size, and controversy about the magnitude or direction of impacts.

2. Through what reform mechanisms are reforms carried out?

These can be institutions and organizations directly or indirectly involved in the reform and affecting its outcome. Examples include markets, legal systems, and government agencies.

3. Which stakeholders are likely to be affected by the reform, positively or negatively? Which stakeholders are likely to affect the reform?

Stakeholders can include:

- Affected groups such as the poor or non-poor, regional groups, socio-demographic categories, occupational groups, and ethnic and religious groups.
- Organized interest groups such as government agencies, trade unions, producer groups, civil society, the media, and other lobby groups.

4. By what transmission channels will these groups or institutions be affected? By what transmission channels are they likely to affect the reform?

The six main transmission channels are: Employment/wages, prices of goods and services, access to goods/services, assets, transfers and taxes, and authority.

5. What are the impacts' expected direction and order of magnitude on the groups likely to be most affected? What are the key assumptions on which these impacts are predicated? (Specify the information or tools.)

- Impacts involve attention to income and non-income well-being measures (these may include access to basic services, vulnerability, inclusion, and human and social capital).
- Distinguish short-run/long-run, direct/indirect effects.
- Key assumption examples: Private firm entry after easing market restriction; government capacity to regulate the private sector, the efficient administration of social protection payments so that targeted benefits reach the poor, and the improvements in local services for the poor following decentralization.

6. What are the main risks that could change a reform's expected impact? What is the likelihood of risks or their expected magnitude?

Risks might arise from the political economy (the possibility that interest groups undermine the reform or capture benefits), exogenous shocks (a worsening in the terms of trade), the institutional context (the risk that the private sector does not respond as expected to the incentives), or other country conditions (conflict or social tensions).

7. How have the research findings been disseminated in country? Has the PSIA report been publicly disclosed? What have been the governance mechanisms for decision-making? Which stakeholders have actively participated in the PSIA?

- Steering committees with board stakeholder representation are governance mechanisms which allow for joint decision making and often ownership for analytical findings
- Workshops presenting and discussing the research design as well as the results allow for wide stakeholder participation which can foster support for results and help to formulate policy recommendations in a manner acceptable to policy makers
- Involving national researchers and consultants allows an insight perspective, particularly valuable for political economy analysis, and builds capacity for future applications
- Wide results dissemination and document disclosure allows results to inform public debate and supports evidence-based decision-making

8. What is the process for feeding the analysis into national policy discussions? What impact has the PSIA had (is PSIA expected to have) on policy? (Ideally, give an indication of how actual impacts will be tracked and how reforms will be adjusted in the light of findings.)

- There could be various channels for feeding analysis into policy debate, including the country's PRSP team, consultation meetings around the national poverty reduction strategy, and the media.
- Policy impacts could include a fundamental rethinking of the reform, a decision to change the timing or sequencing of the policy, or the introduction of compensatory or complementary measures to mitigate negative impacts or strengthen positive impacts.

Annex B. Resources Available to Task Teams

PSIA Website: Includes details on country examples, resources on tools and methods, PSIA training materials and an e-learning course on PSIA. <http://www.worldbank.org/psia>

PSIA User's Guide: The User's Guide is intended for practitioners undertaking PSIA in developing countries. It provides analytical guidance and, as a means to undertake a multidisciplinary approach, presents both economic and social analysis tools and methods. <http://go.worldbank.org/IR9SLBWTQ0>

Poverty and Social Impact Analysis of Reforms: Lessons and Examples from Implementation: Series of case studies illustrating PSIA in agriculture, energy, utilities, social sectors, taxation, and macro-economic modeling. <http://go.worldbank.org/OHA9QNIDK0>

Analyzing the Distributional Impact of Reforms— Vol I & Vol II—A practitioner's guide to pension, health, labor market, public sector downsizing, indirect tax, decentralization, and macroeconomic shocks and policies tools. <http://go.worldbank.org/QHPOTW09W0>

Tools for Institutional, Political & Social Analysis (TIPS): E- Learning Course or Sourcebook for PSIA: The E-learning course and sourcebook describe good practice in the application of institutional, political and social analysis in PSIA. This is based on the lessons learned from five years of World Bank and DFID experience with PSIA (2001-2005). The E-learning course can be accessed at <http://go.worldbank.org/359UFP9VF0> and the sourcebook is available in hardcover or on the web at <http://go.worldbank.org/GZ9TK1W7R0>

Guidance to Mixed-Methods Approaches:

Carvalho S and H White, 1997. "Combining the quantitative and qualitative approaches to poverty measurement and analysis", World Bank Technical Paper 366

Vijayendra Rao and Michael Woolcock, 2003: "Integrating Qualitative and Quantitative Approaches in Program Evaluation". In :Francois Bourguignon and Luiz Pereira da Silva, The Impact of Economic Policies on Poverty and Income Distribution.

Poverty and Social Impact Analysis – Linking Macroeconomic Policies to Poverty Outcomes: Summary of Early Experiences. Caroline M. Robb, IMF Working Paper WP/03/43

Stakeholders, Power Relations and Policy Dialogue: Social Analysis in Agriculture Sector. Poverty and Social Impact Analysis. As a complement to the resources available on the general approach to PSIA, this report offers insight and instructions on conducting social analysis for PSIA in the Agriculture Sector. <http://go.worldbank.org/ROFUG1W1C0>

The Political Economy of Policy Reform: Issues and Implications for Policy Dialogue and Development Operations, Report No. - 44288-GLB, Social Development Department, World Bank, Washington DC, 2008 forthcoming

Ward, Beddies, Hariri, Yaffiei, Sahooley, Gerhager, 2007. Yemen's Water Sector Reform Program - A Poverty and Social Impact Analysis (PSIA). World Bank, Washington DC. <http://www.worldbank.org/psia>

Toolkit for Evaluating the Poverty and Distributional Impact of Economic Policies: <http://www.worldbank.org/poverty/psia/tools.htm>

We offer PSIA clinics, Quality Enhancement Reviews and cross support upon request.