

ASIAN DEVELOPMENT BANK

TAR:SRI 37702

TECHNICAL ASSISTANCE

(Financed by the National Poverty Reduction Strategies Fund)

TO THE

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

FOR

POVERTY ASSESSMENT AND INFORMATION MANAGEMENT

December 2003

CURRENCY EQUIVALENTS

(as of 15 November 2003)

Currency Unit	–	Sri Lanka rupee/s (SLRe/SLRs)
SLRe1.00	=	\$.0105
\$1.00	=	SLRs95

ABBREVIATIONS

ADB	–	Asian Development Bank
CBSL	–	Central Bank of Sri Lanka
CSP	–	country strategy and program
DCS	–	Department of Census and Statistics
MDG	–	Millennium Development Goal
NPRS	–	Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies
PPA	–	poverty partnership agreement
SLRM	–	Sri Lanka Resident Mission
TA	–	technical assistance

NOTES

- (i) The fiscal year of the Government ends on 31 December
- (ii) In this report, "\$" refers to US dollars

This report was prepared by B. Smith, Sri Lanka Resident Mission.

I. INTRODUCTION

1. The Asian Development Bank (ADB) adopted poverty reduction as its overarching goal in 1999 and subsequently embraced the Millennium Development Goals (MDGs) as priority objectives. Both poverty reduction and fostering fulfillment of the MDGs are affirmed in ADB's Long-Term Strategic Framework (2001–2015)¹ and Medium-Term Strategy (2001–2005).² Poverty reduction is also the focus of the country strategy and program (CSP). Nevertheless, with the CSP being revised this year, ADB's capacity to monitor the impact of its activities on poverty in Sri Lanka remains weak. In addition, ADB needs to strengthen its support of the Government in actualizing the existing poverty partnership agreement (PPA) and the Government's capacity to analyze and monitor poverty data. The Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies (NPRS) provides an opportunity to do so.

2. The concept paper for this 3-year technical assistance (TA) was prepared in June 2003, based on prior discussions with Sri Lankan professionals engaged in the field of poverty research and analysis. An ADB peer review was conducted on 2 July 2003. The revised paper was submitted to NPRS in mid-July 2003. On 30 July 2003, the NPRS review committee formally endorsed the proposal.³ The TA framework is presented in Appendix 1.

II. ISSUES

3. Sri Lanka has suffered from a civil war that has lasted more than 20 years. While much of the obvious physical destruction has been concentrated in the north and east, the entire country has suffered in many ways. Large amounts of government revenues have been diverted from sectors such as education, health, and infrastructure improvement/maintenance to feed the war effort. Tens of thousands of young men and women have been enlisted as combatants on both sides, producing an entire generation with few marketable skills for peacetime. Due to the insecure and unpredictable environment, business people have withheld investment in productive facilities, preferring to accumulate their resources in ways not always helpful to the national economy or to place them outside the country in safer locations. The massive resources required for the war have produced a deterioration in the overall macroeconomic climate. The result has been a weakened economy with many former middle-income families, especially in the north and east, gradually sliding into poverty. Meanwhile, because of the tightening of the country's fiscal position, the government is unable to offer either a safety net or a way out for impoverished families. This difficulty is compounded by poor targeting in many existing social programs.

4. Over the past few years, the Department of Census and Statistics (DCS) has made considerable efforts to address gaps in poverty-related data collected in all parts of the country, notably via the census on population and housing in 2001, the census of agriculture in 2002, the household income and expenditure survey in 2002, and the extension of the quarterly labour force survey to the north and east in early 2003. To this can be added the consumer finances and socioeconomic survey planned by the Central Bank of Sri Lanka (CBSL) in 2003/04. In

¹ ADB. 2001. *The Long-Term Strategic Framework of the Asian Development Bank (2001-2015)*. Manila.

² ADB. 2001. *Medium-Term Strategy*. Manila.

