IEG Independent Evaluation Group
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Approach Paper

Getting to Poverty: Lessons from the World Bank's Record on Supporting Poverty Reduction in Country Programs

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Background and Context

1. "Working for a World Free of Poverty" has been the World Bank's vision since 1990, appearing on its logo and reflected in documents, strategies, and the atrium of its corporate headquarters.[1] The world as a whole achieved a major milestone towards this goal by accomplishing the first Millennium Development Goal (MDG) -- to halve extreme poverty from 43 percent in 1990 by 2015 -- five years early, lifting some 700 million people out of poverty. However, progress in this area has thus far been extremely uneven across regions, countries, and localities.[2] In April 2013, World Bank President Jim Yong Kim set an ambitious new goal of eliminating extreme poverty within a generation, with a particular focus on helping the poorest 40 percent to share national prosperity in all countries (See Box 1).

2. Since 2000, the Bank has regularly monitored its contributions to development and poverty reduction and in 2011 published the first Corporate Scorecard and World Bank for Results reports, assessing client results and organizational performance. The Global Monitoring Report, published annually by the International Monetary Fund (IMF) and World Bank, provides additional information on the progress of the MDGs each year. Despite this work, there has not been a comprehensive, independent evaluation on the Bank's approach to reducing poverty, or how the Bank has operationalized its poverty mission.[3] As the Bank prepares itself to provide support for a new and ambitious poverty agenda, the time is ripe for a study to more clearly establish the lessons of the Bank's engagement.

Box 1: New goals for extreme poverty and shared prosperity

The World Bank Group has recently formulated new goals for ending extreme poverty and for boosting shared prosperity. The main elements of this new vision were laid out in the document entitled *"A Common Vision for the World Bank Group,"* which was discussed by the Bank's Executive Directors on March 21, 2013. This document sets a target to reduce extreme poverty to 3 percent by 2030, and to promote income growth of the bottom 40 percent of the population. These two goals will reinforce the World Bank Group's commitment towards achieving the 2030 Development Goals and prove instrumental in the formulation of Bank strategy going forward.

3. The proposed study comes at an opportune moment because, despite enormous progress recently, there are still daunting challenges ahead. More is needed than economic growth to help lift the remaining poor out of poverty. Public policy has a crucial role to play—government and market failures

[1] Robert S. McNamara placed poverty reduction as a top priority for the World Bank in an address to the Board of Governors in Nairobi in 1973. In the address he defined absolute poverty as "a condition of life so limited as to prevent realization of the potential of the genes with which one is born; a condition of life so degrading as to insult human dignity—and yet a condition of life so common as to be the lot of some 40 percent of the peoples of the developing countries" (McNamara 1973, pp. 6-7).

[2] Here poverty is computed with a poverty line that has a constant real value between countries and between urban and rural areas within countries (Ravallion and Chen 2007).

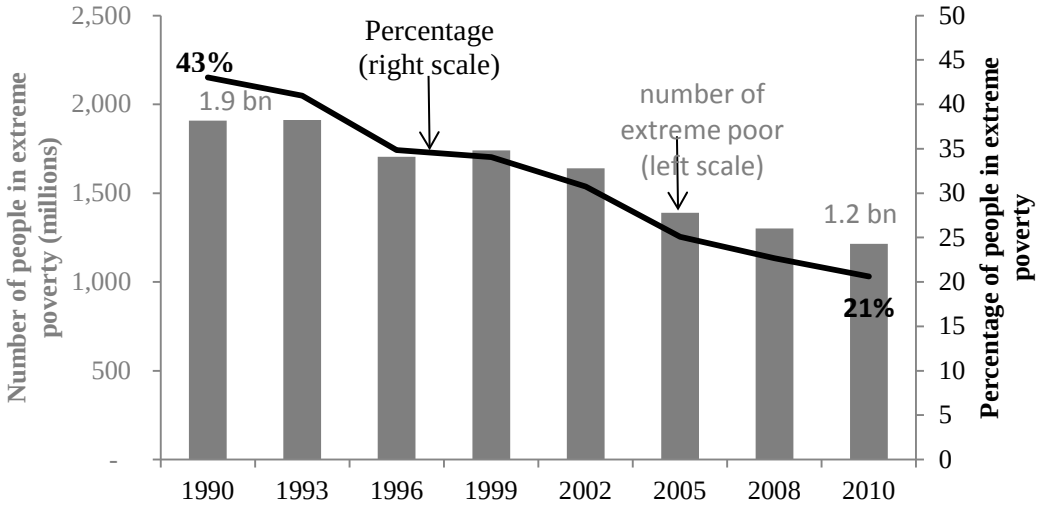
[3] The 2004 OED Annual Review of Performance looked into the Bank's contribution to poverty reduction, but in a narrow way (see paragraph 13).

continue to prevent poverty reduction, and the poor in many places lack the opportunity to share in prosperity. It is thus critical to understand how countries have exploited opportunities to grow as well as those to reduce poverty and inequality. It is also important to understand what the Bank has learned from its development support in this area at the country level.

Poverty trends over the last two decades

4. While a significant reduction in poverty has been achieved during the last two decades in many countries, millions of people still live in extreme poverty or are at risk of falling back into poverty**.** The proportion of people living in extreme poverty (defined at the global level as having income lower than $1.25 a day, 2005 Purchasing Power Parity) has fallen from 43 percent in 1990 to 21 percent in 2010, as shown in Figure 1. Despite this progress, more than 1.2 billion people still live in extreme poverty, of which 42 percent are in South Asia, 34 percent in Sub-Saharan Africa, and 21 percent in East Asia and the Pacific (the remaining 4 percent of poor are scattered across the rest of the world). An additional 1.7 billion people are considered poor and vulnerable to falling into extreme poverty as they live on between $1.25 and $2.50 a day (paragraph 25).

Figure 1. The number and share of those living on less than $1.25/day has fallen dramatically.

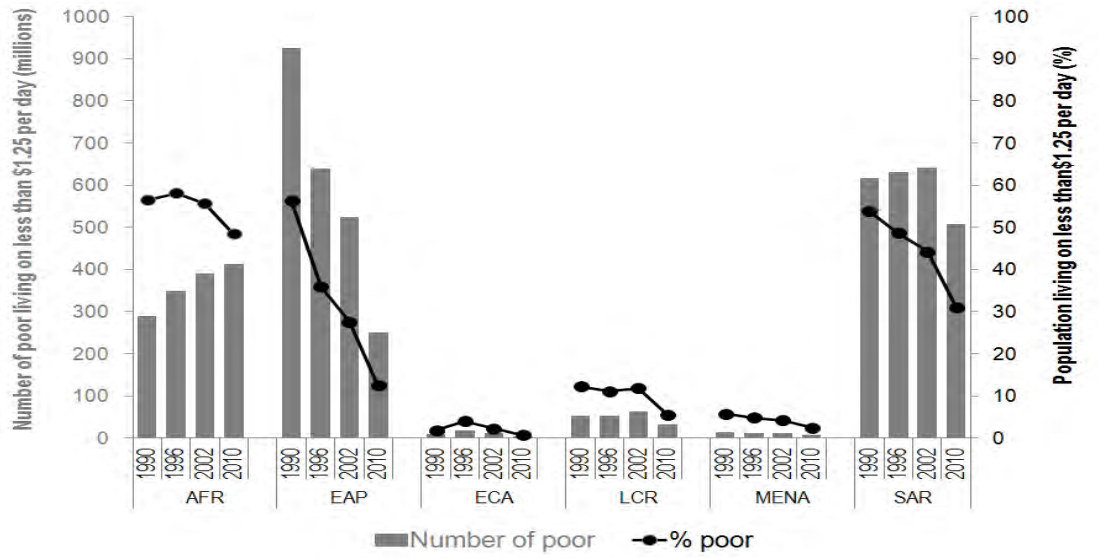


Source: PovcalNet: the online tool for poverty measurement developed by the Development Research Group of the World Bank.

