REVIEW
OF
POVERTY PROOFING
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Executive Summary

Chapter 1 Introduction

Poverty proofing is defined as:

“the process by which government departments, local authorities and State Agencies assess policies and programmes at design, implementation and review stages in relation to the likely impact that they will have or have had on poverty and on inequalities which are likely to lead to poverty with a view to poverty reduction.”

The OSI has undertaken this review in light of commitments given since the introduction of the poverty proofing process in 1998.

The overall objective of the review is to develop meaningful and effective methods of poverty proofing for incorporation in the processes for evaluating and developing policies. This is in order to ensure a focus on policy impacts on, including their potential for alleviation of, poverty and social exclusion. The outcome of the review will be a framework with the following two components:

(i) a revised set of poverty proofing guidelines, taking into account the recommendations of the NESC review, the results of the consultation process and other relevant developments in the area of proofing generally; and

(ii) a framework for mainstreaming the revised guidelines.

Chapter 2 Context and Background

Poverty proofing is a key element of the NAPS and NAP/Inclusion and has been described as “the principal instrument for mainstreaming social inclusion at central Government level since late-1998.”

In 1999 the then Department of Social, Community and Family Affairs circulated guidelines to departments setting out the framework to be followed in carrying out poverty proofing. Poverty proofing was initiated on a one-year trial basis with the intention that it be reviewed and revised if necessary.

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2 In 2001 the National Economic and Social Council (NESC) published its review of the poverty proofing process. The recommendations made in that review are listed in Annex 1V.
The Programme for Prosperity and Fairness (PPF) provided for the National Economic and Social Council (NESC) to carry out a review of poverty proofing arrangements. The review which took account of officials’ experience of poverty proofing as well as the views of other relevant parties was completed in 2001 and contained twelve recommendations under the following seven headings: definitions, data, indicators & guidelines; proofing & in-depth assessment; transparency; institutional supports; resources and training; screening & integrated proofing and extension of poverty proofing.4

The commitment to a review of the poverty proofing guidelines is also reiterated in the second NAP/inclusion, the NAP/inclusion implementation report and the first annual report of the OSI.5

Chapter 3 Original Poverty Proofing Arrangements

According to the guidelines circulated to departments in 1999 the primary aim of the poverty proofing process is “to identify the impact of a policy proposal on the poor so that this can be given proper consideration when designing the policy”6.

The NESC review of the poverty proofing process acknowledged that the objective of poverty proofing is poverty impact assessment but it also considered that there is also another objective that of “sensitising of individuals involved in the policy formation process to the over-arching objective of the NAPS to reduce poverty and the inequalities likely to lead to poverty with a view to poverty reduction.”7

It is a requirement in the Cabinet Handbook, published in October 1998, that Memoranda for the Government "indicate clearly the impact of the proposal on groups in poverty or at risk of falling into poverty in the case of significant policy proposals"8.

According to the original poverty proofing guidelines the statement of impact on poverty (for inclusion in the Government Memorandum) should be based on a systematic analysis modelled on the framework contained within those guidelines. In answering the questions set out in the guidelines particular attention should be paid to those groups which have been identified as being either in persistent poverty or known to be at risk of poverty (in both urban and rural areas).

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4 The recommendations of the NESC review are listed in Annex IV.
6 Department of Social and Family Affairs (1999) Poverty Proofing Guidelines, paragraph 3.2. It is important to note that these guidelines were intended to be used by government departments. These guidelines are available on the website of the office for social inclusion at http://www.socialinclusion.ie/documents/Povertyproofingguidelines.doc
7 National Economic and Social Council (2001) Review of the Poverty Proofing Process, p.60
As there is no formal system in place at present to monitor the operation of poverty proofing either in terms of quantity or quality it is difficult to determine with any certainty whether or not either of the two aspects of the objective of poverty proofing (that is poverty impact assessment or sensitising policy maker to social inclusion issues generally) has been achieved. It is considered that the objective remains valid.

Chapter 4 Changes to the Guidelines and Process

The term “proofing” can be problematic for policy makers. It may indicate that the process should take place after the event, i.e. after a policy has been adopted it should be proofed to determine what its impact on poverty will be. The “proofing” may simply be seen as an add-on to end of the policy making process rather than an inherent part of it. Therefore poverty impact assessment (PIA) is proposed as an alternative title and in order to emphasise that the focus should be on outcomes.

A new set of guidelines for PIA were developed as a result of this review. These can be found on the OSI website www.socialinclusion.ie

Box 4.3 sets out the steps involved in the PIA process and box 4.4 sets out the main changes resulting from the review.

As this review was heavily influenced by the findings of the NESC review table 4.1 sets out how this review and the new PIA guidelines respond to the recommendations of the review.
### Box 4.2 Steps Involved in Poverty Impact Assessment

**Stage 1** Screening – this will inform the policy maker as to whether or not it is necessary to carry out a full poverty impact assessment.

**Stage 2** Full Poverty Impact Assessment

**Step 1:** Consultation
To ensure the process is transparent and that poverty impact assessment is integrated into the policy making process it should be incorporated into the consultation process. Stakeholders may include staff in other departments or agencies, non-government organisations or individuals who may be directly affected by the policy or programme.

**Step 2:** Define Policy Aims and Target Groups

1. **2.1 What is the primary objective of this policy / programme / expenditure proposal?**
2. **2.2 Who are the target groups and how would the proposal reach those groups?**
3. **2.3 What are the differences within the target group/between the target groups which might lead to them benefiting from the policy/programme in different ways and how could these be addressed?**

**Step 3:** Consider Available Data and Research
Consider what data is available within own organisation, other departments or agencies or from alternative sources. Identify data or indicators against which progress can be measured.

**Step 4:** Assess Impacts and Consider Alternatives

1. **4.1 What type of impact on poverty (either in terms of numbers in poverty or level of poverty) would the proposal have for each of the vulnerable groups listed in the table?**
2. **4.2 If the proposal would have no effect on poverty what options might be identified to produce a positive effect?**
3. **4.3 If the proposal would have a positive effect would it help to prevent people falling into poverty, reduce the level (in terms of numbers and depth) of poverty or ameliorate the effects of poverty? (please specify). Explain how these positive effects are achieved and consider whether the position could be improved upon.**
4. **4.4 If the proposal would have a negative effect (i.e. it would increase either the numbers in poverty or the level of poverty experienced) what options could be considered to ameliorate this effect?**
5. **4.5 Would the policy/programme/proposal contribute to the achievement of the NAP/Inclusion targets (including subsidiary targets)? If yes, explain how this is the case and whether the position can be improved further. If no, can anything be done so that it does contribute to the targets?**
6. **4.6 Would the programme address the inequalities which may lead to poverty?**
Step 5: Make Decision and Arrange Monitoring
5.1 Will this proposal be adopted?
5.2 If the proposal is to be adopted, how will its impact on poverty be monitored?
Step 6: Publish Results

Step 7: Return Summary Sheet to the Social Inclusion Liaison Officer
Box 4.3  Key Changes

- The name of the process has been changed from poverty proofing to poverty impact assessment.

- A screening mechanism has been introduced in order to ensure that a full poverty impact assessment is only carried out on those policies or programmes where it is really required.

- There are now seven steps involved in the process as follows:
  1. Consultation – this is a new requirement
  2. Define aims and target groups – more information is included to assist with this task
  3. Consider available data and research – more information is provided here particularly in relation to data sources
  4. Assess impacts
  5. Decision making and arranging monitoring – monitoring is a new requirement
  6. Obligation to publish – this is a new requirement
  7. Complete summary sheet and return to social inclusion liaison officer – this is in order to facilitate monitoring of the process by the OSI and is a new feature of the process.

- More detailed information is included in relation to definitions of poverty, poverty data and indicators and where to access them, and an explanation of poverty measurement.
Table 4.1

<table>
<thead>
<tr>
<th>NESC Review Recommendation</th>
<th>How this review and new guidelines respond</th>
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<tr>
<td>Definitions, Data, Indicator and Guidelines</td>
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<tr>
<td>1. The definition of poverty and how to measure it must be operationalised in a way that is usable by officials carrying out all levels of poverty proofing.</td>
<td>More information relating to definition of poverty is included in the new guidelines.</td>
</tr>
<tr>
<td>2. Data deficiencies must be addressed and it is necessary to develop new data sources, provide officials involved in poverty proofing with data sources and access to advice on sourcing data and effective use of sources.</td>
<td>New guidelines include more information relating to data sources and indicators.</td>
</tr>
<tr>
<td>3. The identification of indicators by which achievement can be measured and progress audited is essential to a successful process of impact assessment.</td>
<td>There is now an obligation to monitor the expected impacts and to specify the indicators which will be used.</td>
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<td>4. The guidelines must be revised to present a more streamlined approach to impact assessment and must:</td>
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<td>(i) be customised to the policy domains of individual departments</td>
<td>The issue of customisation can be considered in the various training modules proposed.</td>
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<tr>
<td>(ii) address the operationalisation and measurement of poverty</td>
<td>Definitions of poverty and associated terms are included and there is more information regarding data sources.</td>
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<td>(iii) outline a framework for the development of indicators by which achievements can be made and progress audited</td>
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<td>(iv) provide information on data sources including data at a disaggregated level</td>
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<tr>
<td>Proofing and in-depth assessment</td>
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<td>5. In addition to first level proofing of all proposals (for likely impact on poverty AND inequalities) in-depth policy assessment should be undertaken by a selective basis by a central unit with expertise in impact assessment.</td>
<td>A screening mechanism has been introduced.</td>
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<tr>
<td>Transparency</td>
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<td>6. A commitment to transparency must be an integral element in the poverty impact assessment process. The basis on which decisions are reached must be clearly</td>
<td>A consultation process has been introduced and there is also now an obligation to publish results.</td>
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<td>Specified and readily accessible to the public.</td>
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<td>Institutional Supports</td>
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<td>7. Institutional supports should be strengthened at 3 levels, namely, the internal departmental level (where support from upper echelons is crucial), externally through the coordinating group of Secretaries General and within the NAPS institutional structure.</td>
<td>The review makes a number of proposals in relation to awareness raising and training.</td>
</tr>
<tr>
<td>8. The commitment to cross-departmental teams should be supported through the recognition of participation in these teams as a core activity for the officials involved.</td>
<td>The review is in agreement with this position.</td>
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<tr>
<td>Resources and Training</td>
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<tr>
<td>9. Appropriate training modules should be incorporated into the general service training courses and models appropriate to the policy activity of particular departments should be incorporated into individual departmental training courses.</td>
<td>The review makes several proposals relating to training for poverty impact assessment.</td>
</tr>
<tr>
<td>Screening and Integrated Proofing</td>
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<tr>
<td>10. The screening processes must be developed, particularly in view of the extension of proofing to other dimensions</td>
<td>A screening mechanism has been introduced.</td>
</tr>
<tr>
<td>11. The development of an integrated proofing process is not feasible in the near future. An interim staged process (entailing a set of initial screening questions to determine the relevant proofing criteria) is recommended.</td>
<td>The guidelines are designed to be adaptable enough to be included in an integrated process if one is developed in the future.</td>
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<tr>
<td>Extension of Poverty Proofing</td>
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<td>12. Before extending poverty proofing beyond the civil service limitations should be addressed. Multi-proofing protocol should be formulated rather than embarking on diverse proofing mechanisms in these agencies.</td>
<td>It is hoped that this review will inform the CPA’s current work in relation to poverty proofing at a local level.</td>
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Chapter 1

Introduction

1.1 Introduction

Poverty proofing is defined as:

“the process by which government departments, local authorities and State Agencies assess policies and programmes at design and implementation stages in relation to the likely impact that they will have or have had on poverty and on inequalities which are likely to lead to poverty with a view to poverty reduction.”

The process was introduced in 1998 as a result of a commitment in the first National Anti-Poverty Strategy (NAPS) that:

“the question of impact on poverty will also be a key consideration when decisions are being made about spending priorities in the context of the national budgetary process and the allocation of the EU structural funds.”

The Cabinet Handbook, published in October 1998, requires that memoranda for the Government,

"indicate clearly the impact of the proposal on groups in poverty or at risk of falling into poverty in the case of significant policy proposals."

In 1999 the Department of Social, Community and Family Affairs circulated guidelines to departments setting out the framework to be followed in carrying out poverty proofing. The process was initiated on a trial basis with the intention that it be reviewed and revised if necessary. Since its introduction, the commitment to review the process has been reiterated in several key documents such as the second National Action Plan against Poverty and Social Exclusion (NAP/inclusion), the NAP/inclusion implementation report and the first annual report of the Office for Social Inclusion (OSI). The OSI has undertaken this review in light of those commitments.

This chapter sets out the objective, terms of reference, methodology and contents of this review.

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1.2 Objective of the Review

The overall objective of the review is to develop meaningful and effective methods of poverty proofing for incorporation in evaluation and policy processes. This is in order to ensure a focus on policy impacts on, including their potential for alleviation of, poverty and social exclusion. The outcome of the review is to provide a framework with the following two components:

(i) a revised set of poverty proofing guidelines and ;

(ii) a framework for mainstreaming the revised guidelines.

1.3 Terms of Reference

The terms of reference of this review are to:

1. Review the stated objectives of poverty proofing and examine its effectiveness to date.

2. Examine existing guidelines and revise, in the context of the issues raised in the NESC Review of the Poverty Proofing Process, the consultation process and other developments that have taken place since the introduction of the original guidelines.

