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## DAC Network on Poverty Reduction

### DRAFT PROGRAMME OF WORK AND BUDGET 2007-8

7-8 February 2006

*Under Item 8 of the POVNET Agenda [DCD/DAC/POVNET/A(2006)1], Members are invited to DISCUSS the suggestions set out in this note concerning draft proposals for 2007-8 work on poverty reduction.*

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## **DRAFT PROGRAMME OF WORK AND BUDGET 2007-8**

### **I. Introduction and Background**

1. The DAC is now preparing its programme of work and budget (PWB) submission for the 2007-8 biennium. At present, it is in the process of establishing a prioritised list of activities to be supported by the budget envelope (Part 1 and voluntary contributions). Background information on the PWB and the prioritisation process can be obtained from notes DCD/DAC/RD(2005)15/RD1 and DCD/DIR(2005)41, DCD/DAC(2006)14 and DCD/DAC(2006)15.

2. Based on a preliminary discussion of possible work areas for the next biennium at the POVNET meeting last November [see DCD/DAC/POVNET(2005)26], the Secretariat prepared proposals and circulated these in January to POVNET Members. However, the timing of the DAC prioritisation exercise requires that proposals be ready by end January in order for them to be discussed by the DAC at its meeting on 14 February. Accordingly, the list of proposals concerning possible future work on poverty reduction has had to be submitted to the DAC before POVNET has had an opportunity, at its 7-8 February meeting, to consider the revisions made to the list previously circulated.

3. The structure of this note is as follows:

- The remainder of this section provides further background on the DAC process for prioritisation and preparing its PWB;
- Section II (and Annex 1) set out the draft proposals for work on the poverty reduction theme in the 2007-8 period; and
- Section III outlines the next steps and timeline of the DAC process on prioritisation and PWB preparation, on the basis of the information presently available.

4. Section 2 and Annex 1 of this note set out the list of possible work themes (output result level) in the poverty reduction area. These proposals have been submitted for inclusion in the overall DAC list of possible activities for the 2007-8 PWB, which will form the basis of the prioritisation exercise. The proposals concerning the poverty reduction theme are based on the draft circulated to POVNET members in January, as amended by comments received. The full list of all activities to be proposed to the DAC and discussed at its meeting on 14 February [see DCD/DAC(2006)15] will be circulated to POVNET members as soon as it is available.

5. The list to be prioritised by DAC Members is being established by a combination of top down (from DAC Members, including at the December 2005 SLM) and bottom up (from subsidiary bodies) approaches. Voting procedures are presently being defined (see DCD/DAC(2006)14). DAC Delegates will consult with capitals to arrive at a “whole of agency” view on priorities. POVNET Members (like the Members of all subsidiary bodies) should thus be consulted in the process of prioritising future work proposals.

6. Finally, it should be recalled that the proposals set out in this note relate to the *substance* of future work – i.e. possible work in the area of poverty reduction. *Organisational issues*, such as the DAC subsidiary body structure required to implement the overall DAC work programme as well as in respect of the work on poverty reduction will be undertaken at a later and separate stage of the discussion. The same is true for the amount and composition of the budget (Part 1 and voluntary contributions) of the budget available for/required to support the intended work programme.

## II. Possible DAC activities in the area of poverty reduction

7. The list of possible future work proposals on poverty reduction, set out in Annex 1, has been prepared based on the POVNET discussion at its November 2005 meeting and subsequent comments from Members.

8. We have sought to find an “overarching” theme to cover future work proposals. The theme “accelerating and sustaining poverty reduction” is suggested for Members’ consideration. Within that theme, we seek to highlight the need to make much faster and deeper inroads into poverty (if we are to better approach the poverty goal in MDG1) and to emphasise the need for particular efforts towards poor people (whoever they are and wherever they are) who so far are not escaping from poverty despite present efforts and approaches.