5. Progress in reducing poverty has been uneven across regions. At the global level, extreme poverty fell at a rate of one percentage point per year between 1990 and 2010. By the end of this period, nearly 700 million less people were below the extreme poverty threshold, though China accounts for more than three-quarters of this reduction. All regions, except Sub-Saharan Africa, have seen their numbers of extreme poor decrease in this time period. In Sub-Saharan Africa, however, even as its poverty incidence has fallen from 57

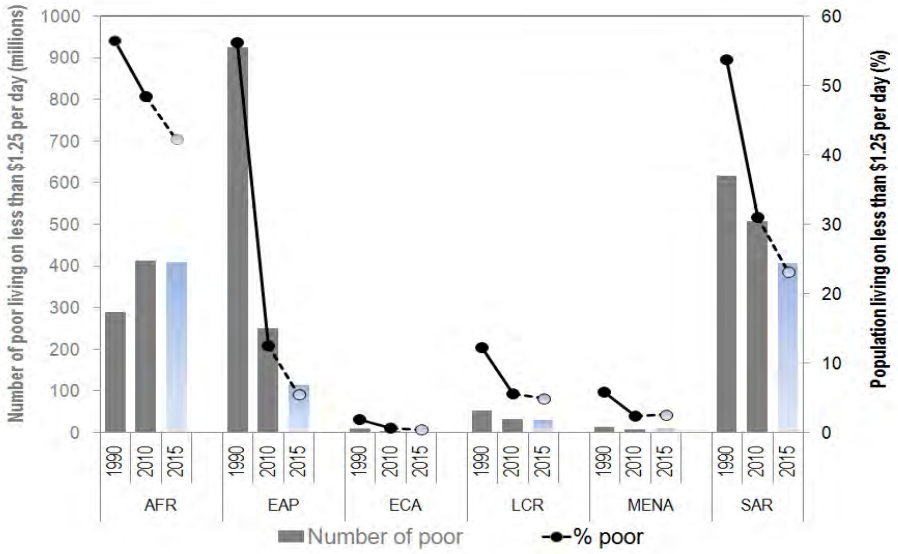
percent to 48 percent, the number of extreme poor has grown by more than 120 million, due to rapid population growth, as shown in Figure 2. The share of the world's poor living in the region has thus increased from 15 percent in 1990 to 34 percent in 2010.

Figure 2 The number of people in extreme poverty has declined in all regions except Africa.



Source: PovcalNet: the online tool for poverty measurement developed by the Development Research Group of the World Bank.

Figure 3 All regions except Sub-Saharan Africa are expected to halve extreme poverty by 2015.



Source: World Bank (2013b).

6. All regions, except Sub-Saharan Africa, are now expected to halve extreme poverty by 2015. Poverty projections forecast that the percentage of people living on less than $1.25 per day will fall to 15.5 percent by 2015 compared with 43.1 percent in 1990 (World Bank 2013b). Achieving this overall progress relies heavily on successful poverty reduction in South Asia and Sub-Saharan Africa. Yet despite this projected progress, not all regions will be able to halve extreme poverty by 2015, as shown in Figure 3. By 2015, it has been estimated that 970 million people will continue living on less than $1.25 per day, with more than 80 percent of them living in South Asia and Sub-Saharan Africa. Assuming that each country will grow at the average rate that it did from 1990-2010 and that the distribution of income will remain unchanged, in 2030, the number of extreme poor will decline to 636 million and the global poverty rate will decline to 7.7 percent, with 77 percent of the extreme poor living in Sub-Saharan Africa and 14 percent in South Asia.[4]

Links to literature

7. Intense research in the last decade has highlighted the complex nature of the forces behind poverty reduction. Although there is no simple answer, there has been significant progress in understanding the broad drivers of, and impediments to, poverty reduction. One strand of this literature has tried to answer the question of how much the poor benefit from aggregate economic growth. Seminal cross-country studies found that growth in average income is highly correlated with poverty reduction (Ravallion and Chen 1997; Ravallion 2001). Subsequent studies, using a larger sample of countries and years, confirmed this finding and suggested that the average income of the bottom quintiles grew at the same rate as overall mean incomes (Dollar and Kraay 2002, Dollar and others, 2013). In this regard, economic growth is of central importance for poverty reduction. It is not only a critical driver of poverty decline, but also a primary determinant of the variation in the decline (Kraay 2006; World Bank 2005; Gasparini and others 2007).

8. Another strand of the literature emphasizes the role of distribution and the interdependence among growth, inequality, and poverty reduction. The observed heterogeneity in the impact of growth on poverty across, as well as within, the same country, prompted new lines of research on the factors that may explain such differences. The initial income distribution, and its evolution over time, affects not only how growth translates into poverty reduction but also how growth itself is achieved.[5] Findings from this literature indicate that the effect of growth on poverty reduction is greater in low-inequality countries, as the growth elasticity of poverty reduction in low-inequality countries is four times larger than that observed in high-inequality countries (Ravallion 1997, 2007; Lustig and others 2002; Bourguignon 2004; World Bank 2005; Fosu, 2010).

[4] Source: Basu (2013), from World Bank Poverty and Inequality Research Group staff estimates.

[5] Theories on how inequality may affect economic growth, and hence poverty decline, argue that inequality may restrict cooperation among economic agents (Rajan 2009; Bardhan and others 2000), promote distortionary policies (Alesina and Rodrik 1994), and produce credit market failure due to information asymmetries (Banerjee and Duflo 2003).

9. Other empirical evidence indicates that inequality not only has a negative impact on economic growth (Herzer and Vollmer 2012; Benjamin and others 2010; Knowles 2005; Voitchovsky 2005) but also on its sustainability over time (Berg and others 2012). Initial inequality levels could also explain why in some countries some people are able to benefit more from economic growth while others do not. In particular, initial differences in human capital, as well as uneven exposure to risk, lack of coping mechanisms, and social exclusion could play an important role in determining how growth can influence poverty reduction (Ravallion 2001). Poverty itself can also slow economic growth and hurt poverty reduction efforts. Recent empirical research shows how higher initial poverty rates have an adverse direct effect on growth, and diminish the impact of growth on poverty. It is thus, not high initial inequality that diminishes the effect of growth on poverty reduction, but rather high poverty (Lopez and Servén 2009; Ravallion 2012).

10. Yet another strand of the literature seeks to understand the role of growth composition in poverty reduction, with recent studies highlighting the relative importance of this composition in addition to overall growth rates. Although the cross-country literature provides important stylized-facts on the growth/poverty/inequality dynamic, researchers are still exploring the more disaggregated databases to identify specific macroeconomic policies that are significantly associated with the relative growth rates of those in the poorest quintiles. For example, some empirical studies show that growth in labor-intensive sectors contributes the most to poverty decline (Loayza and Raddatz 2006; Christiaensen and Demery 2007). Without claiming causality, some studies quantify the contribution of different factors towards poverty reduction (Bourguignon and others 2005). Some recent decomposition exercises highlight the importance of labor income as the main factor behind poverty decline (Inchauste and others 2012). In Nepal, Thailand, Honduras, and Brazil, labor incomes explained 40 to 50 percent of the observed poverty decline (Azevedo and others 2013). At the same time, others have explored the heterogeneity of initial conditions in human capital accumulation and the role of growth in non-labor-intensive sectors (Ravallion and Datt 2002). Growth in service sectors show more poverty reduction power than that in agriculture or industry. Initial urbanization could enhance access to markets and infrastructure, thus positively influencing the poverty impact of nonagricultural growth (Ravallion and Datt 1996; Ferreira and others 2010).

11. The pattern of urbanization plays an important role in poverty reduction. In all regions except Africa, urbanization is correlated with a decline in aggregate poverty (Ravallion and others 2007). A recent study in India found that urbanization had a substantive poverty reducing effect in neighboring rural areas: between 13 and 25 percent of rural poverty reduction between 1981 and 1999 can be explained by urbanization (Cali and Menon 2013). According to some estimates, the urban poor represent 25 percent of the total poor in developing countries (Baker 2008). Concentration of population in big cities, however, may not be the only urbanization pattern leading to poverty reduction (Christiaensen and Todo 2013). Findings from Tanzania, for example, suggest that less than 15 percent of those who exit poverty did so through migration to big cities, while the remaining escaped poverty through rural diversification or migration to secondary towns (Christiaensen and others 2013). A majority of the urban poor live in medium, small, or very small towns (Ferré and others 2012) because the spatial concentration of economic activity

boosts labor productivity and growth through more intensive input sharing, better labor matching, and knowledge spillovers (Henderson 2010; Duranton and Puga 2004).

12. Other empirical work highlights the relationship between financial development and poverty reduction. The majority find that financial development accelerates economic growth, enhances competition, and increases the demand for labor, which disproportionately benefits those at the lower end of the income distribution (Demirgüç-Kunt and Levine, 2009). Recent studies have found that improvements in financial contracts, markets and intermediaries also disproportionately improve the incomes of the poor. While much of this improvement is due to the effect of financial development on aggregate growth, approximately 40 percent is estimated to occur through the enhancement of income growth for the poorest quintiles above the average rate of GDP per capita (Beck, Demirgüç-Kunt, and Levine, 2007).

13. In a number of evaluations, IEG has grappled with the Bank's approach to supporting poverty reduction. Most directly, the "*2004 Annual Review of Development Effectiveness—the World Bank's Contributions to Poverty Reduction*" examined the extent to which Bank interventions have contributed to growth and poverty reduction, and the effectiveness of different types of interventions. The evaluation's focus on poverty was narrow and its main conclusions were that (i) linking the Bank's country level interventions to poverty reduction required a clearer results chain and a sharper results focus; (ii) the Bank needed to demonstrate the poverty impact of Bank-supported interventions aimed at empowerment and human development; and (iii) the Bank's monitoring and evaluation (M&E) framework was not sufficiently poverty-focused.