³ The TA first appeared in *ADB Business Opportunities* (Internet edition) on 15 September 2003.

addition, DCS has developed and made available methodology for calculating sectoral and provincial poverty lines based on the 1995/96 survey. Nevertheless, there is general agreement that data collected by various government and aid actors working in the poverty sector occasionally lacks the consistency required to compare data from different actors. Because of conditions on the ground over the past 20 years, the gaps and inconsistencies are particularly noticeable with regard to the north and east. Furthermore, the multiple dimensions of poverty are generally not adequately taken into account in current survey methods. Finally, the capacity of responsible government agencies and major aid organizations to effectively analyze the available data both quantitatively and qualitatively and to define the supplementary data required for improved analysis is rather weak, it is therefore difficult to assess the real impact of the government's and the aid community's poverty reduction programs. Because of the growing emphasis on poverty reduction in national development strategies laid out by the Government of Sri Lanka, this is an opportune time to address these issues. The proposed TA will help the Government, ADB, and other key development actors to better understand the poverty context of their interventions and thus improve targeting to maximize the impact on poverty reduction. Strengthening the government's, ADB's, and the aid community's understanding of Sri Lanka's poverty profile has become even more urgent following the recent Tokyo Donors' Conference, which pledged approximately \$4.5 billion to support the government's poverty reduction strategy—Regaining Sri Lanka—including rehabilitation of the conflict-affected northern and eastern areas of the country.

5. Although DCS has made notable efforts to define and measure poverty lines over the past few years, various government and aid agencies still employ somewhat different definitions of poverty. As a result, no single satisfactory definition has been formally adopted by all concerned state authorities and major aid agencies. In cases where similar poverty definitions are employed, the conceptual underpinnings of the definitions are not always well understood by all parties. The problem is compounded by the use of different reference points by different authors computing poverty lines over the past decades, making the analysis of poverty trends highly problematic. The two official agencies vested with the primary task of data gathering, DCS and CBSL, produce data that is rich and reliable. However, more work needs to be done to develop the capacity to present this data—especially poverty-related data—in ways that meet the poverty information needs of potential clients. In summary, the meeting point between the data producers and data users is less than optimal.

6. With respect to the north and east, the Government's capacity to measure and monitor poverty has been constrained by the conflict going on for two decades. The population census was held in 2001 after a delay of 10 years and provides some useful data for much of the country, while the household income and expenditure survey carried out by DCS was extended to the north and east in 2002. However, gaps in knowledge persist, particularly with respect to the micro conditions of inhabitants in the eight conflict-affected districts of the north and east. The official surveys can give disaggregated data only down to the district level, an administrative unit that can encompass a diversified population of several hundred thousand people spread over a wide area.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

7. The goal of the TA over its 3-year duration is to strengthen the effectiveness of poverty reduction programs in Sri Lanka. The purpose is (i) to build on work already done so as to improve instruments and methodologies used to define and monitor the extent and many dimensions of poverty in both its quantitative and qualitative aspects in Sri Lanka, and (ii) to strengthen the capacity of the relevant state and other agencies to effectively use these instruments. The scope of the project will be nationwide. It is important to emphasize that by building on the work and skills already existing in the poverty field in Sri Lanka, in both government agencies and civil society, the project will avoid duplication of work already being done and reinforce the capacity of the existing actors to competently fulfill their respective mandates.

8. The specific outputs of the TA are described in the TA framework (Appendix 1).

B. Methodology and Key Activities

9. The methodology of the project progresses from an information-gathering phase, to one of digesting and repackaging the information, to one of exploring how this information can contribute practically to strengthening data collection and analysis on both the monitoring and impact levels, to one of testing the new data collection instruments, to finally one of testing the impact assessment instruments. Significant efforts have already been made in Sri Lanka and in other countries to examine the phenomenon of poverty; however, the efforts have lacked coordination. Therefore, the first activity will be to carry out research into analytical work already done on poverty in Sri Lanka and elsewhere, including a review of existing documentation, plus interviews with key people working in the field of poverty reduction in the country. The interviews will encompass consultations with state and nonstate actors who have already done work in poverty assessment or poverty reduction, as well as in the national planning sector, to ensure the inclusiveness of outputs emerging from the following activity.

10. The second activity will prepare for submission to DCS draft definitions of poverty and poverty assessment indicators to monitor the degree and nature of poverty in Sri Lanka, building on work already done, and a methodology for evaluating the impact of poverty reduction projects in various parts of the country. The definitions will address the multidimensional concept of poverty and will consider possible gender differences in the way poverty is experienced. This activity will involve carrying out iterative consultations with selected poverty reduction specialists in Sri Lanka and validating these tools with a sampling of those suffering from poverty to ensure relevance and practicality.