9. On that basis, the present draft proposals group possible future work activities into four broad areas:

- i) Implementing the guidance developed in the present work programme (output result 1). This includes deepening the understanding of what we mean by pro-poor growth and building operational consensus around it, implementing outputs of the present (2005-6) work programme and sharing experiences and lessons in doing so, both at capital and field levels. This obviously applies to DAC Members, but should also include efforts to support pro-poor growth approaches with others including the multilaterals and other relevant platforms, consortia and initiatives.
- ii) Reaching poor men and women that are being left behind despite present efforts (output result 2). These activities would serve to deepen our understanding of why growth is less effective in some areas and situations than in others in reducing poverty and what we accordingly need to do to bolster its impacts.
- iii) There are other drivers of pro-poor growth beyond those looked at in the present work programme (output result 3). Trade, employment, competitiveness and how well ODA is used provide examples of drivers of growth and poverty reduction on which analytical work and experience sharing would help to broaden and accelerate pro-poor growth.
- iv) A “work methods” proposal (output result 4) to reflect expectations that not all work is driven by Paris-based meetings and preparing reports for adoption. Obviously, developing these new work methods is to complement and reduce (but not fully replace) meetings and reports and the work methods should apply to the full range of activities to be undertaken in 2007-8.

10. It is neither expected nor intended that all activities/intermediate outputs set out in Annex 1 are undertaken over the 2007-8 biennium. The prioritisation process should rank/prioritise these areas and, hopefully, provide additional indications of activities to be undertaken or not undertaken within an output result area. Equally, there are different ways of combining the different suggestions for work areas – e.g. amalgamating presently separate output result areas and/or bringing certain intermediate outputs from one result output areas into another output area. Members’ comments on these issues are also welcomed.

11. The cost estimates per output result area are provisional “ballpark” estimates that will need to be refined i.e. depending on the extent and intensity of activities undertaken within a given output area. The cost estimates cover staff costs, consultants, missions, off-site meetings, publications, communications and dissemination activities (including websites), etc.

12. Determining whether proposed activities are “ongoing” or “time bound” is also left to the next stage when priorities are set out. Some activities may be “ongoing” e.g. implementation of the guidance on pro-poor growth or developing new work methods (at least until 2008, but possibly beyond) whereas certain intermediate outputs may be completed in 2007 or 2008 depending on work programming.

13. The Annex also provides indications concerning co-operation with other bodies within and beyond the DAC (other subsidiary bodies or OECD policy Committees). Details of co-operation modalities will be worked out at a later stage on the basis of the results of the prioritisation exercise.

### **III. Next steps in the DAC process**

- Step 1 – Consolidating proposals to establish the activity list that DAC Members will be invited to prioritise. DAC will discuss this list at its meeting on 14 February [see DCD/DAC(2006)14 and 15].
- Step 2 – Voting by Members and drawing up a ranked list (by end March).
- Step 3 – Defining the cut-off (budget envelope – April)
- Step 4 – Grouping activities into accounts and transforming into OECD budget format (June)
- Step 5 – Consideration of subsidiary body structure (and mandates) in light of work priorities (June).
- Step 6 – Pledging session for voluntary contributions to support activities (September/October).