14. Other IEG studies indirectly investigated the Bank's focus and performance in addressing poverty, including evaluations of the International Finance Corporation's (IFC) poverty focus and of the results from poverty reduction support credits, agriculture and agribusiness; social safety nets; poverty and social impact analyses; health, nutrition, and population; and middle-income countries.

How to Reach the Poor—Conceptual Framework of the Bank's Approach

15. As lively debates over the best approach to achieving development and/or poverty reduction continue, the Bank's approach has evolved significantly. During the 1950s and 1960s, emphasis was placed on large investments in physical capital and infrastructure. This shifted in the 1970s following an influential 1974 report, *Redistribution with Growth*, which noted that rapid growth in developing countries has been of little or no benefit to a third of their populations. It suggested that policy makers consider the growth implications for different groups in society likely to result from different development strategies. This infrastructure and growth approach was seen as insufficient and in the 1970s, health and education were given greater emphasis. The 1980 World Development Report (WDR) on poverty identified human development as important in its own right and as a means to promote growth in the incomes of poor people. Poverty thus began to be defined in a multi-dimensional fashion. The Bank also launched the Living Standards Measurement Study in

1980 to help policymakers better understand the determinants of social sector outcomes. Following a debt crisis and global recession in the 1980s, however, the Bank's focus shifted to improving economic management and allowing greater play for market forces.

16. The early 1990s saw an increased focus on the multi-dimensional nature of poverty and attempts to measure it. The first Human Development Report by the United Nations (UN) in 1990 was devoted to measuring human development and poverty through a human development index. This coincided with the launch of the 1990 WDR by the World Bank that adopted a multi-dimensional definition of poverty, supplementing a consumption-based poverty measure with indicators of nutrition, life expectancy, under-5 mortality, and school enrollment. It also noted the uneven distribution of poverty geographically and amongst the socially excluded (e.g. women, children, and minority and ethnic groups). The 1990 report advocated a two-pronged strategy for progress on poverty: (i) to promote the productive use of the poor's most abundant asset—labor—by providing opportunities for work; and (ii) to provide basic social services to enable the poor to take full advantage of new possibilities. To this it added the need for a system of well-targeted transfers and safety nets. The 2000-2001 WDR recast these as promoting opportunity and added two elements. The 2000-2001 WDR recast these as promoting opportunity and added two elements. The first was enhancing security, which focused on reducing vulnerability to economic shocks, natural disasters, ill health, disability, and personal violence. The second was facilitating empowerment, which focused on making public actions responsive to the needs of the poor by making government institutions more efficient and accountable. Bank support to interventions aimed at stimulating empowerment of the poor through community based development models has grown significantly since, generating discussion about its efficacy (Mansuri and Rao, 2013).[6]

17. Since the 2000s there has been a renewed interest in pro-poor growth and a wider distribution of the benefits of growth, with the 2006 WDR arguing that equity could be complementary to long-term prosperity. As a part of developments toward addressing the multi-dimensional aspects of poverty, in 2008, the World Bank introduced a new measurement of access to and equitable distribution of basic services (the Human Opportunity Index). Today there is intense discussion on the post-2015 framework for the MDGs with an emphasis on going beyond reduction in absolute poverty.

18. There remain, however, numerous unknowns regarding how to effectively reduce poverty in different country contexts. A brief summary of past experiences seems to indicate the following approaches:

- Economic Growth. Several studies (e.g. Ravallion and Chen 1997; Ravallion 2001; Dollar and Kraay 2002, Gasparini, Gutierrez, and Tornarolli 2005, Kraay 2006) demonstrate that on average, the poor benefit from increases in average national income.

[6] Mansuri and Rao estimate $54 bn has been loaned by the Bank for community based and community driven development between 1999 and 2011.

- Equality of opportunities. Poverty reduction comes about when individuals, families, and communities take advantage of the opportunities available to them. Moreover, equity and prosperity can be complementary if policy focuses on the common market failures that affect the poor disproportionately, notably markets for credit, insurance, infrastructure, and human capital (World Bank 2006, Ravallion 2007; Banerjee and Duflo 2007).
- Investment in human capital. Human capital is the basic endowment for the poor. Improving their basic assets, like education and skills, good health, and in some cases land, are seen as critical requisites for poverty reduction (World Bank 2000).
- Development of inclusive social safety nets. Safety nets can help the vulnerable who are disconnected from opportunities or unable to take advantage of them, and support them in downturns (Alderman and Yemtsov 2012). They encourage the pursuit of higher-return activities by mitigating the risk associated with them (World Bank 2000, World Bank 2013a), and in some cases, can lead the way in poverty reduction (Ferreira, Leite, and Ravallion 2010).

19. There is broad consensus today that successful poverty reduction in most developing country settings relies on a combination of the above strategies, the appropriate mix of which depends on the binding constraints to poverty reduction in each country.

Purpose, Objectives, Audience, Results, and Scope

Purpose, Objective, and Audience

20. The primary ***purpose*** of this evaluation is two-fold: (i) to inform the Bank's shareholders, Board, management, and other stakeholders of the extent to which the Bank's support is geared to the challenges of, and opportunities for, poverty reduction in borrower countries; and (ii) to shed light on good practices that, through evaluative evidence, can be replicated or scaled up. It will also identify obstacles that inhibit the Bank from fully supporting governments' poverty reduction goals. Findings from this study also aim to help sharpen the effectiveness of country programs as the Bank starts implementing the post-2015 agenda, which will likely call for more ambitious measures and actions in the area of poverty reduction. In addition, the evaluation will provide a baseline for data availability, as well as basic standards for analytical work and the M&E framework that can be used in future evaluations. One of the objectives of the evaluation is to provide inputs to the design of the various analytical and strategic frameworks, including the systematic country diagnostics (SCD), currently being prepared under the Bank's Change Management Initiative, under the leadership of the Operations Policy and Country Services Vice Presidency (OPCS).

21. ***Objective***: The evaluation will strive to uncover lessons from recent experiences on the ground, as the Bank sets forth to contribute to achieving new and more ambitious goals for poverty reduction and shared prosperity. In doing this, the evaluation will assess the extent to which the Bank's programs have been designed and positioned to support partner countries' efforts at poverty reduction in recent years. Throughout the period 2000-2012, the

poverty reduction mandate of the Bank was not underpinned by clear strategic direction and guidelines at the corporate level (see paragraph 31). There were, however, regional and sectoral strategies that aimed at stimulating growth, development, and poverty reduction. In this context, the evaluation will be formative, offering recommendations to improve the poverty orientation of the Bank strategy and its potential poverty impact.

22. ***Audience***: Given the profile of global goals for poverty reduction and the Bank's leadership position among international development partners, the Bank's poverty agenda is of great interest to internal and external stakeholders. The main audience is comprised of the Bank's senior management, as well as the Bank's Boards, both for oversight of development effectiveness and as representatives of Bank borrowers and donor partners. The poverty agenda also has a large external constituency among the Bank's client countries, UN agencies, humanitarian organizations, civil society organizations, and academic institutions. Several institutions (for example, Oxfam and Save the Children) have in recent years criticized the Bank for insufficient attention to results on poverty and/or the different dimensions of poverty. These institutions will be eager to know what has been the poverty focus of the Bank's portfolios (choice of interventions at the country level) and individual interventions (mechanisms for ensuring that the poor benefit), on what information base these choices and designs have been made, and how the Bank and others can improve this poverty focus.[7] Other multilateral aid agencies in particular will benefit greatly from this evaluation given the similarities between their assistance and Bank programs.

23. At an operational level, the primary audience for the evaluation will be the Bank's individual country teams who will be involved in implementing the Bank's newly stated development goals of reducing the various dimensions of poverty. Depending on the availability of data, the evaluation will seek to draw early lessons from recent experiences in supporting the poor of society.

Results and Scope

24. This evaluation aims to understand how the Bank designs and implements its country programs to contribute to poverty reduction. It will thus primarily explore the process through which the Bank focuses its programs on poverty. While it will, in a descriptive way, highlight poverty outcomes in Bank partner countries, it will not assess the extent to which the Bank contributed to those outcomes. Such analysis of attribution issues falls well beyond the scope of this report.

25. The evaluation will examine both income and non-income dimensions of poverty. In order to facilitate cross country comparisons of income poverty, most literature on poverty reduction in developing countries refers to the extreme poverty line of $1.25 per day (at purchasing power parity 2005). The MDGs use this threshold as the indicator for progress on reducing poverty, and much of the Bank's reporting—for instance the annual Global

[7] The Bank Group's contributions to the global debate on aid effectiveness and poverty reduction have traditionally been well received and the Bank is recognized as the leader in the debate on poverty measurement and aid effectiveness.

Monitoring Report and occasional reports on progress in global poverty reduction—does the same. In middle-income countries the Bank has used the $2.50 per day threshold as a better reflection of poverty given their stage of development. The international poverty lines will also help with aggregation in order to measure global trends.