11. The third activity will, in close collaboration with DCS and other state actors, assess the current state of their poverty information and analysis systems, notably their ability to track both the quantitative and qualitative evolution of poverty using participatory methodologies, and their capacity building needs in consequence. It will then devise and execute a training program to address gaps and weaknesses, if and where they exist, as well as identify possible further support requirements. This capacity building component will include workshops with key members of the aid community in Sri Lanka to present and explain the methodologies

developed earlier to evaluate the impact of poverty reduction projects, with the aim of increasing the future availability of comparable poverty reduction impact data.

12. The fourth activity will involve carrying out a poverty survey of the eight conflict-affected districts, using the agreed-upon definition of poverty and the poverty assessment tools (para. 10), in collaboration with government officials, civil society, and other relevant nonstate actors. The data thus collected, disaggregated to at least the division level (one level below a district), will be juxtaposed with data collected previously in the southern parts of the country as well as with data already collected by DCS. The collected data will also be disaggregated according to gender and main identity group.

13. The fifth and final activity will involve assessment of an ADB-supported project and two other aid projects (with the assent of the concerned aid agency and the executing agency) to test the appropriateness of the poverty definitions and measuring instruments, as well as the utility of the evaluation methodologies developed earlier. This activity will be accompanied by a report outlining the lessons learned from the pilot study and the ensuing recommendations.

C. Cost and Financing

14. The total cost of the TA is estimated at \$439,000 equivalent, comprising \$60,500 in foreign exchange and \$378,500 equivalent in local currency. ADB will provide \$350,000 equivalent, comprising \$60,500 in foreign exchange and \$289,500 equivalent in local currency. The TA will be financed on a grant basis from the National Poverty Reduction Strategies Fund. The Government will finance the remaining \$89,000 equivalent of the local currency costs covering in-kind support such as office facilities, local transport, and staff time. The cost estimates and financing plan are presented in Appendix 2.

15. The TA will finance consulting services, capacity building activities, a poverty survey, a pilot poverty impact assessment, the acquisition of computer and transportation equipment and related project management and support costs.

D. Implementation Arrangements

16. The Executing Agency of the TA will be DCS. ADB will recruit a domestic consulting firm or research group (hereinafter referred to as the consultants) experienced in poverty research and analysis, to implement the 3-year contract. This will be a domestic contract to ensure the selection of organizations that are fully familiar with the nature of poverty in Sri Lanka, with existing efforts to monitor and reduce poverty, and with the work of the key actors in this sector, notably the government counterparts. The choice will ensure a more efficient start-up phase and a more relevant, high-quality TA output. The selected agency may nevertheless wish to incorporate some international expertise to provide supplementary technical input. This has been provided for in the TA cost estimates. ADB will engage the consultants in accordance with its *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for engaging domestic consultants, using the simplified technical proposal and the quality- and cost-based selection method. Outline terms of reference are in Appendix 3. Equipment purchases will be in accordance with ADB's *Guidelines for Procurement*.

17. The consultants will be responsible for all aspects of project implementation and will report regularly to DCS. To ensure that the Project outputs are as inclusive as possible, DCS will assemble and chair a review committee composed of representatives from (in addition to

DCS) the Central Data Committee, the Ministry of Policy Development and Implementation, the civil society and the academic sector, as well as an ADB liaison person designated by the Sri Lanka Resident Mission (SLRM) Country Director. The consultants will also attend review committee meetings as resource persons. The review committee will meet at least quarterly. State agencies whose focus is on poverty monitoring or reduction are considered prime clients of this TA; therefore the consultants will also consult closely with them at all stages of the project. DCS, in addition to its general management role, will provide office space, as required, for the consultants when they are carrying out the research and interview phase of the project, as well as for the staff participating in the training and surveys that are part of the project. DCS will also provide transportation to the consultants, as required, to attend meetings and other activities in Colombo. In addition to DCS, other government agencies participating in the activities of this TA will each designate one of their officials as a focal point for the duration of the project.