3. Set out a framework in relation to how the revised guidelines could be mainstreamed, having regard to the role of poverty proofing in raising awareness of social inclusion issues generally.

4. Consider how the development and application of performance indicators (e.g. number of proposals poverty proofed at design stage, at review stage etc.) can assist in integrating poverty proofing into the policy evaluation and development processes and with ongoing monitoring and evaluation of the implementation and effectiveness of the poverty proofing process.

5. Consider the extent to which, and how, the guidelines may need to be adapted for application to the specific policy areas of individual departments.

6. Consider the extension of poverty proofing to the policies and programmes of local authorities and other relevant regional and local Government institutions, having regard to the work already done in this field by the Combat Poverty Agency.

7. Consider the possibility of integrating poverty proofing with other types of proofing having regard to the work already carried out in this area, for example, the Integrated Proofing Pilot Project.

8. Consider approaches taken in other countries, particularly in relation to impact assessment and policy evaluation, where appropriate.
1.4 Methodology

Literature relating to poverty proofing as well as gender proofing, equality proofing, social impact assessment, social inclusion generally and policy development was reviewed. Additional information was accessed on a variety of government and non-government websites. Departmental files, particularly relating to poverty proofing, integrated proofing, health impact assessment and the data strategy were also examined.

In order to inform the review a consultation process was conducted whereby, members of the following groups were contacted directly and asked for their views on the poverty proofing process as it exists currently and suggestions as to how it could be improved:

- Senior officials in the Department of Social and Family Affairs;
- Social Inclusion Liaison Officers in Government Departments;
- The OSI Technical Advisory Group (TAG) which includes representatives of the Equality Authority, the Central Statistics Office, the Economic and Social Research Institute, the Combat Poverty Agency and various government departments;
- The Social Inclusion Consultative Group which is co-chaired by the Departments of the Taoiseach and Social and Family Affairs and comprises representatives of relevant departments and agencies, the Social Partners and the Community and Voluntary Sector;
- Representatives of the Social Partners;
- The Equality Proofing Working Group which comprises representatives of various government departments, FÁS, the Social Partners and the Voluntary and Community sector;
- A range of voluntary and community groups.
- Various State Agencies such as the National Children’s Office, and the National Adult Literacy Agency.

In addition, an invitation to comment was posted on the Office for Social Inclusion website at www.socialinclusion.ie and a link to this invitation was posted on the Department of Social and Family Affairs website at www.welfare.ie. A notice was also included in Community Exchange which is a weekly electronic bulletin circulated to community and voluntary groups and available on the internet at www.activelink.ie. Twenty nine written submissions were received.

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13 A detailed bibliography is contained in Annex V
14 Approximately 300 people were contacted directly.
15 Annex II sets out a list of those who made written submissions and a summary of the issues raised therein.
Meetings were held with the National Disability Authority; and with the Budget & Estimates Division and the Programme Evaluation Unit in the Department of Social and Family Affairs.

A seminar was held on 20/10/2005 and a summary of the views expressed is in appendix ???(to be added post seminar)

1.5 Contents of Review

Chapter 2 sets out the background and context for this review. The National Anti-Poverty Strategy (NAPS) and the National Action Plans against Poverty and Social Exclusion (NAP/Inclusion) are described briefly. Other significant developments such as the establishment of the Office for Social Inclusion (OSI) are also set out.

Chapter 3 describes the original poverty proofing arrangements which are under review here. The objective of poverty proofing is set out. When and how poverty proofing is to be carried out (as per the original guidelines) is described. The extent to which the objective of poverty proofing has been achieved and its continued validity is also considered. Issues associated with definitions of poverty, data and poverty measurement are also set out.

Chapter 4 sets out recommendations for change to the original guidelines and proposals as to how the process of poverty impact assessment could be mainstreamed. These issues are considered under the following headings: Proofing to Impact Assessment; Data Issues; Transparency; Screening; Institutional Supports; Customisation for Individual Departments; Resources and Training; Extension of Poverty Proofing beyond Government Departments; Poverty and Inequality; Integrated Proofing; Regulatory Impact Analysis; The Expenditure Review Process; Legislative Basis; Increasing Awareness; and Monitoring Poverty Impact Assessment. The recommendations of the NESC review are considered as are proposals made during the consultation process.

As a result of this review the OSI has produced a document entitled *Guidelines for Poverty Impact Assessment* which when finalised will be available on the OSI website at [www.socialinclusion.ie](http://www.socialinclusion.ie).
Chapter 2

Context and Background

2.1 Introduction

Poverty proofing is defined as “the process by which government departments, local authorities and State Agencies assess policies and programmes at design and implementation stages in relation to the likely impact that they will have or have had on poverty and on inequalities which are likely to lead to poverty with a view to poverty reduction.”\(^\text{16}\)

Since the introduction of poverty proofing there has been a commitment to review both the process and the guidelines and to revise them if necessary.

This chapter sets out the background to this review. A brief overview of the NAPS and NAP/Inclusion process is presented. Related developments that have occurred since the introduction of poverty proofing are also outlined.

2.2 Background to this review

Poverty proofing is a key element of the NAPS and NAP/Inclusion and has been described as “the principal instrument for mainstreaming social inclusion at central Government level since late-1998.”\(^\text{17}\)

In 1999 the then Department of Social, Community and Family Affairs circulated guidelines to departments setting out the framework to be followed in carrying out poverty proofing. Poverty proofing was initiated on a one-year trial basis with the intention that it be reviewed and revised if necessary. It was also intended that the process would be extended to state agencies and local authorities.

The Programme for Prosperity and Fairness (PPF) provided for the National Economic and Social Council (NESC) to carry out a review of poverty proofing arrangements. The review which took account of officials’ experience of poverty proofing as well as the views of other relevant parties was completed in 2001 and contained twelve recommendations under the following seven headings: definitions, data, indicators & guidelines; proofing & in-depth assessment; transparency; institutional supports;


resources and training; screening & integrated proofing and extension of poverty proofing. 18

The PPF also provided for a review of the NAPS and one of the particular issues to emerge from the consultation process during that review was that the recommendations of the NESC review should be fully implemented in order to strengthen the poverty proofing process. On foot of this, the revised NAPS pledged to

“develop a more effective poverty proofing process and to ensure that it is appropriately operationalised in all relevant Government Departments. In doing so, it will take full account of the conclusions and recommendations of the NESC in its review of the poverty proofing process. Rural and gender proofing procedures are also in place, and have a role to play in promoting social inclusion. Increased co-ordination of these proofing measures will be developed.” 19

This commitment to a review of the poverty proofing guidelines is also reiterated in the second NAP/inclusion, the NAP/inclusion implementation report and the first annual report of the OSI. 20

One of the objectives of the Department of Social and Family Affairs Statement of Strategy (2003 – 2005) was to “Develop a more effective poverty proofing process and ensure that it is appropriately operationalised in all relevant Government Departments.” 21 This is further reflected in the department’s more recent Statement of Strategy (2005-2007) which lists “Poverty proofing guidelines revised” as a key performance indicator in achieving the objective of ensuring that “that there is a clear knowledge and understanding of the nature, extent and causes of poverty and social exclusion and the strategies to address it.” 22

2.3 NAPS and NAP/Inclusion

Ireland’s NAPS was launched in 1997 following an extensive consultation process and in order to deliver on the Government’s commitment given at the 1995 UN Social Summit in Copenhagen. The NAPS is described as

“a major cross-departmental policy initiative by the Government designed to place the needs of the poor and the socially excluded among the issues at the top of the national agenda in terms of government policy development and action.” 23

18 The recommendations of the NESC review are listed in Annex IV.
The theme of the NAPS was “Sharing in Progress” and one of its key features was that it contained an agreed definition of poverty which is still accepted today:

“People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources, people may be excluded and marginalised from participating in activities which are considered the norm for other people in society.”

In addition, the NAPS set the following global target, making Ireland the first EU Member State to adopt a global poverty reduction target:

“Over the period 1997-2007, the National Anti-Poverty strategy will aim at considerably reducing the numbers of those who are “consistently poor” from 9 to 15% to less than 5 to 10%, as measured by the ESRI.”

Five key areas, namely, educational disadvantage; unemployment (particularly long-term unemployment); income adequacy; disadvantaged urban areas and rural poverty were identified in the plan as ones in which progress was needed in order to significantly tackle poverty. Specific targets were set in relation to each of these areas.

A review of the NAPS “Building an Inclusive Society” was published in 2001 in line with a commitment given in the PPF. By the time this review was published the global target set in the original NAPS had been reached and so the following new key poverty reduction target was introduced:

“Reduce the numbers of those who are “consistently poor” below 2% and, if possible, eliminate consistent poverty, under the current definition of consistent poverty. Specific attention will be paid to particular vulnerable groups in the pursuit of this objective.”

While this work in relation to anti-poverty strategies and social inclusion issues was progressing in Ireland similar developments began to take place at EU level. At the Lisbon Summit in 2000 EU Heads of State and Government adopted the strategic goal of making Europe the most competitive and dynamic knowledge based economy in the world by 2010 with more and better jobs and greater social cohesion. One of the objectives associated with this overall goal is to make a decisive impact on the eradication of poverty and social exclusion, also by 2010.

At the Nice Summit later in 2000 the Open Method of Coordination (OMC) was developed as a method of delivery of the Lisbon goal. One of the main components of

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26 National Anti-Poverty Strategy (2001) Building an Inclusive Society: Review of the National Anti-Poverty Strategy under the Programme for Prosperity and Fairness, p.9. Consistent poverty which is defined as having income below 50-60% of average disposable income and experiencing enforced deprivation had fallen from 15.1% in 1994 to 6.2% in 2000.
OMC is that Member States submit National Action Plans against Poverty and Social Exclusion (NAPs/Inclusion) to the European Commission. The first such plans (covering the period 2001-2003) were submitted in 2001 and set out the strategies, specific measures and institutional arrangements at national level in making progress towards achieving the Lisbon objective.

The OMC recognises that social policy remains the responsibility of Member States but it does include the following common objectives:

1. To facilitate participation in employment, access to resources, rights, goods and services for all;
2. To prevent the risks of exclusion;
3. To help the most vulnerable; and
4. To mobilise all relevant bodies.

EU Member States submitted their second NAPs/Inclusion (covering the period 2003-2005) to the European Commission in 2003. The poverty reduction target which had been set out in “Building an Inclusive Society” was maintained in Ireland’s NAP/Inclusion which also incorporates commitments given in the National Partnership Agreement “Sustaining Progress”, published in April 2003.

In June 2005 an implementation report was submitted to the EU which provided an analysis and evaluation of Ireland’s second NAP/Inclusion and a broad examination of the outcome of the strategic process to combat poverty and social exclusion since the introduction of the first NAPS in 1997.27 The next round of NAP/Inclusion will be produced in 2006 and cover the period 2006-2008.

In developing the second NAP/inclusion synergies were developed with the equivalent EU employment process the National Action Plan for Employment (NAP/employment). These linkages are particularly evident in that one of the employment targets in the NAP/inclusion is to “achieve the objectives set out in the National Employment Action Plan to increase employment rates”28.

2.4 Other Significant Developments

In 2002 the Government established the Office for Social Inclusion (OSI) with overall responsibility for developing, co-ordinating and driving the NAP/inclusion process in Ireland. OSI became operational in January 2003 and it is also responsible for poverty proofing, data, research and communications strategy. Although based in the Department of Social and Family Affairs the Office was established with responsibilities that crosscut departments. The work of the office is overseen by a Management Group of Assistant Secretaries from a number of departments including the Departments of the Taoiseach and Finance.

This ‘whole of Government’ approach to poverty reduction is also reflected in the National Development Plan (NDP) which is a six year plan (2000-2006) outlining the key national priorities and involves investment of €52 billion (in 1999 prices) of private, public and EU funds into public policies, projects and programmes in Ireland\textsuperscript{29}. The NDP has four key strategic objectives one of which is to promote social inclusion. Social inclusion is a horizontal principle of the plan which means that all programmes and measures are required to consider what the impact of their actions or programmes would be on poverty. The OSI and the Combat Poverty Agency (CPA) were designated as the “specialist unit” responsible for monitoring and advising on the implementation of the social inclusion horizontal principle.

The PPF envisaged the extension of poverty proofing on a phased basis to the local level through the Local Authorities and Health Boards and that social inclusion units would be piloted by five Local Authorities during the lifetime of the programme\textsuperscript{30}. At local government level councils are required to develop strategic development objectives that must take account of the principles, targets and objectives set out in the NAPS. The CPA recently published a guide to developing a local anti-poverty strategy which includes a chapter on poverty proofing.\textsuperscript{31}

Since the introduction of poverty proofing in 1999 there have been significant developments in relation to equality proofing, rural proofing and environmental proofing and indeed into how these processes could be merged into an integrated process. The Equality Proofing Working Group was established and integrated proofing pilot projects were carried out in 2004\textsuperscript{32}. Another more recent development has been the introduction of Regulatory Impact Analysis (RIA). In June 2005 the Government decided that RIA which is described as “a tool used to assess the likely effects of a proposed new regulation or regulatory change” should be introduced to all government departments and offices. (see 4.11 and 4.12 for further details on these processes)

\textsuperscript{29} Government of Ireland (2000) \textit{National Development Plan 2000-2006}
\textsuperscript{30} Government of Ireland (1999) \textit{Programme for Prosperity and Fairness}, p. 79
\textsuperscript{32} This issue is discussed in Chapter 4.
The European Commission is currently funding an EU Trans-national Exchange Project on Mainstreaming Social Inclusion. The CPA is the lead partner and poverty proofing was selected as a case study for the project. Phase I of the project examined how mainstreaming social inclusion is understood in the partner countries or regions. One of the conclusions of the report was that more work needs to be done in terms of designing a poverty proofing process that would move beyond a box-ticking exercise. Phase II of the project which is currently being finalised examines mainstreaming social inclusion through three aspects: policy development for social inclusion; involvement, participation & monitoring; and evaluation methodology.