26. This evaluation will use the national poverty line adopted at the country level as the primary threshold for income-based poverty. It does this for two reasons. The first is driven by the nature of the evaluation: it is centered on improving the Bank's support to client countries at the level of the country program. The basis of this dialogue is thus the respective national poverty lines. The second is practical: much of the country-specific analytical work and dialogue is based on the national poverty line, without reference to international poverty lines.

27. In practice, this approach overlaps substantially with one that focuses on international poverty lines. National poverty lines in many low-income countries are clustered around the $1.25 per day threshold and many middle-income countries have adopted two poverty lines—a nationally defined standard poverty line and a nationally defined extreme poverty line. In these circumstances, the evaluation will put more emphasis on the extreme poverty line as defined by each country. Where there is no extreme poverty line, the evaluation will use the standard national poverty line that is available. The evaluation will also comment on the variety and choice of poverty lines, and their applicability in different circumstances.

28. The evaluation will also examine non-income aspects of poverty, such as health, education, and access to basic needs. The evaluation will rely on indicators included in the World Development Indicators (WDI) database for ease of comparisons across the full population of 144 countries examined in this evaluation. [8] However, as different aspects of non-income poverty may be more relevant for some countries than others, when conducting in-depth case studies, the team will refer to the specific aspects of poverty identified in the poverty diagnostic work as priorities for a given country.

29. This evaluation will exclude several important aspects of poverty to keep the analysis tractable and focused. Virtually all development assistance has some relevance to poverty reduction. Several topics will not be addressed to focus on a feasible subset of issues (as described in paragraphs 23-28): the evaluation will not consider intra-household dynamics, i.e. distributional consequences within the household (a separate evaluation on poverty and gender is examining intra-household aspects of social safety nets) or inter-temporal tradeoffs (i.e. climate change and environmental poverty). It also will not include a traditional portfolio review because the relevant portfolio is the entire portfolio of Bank interventions, and the evaluation is more concerned with the poverty focus of Bank-supported interventions at the country level than the achievement of specific objectives at the project level.[9] IFC and the

[8] The population consists of all International Development Association (IDA), blend, and International Bank for Reconstruction and Development (IBRD) countries as of October 2013.

[9] It is not possible to define a portfolio of poverty-specific lending operations Bank-wide, as the degree to which development support contributes to poverty outcomes is unclear—some interventions, such as safety nets, may

Multilateral Investment Guarantee Agency (MIGA) will not be covered given the 2011 evaluation *"Assessing IFC's Poverty Focus and Results;"* although synergies between the Bank's work and that of IFC and MIGA will be considered in country contexts where cooperation has been identified as critical to poverty reduction. Additionally, the evaluation will reference the findings of the IFC report, as it relates to the country case studies. Since there was no clear, comprehensive strategy at the Bank-wide level for reducing poverty at the outset of the period under review, the evaluation will not examine the effectiveness of the Bank corporate strategy.[10] The Bank's technical support to regional and global agencies or to international forums on poverty (where the Bank is a leader) will also be excluded.

30. Some country strategies may also address issues such as inequality, relative poverty, and vulnerability (see Box 2). While the team will take into account these various dimensions in its evaluation to the extent that they have been highlighted explicitly as critical aspects of poverty reduction in the analytical work on poverty in particular country settings, they will not be the focus of the evaluation and will not be examined systematically across countries.

Box 2: Vulnerability to Poverty

Standard measures of poverty only consider the current poverty status of a household, measuring ex-post the household's well-being. Poverty indicators do not capture the level of vulnerability to poverty that a household may be facing, while vulnerability indicators are forward-looking measures of well-being that attempt to measure welfare consequences of exposure to negative shocks. Vulnerability to poverty is commonly defined as the risk of falling into, or remaining in, poverty in the future (Chaudhuri and others 2002; Dutta and others 2010; Calvo and Dercon 2007). Although there is no consensus in the literature on how to measure vulnerability, most agree that exposure and sensitivity to idiosyncratic and covariate shocks, their severity, and the coping strategies (or lack thereof) to deal with them, are a function of a household's endowments and the fragility of the external context in which the household operates (Naudé and others 2009; Günther and Harttgen 2009; Skoufias and Quisumbing 2005). Recent poverty dynamic studies show a large amount of households moving into poverty and experiencing transitory poverty, evidencing the need to reduce vulnerability as critical for overall poverty reduction (Dudwick and other 2009; Chronic Poverty Research Center 2005).While vulnerability cannot be fully eliminated, a comprehensive poverty reduction strategy includes policies that help households mitigate their vulnerability and enhance their resilience to cope with negative shocks (Skoufias 2012; Dercon and Christiaensen 2011; Christiaensen and Subbarao 2005).

contribute directly and immediately to reducing income poverty; while others, such as support for education, may do so with a long lag; and still others, such as improvements to the investment climate, may contribute indirectly or only in the presence of other policies or dynamics in the economy. In any event, this evaluation is concerned with the poverty focus of the Bank's support rather than the extent to which Bank-supported interventions have met their objectives; as a result, a standard review of the share of projects that have met (some or all of) their objectives is not directly relevant to the evaluation questions.

[10] In practice, the Bank has favored a broad, multi-sector and multi-stakeholder approach to achieving development results and poverty reduction. There are multiple development and/or poverty strategies at the regional and sector levels across the Bank. In addition, the Bank has not precisely committed to any particular component of the MDGs.

Results chain, coverage, and evaluative questions

Results chain

31. The chain through which economic development leads to poverty reduction can be long and varies significantly from country to country depending on initial endowments, social structures, quality of governance, economic systems, and global circumstances. It is also widely recognized that development outcomes are the result of the capacity and ownership of client countries as well as the support of multiple partners and interventions across sectors and time, which complicates the attribution of results to a single partner or initiative. This view is consistent with the IDA 15 Results and Measurement System (RMS), the Bank's Scorecard, and the publication *"World Bank for Results 2011."* Moreover, it has been argued that many crucial questions linking aid to development outcomes cannot be answered due to the heterogeneity of the many actors involved and the complex causality chain linking interventions to final outcomes (Bourguignon and Sundberg 2007).[11] Nonetheless, in practice the Bank does use its core levers of support—analytical work, lending, convening power, technical assistance, capacity building, and policy dialogue—to influence national policies and programs, and to help translate growth, greater access to opportunities, and poverty alleviation mechanisms (such as social safety nets) into poverty reduction. Bank programs and projects are required to specify results that are expected from the actions and policies they support, and most have a results framework. The results chain of World Bank assistance to poverty reduction in borrower countries is summarized in Figure 4.

Coverage

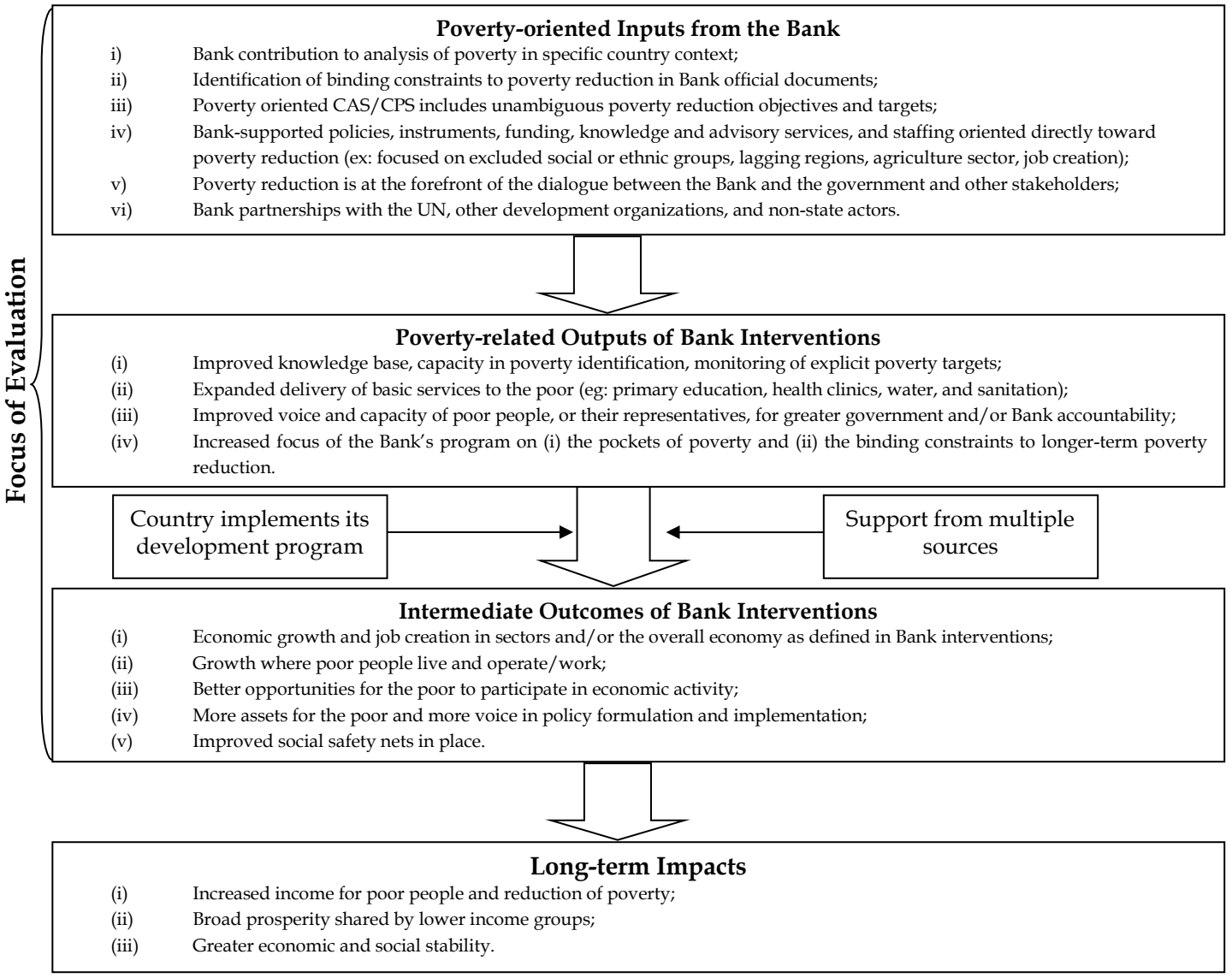
32. The main unit of analysis for this evaluation will be the country program, since it is the main vehicle for World Bank assistance. IFC and MIGA are also expected to align their programs with the country programs in the Country Assistance Strategy (CAS)/Country Partnership Strategy (CPS) process. The evaluation framework also recognizes the importance of individual interventions and cross-border regional programs. A country program encompasses diverse development objectives as determined by country demand and through policy dialogue.

