

**Flagship  
Project**

**Improving poverty  
measurement in UNECE**



**PROVISIONAL  
PROJECT DOCUMENT**



## 1. EXECUTIVE SUMMARY

Project Title	Improving poverty measurement in UNECE region
Project Manager	Andres Vikat
Subprogramme	Statistics
Implementing Entity	UNECE
Start Date	01 January 2018
End Date	31 December 2020
Budget	US \$ 1,191,000
Beneficiary Countries	All UNECE countries; implementation support for selected countries of Eastern and South-eastern Europe, Caucasus and Central Asia
Cooperating Entities within the UN System	UN Women, UNDP
Other Implementing Partners	OECD, the World Bank, CISSTAT – the Interstate Statistical Committee of the Commonwealth of Independent States, OPHI – the Oxford Poverty and Human Development Initiative

## **Brief description**

The project will respond to the needs of UNECE member States' to measure **multidimensional poverty** and will produce a new measurement tool to produce pertinent **poverty measures by gender**. UNECE also proposes to assist countries in the implementation of the above through technical assistance.

The project links to the UNECE Strategic Framework 2016-2017 and 2018-2019, with specific reference to Sub-programme 3, Statistics, particularly expected accomplishments (b) and (c). This project will also contribute to the achievement of Sustainable Development Goal 1: “end poverty in all its forms everywhere”; particular its second target on reducing the proportion of men, women and children of all ages living in poverty in all its dimensions.

The project will involve methodological work, expert meetings, testing of survey tools in different national contexts, and technical assistance missions. It will strengthen the capacity of national statistical offices to produce poverty statistics, in countries of Eastern and South-eastern Europe, Caucasus and Central Asia in particular.

The project activities will involve and be delivered in close collaboration with UN Women, UNDP, OECD, the World Bank and the Interstate Statistical Committee of the Commonwealth of Independent States (CISSTAT) as well as the Oxford Poverty and Human Development Initiative (OPHI).

## **1 BACKGROUND**

### **2.1 Context**

The 2030 Agenda emphasises the importance of producing accessible, timely and reliable disaggregated data of good quality to support the measurement of progress.

The global Sustainable Development Goal (SDG) number one aims at addressing poverty in all its forms in all countries. The availability of comparable and reliable data on poverty is essential for the success of poverty reduction programmes. Furthermore, one of the targets under SDG 1 is on reducing poverty “in all its dimensions”, which include non-monetary deprivations in such areas as housing, health, education, and other services. Measuring non-monetary deprivations is therefore another essential aspect of poverty measurement.

It is important to note that the use of such measures varies greatly from one country to another, due to specific national policy need and statistical capacity. The choice of definitions and indicators for monitoring poverty is subject to a trade-off between the need for universal definitions and harmonised methodologies and having measures that are specific to a country's context and policies.

While national contexts vary significantly across the UNECE region, comparable measures are needed to assess progress in other countries of the region with a view to assess the progress made in the region as a whole. It is also necessary to update the poverty measures as economic and social circumstances and statistical methodologies evolve. Action towards data harmonization and comparability is thus vitally important.

While poverty affects households as a whole, because of the gender division of labour and responsibilities for household welfare, women often bear a disproportionate burden, attempting to manage household consumption and production under conditions of increasing scarcity. Poverty is particularly acute for women living in rural households. In the 2030 Agenda, with the spirit of “leaving no one behind”, gender differences in poverty need to be adequately measured, going beyond the currently used household-based measures.

## **2.2 Mandates, comparative advantage and link to the Programme Budget**

Governed by the Conference of European Statisticians, UNECE statistical work addresses the SDG monitoring needs through (1) coordination of international statistical work; (2) methodological work; (3) capacity-building; and (4) the UNECE statistical database.

In the area of poverty measurement, UNECE has recently organized three region-wide seminars (Geneva, 2-4 December 2013 and 5-6 May 2015), and a high-level seminar and two capacity-building workshops for countries of Eastern Europe, Caucasus and Central Asia. A Guide on Poverty Measurement will be published in 2017.

All these activities have consolidated a region-wide network of experts that includes countries with well-developed statistical systems as well as countries with developing statistical systems. To consolidate results and guide further work in this area, the Bureau of the Conference of European Statisticians established in February 2017 the Steering Group on Measuring Poverty and Inequality.

The UNECE region-wide network of experts and the progress by UNECE in consolidating the methodological guidance on poverty measurement over the recent years provide solid ground for further work. UNECE is in a position to support member States effectively building on its expertise and strong experience in capacity-building needs in statistical systems in Eastern and Southeastern Europe, Caucasus and Central Asia. The lessons learned in harmonizing poverty measures in the EU Statistics on Income and Living Conditions (EU-SILC) will be used for developing an implementation plan for countries in the UNECE region.