18. The consultants will prepare and submit to DCS, ADB, and the review committee (i) brief quarterly status reports on progress achieved, problems encountered, and plans for the subsequent quarter; (ii) detailed annual reports at the end of the first and second years on overall progress against the objectives; and (iii) a final report including achievements with regard to each objective, as well as appendixes detailing poverty definitions agreed on, monitoring and evaluation tools selected, training content, a summary of survey findings, conclusions from the trial impact assessments, and recommendations. The report will be presented in a workshop open to those working in the poverty reduction sector in Sri Lanka; disseminated to all government organizations interested in poverty reduction programs, aid agencies involved in poverty reduction, NGO umbrella organizations, national research institutes involved in poverty-related issues, ADB, and other organizations who request it; and be made available to a wider audience through the Internet. In addition, the plan is to make the final report the subject of a seminar open to all interested parties at ADB's Manila headquarters.

19. All the key activities indicated in paras. 9-13 assume that qualified consultants can be contracted, that access to the conflict-affected parts of the country will be readily feasible, and that the project will receive collaboration from the relevant state and nonstate actors. Based on current and expected conditions in Sri Lanka, these assumptions appear to be reasonable.

20. The expected starting date for the TA is March 2004 and the expected completion date is February 2007.

III. THE PRESIDENT'S DECISION

21. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$350,000 to the Government of Sri Lanka to be financed on a grant basis by the National Poverty Reduction Strategies Fund for Poverty Assessment and Information Management, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal</p> <p>Strengthened poverty reduction programs in Sri Lanka</p>	<p>Strengthened capacity of the relevant bodies to track and analyze poverty trends</p>	<p>Written assessment by DCS and the multipartite committee reviewing the project's progress</p>	<p>Continued progress in the normalization of the country as a result of the peace process</p>
<p>Purpose</p> <p>Improve instruments and methodologies used to define and monitor the extent and nature of poverty in Sri Lanka and strengthen the capacity of the relevant state and other agencies to effectively use these instruments</p>	<p>Production and use of agreed-upon definitions and instruments to improve the quantitative and qualitative monitoring of poverty in Sri Lanka and assessment of the impact of poverty reduction programs</p>	<p>Examination of the tools and methodologies produced, as well as the conclusions emerging from the pilot study</p>	<p>Willingness of all main actors in the project to accept a common set of tools and methodologies</p>

Outputs			
1. Generally agreed-upon definitions and accepted methodologies for better measuring income poverty in Sri Lanka	Widespread agreement on an appropriate definition and on methodologies for measuring income poverty that can be applied consistently	Reports of review committee Interim reports by consultants	Conducive working relationship between the executing agency, the consultants, the review committee and the relevant state and non-state actors
2. Improved methodologies for the measuring poverty, incorporating qualitative/subjective elements to more accurately capture the multi-dimensions of poverty, including how it affects both genders and the different identity groups; and thus to strengthen the usefulness of the resulting information for government agencies and the aid community	Quantitative and qualitative methodologies for defining and measuring poverty that can be applied to poverty assessments, including impact assessments by key actors such as ADB	Reports from a selection of key users of poverty data ADB mission reviews	Reasonable access to the conflict-affected areas Agreement by ADB and two other agencies involved in poverty reduction to have one of their respective projects evaluated
3. Practical tools that can be used in evaluating the impact of state and aid programs on poverty reduction	Existence of poverty reduction evaluative guidelines and instruments and their use by several state and/or aid agencies		
4. Enhanced state capacity to systematically gather and analyze poverty data that can be used by government, nongovernment, and multilateral aid agencies in monitoring poverty in the country and the impact of aid programs on that poverty	Development of poverty information and analysis systems that can be employed in a ready and user-friendly manner by government, as well as nongovernment and multilateral aid agencies		
5. Enhanced capacity of key aid actors in Sri Lanka to assess the impact of their projects on poverty	More consistent monitoring of poverty impact by major aid actors		
6. A general portrait and specific profiles on the extent and nature of poverty in the conflict-affected parts of Sri Lanka, to assist state and nonstate actors in designing future rehabilitation projects	Field-level, usable poverty data on the conflict-affected areas		
7. Assessment of one ADB-financed project and two other aid projects in Sri Lanka, using the tools developed above, on a trial basis to test their utility	Production of a report and recommendations regarding lessons learned from the pilot study		