Evaluative Questions

33. The overarching question for this evaluation is: "*How, and how well, has the Bank focused its programs on reducing poverty in partner countries?*" There are four questions underlying this main line of inquiry which will form the basis of the evaluation exercise, detailed in the section on the components of the evaluation exercise (see paragraphs 37-51).

[11] Other organizations such as the ADB, UNDP, and Government of Netherlands Aid Agency have evaluated their poverty results by looking at either the extent to which corporate resources have been aligned with corporate strategy or by assessing the support the agencies have provided for each of the MDGs.

Figure 4. Results Chain of World Bank Assistance to Poverty Reduction at the Country Level [12]



[12] The link between outputs and intermediate outcomes is shown here as direct. In practice, this is the link in the chain where country partners pursue their development agenda, with support from the Bank and other partners. This includes specific investments and changes to policies and systems. Direct attribution of the outcomes and long-term impacts listed here, to the Bank or any development partner, is not plausible.

1. Did the Bank have the appropriate information base, data, and diagnostics to guide development programs to effectively reduce poverty?

- Was good quality data on poverty available and accessible?
- Has the Bank conducted (or adopted) robust, timely analysis on the key constraints to poverty reduction?
- Have government capacity constraints in producing high quality poverty data and analysis been analyzed and recommendations made?
- Did the Bank support efforts to strengthen government capacity for statistics and data development (directly, through trust funds, or global programs)?

2. Have World Bank country strategies adopted the findings of analytical work on poverty to help prioritize and guide policy dialogue and lending? [13]

- Does the country strategy draw on the poverty diagnostic work and include a substantive discussion of the determinants of poverty?
- Does the country strategy discuss the likely constraints to poverty reduction and identify priority areas where Bank support is likely to have the greatest impact on poverty?
- Have Bank country strategies fully articulated the results chain, specific to the country setting, that leads from program activities to poverty outcomes?

3. Have interventions—operations, technical assistance, capacity building—reflected the strategic priorities for poverty reduction?

- Was the portfolio of interventions consistent with the analyses of the main constraints to poverty reduction in poverty analytical work (such as Poverty Assessments, Public Expenditure Reviews, and Country Economic Memoranda?)
- Do individual interventions explicitly reference and draw on poverty-focused analytical work?
- Did interventions utilize the available data and analysis to focus on poverty reduction?

4. Has, and how has, the Bank collected and drawn lessons from poverty reduction interventions to strengthen the feedback loops and improve the effectiveness of its country strategies and programs?

- Which poverty-specific indicators are collected over the course of implementation of Bank-supported country programs and interventions?
- To what extent did Bank programs and interventions use Poverty and Social Impact Analyses and Impact Evaluations to identify poverty impacts?

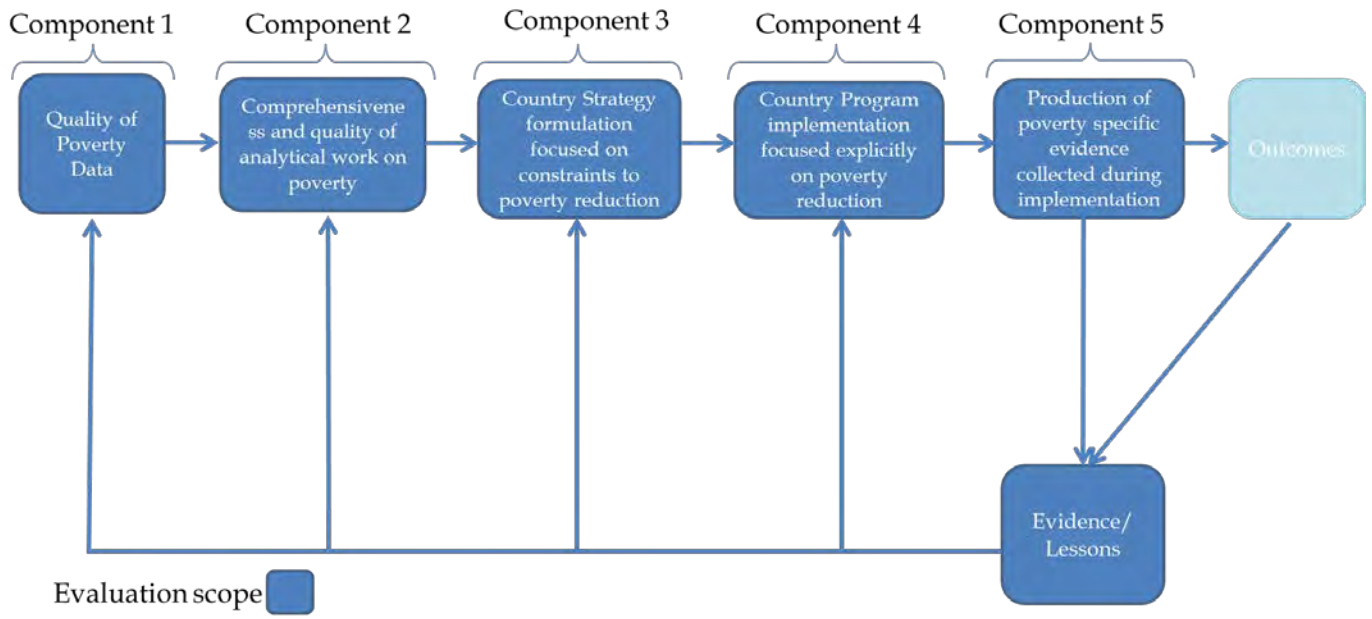
[13] The evaluation recognizes that the links between Bank interventions and poverty reduction are complex and country specific, and the Bank faces trade-offs in selecting projects with direct linkages (such as social safety nets) or indirect linkages (infrastructure, for example) with poverty reduction. In evaluating the poverty focus of country programs, the team will draw on country-specific diagnostic work to assess which kinds of poverty interventions should be emphasized in the programs.

- Have country programs explicitly drawn on lessons on poverty reduction from past Bank support?

Evaluation design

34. The evaluation exercise will include five components utilizing both qualitative and quantitative evidence, as depicted in Figure 5. [14]

Figure 5. The Analytic, Advisory, and Results Process Chain



35. The country program will serve as the primary unit of analysis. The evaluation will draw on three streams of IEG's recent evaluative work, comprising: (1) Country program evaluations, used both as background for country-specific work and systematically to identify trends and patterns in the poverty focus of country programs; (2) Sector and thematic evaluations using a poverty lens in order to consolidate the relevant findings; (3) Global program reviews, for instance the three global programs on building statistical capacity, or on disaster reduction and recovery. The team will also gather new evidence as described in the components below. There will be two layers of review: (i) the population of 144 countries, to provide general evidence on the availability and quality of poverty data and diagnostic work; and (ii) 10 country case studies, to illustrate variation in the process of country program work in poverty reduction given different institutional and political contexts. All country case studies include field visits and consultations with stakeholders. The countries will be selected purposively to reflect variation in income,

[14] For more details, see Attachment 2 on the Design Matrix.

number of poor, poverty rate, as well as regional coverage in order to ensure that countries of special interest (e.g. IBRD, IDA, fragile states, small states) are represented. For more details on country selection, see paragraphs 53-54.