## ANNEX 1

## PROGRAMME OF WORK AND BUDGET 2007 – 2008

PROVISIONAL PROPOSALS ON THE THEME:  
ACCELERATING AND SUSTAINING POVERTY REDUCTION

<p align="center"><b>Accelerating and Sustaining Poverty Reduction</b></p> <p align="center"><b>2007/8 EXPECTED OUTPUT RESULTS</b></p>	<p align="center"><i>Accountable Committee/ Subsidiary Body/ Programme</i></p>	<p align="center"><i>Ongoing or time bound (end date)</i></p>	<p align="center"><i>Total Estimated cost K EUR</i></p>
<p><b>1. Output Result : Best practices on implementing Pro-Poor Growth guidance at field level and monitoring its impact</b></p>	POVNET	2008	590
<p><i>1.1 Intermediate output:</i> Communicating lessons of experience in promoting PPG -- Field level experience to identify and tackle implementation challenges and facilitate in-country processes [see also output area 5]</p>			
<p><i>1.2 Intermediate output:</i> Poverty reduction strategies -- Workshops/discussion groups on strengthening the growth component in poverty reduction strategies</p>			
<p><i>1.3 Intermediate output:</i> Case studies -- Joint country-based reviews (3-5 partner countries) of donor co-operation in key PPG areas (e.g. infrastructure, PSD, agriculture)</p>			
<p><i>1.4 Intermediate output:</i> Indicators: develop and use indicators and tools (ODA uses, budgetary allocations, donor behaviour, growth and poverty impacts) of donor (individual/collective) PPG performance. With WP-EFF, EVALUNET</p>			
<p><i>1.5 Intermediate output:</i> Refine and disseminate Poverty Impact Assessment (PIA) approach based on results of test phase</p>			
<p><i>1.6 Intermediate output:</i> Refine and implement dissemination and communications strategy</p>			

<p align="center"><b>Accelerating and Sustaining Poverty Reduction</b></p> <p align="center"><b>2007/8 EXPECTED OUTPUT RESULTS</b></p>	<p align="center"><i>Accountable Committee/ Subsidiary Body/ Programme</i></p>	<p align="center"><i>Ongoing or time bound (end date)</i></p>	<p align="center"><i>Total Estimated cost K EUR</i></p>
<p><b>2. Output Result : Policy guidance on Reaching the Poorest</b></p>	POVNET	2008	340
<p><i>2.1 Intermediate output:</i> Chronic poverty: Analytical work and sharing of experience/good practices on dealing with chronic poverty (keywords – risk and vulnerability, human security, social risk protection, children/youth, empowerment, budgetary processes). With DEV, GOVNET</p>			
<p><i>2.2 Intermediate output:</i> Fragile states: Sharing of experience and good practices on applying PPG guidance in a harmonised way e.g. in relation to empowerment, budgetary processes, risk and vulnerability – identify entry points, partners, sequencing and policy priorities. With FSG</p>			
<p><b>3. Output Result: Policy guidance on drivers of pro-poor growth for broad-based poverty reduction</b></p>	POVNET	2008	480
<p><i>3.1 Intermediate output:</i> Trade – analytical work/policy guidance on trade led growth and poverty reduction With ECH, DAF</p>			
<p><i>3.2 Intermediate output:</i> Employing the poor – analysis and guidance on labour market dynamics (formal/informal, rural/urban., farm/off-farm) and institutions, competitive markets; agriculture-based private sector development. With ELS, DEV, AGR</p>			
<p><i>3.3 Intermediate output:</i> Analysis and guidance on enhancing competitiveness (local/regional/international) and market outcomes for the poor. With DAF, ECH, AGR, DEV</p>			
<p><i>3.4 Intermediate output:</i> Analysis and sharing of experience/good practice on using ODA to support the growth process. With ECO, DAF, CTPA</p>			

<p style="text-align: center;"><b>Accelerating and Sustaining Poverty Reduction</b></p> <p style="text-align: center;"><b>2007/8 EXPECTED OUTPUT RESULTS</b></p>	<p style="text-align: center;"><i>Accountable Committee/ Subsidiary Body/ Programme</i></p>	<p style="text-align: center;"><i>Ongoing or time bound (end date)</i></p>	<p style="text-align: center;"><i>Total Estimated cost K EUR</i></p>
<p><b>4. Output Result: Implementation of complementary work methods -- Build and support a platform to share experience and lessons across the range of growth and poverty reduction issues of interest to DAC Members and as a tool for dissemination and communication strategies</b></p>	POVNET	Ongoing	280
<p><i>4.1 Intermediate output: establish a website employing web-based and online tools to support and co-ordinate this process. With PAC.</i></p>			
<p><i>4.2 Intermediate output: develop and maintain this e-facility as a tool of dissemination and communications strategy. With PAC, ITN.</i></p>			