

Strategy workshop for Building Capacity for Evidence Based Policy Making through Poverty and Social Impact Analysis (PSIA)

16-17 January 2006

Summary

Background

While donor-led application of PSIA advanced significantly since the development of the approach, much still needs to be done in order to promote the country-led and more inclusive use of PSIA to support evidence-based policy-making. This requires increased capacity to demand, supply and use PSIA to inform policy-making in partner countries, for a variety of stakeholders, including government agencies, parliaments, civil society organizations, interest groups, media, donors and the population at large.

To address this challenge in a coordinated manner, a sub-group formed, within the PSIA Network, with the aim of providing a unique framework and funding mechanism for capacity-building activities led by African actors. The meeting in Eschborn was a follow-up of an earlier meeting in November in London, and its aims were to finalize a draft log frame to inform the capacity-building strategy, prepare the ground and commit funds for a consultancy to further specify the available options (i.e. to implement the scoping/ design phase of the strategy) and agree on a process to establish a funding mechanism for a multi donor approach to support the capacity-building strategy.

Results of Discussion

The challenge was to strike a balance between the ambitious and inclusive goal of the strategy and a pragmatic yet relevant purpose, as well as to define manageable outputs of the strategy. The final **Draft Log frame for a PSIA Capacity-Building Strategy**, specified the following goal, purpose and outputs:

Goal: Promote and strengthen country led and participatory evidence based policy making for poverty reduction

Purpose: Promote PSIA tools and approach as part of strengthening policy making processes.

Outputs:

- Understanding and awareness of poverty and social impact analysis amongst key stakeholders^{*} is strengthened (in order to create demand for PSIA type work.)
- capacity and skills of commissioners, facilitators, practitioners and users to undertake / engage with poverty and social impact analysis and processes is strengthened (in order to provide the supply for PSIA type of work)

Key **principles** for the capacity-building strategy would need to comprise:

- promoting PSIA as a part of policy-making processes,
- promoting the principles of PSIA and of distributional analysis, rather than the PSIA, "Label" as such,
- raising awareness and understanding of the PSIA-approach,

* Stakeholders include government agencies, parliament, civil society organizations, interest groups, media, donors, etc. and the population at large.

- pursuing a balanced approach between demand and supply of PSIA-related skills,
- pursuing a flexible strategy which goes beyond the traditional “training” approach to capacity-building,
- building on existing initiatives and tailoring the approach to different stakeholder groups and specific country circumstances and
- incorporating lessons learned with supporting similar types of analysis and capacity-building

The specification of the detailed log frame and action plan for moving forward the PSIA Capacity Building initiative for Africa will be carried out through a **consultancy**, building on the review of existing materials and initiatives, extensive consultations with different stakeholders and potential partners in African countries and the diagnosis of constraints and opportunities for the use of PSIA as part of strengthening policy-making processes. The consultancy will be supervised by a **steering group**, formed by representatives of the organizations funding it (one representative per organization), which will consult regularly with the wider group of agencies interested in joining the multi-donor effort to support capacity-building for PSIA and its use for evidence based-policy making in African countries.

For further information about the background, the current status or how to join the initiative contact GTZ, Sabina Schnell (Sabina.Schnell@gtz.de)