36. The evaluation will also include two surveys. One survey will be carried out internally targeting Bank staff working closely on poverty to gather views on the main challenges they face and on the drivers of the difference in data quality across regions and countries. The other survey will be a multi-country stakeholder survey, undertaken by an independent survey firm, to gather stakeholders and beneficiaries' feedback on the Bank's engagement in poverty reduction.

Five Components of the Evaluation Exercise

37. This evaluation will consist of a full assessment of the process of country program work in poverty reduction, sliced into five main components. These components are directly mapped onto the four evaluative questions previously discussed, as illustrated in Figure 6. The main instruments to be used in the evaluation will include: (i) The cataloguing of poverty data for the population of 144 countries drawing on the existing work from the Bank (particularly, in PREM and DEC). It will cover the period since 2000; (ii) Ten country case studies, including structured interviews with Bank staff and in-country consultations with stakeholders. It will focus on the period of FY 2004-2012;[15](iii) Internal diagnostic survey and external stakeholder survey; and (iv) A background paper assessing the quality of the Bank's poverty analytical work.

38. **The first two components will seek to answer the first evaluation question**. It is a review of the available country-level poverty data to assess its quality and accessibility,[16] as good quality data is a pre-requisite for good analytical work. The quality portion of this component will endeavor to assess some of the key characteristics of a robust poverty statistics base including sound methodology, serviceability and accessibility.

39. For the population of 144 countries, the team will build on the relevant work from DEC, PREM, and the Global Poverty Working Group. The objective is to provide a stocktaking of the frequency and availability of household income and expenditure survey data, as well as the frequency and availability of poverty data (both income and non-income dimensions). For the 10 case study countries, the team will assess the quality and accessibility of poverty data and investigate the country and institutional contexts that may influence data collection and assessment (e.g. financial, technical capacity, and institutional capacity contexts). Also, the team will assess capacity building efforts in the collection and analysis of poverty statistics, including the status of countries lacking poverty data. The analysis will also assess the constraints to improving coverage, including client demand and willingness to share data, as well as internal Bank prioritization.

[15] The specific period of coverage will be adjusted based on specific country contexts.

[16] Accessibility is measured by the data available in the DEC central data platforms of Microdata Platform/Library.

40. **The second component will address the diagnostic work on poverty reduction under the first evaluation question.** It will consist of a review of poverty assessments and other poverty related diagnostic work in recent years to determine the extent to which the Bank had an adequate information base to assist client countries in poverty reduction. For the population of 144 countries, the team will catalogue the frequency and vintage of poverty-relevant diagnostic work available when Bank country strategies were prepared, drawing on the stocktaking exercise of AAA on poverty and equity related issues prepared by PREM. For countries without diagnostics, the team will assess constraints, including client and internal Bank demand. For the 10 case studies, the team will conduct an in-depth assessment of the comprehensiveness and quality of the diagnostic work. Diagnostic work will include Poverty Assessments, Poverty

Figure 6. Mapping of Evaluation Questions and Components

	Component 1: Data	**Component 2:** Poverty Analytical Work	**Component 3:** Strategy Formulation	**Component 4:** Program Implementati-on	**Component 5:** Learning Lessons
Evaluative Question 1: Did the Bank have the appropriate data and diagnostics to guide development programs?	X	X			X[17]
Evaluative Question 2: Have Bank country strategies adopted the findings of analytical work on poverty to prioritize and guide policy dialogue and lending?			X		X
Evaluative Question 3: Have interventions reflected the strategic priorities for poverty reduction?				X	X
Evaluative Question 4: Has, and how has, the Bank collected and drawn lessons from poverty reduction interventions to strengthen feedback loops and improve the effectiveness of country strategies and programs?					X

[17] Component 5 will provide evidence for all of the evaluative questions, but with a direct focus on question 4.

Updates, Poverty Notes, Public Expenditure Reviews, Technical Assistance pertaining to poverty assessments, and country-specific work on the Human Opportunity Index, among others. Comprehensiveness will be assessed based on the inclusion of the following components in the relevant body of diagnostic work:

- An assessment of the government's capacity to produce high-quality data and diagnostics on poverty;
- A poverty profile with a systematic assessment of poverty incidence (i.e. by region, urban/rural, sector of employment, gender, social or ethnic group, and/or other relevant typologies – from both Bank and non-Bank sources) created within the evaluation period;
- An analysis of the explanatory factors for poverty and the main constraints for poverty reduction;
- A discussion of the role of public policy in poverty reduction as well as its limitations; and
- A discussion of the role of consultative and participatory approaches to poverty reduction.

A template for the desk studies will be prepared and piloted.

41. There is no established framework for assessing the quality of poverty-related analytical work. Drawing on the analytic methodology for evaluation of analytical and advisory activities (AAA), the team, with a focus on poverty assessments, will develop a methodology in the early stage of the evaluation, and consult with the Bank's poverty sector board and DEC for feedback. This will aim to be a benchmark for potential future assessments—conducted by IEG, Bank operations, or others—of analytical work on poverty.

42. During the field visits for the 10 country case studies, the team will conduct consultations with government, World Bank country teams and independent stakeholders to assess the quality, heterogeneity and accuracy of diagnostic work, including, in particular, the extent to which the voices of the poor have been heard and the degree of collaboration with local institutions and donors in the preparation of poverty diagnostics.

43. **The third component will seek to answer the second evaluation question.** For the 10 country case studies, the team will review the Bank's country strategies to determine the extent of their focus on poverty and the poor, assessed on the basis of their consistency with analytical work on poverty for that country. It will examine the degree to which data and analytical gaps have been identified as constraints to strategy formulation. It will also review the Bank's work on specific topics, such as the poverty focus of development policy operations (DPOs) and social safety net interventions, across the 10 country cases.

44. The team will assess the extent to which the Bank's country programs are focused on the determinants of poverty and the main constraints to poverty reduction identified in the antecedent diagnostic work. Criteria for assessing the strategies will include:

- Whether there is a discussion of poverty that builds on poverty diagnostic work;
- Whether there is an assessment of the degree to which analytical gaps have been identified as constraints to strategy formulation.
- Whether the pillars of the strategy are consistent with the conclusions of the analytical work on poverty; and
- Whether the proposed portfolio of interventions and analytical work is prioritized to reflect the conclusions reached on the above factors.

45. The team will also conduct consultations with Bank country teams and local stakeholders to determine the extent to which diagnostic work has been used in strategy formulation. They will also use these consultations to assess the extent to which the Bank considered and addressed logistical or political economy issues during strategy formulation. Specifically, they will examine:

- Whether the strategy identifies the policy space for Bank involvement, including consideration of the political economy of the reforms domestically;
- The degree of involvement of partner governments and other development partners in the formulation of the CAS/CPS;
- The influence of budget and staff allocations by the country management unit (CMU) on the formulation of the CAS/CPS.
- Whether the Bank planned to provide adequate support for building statistical capacity to generate reliable data on poverty and to make good use of them in partner countries with particular attention given to countries where such data was infrequent or unavailable; and
- If there are any discrepancies between the diagnostics and strategy in the view of local stakeholders.

46. **The fourth component will mainly seek to answer the third evaluation question.** This component will assess the extent to which the Bank's country programs, as implemented, are focused on and consistent with the analysis of principal constraints to poverty reduction (and its key country specific dimensions). The analysis will identify deviations from the original program and reasons for the deviations. For the 10 country case studies, the team will highlight projects and economic and sector work (ESW) with direct linkages and explicit references to poverty, catalogue the changes in lending and AAA portfolios from the original CAS/CPS proposal, assess the reasons for any deviations and identify whether the changes deepened the poverty focus of the original program. The team will also assess the extent to which lending operations, technical assistance, capacity-building, convening power, analytical work, and dialogue were attentive to poverty reduction and its key country specific dimensions. The portfolio will be reviewed to determine:

- The extent to which Bank supported interventions emerge from the analysis of the main constraints to poverty reduction and any other poverty related analyses (e.g. Pas, CEM);
- The extent to which interventions draw on specific poverty-focused analytical work in their design, including stand-alone knowledge products;

- The extent to which the analytical work conducted is at least as poverty-focused as proposed in the country strategy; and
- The extent to which poverty has been at the forefront of the dialogue between the Bank and the government, as well as other stakeholders, influencing policy debate.

47. All available Bank materials will be used to carry out this review, including project and program documents, IEG project and program evaluations, IEG country program evaluations, and Bank analytical work. The team will also review external analytical work as well as that produced by other donors. Consideration of geographic and sector-targeting of support will be included where appropriate (e.g. where there are large pockets of poverty explicitly identified) and where data are available.

48. The analysis will consider both active and closed operations in recent years with a focus on the period of FY2004-FY2012. This will not be an evaluation of the extent to which the intervention's objectives were met—although such assessments that have already been conducted by IEG will be used judiciously—but rather a narrower assessment on the poverty focus of the lending and knowledge portfolio. Technical assistance and capacity building will be assessed where identified as prioritized constraints.

