

Poverty and Social Impact Analysis Multi-donor Trust Fund (PSIA-MDTF)

The Poverty and Social Impact Analysis Multi-donor Trust Fund (MDTF) is approximately a USD 20 Million fund, spread over a period of three years. The MDTF became operational in February 2010, and is supported by Germany, the Netherlands, Norway, Switzerland, and the UK. As described in more detail below, resources are shared among the six regional units and two anchor units, and fund multi-sectoral PSIA in various countries across the six regions.

The PSIA's are funded in line with the overarching goal of the Multi-donor Trust Fund: to help partner governments and the World Bank consider the poverty, social and distributional impacts of key policy reforms and operational activities. To this end, the MDTF has two objectives:

(1) to support the effective use of poverty, social and distributional analysis in guiding the Bank's policy dialogue and program lending; and,

(2) to strengthen client country capacity to implement and use the results of poverty, social and distributional analysis to inform national policies.

The MDTF has an innovative decentralized structure. Representatives from donors to the MDTF, and the Bank's Social Development Department (SDV), Poverty Reduction and Equity unit (PRMPR) and Operations Policy and Country Services (OPCS), are part of a Steering Committee that provides input on strategic planning, advice on priorities and overall substantive guidance regarding the MDTF. The two anchor units SDV and PRMPR co-manage the MDTF and hold 20 percent of the resources. Management of the remaining 80 percent of the resources is decentralized to the six regional units, with Africa receiving twice the resources as other regions. In addition to overall management of the Fund, SDV and PRMPR create and disseminate knowledge, and provide support to the regions as necessary. The regions use MDTF funds to carry out PSIA-type work based on proposals that go through the selection process set up by each region, while the anchors provide a monitoring and advisory role for the regional work programs. Regions also use resources to encourage increasing country leadership of PSIA and capacity building to make this possible.

A recent evaluation of the World Bank's trust fund portfolio conducted by the Independent Evaluation Group (IEG) concluded that by avoiding a multistage Bank-wide selection process, the PSIA-MDTF's decentralized structure operates more efficiently than other trust fund models. It was also found to have the potential for offering adequate Bank management accountability for the allocation of trust fund resources. The evaluation recommended that if the experience with this innovative model is found positive, it should be used as the principal approach to "allocating non country-specific trust funds".¹

¹ Independent Evaluation Group, 2011, "An Evaluation of the World Bank's Trust Fund Portfolio: Trust Fund Support for Development". World Bank. Accessed 18 May 2011:
http://ieg.worldbankgroup.org/content/ieg/en/home/reports/trust_funds.html

In order to mainstream PSIA and ensure a sustainable application of it, PREM and SDV organize frequent PSIA-related learning events targeting middle and senior management. In particular, the anchor units have hosted PSIA-specific sessions in three key learning forums, namely the Human Development Learning Week (March 7-11, 2011), the Social Development Days (March 21-24, 2011) and the Knowledge and Learning Forum of the Poverty Reduction and Economic Management unit (PREM) (April 20-29, 2011). A further learning event solely focusing on PSIA will be held at the Bank on October 31st and November 1st. Furthermore, SDV and PREM issued a range of publications on PSIA.

Figure 1: Organogram of the PSIA-MDTF

