

POVERTY IMPACT ASSESSMENT IN THE NATIONAL DEVELOPMENT PLAN

2006



Issues and Lessons

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SUMMARY

This document highlights the key issues that have arisen from the experiences and practices of applying a new poverty proofing¹ approach to the 2000-2006 National Development Plan (NDP). It identifies a number of key lessons emerging from this experience which are relevant to:

- Enhancing the poverty impact assessment approach in general
- Embedding the poverty impact assessment approach in the new National Development Plan 2007-2013
- The importance of the role of monitoring and evaluation in relation to poverty impact assessment
- The extent and nature of resources that would be required to adequately apply a poverty impact assessment approach to the new National Development Plan.

¹ Now poverty impact assessment

POVERTY IMPACT ASSESSMENT IN THE NATIONAL DEVELOPMENT PLAN

Poverty Proofing

Poverty proofing of policies has been the principal instrument for mainstreaming social inclusion at central Government level in Ireland since late-1998. Policies and programmes are assessed at design and review stage to identify their impact on people experiencing poverty so that this can be given proper consideration and any necessary ameliorative measures taken. In February 2000, the National Economic and Social Council (NESC) reviewed the poverty proofing process and found that, while it has had an important impact in terms of sensitising policy makers to poverty issues, a number of deficiencies need to be addressed to improve its effectiveness. These include the need for relevant statistical data to underpin the proofing exercise and greater information, training and expert support for officials. Accordingly, the Office for Social Inclusion (OSI) was mandated to develop a more effective poverty proofing process, and to ensure that it is appropriately operationalised in all relevant Government departments.

Poverty Impact Assessment

The Office for Social Inclusion (OSI), drawing largely on this NESC review and on a further process of consultation, has now developed a new set of guidelines for Poverty Impact Assessment. The change of name seeks to make it clear that the assessment of impacts of policies on poverty should form an inherent part of the policy making process, rather than an exercise which takes place after a policy has been adopted. The new guidelines are being introduced initially in Government departments and can be modified in the light of experience of their use in this area. It is then intended that the guidelines will be introduced in the wider public service.

Poverty Proofing is particularly important in the context of the NDP because:

1. The NDP is the main structure through which billions of private, public and EU funds are invested into public policies, projects, and programmes in Ireland. It makes sense to use poverty impact assessment to ensure that the direct and indirect impact of the NDP on poverty and social exclusion is fully understood.
2. As the largest source of funding for programmes in the areas of health, housing and education, it is likely that the NDP will be the main vehicle for the achievement of the national anti-poverty targets. Poverty impact assessment provides a valuable mechanism to make clear connections between the actions undertaken under a particular priority and/or Measure in the NDP and the achievement of National Action Plan objectives and targets against Poverty and Social Exclusion.

The application of a poverty impact assessment approach to the NDP can be seen to provide a tool through which to assess whether and to what extent NDP funding has made an impact on social inclusion.

The key issues and lessons arising from the review of poverty proofing (now poverty impact assessment) within the National Development Plan are presented under two headings. The first relates to poverty impact assessment in general, the second to the application of poverty impact assessment in the new National Development Plan 2007-2013.

1

Enhancing the Poverty Impact Assessment Approach

□ **The Need to Strengthen the Application of Poverty Impact Assessment**

The strength and purpose of poverty impact assessment is that it introduces social inclusion/poverty considerations to sectors not traditionally associated with social inclusion. While the introduction of prioritisation within the NDP was a pragmatic response to the complexities and difficulties of reporting on four or more horizontal principles, it can be seen to have provided some (not traditionally social inclusion focused) sectors with an ability to opt out of poverty impact assessment.

If the principle of poverty impact assessment is to be applied effectively, certain universal minimum implementation and reporting requirements need to be developed and introduced.

□ **Making Social Inclusion a core objective of National Plans/Policies**

While making social inclusion a core objective of national plans and policies is welcome, in terms of increasing the visibility of social inclusion, it is ineffectual unless mechanisms are put into place to ensure ongoing monitoring and

implementation of real and practical initiatives/actions to support inclusion. The arrangements and structures for the next NDP have not yet been decided and may differ from what applies in relation to the current plan. In some instances specialist support may be required to assist those drafting and implementing the plans/policies to identify positive social inclusion actions/initiatives (relating to both outputs and processes) and establish systems to monitor the implementation of these initiatives/ actions.

Combat Poverty and the Office for Social inclusion could provide this support, subject to the availability of resources.

If the social inclusion agenda is to be meaningfully progressed within a national plan/policies, clear initiatives/actions need to be identified, implemented and monitored on an ongoing basis. Specialist assistance may be required at the draft stage of the NDP development to ensure that this happens.