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Chapter 3

Original Poverty Proofing Arrangements

3.1 Introduction

This chapter describes the original poverty proofing arrangements: objectives and when and how poverty proofing is to be carried out (as per the original guidelines) is outlined. The extent to which the objective of poverty proofing has been achieved and its continued validity is considered. Finally, issues associated with definitions of poverty, data and poverty measurement are also set out.

3.2 Objective of poverty proofing

The framework document *Policy-Proofing in the Context of the National Anti-Poverty Strategy* which was issued in early 1998 identified the rationale for a system such as poverty proofing as follows:

(i) To act as a tool in the implementation of the NAPS, in particular ensuring and subsequently measuring the degree to which the NAPS targets are being achieved;

(ii) To assist departments to assess the impact of their spending on anti-poverty measures and, if necessary, to refocus their expenditure to meet the NAPS targets;

(iii) To ensure that policies and programmes do not contribute to greater poverty or inequality;

(iv) To ensure that potential policies and programmes are developed in a way that benefits people living in poverty, particularly those identified as consistently poor and to prevent others at risk of poverty from falling into poverty; and

(v) To assist in the subsequent monitoring and evaluation of the NAPS.  

According to the guidelines circulated to departments in 1999 the primary aim of the poverty proofing process is “to identify the impact of a policy proposal on the poor so that this can be given proper consideration when designing the policy”.

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34 National Economic and Social Council (2001) *Review of the Poverty Proofing Process*, p.3-4
35 Department of Social and Family Affairs (199) *Poverty Proofing Guidelines*, paragraph 3.2. These guidelines are available on the website of the Office for Social Inclusion at http://www.socialinclusion.ie/documents/Povertyproofingguidelines.doc
The NESC review of the poverty proofing process acknowledged that the objective of poverty proofing is poverty impact assessment but it also considered that there is also another objective that of “sensitising of individuals involved in the policy formation process to the over-arching objective of the NAPS to reduce poverty and the inequalities likely to lead to poverty with a view to poverty reduction.”

It was not intended that all policies or programmes would be fundamentally transformed so that they would be explicitly targeted at the disadvantaged but rather that they would be devised in such a way that the needs of those experiencing poverty or at risk of poverty would be actively considered and as far as possible addressed. In so doing, poverty reduction was to become a part of mainstream policy and programme development.

3.3 When is poverty proofing carried out?

It is a requirement in the Cabinet Handbook, published in October 1998, that Memoranda for the Government "indicate clearly the impact of the proposal on groups in poverty or at risk of falling into poverty in the case of significant policy proposals."

Although some departments' remit may not seem to impact directly on poverty, and while others are not involved in direct service delivery, this is an obligatory requirement for all government departments. While the secondary effects of some proposals (particularly those which are not directly aimed at alleviating disadvantage) may not be immediately apparent, they may still have an impact on those in poverty, or may, inadvertently, lead to a risk of poverty for some people or groups.

According to the original guidelines, poverty proofing should be undertaken in the preparation of SMI Statements of Strategy and Annual Business Plans; in designing policies and preparing Memoranda to Government on significant policy proposals; in the preparation of the Estimates and Annual Budget proposals (including expenditure reviews and programme evaluations); in the preparation of the National Development Plan (NDP) and other relevant EU Plans and Programmes; and in the preparation of legislation. In 2000 the Tax Strategy Group (TSG) agreed that it would be useful to determine the impact of all State interventions on poverty and redistribution and to the extent that the SWITCH model can be used in the longer term to assist in this regard.

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36 National Economic and Social Council (2001) Review of the Poverty Proofing Process, p.60
38 TSG paper 00/27 and minutes of TSG meeting on 3 Oct 2000. Both available on D/Finance website. SWITCH (Simulating Welfare and Income Tax CHanges) is a tax-benefit simulation model developed by the ESRI. The model is discussed in section 3.5.
In conclusion, therefore, poverty proofing should be carried out at every stage at which significant policy proposals or changes are being considered, including where a pre-existing policy is being evaluated with a view to possible change.

3.4 How poverty proofing is carried out

According to the original poverty proofing guidelines the statement of impact on poverty (for inclusion in the Government Memorandum) should be based on a systematic analysis modelled on the framework contained within those guidelines. The guidelines set out the background to poverty proofing, when it should be used and a definition of poverty. The guidelines state that the objective of the policy, programme or expenditure proposal should be set out and that the following questions should be answered:

Does the policy/programme/expenditure proposal……

(i) Help to prevent people falling into poverty?
(ii) Reduce the level (in terms of numbers and depth) of poverty?
(iii) Ameliorate the effects of poverty?
(iv) Have no effect on poverty? If it has no effect on the level of poverty, what options might be identified to produce a positive effect?
(v) Increase poverty? If yes, what options might be identified to ameliorate this effect?
(vi) Contribute to the achievement of the NAPS targets (including subsidiary targets under the 5 themes)?
(vii) Address inequalities which might lead to poverty?
(viii) As proposed reach the target groups?

In answering these questions the rationale and basis of the assessment behind each of these replies should be made clear. In addition, particular attention should be paid to those groups which have been identified as being either in persistent poverty or known to be at risk of poverty (in both urban and rural areas). The vulnerable groups identified in the original NAPS were:

- the unemployed, particularly the long term unemployed;
- children, particularly those living in large families;
- single adult households and households headed by someone working in the home;
- lone parents;
- people with disabilities;
- older people, in particular households headed by a retired person;
- members of the Traveller community;
- the homeless; and
- ethnic minorities.

The list has since been revised and in the vulnerable groups listed in the NAP/Inclusion are: women; children and young people; older people; people with disabilities; prisoners and ex-prisoners; members of the travelling community; migrants, ethnic minorities; those experiencing urban poverty; and those experiencing rural disadvantage. This list may be revised again in the context of the next round of the NAP/Inclusion process.
In answering the questions, particular attention should be paid to inequalities which may lead to poverty. These could arise, for instance, in the context of age, gender, disability, belonging to an ethnic minority (including membership of the Traveller community) or sexual orientation. The Memorandum for Government itself should then contain a paragraph summarising key results of the analysis, for example, increases or decreases in poverty overall and outline what effects are likely for specific groups.

The guidelines acknowledge that the potential effects of some proposals may be ambiguous, particularly in that they may have different effects on different groups. In such cases all potential effects should be highlighted. The possibility of certain groups being excluded from the potential benefits of a proposal should also be included. The guidelines also contain worked examples of the poverty proofing process applied to sample policy proposals, as submitted by several departments.

3.5 Extent to which the objective of poverty proofing has been reached

There is little doubt that the introduction of the NAPS and the NAP/inclusion processes and their associated institutional and reporting structures has resulted in an increased awareness of social inclusion and anti-poverty issues in government departments generally.

The NESC review found a high level of formal compliance with the poverty proofing procedure but considered that further clarification of the objectives and the operation of the process is needed in order to increase the effectiveness of the process. It also suggested that this high level of compliance did not result in any significant influence on policy making. The review did conclude however that the process has an important impact in terms of sensitising policy makers to the poverty dimension of policies.

Statements of Strategy and Annual Business Plans
Departments are required to poverty proof annual business plans and statements of strategy. However, an examination of a selection of recent statements of strategy and annual business plans found that while most made reference to the NAPS or NAP/inclusion, only a very small number even mentioned poverty proofing and none contained any evidence that they had been poverty proofed.

Expenditure Reviews
Expenditure reviews are also included on the list of procedures which should be poverty proofed. For example reviews carried out by the Department of Social and Family Affairs are poverty proofed as a matter of course and the results are included in an annex to the published report. Poverty proofing is integral to the process and although the formal exercise is conducted at the end of the review process (and included in the annex)

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40 National Economic and Social Council (2001) Review of the Poverty Proofing Process, p. 59
it is important to remember that poverty proofing is carried out before a decision is made as to which course of action to follow.

**Government Memoranda**

An examination of several recent Government Memoranda found that the impact on poverty is generally given just a cursory mention, stating that the policy measure under consideration will have either a positive, negative or neutral impact on people experiencing poverty and in some cases giving a generalised reasoning for this view. The rationale behind these statements or the data on which they are based are generally not mentioned. This approach is mirrored in the case of other proofing requirements and does not indicate that the process contributes to a greater understanding of the issues involved.

The OSI does examine each Government Memorandum in order to ensure that the statement of impact on poverty is included. Where it is considered that the statement is not an accurate reflection of the likely impact of the proposal the OSI will make contact with the relevant Department in order to notify them of their concerns. The OSI does not examine the poverty proofing that was carried out in order to arrive at the decision cited in the Memorandum and neither should it take on that role. It is the responsibility of individual departments to ensure that the proper procedures are followed.

**The Budget**

During negotiations on the *Programme for Prosperity* much emphasis was placed on issues associated with low pay and ensuring equitable treatment for all taxpayers and it was agreed to poverty proof Budget tax packages. This practice began with Budget 2001 and has continued ever since.

Budget changes to personal income tax and social welfare rates of payment are analysed using the SWITCH model which was developed by the ESRI. SWITCH stands for Simulating Welfare and Income Tax Changes and it is a micro simulation tax-benefit model currently based on data from the LIIS. (From 2006 on it is intended that the model will be based on the Irish wave of EU-SILC) Static tax-benefit models such as this estimate the cash impacts of actual or proposed policy changes across families of different types and at different income levels. The results of the analysis are published on the Department of Finance website.

This analysis is very useful as it recognises that the impact on poverty is a legitimate criterion on which to assess the Budget. However, both the LIIS and EU-SILC are based on a household survey and so representatives of homeless people, some members of the Traveller Community, prisoners and others living in institutions are not included in the survey. This limits the overall effectiveness of the poverty proofing as the impacts for these groups are not included in the analysis.

People who are not in the tax net, for example, those on low incomes, are also excluded from the analysis on the impact of changes to the income tax system. The Budget

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41 Tax Strategy Group Paper, TSG00/05
poverty proofing published by the Department of Finance acknowledges this when it states that in looking at the Budget’s impact on poverty, not only the income tax measures but also the additional increment of social inclusion spending provided for through specific measures (€933 million for 2005) and the aggregate value of social inclusion spending across all Government programmes which is provided for annually (including social welfare payments, this figure is estimated to be at €20.7 billion in 2005) should be considered.\textsuperscript{42}

While the 2004 EU Joint Inclusion Report was generally supportive of Ireland’s NAP. It did however, mention that the impact of the Budget poverty proofing in Ireland is unclear. In particular it considers that due to the absence of a broad financial perspective it is not possible to tell whether increases in some areas may have been offset by decreases in others.\textsuperscript{43}

Another shortcoming of the process is that it is the final budget package that is poverty proofed and therefore there is no consultation involved. However, due to the operation of the Budget process and in particular the confidentiality surrounding it there is little chance of this situation changing.

\textit{The NDP}

One of the key national objectives of the National Development Plan (2000-2006) is to promote social inclusion. Social inclusion was selected as a horizontal principal which means that all programmes and measures were required to consider what the impact of their actions/programmes would be on poverty. This also involves mandatory reporting on social inclusion at meetings of the monitoring committees and mandatory consideration of the issue in all evaluations of the plan.

The mid-term evaluation of the NDP found that there were significant problems around the integration of all the horizontal principles (including social inclusion) to the various operational programmes.

As a way of addressing some of these problems, the mid-term review recommended prioritising a smaller number of the most relevant measures for horizontal principle monitoring going forward and following this the NDP/CSF evaluation unit undertook a review of all measures across the Operational Programmes and recommended the various measures which were to be prioritised for each horizontal principle.

The recent (draft) report \textit{Embedding Social Inclusion in the NDP: A Guide to the Poverty Proofing Approach} found that there were several problems associated with the poverty proofing approach including a the lack of suitably disaggregated data, a sometimes held view that social inclusion as a horizontal principle was a cumbersome requirement leading to an absence of a commitment to implementing meaningful change in the context of the associated measure. Overall however, the report does consider that in spite


of this and other problems the use of poverty proofing did succeed in promoting social inclusion and making social inclusion work more visible.

Overall

As there is no formal system in place at present to monitor the operation of poverty proofing either in terms of quantity or quality it is difficult to determine with any certainty whether or not either of the two aspects of the objective of poverty proofing (that is poverty impact assessment or sensitising policy maker to social inclusion issues generally) has been achieved.

Where poverty proofing has been used it does identify impacts and there are examples of measures being put in place in order to ameliorate negative effects identified in the process. However, it is reasonable to say that the process is not used widely enough to have had a significant impact across the whole of government. Therefore, one could conclude that perhaps it has not fully reached its objectives.

Raising awareness of poverty proofing and social inclusion generally is a key issue moving forward. While formal poverty proofing is generally carried out at the end of a process, it should be considered in the review or the development process. This issue is discussed in more detail in Chapter 4.

3.6 Is the objective still valid?

As outlined above, poverty proofing has a dual objective, namely that of poverty impact assessment and of sensitising policy makers to the objectives of the NAPS and the NAP/inclusion. It is considered that this dual objective approach remains valid as it encompasses all of the features suggested in the framework document (see paragraph 3.2 above).