49. The country case studies will gather in-depth evidence on the poverty focus of Bank country programs and dialogue, allow for broad consultation with in-country stakeholders and development partners, and place the Bank's country programs in the context of the countries' broader priorities and political environment (clarifying whether and how poverty is featured in the policy dialogue between the Bank, the government, and other stakeholders). They will also provide evidence on key obstacles to the implementation of countries' Poverty Reduction Strategies and assess the poverty focus of different types of Bank support. During the field visits, the team will also examine a set of projects which are currently being implemented and have had a mid-term project review to assess the poverty content of these projects.

50. **The fifth component will seek to answer the fourth evaluative question**. It will focus on the production and use of evidence on poverty reduction collected over the course of implementation of Bank-supported programs, and how this evidence feeds back into the design and implementation of later programs.

51. For the 10 country case studies, the team will synthesize evidence on whether and how the Bank has drawn lessons from past interventions to improve the effectiveness of poverty reduction. They will document the collection of base-line poverty indicators and the implementation of M&E assessments and reflect specific learning lessons at the country level. The team will also review the use of impact evaluations and Poverty and Social Impact Assessments in the case study countries, as an initial survey of impact evaluations covering a wide array of interventions across sectors indicates that only a small percentage includes poverty or the incomes of the poor as measured outcomes.[18] To assess the extent to which M&E systems

[18] The DIME database of completed and ongoing impact evaluations (IEs) of Word Bank projects indicates that out of 178 IEs, only 14 include poverty as an outcome of analysis, of which 10 are completed interventions evaluated

used at the country program level and in interventions were poverty-aware, the team will primarily draw on assessments of M&E in IEG evaluations of country programs and development policy operations, as well as on selected Project Performance Assessment Reports.

Consultations and Surveys

52. The evaluation will also aim to collect the views of government counterparts and stakeholders in this evaluation. Most prominently, there will be a series of structured interviews and consultations with Bank staff and stakeholders in partner countries during the field visits. There will also be an internal survey to gather opinions from Bank staff working closely on poverty, and a multi-country survey that will be fielded to gather objective perspectives from representatives of government, civil society, development partners, and the private sector. The internal survey will provide a cross-country perspective of the constraints on data and the drivers of the difference in quality of poverty data and diagnostic work. The external survey, to be undertaken by an independent survey firm, will provide additional information on the main components of the evaluation from stakeholders.

Country Case Study Selection—the population, country groupings, and case studies

53. The core of the evaluation examines a population of 144 countries, covering all IBRD, IDA, and blend countries, which will be the subject for the first layer of review. Given the scope of work and resource constraints, the evaluation will focus on ten country case studies to draw in-depth lessons on the Bank's record on supporting governments in their efforts to reduce poverty. The countries are selected purposively, drawing from the countries where the Bank has significant engagement (in terms of lending and AAA), to provide a set of lessons that reflects a wide range of operational experiences. The selection focuses on learning and does not presume to achieve full representativeness of the various categories of countries. It aims to cover a diverse spectrum of countries across three country types: middle-income countries (IBRD); low-income non-fragile and conflict-affected countries (non-FCS), and low income FCS countries. The selection reflects the differing approaches and challenges to poverty reduction in countries at different levels of development. In low income countries with IDA support, poverty incidence is typically higher and affects a broad swath of the population. In middle-income countries, poverty is typically less prevalent, but characterized by concentrated poverty affecting specific regions or population segments, often with distinct implications for intervention design and strategy. In addition, the evaluation will include fragile and conflict-affected states (FCS), which face unique challenges, such as political instability, lack of security, and often a severe

having poverty as an outcome. Income and food consumption expenditures also have been studied as outcomes in 28 additional impact evaluations, of which 15 are completed.

lack of poverty data to help the Bank contribute to poverty reduction programs in those countries.

54. The population of 144 countries will first be classified according to (i) their income level; and (ii) whether or not they are classified as FCS.[19] Final selection of countries will also take into consideration regional balance, in order to account for potential differences in Bank practices across regions.

Design strengths and limitations – validity of evaluation design

55. The evaluation adopts a design common among IEG evaluations—using the country program as the unit of analysis for assessing the effectiveness of the Bank's engagement in a given area. The totality of the Bank's support to a country particularly fits the topic given the multiple entry points that the Bank and development partners might use to help partners tackle poverty, and the potential synergies or rivalries that multi-pronged support might engender. The evaluation recognizes the importance of project- and program-level analysis as well, and will both spotlight particular lending and non-lending instruments and explore project- and program-level support in the broader context of Bank country programs. As noted above (see paragraph 24), the evaluation will not ask how effective Bank support has been in reducing poverty in partner countries because of the difficulty of attributing results to a single partner or initiative.

56. Some 35 countries (or 25 percent of the population of 144 countries) have no household income and expenditure surveys since 2000, and another 25 countries have only one round of surveys. This presents an important challenge for the evaluation. From another perspective, experience in these countries may provide lessons on how to focus a country program on poverty in the absence of robust consumption or income data. In these cases, the Bank's support in building the required information bases will be an important component of the evaluation. The Bank's experience in these data-poor settings will receive attention in the evaluation, particularly through the survey instrument.

Quality Assurance Process

57. Quality will be assured through the use of peer reviewers. Peer reviewers for the evaluation are: (i) Jean-Yves Duclos, Director Department of Economics, Laval University; (ii) Nora Lustig, Professor, Department of Economics, Tulane University; and (iii) Martin Ravallion, Professor, Department of Economics, Georgetown University. The evaluation report will be prepared under the direction of Mark Sundberg, Manager, IEGPS, and undergo the usual IEG

[19] FCS have either: (a) a harmonized average CPIA country rating of 3.2 or less, or (b) the presence of a UN and/or regional peace-keeping or peace-building mission during the past three years. This list is up to date as of FY14 and includes only IDA-eligible countries and non-member or inactive territories/countries without CPIA data. It excludes IBRD-only countries for which the CPIA scores are not currently disclosed.

quality assurance process, involving review by the Extended Leadership Team and final clearance by the Director-General, Evaluation.

Expected Outputs and Dissemination

58. The primary output of the evaluation will be the report to the Committee on Development Effectiveness (CODE), which will contain the main findings and recommendations of the study. The report will be disseminated widely across the Bank Group. Background work undertaken for individual country case studies will be considered deliberative in nature and will therefore not be disclosed.

59. Stakeholders consulted in partner countries—through surveys and field work—will provide a natural audience for outreach. Several bilateral and multilateral partners are interested in discussing the report and disseminating its findings. IEG will organize external consultations and dissemination events for the evaluation. The report will also be disseminated outside the Bank to OECD/DAC and at other forums, depending on demand.

60. Ongoing consultations with key stakeholders during the evaluation process will be undertaken to enhance the relevance and robustness of the evaluation. Consultations with a few well-known poverty experts in academia, the Poverty Sector Board, staff in the Development Economics Group (DEC), and other operational staff were held during the design phase as inputs toward preparation of this Approach Paper. This dialogue will continue during the evaluation process to ensure that the evaluation team has access to relevant information and support from relevant Bank Group units. IEG will also reach out to stakeholders including the UN, the European Union, and other regional research institutes, and engage in relevant international forums that address poverty issues. Such stakeholder consultations will have three objectives:

- Make the evaluation process transparent to interested stakeholders and the public.
- Gather information and relevant data to triangulate results with those from other research and development organizations working on poverty.
- Develop a constituency to validate and disseminate the findings and recommendations on completion of the evaluation.

61. Results and findings of the evaluation, could provide a baseline for measuring the poverty focus of the Bank’s country programs in the future. Some of the key baseline parameters for assessing the poverty focus of country programs could include, among others: (i) vintage and periodicity of poverty data and analyses; (ii) some key indicators of focus on extreme poverty and vulnerability; (iii) use of PSIAs and IEs and the poverty dimensions of M&E framework. The team will also establish some principles and criteria to be used in assessing these baseline parameters and interact with the OPCS team to provide input to the ongoing Systematic Country Diagnostic (SCD) formulation.

Timeline

62. The evaluation work will mostly be undertaken in FY14. The evaluation design traces through the steps of a country program from data to analysis to strategy to implementation to feedback. In practice, the evaluation will first address components one and two (on data and analytical work) discussed above, with the intent of answering the first evaluation question. It will judge the adequacy of the country information base on poverty and assess the comprehensiveness and quality of the poverty-focused analytical work of the Bank (i.e. poverty assessment and public expenditure review). Thereafter, based on information from the previous components, the evaluation will examine components three through five: it will provide additional evidence to answer the first question, and will address the second, third, and fourth evaluation questions. It will use the information collected from components one and two as the standard, and judge the extent to which the Bank used the available knowledge to design and implement a country program focused on poverty. It will also seek to determine whether the Bank was able to generate new evidence and knowledge to better focus development programs on poverty in the future.

