

Handbook on Poverty and Social Analysis

A Working Document

ABBREVIATIONS

ADB	-	Asian Development Bank
BPL	-	below poverty line
BTOR	-	back-to-office report
CCS	-	Committee on Country Strategies
CSP	-	country strategy and program
DHS	-	demographic and health surveys
DMC	-	developing member country
EIRR	-	economic internal rate of return
ESCAP	-	Economic and Social Commission for Asia and the Pacific
ETSW	-	economic, thematic, and sector work
FIRR	-	financial internal rate of return
GAD	-	gender and development
GDP	-	gross domestic product
HIV/AIDS	-	Human immunodeficiency virus/acquired immunodeficiency syndrome
HLF	-	high-level forum
IEC	-	information, education and communication
ILO	-	International Labour Organisation
IP	-	indigenous people
IPDP	-	Indigenous People's Development Plan
IPSA	-	initial poverty and social analysis
IRRM	-	impoverished risks and reconstruction model
LSMS	-	living standards measurement survey
MOU	-	memorandum of understanding
MRM	-	management review meeting
NGO	-	nongovernment organization
OECD	-	Organisation for Economic Co-operation and Development
PIA	-	poverty impact assessment
PLSA	-	participatory living standards assessment
PPA	-	poverty partnership agreement
PPMS	-	Project Processing and Monitoring System
PPN	-	project preparatory note
PPTA	-	project preparatory technical assistance
PRA	-	participatory rapid assessment
PRC	-	People's Republic of China
PSA	-	poverty and social analysis
RRA	-	rapid rural appraisal
RRP	-	report and recommendation of the president
SME	-	small and medium enterprises
SPRSS	-	summary poverty reduction and social strategy
SRC	-	staff review committee
TA	-	technical assistance
TOR	-	terms of reference
ZOPP	-	objectives-oriented project planning

NOTES

- (i) In this Report, "\$" refers to US dollars.
- (ii) "Logframe" is a common abbreviation of logical framework.
- (iii) In this report, the term "project" refers to investment loans, policy-based loans, and technical assistance.

The handbook has been developed, in alphabetical order, by I. Ortiz, Senior Economist (Poverty Reduction)/ADB; N. O'Sullivan, Senior Poverty Specialist/Consultant; S. Price, Senior Social Development Specialist (Resettlement)/ADB; L. Pieper, Senior Capacity Building Specialist/Consultant; S. Wendt, Gender Specialist/ADB; and W. Van Wicklin III, Senior Social Development Specialist/Consultant. The authors worked under the general guidance of C. Saldanha, Senior Manager, Strategy and Poverty Reduction Unit/ADB, A. Kelles-Viitannen, Manager of the Social Dimension Unit/ADB, and K. Sandilya, Manager, Poverty Reduction Unit/ADB (1999–2000). The Handbook includes contributions by I. Bain, Senior Social Analyst/Consultant; C. Edwards, Senior Economist/Consultant; C. Heider, Senior Evaluation Specialist/ADB; S. Lateef, Senior Social Development Specialist/ADB; C. Litwin, Poverty Reduction Specialist/ADB; M. Pal, Economist (Poverty Reduction)/ADB; I. Simbolon, Indigenous People Specialist/ADB; H. Shutt, Senior Economist/Consultant; and A. Sweetser, Participation Specialist/ADB. The authors of some specific contributions in the appendixes are acknowledged in the opening footnote. The handbook has also benefited from comments and suggestions from professionals inside and outside ADB. Special thanks to Dr. M. Cernea, Senior Social Scientist and Resettlement Specialist/World Bank. A note of gratitude is extended to them.

The handbook is intended to help ADB in designing projects that will strengthen the fight against poverty in Asia and the Pacific. To keep abreast of new ideas and experience, the guidelines contained in this handbook will be continually updated and made available on ADB's web site (www.adb.org). Throughout the text, *hyperlinks* have been added to alert the reader to more detailed explanations of topics. In this hard copy, these topics are linked to footnotes or appendixes.