Activities			
<p>1. Analytical research. Carry out research into analytical work already done on poverty in Sri Lanka and elsewhere, including a review of existing documentation and interviews with key people working in the field of poverty monitoring and reduction in Sri Lanka: consultations with state and nonstate actors who have already done work in the poverty assessment or poverty reduction fields, to ensure the inclusiveness of outputs emerging from component 2</p>	<p>Research/interviews completed (completion, end of month 3)</p>	<p>Quarterly status reports to DCS and review committee</p>	<p>Good cooperation from individuals and agencies working in poverty reduction sector</p>
<p>2. Drafting/ validating poverty instruments. Building on work previously done by DCS, prepare drafts of an improved definition of poverty and tools to assess the degree and nature of poverty in Sri Lanka, as it affects each gender, respectively, and each of the main identity groups, in addition to a methodology for evaluating the impact of poverty reduction projects in various parts of the country; carry out iterative consultations with selected poverty reduction specialists in Sri Lanka; validate these tools with a sampling of those suffering from poverty to ensure their relevance and practicality</p>	<p>All definitions, instruments and methodologies prepared (completion end of month 11)</p>	<p>Quarterly reports to DCS and review committee</p> <p>Written copies of poverty definition, assessment instruments and proposed evaluation methodology</p>	<p>Willingness of government agencies to arrive at a common definition of poverty, assessment tools and evaluation methodology</p>
<p>3. Capacity building. Establish contacts with the relevant government authorities to assess the current state of their poverty information and analysis systems and their capacity building needs in -consequence; devise and implement a training program to address gaps and weaknesses; identify possible further government support requirements; organize workshops for key aid actors to present methodologies for evaluating poverty impact of their projects</p>	<p>Required training completed and future needs identified (completion, end of month 21)</p> <p>Workshops for key aid actors carried out, with satisfactory level of participation</p>	<p>Quarterly reports to DCS and review committee</p> <p>Training plan and training report</p> <p>Workshop report</p> <p>1st annual interim report</p>	<p>Active collaboration of government counterparts in identifying and responding to training needs</p>
<p>4. Poverty survey. Organize a poverty survey of the eight conflict-affected districts, using the agreed-</p>	<p>Survey completed and data analyzed (completion, end of month 29)</p>	<p>Quarterly reports to DCS and review committee</p>	<p>Good access to conflict-affected areas</p>

<p>upon definition of poverty and the above-mentioned poverty assessment tools (2), in collaboration with government officials, civil society and other relevant nonstate actors; juxtapose the data thus collected with previous data collected in the southern parts of the country as well as in the north and east, and disaggregated according to gender and main identity group</p> <p>5. Test of assessment tools. Carry out an assessment of an ADB-supported project and two other aid projects selected jointly by the partner, SLRM senior management and DCS to test the appropriateness of the poverty definitions and measurements, as well as the utility of the evaluation methodologies developed</p>	<p>3 assessments carried out and report prepared (completion, end of month 36)</p>	<p>Survey plan (including questionnaire) plus results and analysis</p> <p>2nd annual interim report</p> <p>Quarterly reports to DCS and review committee</p> <p>Pilot evaluation plan</p> <p>Final consultancy report</p>	<p>Good collaboration by key government, civil society and nonstate actors</p> <p>Design of databases that allow comparisons between south and north and east</p> <p>Good access to project areas</p> <p>Availability of competent evaluators</p>
<p>Inputs</p> <ul style="list-style-type: none"> • Consultants (domestic and possibly international) • Surveyors and evaluators (short-term) • Computer equipment • Project transportation • Training/information workshops • General office and survey supplies 	<p>Consultants available in 1st month</p> <p>Procurement of equipment and vehicles completed when needed</p> <p>Workshops carried out to participants' satisfaction</p>	<p>Quarterly reports to DCS and review committee</p>	<p>Availability of qualified consultants</p> <p>Availability of imported equipment and vehicles</p>

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. National Poverty Reduction Strategies Fund			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	21.5	0.0	21.5
ii. Domestic Consultants ^a	0.0	116.5	116.5
b. International and Local Travel	5.0	3.5	8.5
c. Reports and Communications	0.0	1.5	1.5
2. Equipment ^b	25.0	4.0	29.0
3. Training, Seminars, and Conferences			
a. Facilitators	0.0	15.0	15.0
b. Training Programs ^c	3.0	35.5	38.5
4. Surveys	1.0	63.5	64.5
5. Miscellaneous Administration and Support Costs ^d	1.0	35.0	36.0
6. Contingencies	4.0	15.0	19.0
Subtotal (A)	60.5	289.5	350.0
B. Government Financing			
1. Office Accommodation and Transport ^e	0.0	19.0	19.0
2. Remuneration and Per Diem of Counterpart Staff ^f	0.0	70.0	70.0
3. Others	0.0	0.0	0.0
Subtotal (B)	0.0	89.0	89.0
Total	60.5	378.5	439.0

^a A domestic consultancy firm will be contracted.