While poverty impact identification is the explicitly stated objective in the original poverty proofing guidelines the NAPS and later in the NAP/Inclusion do see poverty proofing as playing a major role in mainstreaming social inclusion into the broader policy making domain. This is further reinforced by the selection of poverty proofing as one of the Irish case studies in the EU level mainstreaming social inclusion project, Phase II of which is currently underway. Interestingly, this dual objective was also identified in Phase I of that project. The mainstreaming role of poverty proofing was also identified in the EU Joint Report on Social Inclusion 2004 which cited poverty proofing in Ireland as an example of a mechanism to ensure that a concern with poverty and social exclusion is taken into account when policies are being proposed or reviewed in an attempt to mainstream the fight against exclusion.

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The current National partnership agreement *Sustaining Progress* contains a commitment to develop evidence based policy making. Identifying impacts in advance has two benefits – it leads to better decisions and provides the opportunity to put in place mitigation measures\(^{46}\). The function of poverty impact assessment in this process should be to make explicit the contribution that a particular policy area can make to social inclusion and poverty reduction and to ensure that these issues are taken into account in assessing new policies.

In association with other proofing and impact assessment processes, poverty proofing should form a key and integral element in the evaluation of existing policy against social inclusion goals, and in the design and development of future policies to address any shortcomings identified. It should be thus a key tool in mainstreaming the issue of poverty and social inclusion in all areas of governance, leading to better policy outcomes.

3.7 Definitions, Data and Poverty Measurement

3.7.1 Definitions

In order to be in a position to determine the likely impact of proposals on poverty, people need to have a clear understanding of poverty and how it is measured. Reflecting this, the NESC review recommended that the definition of poverty and how it is measured should be operationalised in a way that is usable by officials carrying out all levels of poverty proofing. Similar points were raised in several of the submission received in the consultation process.

The NAPS defined poverty as follows:

“People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources, people may be excluded and marginalised from participating in activities which are considered the norm for other people in society.”\(^{47}\)


This definition was arrived at after an extensive consultation process when the NAPS was being developed. It is quite a useful definition in that it stresses that poverty is about more than inadequate income and it incorporates the concept of exclusion. This definition has been widely used since then and it is now broadly accepted.

There are several other terms associated with poverty, such as risk of poverty, consistent poverty and social exclusion, which were not defined in those guidelines. These terms, although they are not equivalent are often used interchangeably. This can be a cause of confusion when trying to assess poverty impacts and particularly when examining poverty data. These terms and definitions are set out below in Box 3.1
Box 3.1 Definitions

**Deprivation** is defined as unmet basic human needs.

**Social exclusion** is being unable to participate in society because of a lack of resources that are customarily available to the general population. It can refer to both individuals, and communities in a broader framework, with linked problems such as low incomes, poor housing, high crime environments and family problems. The concept of social exclusion recognizes another dimension of poverty, in that it focuses on relational issues such as inadequate social integration and lack of power. (1)

**Inequality** is a comparative or relative concept. It does not measure deprivation or poverty and does not require a threshold. The relationship between poverty and inequality is quite a complex one. It is possible for inequality to exist with or without poverty.

**Relative income poverty** defines those who are poor as being below a certain income threshold, usually 60 per cent of the median equivalent disposable income (2). Median income is the figure that divides the income distribution in society into two equal parts, half having incomes above the median and half having incomes below the median. The EU refers to this as the ‘risk of poverty’ rate. It should be noted that people below this income threshold are not necessarily in poverty. Whether they are in poverty will depend on a number of factors including: the degree to which income is below the relevant thresholds; the length of time on this relatively low income; and the possession and use of other assets, especially one’s own home. Relative poverty is described with reference to the prevailing socio-economic conditions of the society in question. This recognizes that the unequal distribution of resources and opportunities contributes to poverty.

**Consistent poverty** is being at risk of poverty and living in a household experiencing one of the following deprivation indicators: Unable to afford a meal with meat, chicken or fish (or vegetarian equivalent) every second day; Unable to afford new, not second hand, clothes; Without heating at some stage in the past year due to lack of money; Experiencing debt problems arising from ordinary living expenses; Unable to afford two pairs of strong shoes; Unable to afford a roast, or equivalent, once a week; Unable to afford a warm waterproof coat; No substantial meal for at least one day in the past two weeks due to lack of money.

Consistent poverty is the agreed measure for the key target in the revised NAPS and NAP/Inclusion, which is, by 2007:

“to reduce the numbers of those who are ‘consistently poor’ below 2% and, if possible, eliminate consistent poverty, under the current definition of consistent poverty. Specific attention will be paid to particular vulnerable groups in the pursuit if those objective.” (3)

**Persistent poverty** - Persistent low income is a defining characteristic of poverty and the current indicator measures the number of people who have lived for 3 or more years in households below 60% of median income.

**Depth of poverty** essentially measures the difference between the average income of those who are regarded as begin at risk of poverty and the average income for the population as a whole.
Notes to Box 3.1


(2) Disposable income is defined as gross income less tax and PRSI. Equivalised means that the level takes into account differences in household size and composition.

National Anti-Poverty Strategy (2001) *Building an Inclusive Society: Review of the National Anti-Poverty Strategy under the Programme for Prosperity and Fairness*

3.7.2 Data Availability

Access to adequate, appropriate and up to date data is necessary if poverty proofing is to be carried out effectively. There is no doubt that the absence of appropriate data and disaggregated data in particular is often a problem in policy development or review and poverty proofing is no exception in this regard. This issue was raised by several of the contributors to the consultation process. The NESC review stated that any revised guidelines should provide information on data sources and made the following recommendation:

“Data deficiencies must be addressed and it is necessary to develop new data sources, provide officials involved in poverty proofing with data sources and access to advice on sourcing data and effective use of sources.”

In light of the increasing need for the availability of data on poverty and social inclusion (a considerable amount of which arose from the NAPS process) the National Statistics Board (NSB) in consultation with the Senior Officials Group on Social Inclusion (SOGSI) proposed that a study be undertaken to examine the issue. In 2002 a Steering Group on Social and Equality Statistics (SGSES) was established and its remit was to determine the scope of likely requirements for social and equality statistics and the extent to which these are being met, or could be met by existing data holdings in administrative records. It was intended to identify gaps and to provide a basis for identifying priorities to be addressed in a medium term development programme for social and equality statistics.  

In April 2003 the group produced its report which included twelve recommendations one of which was that each department should devise a formal data/statistics strategy which should be included in its statement of strategy and reported on in its annual report. The Government requested that each department establish an appropriate committee bringing together data users (including appropriate outside experts and data users) and data producers to design and deliver its statistics strategy.  


Data strategies are currently being drawn up across all departments. The Department of Social and Family Affairs data strategy was recently agreed. One of the key objectives of the strategy is “to meet our national and international requirements for high level policy indicators.” One of the main areas in which such requirements exist is in the poverty/social exclusion arena.

The SGSES also carried out an audit of administrative and survey data sources which identified approximately 200 social and equality data sources that are currently providing or could potentially be enhanced and developed to give information on Irish society. The report contained a preliminary listing of the data holdings of relevance to social statistics in each department. The report also outlined the extent to which these data sources could be disaggregated by criteria such as age, gender and socio-economic status. These tables do highlight gaps in the information available but they also provide an insight into the vast amounts of data held by departments and as such they are a useful resource for policy makers. An edited version of this information is included in the new guidelines for poverty impact assessment.

In 2003, the Central Statistics Office (CSO) conducted an examination of data holdings in six government departments and produced a report on the statistical potential of administrative records, with the primary focus being on data of relevance to social statistics. This report, known as the “SPAR Report” and the forthcoming SPAR II along with departmental data strategies have been identified as “valuable contributions to better understanding and utilization of data in Departments”.

A Technical Advisory Group (TAG) of experts has been set up as part of the NAPS institutional structures to examine current NAPS data and indicators. The group is chaired by the OSI and comprises representatives from key Government departments, the Central Statistics Office (CSO), the ESRI, the CPA, the Equality Authority and other experts. It is assisting the OSI in developing the data and research strategies envisaged by the revised NAPS. The focus is to ensure that current deficiencies are addressed in key areas (e.g. people with disabilities, older people) and that standardised workable disaggregated data and indicators are produced. The OSI has produced a summary table of data related to the NAP/Inclusion which sets out each NAP/inclusion target (identifying the lead department), appropriate indicators and data sources. That summary table has been included in the new poverty impact assessment guidelines in order to assist

50 Department of Social and Family Affairs (2004) Data Strategy DRAFT
53 The six departments are Education & Science; Environment, Heritage & Local Government; Health & Children; Justice, Equality & Law Reform; Social & Family Affairs and the Office of the Revenue Commissioners.
policymakers in accessing relevant data (Appendix A1). While not all policies/programmes will relate directly to the NAPS targets this is still a useful resource in that it indicates what types of data various organisations hold.

The Living in Ireland Survey (LIIS), undertaken by the Economic and Social Research Institute (ESRI) between 1994 and 2001, was until recently, the source of all Irish data on poverty for both national and international fora. This LIIS has been replaced by the new EU Survey on Income and Living Conditions (EU-SILC), an annual survey which will make it possible to have timely data available to allow for study and comparison. Common indicators are now collected for all EU countries which should facilitate cross country comparisons. In Ireland the Central Statistics Office (CSO) has responsibility for this new survey, and published Ireland’s first results on 24 January 2005, based on data for the year 2003. The next survey will be available in the latter part of 2005 and annually thereafter.

The survey is designed to obtain information on the income and living conditions of different types of households as well as obtaining information on poverty and social exclusion. A representative random sample of households throughout the country is approached to provide the required information. The survey is voluntary; nobody can be compelled to co-operate. Data is required in both cross-sectional (pertaining to a given time in a certain time period) and longitudinal (pertaining to individual-level changes over time) dimensions. Therefore certain households will be surveyed on an annual basis. The results of SILC give a comprehensive picture of income, living conditions and poverty throughout the European Union. The results of SILC will play a central role in meeting Irish national requirements in the area of poverty, social exclusion and household income.

### 3.7.3 Poverty Measurement and Indicators

Poverty is exceptionally difficult to measure and this is particularly true when it is more than income poverty which is of interest. There is no one measure that will give a perfect picture of the situation regarding deprivation, poverty or social exclusion. However, it is important that the measures which do exist are widely understood so that they are used consistently across departments. Similarly, the existence of indicators against which progress can be measured is vital in order for poverty proofing to be carried out effectively. This issue was raised both in the NESC review and in the consultation process for this review.

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55 The summary table is still a draft document.
In general the main focus on poverty and social inclusion continues to be on income alone. It is acknowledged however, that income lines are arbitrary devices particularly as their calculation does not take account of general standards of living. A number of indicators are used to measure progress in achieving social inclusion: covering areas such as: income before and after social transfers, persistent poverty, early school leavers, jobless households, long term unemployment, life expectancy etc. There are 18 agreed EU indicators, commonly referred to as the Laeken Indicators.\textsuperscript{57} Member States must report on these indicators in their NAP/inclusion reports to the EU. The Indicators Sub-Group of the EU Social Protection Committee is engaged in ongoing work aimed at refining and widening these indicators.

The Office for Social Inclusion has responsibility for developing a Data Strategy, which will provide timely, accurate and relevant statistical data to support policy development and facilitate measurement of progress made to meet the targets contained in the current and future plans. This work involves, \textit{inter alia}, the revision of existing poverty measures and indicators used in the plan to ensure that they are up to date and provide an accurate picture of poverty and social exclusion. This work is ongoing and is being progressed by OSI in conjunction with the Economic and Social Research Institute, the Central Statistics Office and other experts in the area, with a view to seeking agreement on the approach to be taken for the new National Action Plan against Poverty and Social Exclusion, which is scheduled to be introduced in September 2006. OSI is also involved in work to identify areas where deficiencies in data availability continue to exist and is consulting with the relevant Government Departments on this issue with the view to identifying how data gaps can be filled.

\textsuperscript{57} The Laeken Indicators are as follows; low income rate after transfers, distribution of income, persistence of low income, median low income gap, regional cohesion, long term unemployment rate, people living in jobless households, early school leavers, life expectancy, self perceived health status, dispersion around 60% median low income threshold, low income rate anchored at a point in time, low income rate before transfers, distribution of income (Gini coefficient), persistence of low income (based on 50% of medium income), long term unemployment share, very long term unemployment rate, persons with low educational attainment.
Chapter 4

Changes to the Guidelines and Process

4.1 Introduction

This chapter proposes changes to the original guidelines and sets out how the new guidelines reflect these changes. In order for the new poverty impact assessment guidelines to be used effectively they must be mainstreamed across departments and agencies. That means they must become an inherent part of the policy making process. This chapter explores how this situation can be arrived at.

This fulfils one of the objectives of the review which was to produce a revised set of guidelines. These guidelines on poverty impact assessment are available on the OSI website at www.socialinclusion.ie. Various elements of the new guidelines are referred to in this chapter of the review.

These issues are considered under the following headings: Proofing to Impact Assessment; Data Issues; Transparency; Screening; Institutional Supports; Customisation for Individual Departments; Resources and Training; Extension of Poverty Proofing beyond Government Departments; Poverty and Inequality; Integrated Proofing; Regulatory Impact Analysis; The Expenditure Review Process; Legislative Basis; Increasing Awareness; and Monitoring Poverty Impact Assessment. The recommendations of the NESC review are considered as are proposals made during the consultation process.