CONTENTS

SECTION I OVERVIEW OF POVERTY AND SOCIAL ANALYSIS IN ADB OPERATIONS—ISSUES IN THEORY AND PRACTICE: DRAFT STAFF NOTE

1.1 INTRODUCTION

- A. Purpose of the Handbook
- B. Structure of the Handbook

1.2 POLICIES AND STRATEGIES

- A. Background
- B. Poverty: The Overarching Goal
- C. Social Development Policies

1.3 POVERTY REDUCTION: A CONCEPTUAL FRAMEWORK

- A. Extend Opportunities
- B. Facilitate Empowerment
- C. Reduce Risk and Vulnerability

1.4 OVERVIEW OF POVERTY AND SOCIAL ANALYSIS IN ADB OPERATIONS

SECTION II POVERTY AND SOCIAL ANALYSIS IN COUNTRY PROGRAMMING

2.1 INTRODUCTION

2.2 COUNTRY POVERTY ANALYSIS

- A. Definition and Purpose
- B. Relationship to the Operational Cycle
- C. Content
 - (i) Poverty Profile
 - Manifestations of Poverty
 - Statistical Data
 - Household Characteristics
 - Risk and Vulnerability Profile
 - Summary Labor Market Assessment
 - Causes of Poverty
 - (ii) Responses to Poverty to Date
 - Government Policies and Initiatives
 - Civil Society and Private Sector
 - External Agencies
 - (iii) Poverty Reduction Options
- D. Implementation Arrangements

2.3 HIGH-LEVEL FORUM

- A. Definition and Purpose
- B. Relationship to the Operational Cycle
- C. Guidelines for Preparation

2.4 PARTNERSHIP AGREEMENT

- A. Definition and Purpose
- B. Relationship to the Operational Cycle
- C. Content
 - Quality
 - Indicators
 - Monitoring and Evaluation Arrangements

2.5 COUNTRY STRATEGY AND PROGRAM

- A. Definition and Purpose
- B. Relationship to the Operational Cycle
- C. Guidelines

2.6 PROJECT CONCEPT BRIEF

- A. Definition and Purpose
- B. Relationship to the Operational Cycle
- C. Guidelines

SECTION III POVERTY AND SOCIAL ANALYSIS IN PROJECT PREPARATION

3.1 INTRODUCTION

3.2 PROJECT PREDESIGN: TA FACT-FINDING

- A. Definition and Purpose
- B. Relationship to the Operational Cycle
- C. Conduct of the Initial Poverty and Social Analysis
 - Initial Poverty and Social Analysis
- D. TA Fact-Finding
 - Team Composition
 - Terms of Reference
 - Time/Coverage Required
 - Data Collection Methods
 - Poverty Analysis
 - Labor
 - Participation
 - Gender
 - Governance and Institutional Aspects
 - Risks and Vulnerabilities
 - The IPSA Report

3.3 PROJECT DESIGN

- A. Definition and Purpose
- B. Relationship to the Operational Cycle
- C. Poverty and Social Analysis in the Design Phase: An Overview
- D. Poverty Analysis
- E. Project Classification
- F. Data Collection and Analysis
- G. Targeting the Poor
- H. Addressing Gender Disparities
- I. Stakeholder Participation and Consultation
- J. Using Governance in Institutional Factors to Favor the Poor
- K. Assessing Needs and Demand of the Poor
- L. Mitigation Plans
- M. Summary Poverty Reduction and Social Strategy
- N. Monitoring Poverty Reduction and Social Development Impact

3.4 PROJECT DOCUMENTATION AND FINAL PROCESSING

SECTION IV PROJECT IMPLEMENTATION (*Forthcoming*)

TABLES

Table I.1	Extending Opportunities to the Poor—Some Options
Table I.2	Facilitating Empowerment of the Poor—Some Options
Table I.3	Reducing Risk and Vulnerability of the Poor—Some Options
Table I.4	Poverty and Social Analysis in the Operational Cycle
Table II.1	Poverty Analysis in Country Programming
Table II.2	Strategy 21 Goals
Table II.3	Poverty Analysis in Country Strategy and Program Preparation
Table III.1	Initial Poverty and Social Assessment
Table III.2	Initial Poverty and Social Analysis During TA Fact-Finding
Table III.3	Samples of Projects that Require Special Attention at IPSA
Table III.4	Summary Initial Poverty and Social Analysis Report Form
Table III.5	Initial Poverty and Social Analysis: Criteria for Assessing the Significance of Various Social Issues during TA Fact Finding
Table III.6	Poverty and Social Analysis in the Design Stage
Table III.7	Social Costs and Possible Mitigation Measures
Table III.8	Summary Poverty Reduction and Social Strategy Form: Investment Loans
Table III.9	Designing Monitoring and Evaluation Systems

FIGURES

Figure I.1	Key Components of the ADB Poverty Reduction Strategy
Figure I.2	The ADB Operational Cycle
Figure II.3	Country Programming
Figure III.1	Loan Preparation

APPENDIXES