□ **Data Collection a key element of Poverty Impact Assessment**

The meaningful application of a poverty impact assessment approach necessitates the collection of a certain amount of both baseline and ongoing data. To date, most data (where it has been collected), has been of either a financial and/or a physical nature. There is also a need to measure qualitative change and strategic progress as part of systematic evaluation. The manipulation and aggregation of data also requires the development of IT systems and programmes capable of dealing with these types and volumes of data.

The variety of data required to apply a poverty impact assessment approach within a particular plan/policy need to be identified and agreed at drafting stage so that the necessary systems can be set up to generate the appropriate quantitative and qualitative data.

□ **Setting Appropriate Indicators**

The development and application of social inclusion indicators within Programme Complements is an important tool in the application of a poverty impact assessment approach within the NDP. There are a number of different types of indicators (e.g.

location, target group, participation, outcome.) More recently, indicators linked to the achievement of National Anti-Poverty Strategy (NAPS) targets have started to be developed. Some indicator types are easier to apply than others and the methods by which they have been applied have been simplified.

Progress has been achieved in relation to the development of some social inclusion indicators. However, outcome type indicators remain difficult to measure. In some instances, the only way outcome indicators can be measured will be through longitudinal studies and systematic evaluations, the costs of which will need to be built into the management and operation of particular measures.

□ **Strengthening the Linkages between Poverty Impact Assessment and the NAPS/NAP/Incl**

The objectives underpinning the NAPs and NAP/Incl. are high level and some of the targets are quite general and not action focussed. Therefore, it is often difficult to make clear connections between the actions undertaken within a particular Plan/Programme/Policy and the NAPS/NAP/Incl.

In preparation for the new National Action Plan against Poverty and Social Exclusion, consideration should be given to supplementing the existing NAP/ Incl. targets with more action orientated targets. One suggestion might be to add a series of what could be called ‘relevant actions’.

□ **Streamlining Reporting Systems**

In many cases Government departments and others find themselves reporting to a variety of structures in a variety of formats in relation to their work on social inclusion and their progress in relation to the NAP/Incl. This reporting takes time and resources and often requires the manipulation of broadly similar data in a variety of formats.

Social inclusion reporting requirements need to be streamlined. The annual reporting templates used in current NDP (were they fully completed) could offer the basis for a standard reporting template.

2

Embedding the Poverty Impact Assessment Approach in the new National Development Plan 2007-2013

The Role of Social Inclusion in the New Plan

The strategic approach adopted to tackling poverty as set out in the National Anti-Poverty Strategy, the various National Action Plans and also the Social Partnership agreements requires a co-ordinated multi-response approach from the whole of society. It is expected that the new National Development Plan will have a very strong focus on the provision of support for infrastructure and that the provision of new and enhanced infrastructure will contribute to increases in the competitiveness of the Irish economy. The new NDP also needs to take into account the need for ongoing and practical initiatives to support the process of social inclusion and, at a very minimum, seek to avoid supporting actions that will (either directly or indirectly) contribute to the creation or sustaining of inequalities within society. Making social inclusion a core objective of the new NDP ensures that the plan is seen as a clear part of the strategic framework that promotes social inclusion. It also provides the practical mechanism through which Government can deliver its commitment to poverty impact assessment in the National Development Plan.

By making social inclusion a core objective of the new National Development Plan the Government can fulfil its commitment to poverty proof in the NDP and also offer a mechanism to ensure that spend on infrastructure will not contribute to exclusion.

Making the Poverty Impact Assessment Approach Work in the New National Development Plan

□ The Retention and Re-enforcement of the Programme Complements

The retention of Programme Complements or equivalents is essential for both public transparency and accountability reasons. The Programme Complements also

provide the main vehicles by which social inclusion actions can be clearly embedded in terms of both identification and monitoring.

Programme Complements or equivalents are required within the new NDP. These should be publicly available. The existing Programme Complement template would need to be amended to ensure that the potential of a Measure to impact on social inclusion is clearly articulated and subsequently monitored.

□ **Amending the Programme Complements**

The existing Programme Complement template provided a useful structure through which interested Measure Managers reported on the potential impact their Measure would have on social inclusion. This structure could be enhanced by the introduction of a universal requirement across all Programmes and Measures in order to achieve the following:

- *The inclusion of a statement which describes what the relevance of the Measure is to NAP/Incl. in general and, where possible, to specific NAP/Incl. targets*
- *The use of social inclusion as a positive selection criteria (where relevant)*
- *The identification and development of a number of different types of Measure specific social inclusion indicators - these should be included with the general performance indicators.*
- *A commitment to the use of Measure Level Evaluations/Longitudinal studies to assess the more qualitative impact of a particular Measure.*

The Current Programme Complement should be revised in order to embed the social inclusion principle more fully within it.