4.2 Proofing to Impact Assessment

The term “proofing” can be problematic for policy makers. It may indicate that the process should take place after the event, i.e. after a policy has been adopted it should be proofed to determine what its impact on poverty will be. The “proofing” may simply be seen as an add-on to the end of the policy making process rather than an inherent part of it.

In an attempt to overcome these problems and to ensure a focus on outcomes it is considered that PIA is more appropriate. This change of name will help to clarify what the process is trying to achieve in that it is immediately obvious from the title. This change brings the terminology into line with that used in other sectors, for example, environmental impact assessment, regulatory impact analysis. It is acknowledged that “proofing” does exist in other areas such as equality proofing.

Throughout the remainder of this report the process will be referred to as poverty impact assessment.
4.3 Definitions, Data and Poverty Measurement

4.3.1 Definitions

It is not proposed here that the definition of poverty or any of the associated terms should be revised but rather that officials involved in policy making across all departments become familiar with these terms and their definitions and that there is a consistent understanding across all sectors. In order to achieve this, the definitions set out in chapter 3, Box 3.1 have been included in the new poverty impact assessment guidelines (Section 3.1 Definitions of Poverty).

4.3.2 Data Availability

Information relating to both the Living in Ireland Survey and the EU-SILC survey has been included in the new poverty impact assessment guidelines (Section 3.2 Poverty measurement, data and indicators) and poverty data for Ireland is also included in order to provide policy makers with an indication of the current position and recent trends (Section 3.3 Poverty in Ireland & Appendix 2).

In addition, Appendix 3 of the guidelines provides a list of useful websites together with a short note on the type of data they hold. The CSO for example holds data on a numerous issues such as education, housing and employment, in addition to the results of EU-SILC. The ESRI regularly publishes reports on monitoring poverty trends as well as sector specific deprivation issues. This is not intended to be an exhaustive list but rather a first step to assist people to access available data.

4.3.3 Poverty Measurement and Indicators

The poverty impact assessment guidelines include information on how poverty is measured and stress the importance of indicators. In following the procedure outlined in the guidelines policy makers are specifically asked to make clear the data on which their decisions are based and the indicators against which progress will be measured. Step 5 in the guidelines requires that a monitoring system be put in place so that the expected impacts on poverty can be tracked, this requires the identification of appropriate indicators. The office or unit responsible for carrying out the monitoring should also be specified.

Appendix 1 of the guidelines contains a summary table which lists the NAP/Inclusion targets and associated indicators. This should be of assistance to policy makers in devising indicators relevant to programmes or policies which are not specifically related.

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to the NAPS. More information has also been included in this regard both in terms of explaining how poverty is measured with particular reference to the LIIS and the EU-SILC.

The OSI is currently involved in a review of poverty measurement approaches.

4.4 Transparency
The NESC Review made the following recommendation in regard to the transparency of the poverty proofing process:

“A commitment to transparency must be an integral element in the poverty impact assessment process. The basis on which decisions are reached must be clearly specified and readily accessible to the public.”

It is good practice in public policy making for the basis on which decisions are made to be publicly available as such transparency facilitates scrutiny of the decision making process. Poverty impact assessment is no exception in this regard.

In some instances, this is already done as a matter of course, for example the Department of Finance publishes the poverty proofing of personal taxation measures on its website. Under the original arrangements for poverty proofing there was no obligation to publish results. This has now been built into the new guidelines for poverty impact assessment where Step 6 is a requirement to publish results. This can be done by including the completed poverty impact assessment framework in a published report or by posting the results to the organisation’s website.

Another way in which the process can be more transparent is through consultation with stakeholders and this is also now built in as Step 1 in the guidelines for poverty impact assessment. However, consultation should not be seen in isolation but rather as a mechanism to inform the other steps in the process. It is not necessary to arrange a specific “poverty impact assessment” consultation process but likely impacts on poverty as well as procedures to mitigate any possible negative effects should be considered specifically in the general consultation process which would normally be held in developing the policy or programme.

The use of a consultation process brings the revised poverty impact assessment procedure into line with the new system for regulatory impact analysis which also includes consultation as one of the steps to be followed. It is also in line with the recommendations of the Partnership 2000 Working Group on Equality Proofing which stated that participation is essential at all stages of an impact assessment and that such participation should begin at an early stage.\(^{58}\)

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4.5 Screening

Poverty impact assessment can take a significant amount of time particularly where there is difficulty accessing appropriate data. In addition, it is only one of several impact assessments that departments are required to carry out. Existing processes such as gender proofing and rural proofing are also detailed procedures as is regulatory impact analysis which has recently been introduced. It is also likely that additional proofing mechanisms will be introduced in the future. Given the pressures faced by staff involved in policy development and review it is important that the time spent carrying out the various proofing and impact assessment requirements is used as effectively as possible.

A screening mechanism is a useful way of achieving this aim. The Better Regulation Unit in the Department of An Taoiseach has recently issued guidelines for conducting a Regulatory Impact Analysis (RIA). One of the key features of the process is the operation of a screening RIA which ensures that all options are investigated in some detail but avoids carrying out an extensive analysis in all cases.

One of the new features of the poverty impact assessment guidelines is that they also contain a screening stage.\textsuperscript{59} At that stage consideration is given to whether the proposal is significant in terms of overall national or departmental policy; the level of expenditure involved; the change it will bring about in existing policies or procedures and its relevance to some or all of the vulnerable groups, for example, women and people with disabilities. It should also be considered at this stage the impact on inequalities that may lead to poverty. If it is known that the proposal will be significant, or it is considered likely to be significant then a full poverty impact assessment should be carried out. The inclusion of a screening mechanism implements another of the recommendations of the NESC review and brings the process into line with the new RIA model.

The screening tool is set out in Box 4.1 for reference.

\textsuperscript{59} The screening tool used in the poverty impact assessment guidelines is based on the one used in the integrated proofing pilot (discussed in section 4.11 below) which was undertaken in 2004.
Box 4.1 Poverty Impact Assessment  Stage 1:  Screening Stage

The following screening tool should be used in order to determine whether or not it is necessary to carry out a full poverty impact assessment.

### Screening Tool

<table>
<thead>
<tr>
<th>Is the policy, programme or proposal significant in terms of:</th>
<th>YES</th>
<th>NO</th>
<th>POSSIBLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall National/Departmental Policy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The level of expenditure involved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The change it will bring about in an existing policy or procedure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Its relevance to some or all of the groups identified in the National Action Plan against Poverty and Social Exclusion as vulnerable groups, namely*:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Women</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Children and young people</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Older people</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• People with disabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Members of the travelling community</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Prisoners and ex-prisoners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• People experiencing rural disadvantage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• People experiencing urban poverty</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Migrants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Ethnic minorities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Also need to consider the potential impacts on inequalities which may lead to poverty.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* It should be noted that the extent and composition of these groups may change over time and so the focus of poverty impact assessment may change over the life time of the next round of the NAP/Inclusion process.

If the answer is **no** in all cases then it is not necessary to carry out a full poverty impact assessment. In that case the summary sheet should be completed and returned to the Departmental social inclusion liaison officer.

If the answer is **yes** or **possibly** to any of the above then the policy/programme then a full poverty impact analysis should be carried out following the steps outlined in Stage 2.
4.6 Institutional Supports

In order for poverty impact assessment to be mainstreamed there must be strong institutional support for its use. This support must exist both within departments and on a cross departmental basis. That such support should be strengthened was one of the recommendations of the NESC Review and this was also acknowledged in the revised NAPS.

One of the ways in which this support has been strengthened to date is by the establishment in 2002 of the Office for Social Inclusion which is responsible for co-ordinating the preparation and implementation of the NAPS and the NAP/inclusion. It has also had responsibility for poverty proofing and so now it will continue to have responsibility for the poverty impact assessment process.

Social inclusion liaison officers located within key government departments fulfil an important communication and co-ordination role with regard to social inclusion issues within departments, and act as a first point of contact for the OSI. An enhanced role for social inclusion liaison officers would be a great advantage for the mainstreaming of poverty impact assessment.

The NESC review found that the work of many liaison officers was carried out in addition to their regular duties and that often it was not given the same weight as their internal departmental work. The results of a questionnaire conducted by the OSI led to similar conclusions.

It is important that departments recognise the liaison officer’s work (in terms of poverty impact assessment and other aspects of the NAPS and NAP/Inclusion) as an inherent part of their work that is equally important as their other duties. In that regard it important that liaison officers are supported in this work. This situation can only be achieved when departments view poverty impact assessment as an integral part of their policy making processes.

The new poverty impact assessment guidelines require that departments complete a summary sheet after completing each poverty impact assessment or screening. This summary sheet should be returned to the department’s social inclusion liaison officer who will keep a copy of the document and forward the original to the OSI. This will ensure that the liaison officers are kept informed of the work being done in their departments with regard to poverty impact assessment. Where there is no liaison officer the summary sheet should be sent direct to OSI.
4.7 Customisation for Individual Departments

The NESC Review recommended that the poverty proofing guidelines should be “customised to the policy domains of individual departments”. There would be advantages to this approach in that it could help departments to realise the relevance of poverty impact assessment to the work of their departments.

However, it is important that there is a consistent approach to poverty impact assessment and a shared understanding of the underlying concepts and definitions. There is a danger that this would be lost in a customised system. The questions that should be addressed in relation to the impact of a particular policy or programme in relation to its impact on poverty are essentially the same regardless of the sector involved.

It is not proposed to introduce department specific guidelines but rather the new guidelines are intended to be flexible enough to be used effectively by any department. The new guidelines also contain a significant amount of information in relation to data sources and indicators covering a wide variety of policy areas which should also help to facilitate their use by any department. It is recognised however, that different sectors have their own specific terminologies and that linking this terminology into the poverty impact assessment process could be of assistance to departments. It is considered that the training modules (discussed in section 4.8) would provide an opportunity to facilitate the incorporation of sector specific terminology and to customise elements where necessary and appropriate.

4.8 Resources and Training

In order for poverty impact assessment to be carried out effectively it is important that policy makers and those involved in policy reviews are familiar with the issues associated with poverty and social inclusion and with the operation of the guidelines. Formal training would be beneficial in this regard with courses to be provided at both a central and departmental level. Training should cover issues such as data availability, poverty measurement and the interactions between poverty and inequality.

The OSI will source appropriate training providers and/or courses on poverty impact assessment, possibly drawing from courses already in existence. For example, the poverty proofing module of the CMOD Policy Analysis course or course material on poverty proofing developed for the Local Government Anti-Poverty Learning network.

This training could be delivered centrally, but it is considered that it would be most effective when delivered at individual department level, allowing a group of policy
makers from the same department to collectively explore and discuss the guidelines and related issues and to customise elements (or terminology) where feasible. Given their role as a conduit for social inclusion activity within departments, social inclusion liaison officers should receive this training along with relevant senior management and policy owners.

As there are several types of proofing and impact assessment now required of policy makers, and with the advent of regulatory impact analysis, it is proposed that the option of developing a general course on impact assessment should also be examined. Such a course would require inputs from the OSI, the Department of Justice, Equality and Law Reform, the Equality Authority, the Department of Agriculture and Food and the Department of Environment, Heritage and Local Government. It could take some time to devise such a course, so in the interim work could commence on organising the poverty impact assessment module.

It would also be useful to include an appropriate module in relevant, centrally (CMOD) delivered training courses such as the Legislative Process course, the Expenditure Reviewers Training Course and also possibly in induction courses aimed at HEOs, AOs and above.

### 4.9 Extension of Poverty Proofing beyond Government Departments

In the original poverty proofing guidelines, poverty proofing was defined as a process by which “government departments, local authorities and state agencies assess policies and programmes....”. However, the guidelines were circulated only to government departments.

The PPF envisaged that once the NESC review of poverty proofing was completed the process would be extended on a phased basis to the local level through the Local Authorities and Health Boards. It also envisaged that social inclusion units would be piloted by five Local Authorities during the lifetime of the programme.\(^{60}\)

The implementation of the NAPS and NAP/Inclusion requires action not just at national but also at regional and local levels. Local authorities are key players in reaching the objectives set out in the NAPS and the NAP/inclusion as they have particular responsibilities and expertise in delivering national strategies on the ground.\(^{61}\)

Social inclusion units (SIUs) were established by the Department of the Environment, Heritage and Local Government in nine local authorities as a three-year pilot initiative concluding in January 2005. The establishment of these SIUs reflects the widening role of local government in tackling social exclusion. It also recognises that the focus of local government on social inclusion should be corporate wide, extending beyond traditional

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\(^{60}\) Government of Ireland (1999) *Programme for Prosperity and Fairness*, p. 79  
areas such as housing. The objective of the SIUs has been to effect change from the inside by building up the understanding of local authority personnel of poverty and social exclusion. One of the functions of the SIUs is to develop poverty profiles of their areas. Such profiles can be quite difficult to develop but they serve to highlight pockets of disadvantage, particularly in areas which had not previously been designated as such.

To support the implementation of NAPS (and later the NAP/Inclusion) at local level, including the embedding of social inclusion in local government, the Combat Poverty Agency (CPA), in conjunction with the D/EH&LG and the NAPS Unit in the Department of Social, Community and Family Affairs (now the OSI), established the Local Government Anti-Poverty Learning Network in late 2000. The overall aim of the Network is to promote and support the development of a strong anti-poverty focus within a reformed system of local government.