^b Equipment is expected to consist of a small amount of furniture, 3 computers with accessories and software, 1 server, and 1 vehicle to support the surveys and evaluations. At the end of the project, all equipment purchased with project funds will be transferred to an appropriate government agency.

^c For government counterparts regarding poverty analysis, for government counterparts and selected aid agencies regarding evaluation methodologies, and for surveyors and evaluators regarding preparations for survey and evaluation. Funds have also been set aside for participation in a regional workshop on poverty.

^d This will consist mainly of administrative and logistic support provided for the project components.

^e Office space for counterpart staff and consultants during project activities and transport to meetings.

^f Government staff to collaborate in research, participate in capacity building activities and in poverty surveys.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Background

1. Sri Lanka has suffered from a civil war that has lasted more than 20 years. While much of the obvious physical destruction has been concentrated in the north and east, the entire country has suffered in many ways. The economy is weakened with many former middle-income families, especially in the north and east, gradually sliding into poverty. Meanwhile, because of the Government's fragile fiscal position, the authorities are unable to offer either a safety net or a way out for impoverished families. This difficulty is compounded by poor targeting many existing social programs.

2. Over the past few years, the Department of Census and Statistics (DCS) has made considerable efforts to address gaps in poverty-related data collected in all parts of the country, notably via several censuses and surveys from 2001. In addition, DCS has developed and made available methodology for calculating sectoral and provincial poverty lines based on the 1995/96 survey. Nevertheless, there is general agreement that data collected by various government and aid actors working in the poverty sector occasionally lacks the consistency required to compare data between actors. Because of conditions over the past 20 years, the gaps and inconsistencies are particularly noticeable with regard to data from the north and east. Finally, the capacity of responsible government agencies and major aid organizations to effectively analyze the available data and to define the supplementary data required for improved analysis is rather weak. It is therefore difficult to assess the real impact of the government's and the aid community's poverty reduction programs. Because of the growing emphasis on poverty reduction in national development strategies laid out by the Government of Sri Lanka, this is an opportune time to address these issues. The proposed project will help the ADB and other key development actors, including the Government, to better understand the poverty context of their interventions and thereby improve targeting and designing programs for poverty reduction.

3. Although several definitions of poverty are used in Sri Lanka, no one definition is, universally adopted by state authorities, to use as a starting point. The problem is compounded by the use of different reference points by authors computing poverty lines over the past decades, making the analysis of poverty trends highly problematic. The agencies vested with the primary task of gathering data produce data that is rich and reliable. However, more work needs to be done to develop the capacity to present this data—especially poverty-related data—in ways that meet the poverty information needs of potential clients. In summary, the meeting point between the data producers and data users is less than optimal.

4. With respect to the north and east, the Government's capacity to measure and monitor poverty has been constrained by the conflict going on for two decades. As a result, gaps in knowledge exist, particularly with respect to the micro conditions of inhabitants in the eight conflict-affected districts of the north and east. The consensus is that key government agencies and cooperating academic/research organizations need to strengthen their capacity to monitor and analyze poverty data, as a support to their own programs and as a guide to the aid community.

B. Scope of Work

5. Approximately 170 person-months of consulting services will be required. The contract will be for 3 years from the date of the notice to proceed.

6. The consultants will report on a formal basis to DCS and on a quarterly basis to a review committee composed of representatives of the government, civil society, the academic sector and ADB.

7. The consultants will be responsible for ensuring that all outputs described in the technical assistance document Sri Lanka Poverty Assessment and Information Management are effectively and competently produced.

C. Selection Criteria

8. The consultants will be selected on the basis of the following criteria. The points assigned to each criterion are in parenthesis.