□ Encouraging Compliance with the Poverty Impact Assessment Approach

The quality of reporting on social inclusion has been very variable. It did, however, improve in relation to the prioritised Measures, subsequent to their prioritisation by the NDP/CSF Evaluation Unit.² It may also have improved as a consequence of reports on compliance with the social inclusion horizontal principles continuing to be submitted to the various Monitoring Committees. There were, however, no incentives to encourage or indeed reward those who embraced the reporting requirement. It is also the case that some Measures may have very little impact on social inclusion. Where this occurs it is suggested that the Measures only be required to comply with a minimal level of reporting.

There is a need to introduce both minimum reporting requirements and incentives to encourage compliance with social inclusion as a horizontal principle. Where necessary, sanctions for those who do not comply with the agreed minimum reporting requirements should be put in place.

□ Developing Appropriate Social Inclusion Indicators

The fact that the new National Development Plan will have a strong focus on the provision of support for infrastructure and will primarily involve capital investment poses a number of challenges in relation to the development of appropriate and relevant social inclusion indicators. Target group and participation type indicators, for example, will no longer be relevant in the context of an infrastructure orientated plan, while indicators such as those developed in relation to the current Health Measures, which link capital expenditure on acute hospitals directly to the achievement of NAP/Incl. targets, might provide a useful approach for the future. There may also be an opportunity to encourage Measure Managers to develop checklists/conditions to encourage/assist capital type projects to address social inclusion issues through their projects. For example, as part of the Social Inclusion Indicators Pilot a checklist was developed for one of the Tourism Measures which provided some practical examples of how a project promoter could actively promote social inclusion within their project.

² The key body involved in the evaluation of the NDP and the Community Support Framework (CSF) for Ireland 2000-2006

There is a need to develop social inclusion type indicators relevant to capital expenditure/infrastructure type development.

The Role of Monitoring and Evaluation

□ **Monitoring the Impact on Social Inclusion at a Measure Level**

Properly completed Annual Social Inclusion Reports provide a useful tool to track progress in relation to social inclusion. They also provide Measure Managers with the opportunity to raise issues with the Managing Authority. To date, few have used them to do this.

The use of Annual Social Inclusion Reports should be continued. Measure Managers may need some support to assist them to identify/clarify the relevant information to be included in the Report. This support could be provided by the social inclusion specialist unit.

□ **The Role of the Various Committees**

The Monitoring Committees clearly have a role to play in monitoring the impact on social inclusion. While some Monitoring Committees took a keen interest in social inclusion, others had a more limited involvement. The role of the Monitoring Committees in relation to social inclusion clearly needs to be enhanced. The Role of the Social Inclusion Co-ordinating committees also needs to be revised.

Social inclusion needs to be a regular agenda item for all Monitoring Committees. Assuming the successors to these committees continue to meet twice a year, one of these meetings should include a more in-depth assessment of the impact of the Programmes on social inclusion. These discussions could be facilitated by a social inclusion specialist support agency who should be a member of all of the Monitoring Committees.

The purpose of the Social Inclusion Co-ordinating Committee also needs to be sharpened. The purpose of this Committee should be to identify both the issues and the solutions that exist in relation to social inclusion across Programmes. The Committee should then make practical recommendations for change to the different Managing Authorities who, in turn, should be obliged to respond in detail to the recommendations.

Resourcing the Poverty Impact Assessment Approach in the new National Development Plan

□ The Need for Specialist Support for Measure Managers

The experience of the current NDP suggests that the implementation of social inclusion as a horizontal principle needs to be resourced in relation to the provision of specialist support and advice for Measure Managers at drafting stage. This support will be needed at a number of different stages:

- 1) At the stage of drafting the Programme Complements
- 2) In the drafting of the Annual Social Inclusion Reports

Much of this support should be front loaded into the first year of operation of the new National Development Plan.

Subject to the availability of resources, Combat Poverty and the Office for Social Inclusion should support Measure Managers to:

Embed social inclusion within their Programme Complements

Report on the impact of their Measure on social inclusion within the context of the Annual Social Inclusion Report.

This support may need to be front loaded to assist Measure Managers to draft their relevant Programme Complements

□ **The Need for Ongoing Monitoring by the Specialist Unit**

Experience has shown that there will be a need for ongoing monitoring of progress in relation to the impact of the NDP on social inclusion and the compliance of the various different Measures, with both the social inclusion commitments they made in their Programme Complements and the reporting requirements for social inclusion being monitored.

The specialist unit should be charged with the task of providing regular summaries of:

Progress in relation to social inclusion

Compliance in relation to the reporting requirements

□ **The Challenge of Developing Social Inclusion Indicators**

Poverty impact assessment is not without challenges, particularly in relation to the development of social inclusion indicators for Measures that focus on the provision of funding for capital expenditure. It is significantly easier to develop indicators for more action orientated activities, for example, training. Further work also needs to be undertaken to support the development of participation and outcome oriented social inclusion indicators.

Combat Poverty and the Office of Social Inclusion need to undertake work to identify a range of different social inclusion indicators, particularly for Measures that focus on capital expenditure and in relation to participation and outcome type indicators.



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