The NESC review of poverty proofing considered that limitations in the poverty proofing process should be addressed before the process would be extended to beyond the civil service. However, as a result of the developments listed above, various local authorities and state agencies are already undertaking poverty proofing. For example, in 2004 South Dublin County Council published a very detailed poverty proofing of its differential rent scheme. In addition, City or County Development Board 10-year strategies which must take the principles and objectives of NAPS into account must also be proofed from an environmental, rural, poverty and equality perspective.

The CPA has produced poverty proofing guidelines for Local Authorities and these are included in its recent publication “Developing a Local Anti-Poverty Strategy: A Guide” 62. The CPA now intends to undertake a pilot study to implement poverty proofing with a number of local service providers in order to develop what it describes as a refined set of guidelines including a poverty impact assessment tool. It is hoped that this review and the new guidelines for poverty impact assessment will assist with the process currently being undertaken by the CPA.

According to the CPA guidelines, poverty proofing (at local authority level) should be undertaken in the preparation of County Development Plans, County Development Strategies, Corporate Plans, Operational Plans and Service Plans. This list is reproduced in the revised poverty impact assessment guidelines (section 2.2). During the consultation process for this review the introduction of local authority service charges emerged as one specific area which merits poverty proofing because the introduction of such charges can impact on people living in poverty or those at risk of poverty. That issue has now been included on the list of items which should be subjected to a poverty impact assessment.

The new poverty impact assessment guidelines also specify that state agencies should carry out poverty impact assessment in preparing strategy statements, business plans, in developing new programmes and in reviewing programmes. As is the case for government departments, local authorities and state agencies should carry out poverty

impact assessment at every stage at which significant policy proposals or changes are being considered, including during evaluations.

Section 4.8 proposes several vehicles through which training in poverty proofing could be provided to civil servants. It should be possible for staff of local authorities and state agencies to also participate in these and other local training courses. This would serve to raise awareness of poverty impact assessment in these organisations.

The information relating to data sources which is now included in the revised guidelines will also be of assistance to local authorities and state agencies, for example Census data can be disaggregated to the District Electoral Division (DED) level making it particularly useful for locally based organisations.

**4.10 Poverty and Inequality**

The NAPS emphasised the multi-dimensional nature of poverty and accepted that inequalities can cause and perpetuate poverty. This relationship between poverty and inequality is specifically reflected in three of the principles underlying the NAPS as follows:

- Ensuring equal access and encouraging participation for all;
- Guaranteeing the rights of minorities, especially through anti-discrimination measures; and
- The reduction of inequalities and in particular addressing the gender dimensions of poverty.

This inter-relationship is further reflected in the revised NAPS and in the NAP/Inclusion.

On its introduction it was agreed that poverty proofing should include a focus on inequalities in so far as they are likely to lead to poverty. This is reflected in the original poverty proofing guidelines where policy makers are asked to pay particular attention to the inequalities that may lead to poverty when answering the questions posed. In addition, one of the questions specifically asks “Does the policy/programme/expenditure proposal address inequalities which may lead to poverty?” In order to answer this question an understanding of the complex inter-relationships between poverty and inequality is needed. This focus on inequalities is retained in the new guidelines.

In 2003, the CPA and the Equality Authority produced a report entitled “Poverty and Inequality: Applying an Equality Dimension to Poverty Proofing” which is a very useful resource for anyone attempting to understand the relationship between poverty and

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inequality. Part I sets out the conceptual links between poverty and inequality and presents ten links including; relieving poverty is intrinsically redistributive; the more people care about equality, the more will be done to eliminate poverty and the more unequal our society, the less people will care about either poverty or equality; the prospective of effective anti-poverty measures depends on greater equality of power.\(^{64}\)

Part II of the report focuses on the difficulties associated with answering the question relating to inequalities which may lead to poverty and explains that the link between poverty and inequality is not always clear. This makes it difficult to identify the broad policy areas that are most clearly relevant to addressing such inequalities and the type of poverty that might result\(^ {65}\). Advice as to how to apply the question relating to inequalities likely to lead to poverty is set out with regard to age, gender, disability, ethnicity and sexual orientation. Characteristics of these groups are considered under a number of different categories where links between poverty and inequality are evident, including: employment, education, training, housing and income.

Equality legislation lists 9 grounds and each one can be further subdivided, for example both children and older people may experience inequality due to their age. In addition some people may experience inequality due to more than one of these grounds simultaneously and this will further complicate the poverty/inequality interface.

The new guidelines for poverty impact assessment inform policy makers of the CPA and Equality Authority Report as it will be of assistance in understanding the relationship between poverty and inequality.

### 4.11 Integrated Proofing

The Government has identified a number of cross-cutting issues which need to be taken into account in the development, design and review of policy through a formal proofing process. The broad cross-cutting issues identified include (i) poverty and social exclusion, (ii) inequality (and in particular the issue of gender inequality), (iii) rural protection/enhancement and (iv) environmental protection/enhancement.

In considering these cross cutting issues, the position of vulnerable groups such as older people, children, people with disabilities, migrants and members of ethnic minorities needs to be specifically addressed where relevant, for example, in the area of poverty and social exclusion.

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\(^{64}\) Combat Poverty Agency & Equality Authority (2003) *Poverty & Inequality: Applying and Equality Dimension to Poverty Proofing*, p. 20

\(^{65}\) Combat Poverty Agency & Equality Authority (2003) *Poverty & Inequality: Applying and Equality Dimension to Poverty Proofing*, p. 27
Government departments are now faced with a wide range of proofing and impact assessment processes: poverty impact assessment; equality proofing; gender proofing; rural proofing; and environmental impact assessment. Health Impact assessment has recently been introduced and the Government will shortly introduce a requirement to carry out regulatory impact analysis. It has also been suggested that disability proofing may be introduced in the near future.

Not all policies or programmes will be subject to all of these assessments but almost all will be subject to at least some of them. In many cases this represents quite a large administrative burden. This is one of the reasons why an integrated approach to proofing which would streamline these processes has gained momentum recently. This issue was raised in several of the submissions received for this review. In particular a procedure which would combine poverty, inequality and gender proofing has received much attention due to the known linkages which can and do exist between these issues.

In 2004 (under the auspices of the Equality Proofing Working Group) the Equality Authority, the OSI, the Department of Justice, Equality and Law Reform and the CPA developed an integrated proofing template which was piloted on the National Action Plan against Racism (Department of Justice, Equality and Law Reform) and the Expenditure Review of the Back to Education Allowance (Department of Social and Family Affairs). The first of these was chosen because of its strong equality dimension and the second because of its strong anti-poverty perspective.

This project represented the first attempt to bring together the proofing strands of gender, poverty and equality. The template consisted of six steps namely: screening the policy or programme to determine whether it needs to be subjected to the process of integrated proofing; screening the target groups to identify which groups are likely to be affected by the proposal; identifying and gathering any relevant data; impact assessment to establish whether the policy/programme has a positive, negative or no impact on the groups selected; formal consultation; and decision making. The proofing was undertaken by way of a consultation meeting with selected non-governmental organisations.

Some very useful lessons were learned from the pilot relating to, for example, the need for capacity building within each sector in order to carry out such proofing; the need to test the mechanism on policies which are not specifically intended to address poverty or inequality; and the need for more guidance at the screening programme stage. In an integrated project such as this it is important to sustain the focus on both aspects, in this case, poverty and inequality and it was found that there was a constant tension to sustain this focus.

One of the recommendations of the integrated proofing pilot was that the revised poverty proofing guidelines should continue to include a focus on the equality dimension within poverty proofing and that this could draw on the learning from the pilot. The new poverty impact assessment guidelines do retain the obligation for policy makers to consider whether the policy or programme would address the inequalities which may lead
to poverty. There is also a greater emphasis on considering how different groups may be affected in different ways by the policy or programme under consideration.

The screening tool introduced into the revised guidelines is modelled on that used in the integrated pilot. The fact that a consultation process can be built into the poverty impact assessment process provides an opportunity for issues associated with poverty and inequality to be discussed with stakeholders.

4.12 Regulatory Impact Analysis

In June this year, the Government decided that Regulatory Impact Analysis (RIA) which is described as “a tool used to assess the likely effects of a proposed new regulation or regulatory change” should be introduced to all government departments and offices. The process should be applied to all proposals for primary legislation involving changes to the regulatory framework (subject to some exceptions); significant Statutory Instruments; draft EU directives and significant EU regulations.

In an attempt to reduce the administrative burden of RIA a screening RIA is carried out initially in order to examine whether the regulation involves a significant policy change in an economic market and should analyse impacts in the following areas/categories:

- National competitiveness
- The socially excluded and vulnerable groups;
- The environment;
- The rights of citizens
- Compliance burden;
- Other economic, social and environmental costs.

Where significant impacts under any of these headings are identified a full RIA must be conducted. In conducting a RIA policy makers are required to take account of impacts on vulnerable groups; the environment, citizen’s rights etc.

The Department of the Taoiseach has produced a detailed RIA guidance manual. In order to prevent a duplication in terms of poverty impact assessment, that manual refers policy makers to the new poverty impact assessment guidelines and lists the steps involved in poverty impact assessment.

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66 Draft RIA Guidance Manual, page 4
4.13 The Expenditure Review Process

In July 2003 the Expenditure Review Steering Committee issued revised template terms of reference for expenditure reviews. These include identifying programme objectives, examining the validity of the objectives, defining outputs, commenting on effectiveness and efficiency, consideration of the degree to which the objectives warrant the allocation of public funds and the need to specify performance indicators which might be used to monitor the performance of the programme. There is no specific mention of poverty proofing or considering the impact of the programme on people experiencing poverty or at risk of poverty.

There is scope for departments to alter these terms of reference to suit their own needs. It has been the practice of the Department of Social and Family Affairs to include poverty proofing as one of the terms of reference of expenditure reviews.

It is proposed that the Department of Finance terms of reference which form the basis of expenditure reviews in all departments should contain a specific reference to poverty impact assessment as follows:

“Consider the impact of the programme (and any changes proposed in the review) on poverty and social exclusion having regard to the poverty impact assessment guidelines issued by the Office for Social Inclusion.”

The first chapter of expenditure reviews generally follows a standard format setting out the background to the review, its objectives, and its terms of reference. It would be useful to include a short paragraph in that first chapter explaining that poverty impact assessment was carried out using the appropriate guidelines.

On completion, expenditure reviews are quality assessed by external experts who judge the quality of the reviews on the basis of several criteria such as appropriate use of performance indicators. It is considered that an examination of the poverty impact assessment carried out by the reviewers should also be included in the quality assessor’s remit. The Central Steering Committee also has a role here in ensuring that the poverty impact assessment is carried out.

The Department of Finance hosts the website for the Expenditure Reviewer’s Network which is a forum for policy makers to exchange information relating to expenditure reviews. This is a useful way of contacting a number of policy makers across a wide range of departments and so it should be used to keep such people informed of developments with regard to poverty impact assessment.

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4.14 Legislative Basis

It was proposed (during the consultation process) that the obligation to carry out a poverty impact assessment should be placed on a statutory basis as is the case for Equality Impact Assessment in Northern Ireland.

The Cabinet Handbook specifically states that the impact of the policy or programme on people in poverty or at risk of falling into poverty should be considered. Therefore it is not considered necessary to introduce a legislative basis for poverty impact assessment.

4.15 Increasing Awareness

Increasing awareness of the existence of the poverty impact assessment guidelines as well as when and how they should be used is an important part of any mainstreaming programme. The following are proposals as to how increased awareness of the guidelines and process could be achieved:

1. The production of a new set of guidelines for poverty impact assessment provides an ideal opportunity to publicise the process and to remind policy makers of the necessity to include poverty impact assessment in their decision-making processes. The guidelines will be distributed as widely as possible and their distribution publicised. They will also be made available on the OSI website at www.socialinclusion.ie. The OSI, as part of its communications strategy will also produce a summary leaflet which will be circulated widely.

2. The forthcoming launch of the next NAP/Inclusion consultation process provides another opportunity to publicise the existence of the new guidelines.

3. At present the Cabinet Handbook (1998) states that Memoranda for Government relating to significant proposals should consider the impact of such proposals on poverty but there is no mention of the guidelines which are available to assist policy makers in doing this. When the handbook is next revised it would be useful if it were amended to read “Memoranda relating to significant proposals should contain a statement of the proposals impact on poverty based on an analysis using the poverty impact assessment guidelines issued by the Office for Social Inclusion”.

4. A similar paragraph should also be included in the Legislative Handbook which describes the steps associate with developing legislation as well as other Dáil and Seanad procedures.

68 This proposal is being made to the Department of the Taoiseach in the context of the current revision of the Cabinet Handbook. This paragraph will have to be amended in order to reflect the outcome of that process.
5. Existing networks such as the Expenditure Reviewers Network and the Social Inclusion Learning Network should be used to advise policy makers of the existence of the new guidelines and to notify them when the guidelines are updated.

6. The Management Information Framework (MIF) is now in operation across all departments. This system is used to record information such as the number of meetings attended, the number of parliamentary questions answered and the number of days training in each month or quarter. Including reporting on poverty impact assessment in that system could also be useful in terms of mainstreaming the process.

4.16 Monitoring Poverty Impact Assessment

As well as monitoring impacts on poverty which is required within each poverty impact assessment there is also a need to monitor the process itself. This is important for two reasons, firstly to ensure that assessments are actually being carried out and secondly to determine the quality of those assessments.