- (i) Registered as a nongovernment organization (NGO) or a business in Sri Lanka (10)
- (ii) Good understanding of how poverty manifests itself in Sri Lanka (10)
- (iii) Familiarity with existing data and studies on poverty in Sri Lanka (10)
- (iv) Extensive participatory research experience on poverty issues, encompassing both quantitative and qualitative perspectives (10)
- (v) Current staff who are well qualified in poverty research and analysis (15)
- (vi) Experience in developing and implementing training programs for civil servants and/or NGOs (15)
- (vii) Proven management expertise to oversee medium-size, long-duration projects (8)
- (viii) Demonstrated ability to produce clear, effective written material, well adapted to the target audience (12)
- (ix) Technical ability to understand the use of databases for analytical purposes (10)

D. Responsibilities of Consultants

9. The contracted organization will be responsible to DCS for all aspects of implementation. These include the following:

- (i) Carry out research on previous studies, articles, and analyses of poverty in Sri Lanka, as well as publications from elsewhere when relevant, to learn from and build on earlier thinking and knowledge in this field
- (ii) Interview key actors involved with poverty analysis or poverty reduction in Sri Lanka, to fully understand current thinking on the subject

- (iii) On the basis of the above studies and interviews, as well as existing government practices regarding poverty monitoring, prepare draft definitions of poverty plus quantitative and qualitative instruments to monitor it nationwide, in addition to methodologies for evaluating the impact of poverty reduction projects; these definitions, instruments, and methodologies should be capable of producing outputs that are disaggregated according to gender and main identity groups.
- (iv) Carry out iterative consultations with poverty reduction specialists and with a sampling of those suffering from poverty to ensure the relevance and practicality of the definitions, instruments, and methodologies developed.
- (v) Assess the current state of the poverty information and analysis systems used by the main government authorities working in the poverty sector, as well as the skills and knowledge of their staff.
- (vi) Devise and implement a training program to address gaps and weaknesses in the skills of these agencies and to enable them to further improve their existing poverty information and analysis systems; identify longer-term capacity building needs of these agencies and propose cost-effective ways of addressing them.
- (vii) Plan and carry out workshops for key members of the aid community to present the methodologies developed for evaluating the impact on poverty, with the aim of employing or adapting these methods in their respective projects.
- (viii) In collaboration with government officials, civil society, and nonstate actors, set up and carry out a poverty survey of the eight conflict-affected districts in Sri Lanka, using the prepared definitions and instruments; compare the data (disaggregated according to division, gender, and main identity group) thus collected with data collected previously in the north and east and the rest of the country.
- (ix) In collaboration with the respective responsible agencies, select one ADB-supported project and two other aid projects to assess their impact on poverty reduction, using the developed instruments and methodologies to test their utility.
- (x) Prepare and submit to DCS (a) brief quarterly status reports on progress achieved, problems encountered and plans for the subsequent quarter; (b) detailed annual reports at the end of the first and second years on overall progress against the objectives; and (c) a final report including achievements with regard to each objective, as well as appendixes detailing poverty definitions agreed upon, monitoring and evaluation tools selected, training content, a summary of survey findings, conclusions from the trial impact assessments, and recommendations; prepare and provide any other relevant reports or documents that DCS or the review committee might request.

E. Expected Outputs

10. The Consultants are expected to produce the following:

- (i) Generally agreed-upon definitions and accepted methodologies for measuring income poverty in Sri Lanka.
- (ii) Methodologies for measuring and monitoring poverty, incorporating qualitative/ subjective elements to more accurately capture the many dimensions of poverty and thus to strengthen the usefulness of the resulting information for government agencies and the aid community.
- (iii) Practical assessment instruments that can be used in evaluating the impact of state and aid programs on poverty reduction.
- (iv) Enhanced state capacity to systematically gather and analyze poverty data that can then readily be used by government, nongovernment, and multilateral aid agencies in monitoring poverty in the country and in assessing the impact of aid programs on that poverty.
- (v) Enhanced capacity of key aid actors in Sri Lanka to assess the impact of their projects on poverty;
- (vi) A general portrait and specific profiles of the extent and nature of poverty in the conflict-affected parts of Sri Lanka, to assist state and nonstate actors in designing rehabilitation projects.
- (vii) An assessment of one ADB-financed project and two other aid projects in Sri Lanka, using the developed impact assessment tools on a trial basis to test their utility.
- (viii) A seminar at ADB's Manila headquarters to present the main findings of the project and the recommendations emerging from these findings.