63. Feedback will be sought from IEG on the initial findings from the first two components of the evaluation in the third quarter of FY14. The team will also seek comments on the initial findings from some of the technical departments of the Bank (e.g. DEC and the Poverty Sector Board). A draft of the report will be submitted for comments from Bank management in the second quarter of FY15. The revised evaluation report is expected to be submitted to CODE in the Winter of 2014 for discussion.

64. The proposed team is made up of IEG staff and external consultants. The core team consists of Eric Bell and Xubei Luo (co-task team leaders), Javier Bronfman, Aghassi Mkrtchyan, Samantha Mignotte, Bahar Salimova, and Marcelo Selowsky. Advice and guidance will be provided by Ravi Kanbur, Professor of Economics at Cornell University. Additional expertise will be added to the team during the course of the evaluation as needed.

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Attachment 2: Design Matrix

Evaluation Question 1

Key Questions	Information required and sources	Data collection methods	Data analysis methods	Strengths and limitations
Did the Bank have the appropriate information base, data and diagnostics to guide development programs to effectively reduce poverty? Was good quality data on poverty available and accessible? Has the Bank conducted (or adopted) robust analysis on the key constraints to poverty reduction? Have government capacity constraints in producing high quality poverty data and analysis been analyzed and recommendations made? Did the Bank support efforts to strengthen government capacity for statistics and data development (directly, through trust funds, or global programs)?	1. Existence of household surveys or other data on poverty. 2. Analysis of poverty data, World Bank poverty assessments and other relevant diagnostic work with a focus on availability/frequency and comprehensiveness of these works. 3. Review of PRSP and other national development strategies. *Information Sources:* Bank's POVCAL database, MICRODATA Library, poverty assessment database, Bank Warehouse data, external literature.	Desk review of the Bank's and other partners' analytical work on poverty.	Desk review (drawing on existing work from DEC and PREM) of: 1. The availability of good quality poverty data that are based on representative household surveys; 2.The availability of diagnostic work on poverty analyses, based on surveys focused on causal effects and binding constraints; 3. The comprehensiveness of poverty analyses; 4. The frequency of PRSPs or other national strategies with a focus on poverty reduction.	**Strengths**: The review of poverty data availability, as well as the frequency and comprehensiveness of poverty analyses will answer one of the important questions of this evaluation about the extent to which the data quality and availability influence the poverty focus of poverty analyses and thus Bank strategies. **Limitations:** An assessment of data availability will be influenced by issues of data quality, including representativeness of household surveys.

Evaluation Question 2

Key Questions	Information required and sources	Data collection methods	Data analysis methods	Strengths and limitations
Have World Bank strategies adopted the findings of analytical work on poverty to help prioritize and guide policy dialogue and lending? Does the country strategy include a substantive discussion of the determinants of poverty and likely constraints to poverty reduction? Does the country strategy identify priority areas where Bank support is likely to have the greatest impact on poverty? Have Bank country strategies fully articulated the results chain, specific to the country setting, that leads from program activities to poverty outcomes?	Country Assistance Strategies, their analytical/diagnostic underpinnings, Interim Strategy Notes (if applicable), other available notes or memoranda on Bank engagement. *Information source:* Bank Warehouse data	Review of relevant documents through desk reviews and country case studies, , internal and external surveys, structured interviews with selected Bank staff and stakeholders .	Review of CASs (through country case studies) based on a template developed in consultations with IEG and Bank staff that look at various dimensions of CASs, focusing on the links to, and its relevance with regard to, diagnostic work in poverty reduction.	**Strengths**: The review of CASs will provide answers to key questions regarding the links between the Bank's strategy and diagnostic work. **Limitations:** An interpretation of the poverty focus of CASs requires caution, as the links to the diagnostic work may be indirect. To overcome this limitation, the team will prepare (in consultations with various stakeholders) a well defined template that will guide the process of the review of CASs.

Evaluation Question 3

Key Questions	Information required and source	Data collection methods	Data analysis methods	Strengths and limitations
Have interventions—operations, technical assistance, capacity building—reflected the strategic priorities for poverty reduction? Did the portfolio of interventions emerge from the analyses of the main constraints to poverty reduction and/or any other analyses (PA, PER, CEM)? Do individual interventions explicitly reference and draw on additional, specifically poverty-focused analytical work? Did interventions utilize the available data and analysis to focus on poverty reduction?	Relevant program documents of lending/grant operations and technical assistance projects. Country Assistance Strategies, their analytical/diagnostic underpinnings, Interim Strategy Notes (if applicable), other available notes or memoranda on Bank engagement. *Information source:* Bank Warehouse data	Portfolio Review: Review of relevant documents through desk reviews and country case studies, field visits, internal and external surveys, structured interviews with selected Bank staff and stakehoders.	Portfolio Review through desk reviews and country case studies focusing on the program/project design and objectives, and their links to the CAS/CPS and thus the poverty diagnostic work.	**Strengths**: A portfolio review focused on the relationship between program/project objectives and the CAS/poverty diagnostic work will illustrate the extent to which the Bank's lending portfolio is linked to the strategic priority of poverty reduction. **Limitations:** This will answer key questions about the poverty focus of the Bank's lending portfolio. However, it will only assess this at the design level as the evaluation will not look at program outcomes. However, the team will factor in (cautiously) available IEG evaluations of efficacy of specific objectives.

Evaluation Question 4

Key Questions	Information required and sources	Data collection methods	Data analysis methods	Strengths and limitations
Has, and how has, the Bank collected and drawn lessons from poverty reduction interventions to strengthen the feedback loops and improve the effectiveness of its country strategies and programs? Which poverty-specific indicators are collected over the course of implementation of Bank-supported country programs and interventions? To what extent did Bank programs and interventions use Poverty and Social Impact Analyses and Impact Evaluations to identify poverty impacts? Have country programs explicitly drawn on lessons on poverty reduction from past Bank support?	Data on the availability of Household Surveys and impact evaluations, PSIAs, as well as data on the coverage and adequacy of M&E of projects and CASs. *Information sources:* CASCR, ICR, CASCRR, ICRR, Impact evaluations, household surveys	Review of CASCRR, ICRR, relevant impact evaluations, survey data.	Analysis of M&E frameworks for individual programs/projects and CASs with special focus on poverty relevant objectives; analysis of the usage of impact evaluation for monitoring results; analysis of household surveys with special focus on availability of decomposition that allows to link poverty outcomes to Bank's intervention.	**Strengths:** This comprehensive approach of looking at project and CAS/CPS level M&E, Impact Evaluations and available surveys will provide information on the extent to which the Bank monitors the poverty results of its interventions. **Limitations**: The attribution of poverty outcomes at the macro level to Bank interventions is challenging. To circumvent this, the focus of this component will be on evaluating the availability of mechanisms for monitoring, rather than on attributing outcomes to specific interventions.

IEG Approach Paper
Getting to Poverty: Lessons from the World Bank's Record on Supporting Poverty Reduction in Country Programs

Report to the Board of Executive Directors from the Committee on Development Effectiveness
Sub-Committee Report*

Meeting of February 12, 2014

The Sub-Committee (SC) of the Committee on Development Effectiveness (CODE) considered IEG's Approach Paper entitled *Getting to Poverty: Lessons from the World Bank's Record on Supporting Poverty Reduction in Country Programs* (CODE2014-0001).

The Sub-Committee welcomed the opportunity to discuss the Approach Paper, and acknowledged the relevance and timeliness of the proposed evaluation in the context of the Bank's poverty agenda and change process. Members broadly supported the defined scope and methodology of the proposed evaluation. They underscored the need for a pragmatic and practical exercise that could feed into the preparation and design work that is underway with the Systematic Country Diagnostic (SCD) and the Country Partnership Framework (CPF) and, in this respect, asked for more clarity on the useful inputs the evaluation will bring. Members particularly welcomed IEG's commitment to closely coordinate with Management by providing early inputs and by sharing knowledge and findings as they emerge to help optimize the development of the SCD and CPF.

Members recognized that the evaluation will examine a period where the Bank did not have a strategic decision and corporate guidance on poverty reduction. They encouraged IEG to place focus on the factors that explain the diversity of outcomes and the gaps associated with data availability and quality, as well as the drivers for effective utilization of data in Bank's engagement with partner countries and in the formulation of country programs. As regards sampling criteria, while members appreciated that the evaluation will cover a wide spectrum of countries, including low-income and fragile and conflict affected situations, many members emphasized the need to consider certain underlying issues related to poverty such as vulnerability, inequality and gender, in order to reflect the multidimensional nature of poverty. The Sub-Committee requested that the evaluation capture both lessons-learned and good practices and inquired whether the title of the evaluation can be phrased in a clearer fashion.

Members strongly welcomed IEG's clarification that the evaluation will be conducted within the ambit of the confirmed policies and the agreed definitions and targets that the Board and the Governors have endorsed. While the evaluation is proposed to focus on extreme poverty reduction, members cautioned that poverty reduction is expressed as part of the WBG twin goals which are intertwined and that shared prosperity may also contribute to extreme poverty reduction.

* This report is not an approved record.