Under existing arrangements all Government Memoranda are circulated to the OSI which examines each one in order to ensure that the statement of impact on poverty is included. Where it is considered that the statement is not an accurate reflection of the likely impact the OSI will make contact with the relevant department in order to notify them of its concerns. The OSI does not examine the poverty proofing that was carried out in order to arrive at the decision cited in the Memorandum and neither should it take on that role as it is the responsibility of individual departments to ensure that the proper procedures are followed. It would not be feasible for all poverty impact assessments to be submitted to the OSI for checking before every policy’s implementation.

However, a monitoring system should be put in place and in order to facilitate this, a summary sheet has been included in the revised guidelines. Step 7 of the process (the final step) requires that this summary sheet (setting out a description of the policy/programme and a short summary of the results of the impact assessment) be completed and returned to social inclusion liaison officers who will then forward a copy to the OSI. Where there is no liaison officer summary sheet should be returned directly to OSI.

This will allow the OSI to keep a record of the number of poverty impact assessments being carried out by each department. In addition, samples can periodically, as resources allow, be chosen for further investigation in order to ensure that the relevant steps have been taken and that the decisions made are based on appropriate data. The OSI can highlight weaknesses and/or strengths in the process and this will be of assistance to departments in carrying out future poverty impact analysis. This formal reporting mechanism should also assist in mainstreaming the process into the overall policy development or review framework and will also serve to highlight examples of best
practice. The purpose of this is to put in place a quality check on the process rather than on the individual impact assessments.

It would also be useful for the Social Inclusion Consultative Group (SICG) to have a role in this process. The SICG is made up of representatives of the social partners. It is proposed that the OSI would report the results of its monitoring to the SICG at its bi-annual meetings:

In order to effectively monitor the process there is a need for performance indicators and the following two are suggested:

- Number of policies/programmes on which poverty impact assessment is carried out before implementation; and
- Number of proposals which are subjected to a full poverty impact assessment as a percentage of all proposals screened.

In addition, the following impact indicator is proposed:

- Number of policy proposals which were not implemented or which were changed significantly as a result of the findings of the poverty impact assessment.

4.17 Recommendations of the NESC Review

The NESC review carried out in 2001 proposed a number of recommendations. The table below (Table 4.1) sets out these recommendations and how this review and the new guidelines address them.

4.18 The new guidelines

The poverty impact assessment guidelines begin with an introduction to poverty proofing and set the context in which the guidelines were developed. This is followed by a description of what poverty impact assessment is, when it should be carried out and how it should be carried out (the steps to be followed are set below out in Box 4.2). There is also a chapter on definitions of poverty, poverty measurement, data and indicators with particular information relating to poverty levels in Ireland. The appendices contain the NAP/Inclusion summary table, a list of useful data sources and tables of Irish poverty data. These guidelines are also available on the OSI website at www.socialinclusion.ie. The web version will be updated periodically in order to include worked examples of poverty impact assessment as they become available.

4.19 Conclusion

The principal differences between the new poverty impact assessment guidelines and the original poverty proofing guidelines are summarised below in Box 4.3.
### Box 4.2  Steps Involved in Poverty Impact Assessment

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>Screening – this will inform the policy maker as to whether or not it is necessary to carry out a full poverty impact assessment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 2</td>
<td>Full Poverty Impact Assessment</td>
</tr>
<tr>
<td>Step 1:</td>
<td>Consultation</td>
</tr>
<tr>
<td></td>
<td>To ensure the process is transparent and that poverty impact assessment is integrated into the policy making process it should be incorporated into the consultation process. Stakeholders may include staff in other departments or agencies, non-governmental organisations or individuals who may be directly affected by the policy or programme.</td>
</tr>
<tr>
<td>Step 2:</td>
<td>Define Policy Aims and Target Groups</td>
</tr>
<tr>
<td>2.1 What is the primary objective of this policy / programme / expenditure proposal?</td>
<td></td>
</tr>
<tr>
<td>2.2 Who are the target groups and how would the proposal reach those groups?</td>
<td></td>
</tr>
<tr>
<td>2.3 What are the differences within the target group/between the target groups which might lead to them benefiting from the policy/programme in different ways and how could these be addressed?</td>
<td></td>
</tr>
<tr>
<td>Step 3:</td>
<td>Consider Available Data and Research</td>
</tr>
<tr>
<td></td>
<td>Consider what data is available within own organisation, other departments or agencies or from alternative sources. Identify data or indicators against which progress can be measured.</td>
</tr>
<tr>
<td>Step 4:</td>
<td>Assess Impacts and Consider Alternatives</td>
</tr>
<tr>
<td>4.1 What type of impact on poverty (either in terms of numbers in poverty or level of poverty) would the proposal have for each of the vulnerable groups listed in the table?</td>
<td></td>
</tr>
<tr>
<td>4.2 If the proposal would have no effect on poverty what options might be identified to produce a positive effect?</td>
<td></td>
</tr>
<tr>
<td>4.3 If the proposal would have a positive effect would it help to prevent people falling into poverty, reduce the level (in terms of numbers and depth) of poverty or ameliorate the effects of poverty? (please specify). Explain how these positive effects are achieved and consider whether the position could be improved upon.</td>
<td></td>
</tr>
<tr>
<td>4.4 If the proposal would have a negative effect (i.e. it would increase either the numbers in poverty or the level of poverty experienced) what options could be considered to ameliorate this effect?</td>
<td></td>
</tr>
<tr>
<td>4.5 Would the policy/programme/proposal contribute to the achievement of the NAP/Inclusion targets (including subsidiary targets)? If yes, explain how this is the case and whether the position can be improved further. If no, can anything be done so that it does contribute to the targets?</td>
<td></td>
</tr>
<tr>
<td>4.6 Would the programme address the inequalities which may lead to poverty?</td>
<td></td>
</tr>
<tr>
<td>Step 5:</td>
<td>Make Decision and Arrange Monitoring</td>
</tr>
<tr>
<td>5.1 Will this proposal be adopted?</td>
<td></td>
</tr>
<tr>
<td>5.2 If the proposal is to be adopted, how will its impact on poverty be monitored?</td>
<td></td>
</tr>
<tr>
<td>Step 6:</td>
<td>Publish Results</td>
</tr>
<tr>
<td>Step 7:</td>
<td>Return Summary Sheet to the Social Inclusion Liaison Officer</td>
</tr>
</tbody>
</table>
Box 4.3 Key Changes

• The name of the process has been changed from poverty proofing to poverty impact assessment

• A screening mechanism has been introduced in order to ensure that a full poverty impact assessment is only carried out on those policies or programmes where it is really required.

• There are now seven steps involved in the process as follows:
  8. Consultation – this is a new requirement
  9. Define aims and target groups – more information is included to assist with this task
  10. Consider available data and research – more information is provided here particularly in relation to data sources
  11. Assess impacts
  12. Decision making and arranging monitoring – monitoring is a new requirement
  13. Obligation to publish – this is a new requirement
  14. Complete summary sheet and return to social inclusion liaison officer – this is in order to facilitate monitoring of the process by the OSI and is a new feature of the process.

• More detailed information is included in relation to definitions of poverty, poverty data and indicators and where to access them, and an explanation of poverty measurement.
Table 4.1

<table>
<thead>
<tr>
<th>NESC Review Recommendation</th>
<th>How this review and new guidelines respond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitions, Data, Indicator and Guidelines</td>
<td></td>
</tr>
<tr>
<td>1. The definition of poverty and how to measure it must be operationalised in a way that</td>
<td>More information relating to definition of poverty is included in the new guidelines.</td>
</tr>
<tr>
<td>is usable by officials carrying out all levels of poverty proofing.</td>
<td></td>
</tr>
<tr>
<td>2. Data deficiencies must be addressed and it is necessary to develop new data sources,</td>
<td>New guidelines include more information relating to data sources and indicators.</td>
</tr>
<tr>
<td>provide officials involved in poverty proofing with data sources and access to advice on</td>
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</tr>
<tr>
<td>sourcing data and effective use of sources.</td>
<td></td>
</tr>
<tr>
<td>3. The identification of indicators by which achievement can be measured and progress</td>
<td>There is now an obligation to monitor the expected impacts and to specify the indicators which will be used.</td>
</tr>
<tr>
<td>audited is essential to a successful process of impact assessment.</td>
<td></td>
</tr>
<tr>
<td>4. The guidelines must be revised to present a more streamlined approach to impact assessment and must: (i) be customised to the policy domains of individual departments (ii) address the operationalisation and measurement of poverty (iii) outline a framework for the development of indicators by which achievements can be made and progress audited (iv) provide information on data sources including data at a disaggregated level</td>
<td>The issue of customisation can be considered in the various training modules proposed. Definitions of poverty and associated terms are included and there is more information regarding data sources.</td>
</tr>
<tr>
<td>Proofing and in-depth assessment</td>
<td></td>
</tr>
<tr>
<td>5. In addition to first level proofing of all proposals (for likely impact on poverty AND</td>
<td>A screening mechanism has been introduced.</td>
</tr>
<tr>
<td>inequalities) in-depth policy assessment should be undertaken by a selective basis by a</td>
<td></td>
</tr>
<tr>
<td>central unit with expertise in impact assessment.</td>
<td></td>
</tr>
<tr>
<td>Transparency</td>
<td></td>
</tr>
<tr>
<td>6. A commitment to transparency must be an integral element in the poverty impact assessment process. The basis on which decisions are reached must be clearly specified and readily accessible to the public.</td>
<td>A consultation process has been introduced and there is also now an obligation to publish results.</td>
</tr>
<tr>
<td>Institutional Supports</td>
<td></td>
</tr>
</tbody>
</table>
7. **Institutional supports should be strengthened at 3 levels, namely, the internal departmental level (where support from upper echelons is crucial), externally through the co-ordinating group of Secretaries General and within the NAPS institutional structure.**

The review makes a number of proposals in relation to awareness raising and training.

8. **The commitment to cross-departmental teams should be supported through the recognition of participation in these teams as a core activity for the officials involved.**

The review is in agreement with this position.

**Resources and Training**

9. **Appropriate training modules should be incorporated into the general service training courses and models appropriate to the policy activity of particular departments should be incorporated into individual departmental training courses.**

The review makes several proposals relating to training for poverty impact assessment.

**Screening and Integrated Proofing**

10. **The screening processes must be developed, particularly in view of the extension of proofing to other dimensions**

A screening mechanism has been introduced.

11. **The development of an integrated proofing process is not feasible in the near future. An interim staged process (entailing a set of initial screening questions to determine the relevant proofing criteria) is recommended.**

The guidelines are designed to be adaptable enough to be included in an integrated process if one is developed in the future.

**Extension of Poverty Proofing**

12. **Before extending poverty proofing beyond the civil service limitations should be addressed. Multi-proofing protocol should be formulated rather than embarking on diverse proofing mechanisms in these agencies.**

It is hoped that this review will inform the CPA’s current work in relation to poverty proofing at a local level.
### Annex I

**List of Abbreviations used**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPA</td>
<td>Combat Poverty Agency</td>
</tr>
<tr>
<td>CSO</td>
<td>Central Statistics Office</td>
</tr>
<tr>
<td>DSFA</td>
<td>Department of Social &amp; Family Affairs</td>
</tr>
<tr>
<td>EA</td>
<td>Equality Authority</td>
</tr>
<tr>
<td>ESRI</td>
<td>Economic and Social Research Institute</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>EU-SILC</td>
<td>European Union Survey on Income and Living Conditions</td>
</tr>
<tr>
<td>IDPC</td>
<td>Interdepartmental Policy Committee</td>
</tr>
<tr>
<td>LIIS</td>
<td>Living in Ireland Survey</td>
</tr>
<tr>
<td>NAPS</td>
<td>National Anti-Poverty Strategy</td>
</tr>
<tr>
<td>NAP/Inclusion</td>
<td>National Action Plan against Poverty and Social Exclusion</td>
</tr>
<tr>
<td>NESC</td>
<td>National Economic and Social Council</td>
</tr>
<tr>
<td>NESF</td>
<td>National Economic and Social Forum</td>
</tr>
<tr>
<td>NDP</td>
<td>National Development Plan</td>
</tr>
<tr>
<td>NSB</td>
<td>National Statistics Board</td>
</tr>
<tr>
<td>OMC</td>
<td>Open Method of Coordination</td>
</tr>
<tr>
<td>OSI</td>
<td>Office for Social Inclusion</td>
</tr>
<tr>
<td>PPF</td>
<td>Programme for Prosperity and Fairness</td>
</tr>
<tr>
<td>RIA</td>
<td>Regulatory Impact Analysis</td>
</tr>
<tr>
<td>SGSES</td>
<td>Steering Group on Social and Equality Statistics</td>
</tr>
<tr>
<td>SMI</td>
<td>Strategic Management Initiative</td>
</tr>
<tr>
<td>TAG</td>
<td>Technical Advisory Group</td>
</tr>
</tbody>
</table>
Annex II
Consultation Process

Written submissions were received from the following:

* Age Action Ireland
* Chambers of Commerce of Ireland
* Combat Poverty Agency
* Community Workers Co-operative
* Department of Enterprise, Trade & Employment (Liaison Officer)
* Department of Finance
* Department of Health & Children
* End Child Poverty Coalition
* Ethnic Minority Health Forum (CAIRDE)
* Equality Authority
* European Anti-Poverty Network
* Foras Áiseanna Saothar (FÁS)
* Gay & Lesbian Exchange Network
* General Benefits Unit, Department of Social & Family Affairs
* Irish Business & Employers Confederation (IBEC)
* Maire Mullarney
* National Adult Literacy Agency
* National Children’s Office
* National Disability Authority
* NDP Gender Equality Unit, Department of Justice, Equality & Law Reform
* National Drugs Strategy Team
* Pensions Policy Unit, Department of Social & Family Affairs
* Regulatory Impact Assessment Unit, Department of the Taoiseach
* Social Policy Unit, Department of the Taoiseach
* Society of Saint Vincent de Paul
* The Vincentian Partnership for Social Justice
* The Women’s Health Council
* Traveller Visibility Group
* Youthreach
The review was welcomed by contributors and the following issues were raised:

**Interaction with other proofings**
- There is a case for integrated proofing
- Poverty proofing should be in line with other proofings
- Need to develop equality and poverty proofing side by side
- Link with RIA
- Poverty proofing needs to be able to include a focus on ensuring that poverty measures can accommodate diversity across the 9 grounds
- Importance of paying particular attention to groups at risk of poverty stressed; diversity within groups is important
- Maintain focus on inequalities likely to lead to poverty; Need more detailed explanation of this issue in the guidelines
- Examples of inequalities likely to lead to poverty should be included
- Retain capacity to continue work on poverty/equality interface
- Review should be equality proofed
- Should poverty proof for disability

**Skills/Training**
- Need to upgrade policy analysis skills
- People should be trained in poverty proofing
- Training on poverty proofing should include provision of awareness raising on poverty and social exclusion among LGB people
- Training on poverty proofing and proofing generally should be provided;
- Training should be followed up with one-to-one supports

**Role of Poverty Proofing in Policy Making Generally**
- Need for more evidence based analysis
- Poverty proofing integral to policy making
- Need for ex-ante social impact assessment
- System developed more as a planning tool
- Refine/streamline proofing and evaluation in general so that both are intrinsic part of business and sufficiently economic so that they are likely to be adopted

**Data, Measurement and Indicators**
- Lack of data always a problem;
- Build on Data Strategy
- Accept definition of consistent poverty
- Need for Indicators
- Objectives must have measurable targets
- Indicators – should be developed as a priority. Rep groups should participate in development and monitoring
- Need to consider different measurements of poverty (not just consistent poverty but also relative and deprivation measures.
- Longitudinal measurement of outcomes is necessary
Institutional Issues

- Poverty proofing should apply to all Departments + Agencies
- Extend to local authorities only if they have the means to carry out the process
- Need for greater collaboration between local authorities and state agencies and need for a genuine wish to collaborate in order to achieve the social inclusion of Travellers;
- Poverty proofing should be better integrated into govt structures
- Consider approaches such as having skilled experts in departments
- Central Poverty Proofing Unit
- Need resources and supports and cross-dept coordination
- Should be a dedicated person in each dept to ensure cross govt working
- Coordinate and transfer learning across departments and agencies
- Who is responsible for the process? Are they familiar enough with the issues? Senior enough to ensure it happens?
- Lack of follow up by OSI makes the process questionable
- Importance of interface between central policy functions and their discharge at local level
- Accept NESC recommendations, particularly in relation to greater institutional support for the process and more transparency

The Guidelines

- Guidelines should be clear and user friendly
- Include a list of resources as an appendix – need more guidance on this generally
- Women should be specifically mentioned in section 4.4 (note gender cuts across the other areas too)
- Include glossary of terms
- Tailor guidelines for types of document
- Guidelines should be more specific
- Feedback form would be useful
- Department specific approach may be useful
- Guidelines not used in a real way
- Need for clearer reporting templates – so that there is good quality reporting
- Systematic analysis – questions should not be too broad or open ended
- Is there a feedback mechanism for departments to make suggestions re improvement?
- Redesign and better formatting – especially for examples
- Questions should consider – access to services; access to the labour market; participation in the community
- Specify what state agencies and local authorities should proof
- Supporting documentation e.g. examples of poverty proofing should be included on the OSI website
- Cabinet Handbook should refer to poverty proofing guidelines
- Should be a specific reference to measures to promote returning to education and employment
The Process

- Need for prioritisation of issues to be poverty proofed. Is the process necessary in all cases?
- Timely to reinvigorate the process every 5 years
- Need to increase effectiveness of poverty proofing process
- Need independent evaluation of poverty proofing of major policies in association with rep groups
- NDP poverty proofing has been tokenistic
- Consider the opportunity cost of proofing mechanisms if it is found that they are ineffective;
- Consultation is very important
- Participation of an organisation on bodies relevant to poverty proofing should be based on its knowledge, expertise and track record
- Poverty proofing must be carried out in a way that is inclusive and relevant to representative groups
- Problems with the way the Budget is poverty proofed
- Need to capture medium – long term effects of policy
- Need methodology to deal with competing priorities
- Embed monitoring and evaluation
- More streamlined approach
- Categorise policies at the screening stage
- Proofing system technically effective but a by product is to close public debate and therefore accountability
- Poverty proofing of major initiatives carried out by independent evaluators
- Reports available to Oireachtas who should have the right to call for supplementary information
- Views of people in poverty integrated into the process
- Screening mechanisms must be able to capture the dimensions of LGB exclusion
- Asking those who would be affected by a policy change is the most effective way of finding out whether it will have a negative impact; D/Finance should host a pre-budget forum;
- Consider legislative basis similar to that for Equality Impact Assessment in Northern Ireland
- Poverty proofing should include a literacy awareness campaign
- Need for increased transparency
- Carry out regular quality checks
General/Other Issues

- Need for Basic Income;
- Importance of low tax economy;
- Life long learning is important - grants to long term unemployed and childcare
- Extension of MABS
- Must be cognisant of the key role of adult education and adult literacy providers in the area under consideration
- Literacy and numeracy difficulties can be linked to poverty and inequality
- Improving basic skills helps promote equality and social inclusion
- Children and lone parents should remain as target groups
- Annual update on poverty – increase awareness
- Awareness raising is key – develop communication strategy
- Govt. needs to be clear that the reduction of poverty is a key political priority
- Need to poverty proof all minimum incomes – SW rates and the minimum wage
- Local authority service charges should be poverty proofed
- Poverty resulting from domestic violence should be included
- No issue too important or sensitive for poverty proofing
- Encourage use of poverty proofing in achievement of NAPS targets
- Aim of Poverty proofing still valid
- Purpose of poverty proofing and objectives should be revisited
- Use review to inform CPA localisation study
- Assess Budget poverty proofing and CPA analysis
Annex III
Poverty Proofing (or similar) Mechanisms in other areas

UK – Gender Impact Assessment

Gender impact assessment requires those responsible for policy to think about the different effect policies have on women and men. It can be applied to legislation, policy plans and programmes, budgets, reports and existing policies. It is recommended that the assessment be carried out at an early stage in the decision making process.

The guidelines acknowledge that it may not be possible to carry out a Gender Impact Assessment on every policy and so it is suggested that the initial concentration be on policies that have a specific gender focus.

There are five steps in the process as follows:

**Step One - Identify the issues and define the outcomes**
This involves considering the groups likely to be effected, identifying the goals and objectives of the programme; talking to representative groups; and planning a communications strategy.

**Step Two - Collect data**
It is suggested that surveys be conducted if appropriate data is not available. Consultation is also important here but consideration should be given to how representative the groups are. Where possible, data should also be collected by ethnic group, age etc. as well as gender.

**Step Three - Communicate**
This involves producing key messages on what the policy will do for those that it is aimed at and for all other interest groups. Consideration should be given to how the messages will reach the intended audience.

**Step Four: Deliver**
The guidelines advise that the experience should be approached from the view point of the user. Those developing and delivering the policy should represent the diversity of the community being served. A strategy for getting customer feedback and customer satisfaction information should also be developed.

**Step Five: Monitor and Evaluate**
Monitoring helps determine how well programmes are meeting their goals and provides opportunities for improvements. The process will highlight the need for base-line data/statistics against which progress towards equality targets is measured.

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69 Department of Trade and Industry: Gender Impact Assessment
Canada - Gender-based Analysis

In 1995 the Government of Canada launched its “Federal Plan for Gender Equality” in which it committed itself to “ensuring that all future legislation and policies include, where appropriate, an analysis of the potential for different impacts on women and men.”

The process is very similar to that in the UK, there are six steps in gender based analysis as follows:

- Step 1: Identify the issue
- Step 2: Define desired/anticipated outcomes
- Step 3: Gather information
- Step 4: Development and analysis of options
- Step 5: Communication – how will any differential consequences be communicated?
- Step 6: Evaluation

Northern Ireland – Equality Impact Assessments (EQIA)

Section 75 of the Northern Ireland Act 1998 placed a statutory duty on public authorities to have due regard to the need to promote equality of opportunity between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation in carrying out their functions.

Equality Impact Assessment (EQIA) is described as “a thorough and systematic analysis of a policy whether that policy is written or unwritten, formal or informal, and irrespective of the scope of the policy or the size of the public authority.”

The EQIA must address all of the nine ground listed above but it is not intended that each category will be afforded equal emphasis through out the process. Where it is deemed that the policy under consideration will have an adverse impact on any of the groups, alternatives must be considered which might better achieve the promotion of equality of opportunity. Alternatively, measures which would mitigate the negative effects should be considered.

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70 Details of this programme can be found on the website of the Department of Human Resources and Skills Development Canada (www11.hrsdc.gc.ca)
There are seven steps in an EQIA, many of which are similar to those in the UK Gender Impact Assessment model as follows:

- Step 1 – Consider available data and research
- Step 2 – Assessment of impacts
- Step 3 – Consideration of measures which might mitigate any adverse impact or alternative policies which might better achieve the promotion of equality of opportunity.
- Step 4 – Formal Consultation
- Step 5 – Decision by Public Authority
- Step 6 – Publication of Results of EQIA
- Step 7 - Monitor for Adverse Impact in the future and Publication of the results of such monitoring.

USA – Social Impact Assessment

The National Environmental Policy Act (NEPA) of 1969 provides the basis for environmental impact assessment in the USA. A central requirement of NEPA is that before any agency of the federal government may take "actions significantly affecting the quality of the human environment" that agency must first prepare an Environmental Impact Statement (EIS). In addition to impacts on the physical environment such assessments must also consider the social consequences of projects, programmes and policies.

Social impacts are defined as “the consequences to human populations of any public or private actions that alter the ways in which people live, work, play, relate to one another, organize to meet their needs and generally cope as members of society”. The term also includes cultural impacts involving changes to the norms, values, and beliefs that guide and rationalize their cognition of themselves and their society.

There are ten steps in the social impact assessment process (which often overlap in practice) as follows:

1. Develop an effective public plan to involve all potentially affected publics.
2. Describe the proposed action or policy change and reasonable alternatives.
3. Describe the relevant human environment/area of influence and baseline conditions.
4. Scoping - After obtaining a technical understanding of the proposal, identify the full range of probable social impacts that will be addressed based on discussion or interviews with a number of potentially affected persons.
5. Investigate the probable impacts. The probable social impacts will be formulated in terms of predicted conditions without the actions (baseline projection); predicted conditions with the actions; and predicted impacts

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72 US Department of Commerce Guidelines and Principles for Social Impact Assessment
which can be interpreted as the differences between the future with and without the proposed action.

6. Determine the significance of the identified social impacts.
7. Estimate subsequent impacts and cumulative impacts.
8. Recommended new or changed alternatives and estimate or project their consequences.
9. Develop a mitigation plan.
10. Develop a monitoring program which is capable of identifying deviations from the proposed action and any important unanticipated impacts.
Annex IV

NESC Review of the Poverty Proofing Process Recommendations

Definitions, Data, Indicator and Guidelines

1. The definition of poverty and how to measure it must be operationalised in a way that is usable by officials carrying out all levels of poverty proofing.

2. Data deficiencies must be addressed and it is necessary to develop new data sources, provide officials involved in poverty proofing with data sources and access to advice on sourcing data and effective use of sources.

3. The identification of indicators by which achievement can be measured and progress audited is essential to a successful process of impact assessment.

4. The guidelines must be revised to present a more streamlined approach to impact assessment and must:
   (v) be customised to the policy domains of individual departments
   (vi) address the operationalisation and measurement of poverty
   (vii) outline a framework for the development of indicators by which achievements can be made and progress audited
   (viii) provide information on data sources including data at a disaggregated level

Proofing and in-depth assessment

5. In addition to first level proofing of all proposals (for likely impact on poverty AND inequalities) in-depth policy assessment should be undertaken by a selective basis by a central unit with expertise in impact assessment.

Transparency

6. A commitment to transparency must be an integral element in the poverty impact assessment process. The basis on which decisions are reached must be clearly specified and readily accessible to the public.

Institutional Supports

7. Institutional supports should be strengthened at 3 levels, namely, the internal departmental level (where support from upper echelons is crucial), externally through the co-ordinating group of Secretaries General and within the NAPS institutional structure.

8. The commitment to cross-departmental teams should be supported through the recognition of participation in these teams as a core activity for the officials involved.

Resources and Training

9. Appropriate training modules should be incorporated into the general service training courses and models appropriate to the policy activity of particular departments should be incorporated into individual departmental training courses.

Screening and Integrated Proofing

10. The screening processes must be developed, particularly in view of the extension of proofing to other dimensions

11. The development of an integrated proofing process is not feasible in the near future. An interim staged process (entailing a set of initial screening questions to determine the relevant proofing criteria) is recommended.

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Extension of Poverty Proofing

12. Before extending poverty proofing beyond the civil service limitations should be addressed. Multi-proofing protocol should be formulated rather than embarking on diverse proofing mechanisms in these agencies.
Annex V

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