This project will be a concrete follow-up to the Conference of European Statisticians recommendation to support countries in the region and implement the recommendations of UNECE Guide on Poverty Measurement developed over the last three years.

The project relates to two expected accomplishments in the 2018-2019 Strategic Framework of the UNECE Statistics subprogramme:

(b) Updated and newly developed standards and recommendations to enhance the quality and international comparability of statistics and SDG monitoring, and

(c) Improved national capacities to implement international standards and recommendations in official statistics, including on SDGs and gender-sensitive indicators.

### **2.3 Country demand and target countries**

UNECE consulted member States extensively on the multidimensional poverty measurement in UNECE meetings and capacity-building workshops through 2013-2016. Countries tasked UNECE to produce some general methodological guidance (provided in the UNECE Guide of 2017) and called on practical tools and support to implementation. The purpose of this project is to meet countries' demand for support in implementing the recommendations of the UNECE Guide on Poverty Measurement.

From the viewpoint of having adequate poverty measures of women and men, the 2017 UNECE Guide on poverty measurement identifies individual level poverty measures as an area for methodological work. This topic will be addressed at the 65th plenary session of the Conference of European Statisticians (CES) plenary session seminar on poverty measurement, in June 2017. In February 2017, the Bureau of the CES launched work in a related area of gendered power and decision-making in the household.

The methods and tools for individual level poverty measurement will benefit all UNECE countries and it will be the first internationally agreed measures of this kind. Testing of the methodology will be carried out in countries with different contexts. Multidimensional poverty measures will more broadly benefit the countries that are not currently using such measures, particularly countries of Eastern and Southeastern Europe, Caucasus and Central Asia.

### **2.4 Link to the SDGs**

UNECE helps countries to convene and cooperate on norms, standards and conventions in support of the Sustainable Development Goals (SDGs). This impacts the life of citizens every single day when they, for instance, buy food, drive a car, breathe clean air, transport goods, handle chemicals, save energy or walk in the forest. UNECE is actively engaged in work related to 16 of the 17 [Sustainable Development Goals](#)

UNECE helps implement the SDGs by translating the global goals into norms, standards and conventions, developing statistical recommendations and capacity, undertaking performance reviews and studies (environment, innovation, regulatory barriers, housing, forestry, statistics), building capacity and engaging in partnerships with the private sector and civil society.

The project aims to contribute to the following SDGs:

*Goal 1. End poverty in all its forms everywhere*

Target 1.2. By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.

*Goal 5. Achieve gender equality and empower all women and girls*

Target 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate

*Goal 10. Reduce inequality within and among countries*

Target 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

*Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development*

Target 17.18 By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts.

## 2 ANALYSIS

### 3.1 Problem analysis

#### *a) Multi-dimensional poverty*

One of the globally agreed targets under the first SDG on poverty eradication aims at reducing the proportion of men, women and children of all ages living in poverty in all its dimensions. These dimensions include non-monetary deprivations in such areas as housing, health, education, and other services. Measuring non-monetary deprivations is thus an essential part of poverty measurement.

Monetary and multidimensional poverty measures are complementary. Both are valuable for identifying poor people and shaping policy and they provide different insights. What can be surprising is the common finding that people who are multi-dimensionally poor, or deprived in non-monetary indicators, are not necessarily income poor. Divergences between monetary poverty and multidimensional poverty indicators mean that neither is a sufficient proxy for the other; both need to be measured. Moreover, reducing non-monetary deprivations often requires different policies than reducing monetary poverty.

Existing dashboards and indices of multiple deprivation vary greatly across countries. Similarly, countries that have compiled multidimensional poverty indices have used different components based on their policy priorities and data availability. Much attention has been paid on improving monetary poverty measures and their comparability, including an ongoing capacity-building project at UNECE. However, measuring **multidimensional poverty** has been scarce in the UNECE region and not much work was done in this area. The present project addresses this gap. It will support member countries in **constructing measures of multidimensional poverty** and in collecting the data necessary for their components.

#### *b) Poverty by gender*

Traditional measures of monetary poverty take the household as the unit of observation. The focus on aggregate units rather than on individuals is based on the assumption that resources are shared equally within the household. Using a collective unit like the household has two consequences: no one can be counted as poor in households above the poverty line; and all household members are assumed equally poor.

Unequal power within the household may mask monetary poverty, since income is typically measured at the level of the household. If a woman does not have the power to decide how money should be spent, then the total household income is less relevant to her own (and perhaps her family's) well-being than the actual resources at her disposal within the power structure of the couple.

Household-level variables are not necessarily optimal predictors of individual well-being and poverty status, as they ignore gender and other intra-household inequalities (such as those based on age), as well as the possibility that non-earners may be poorer than other earning adults in the same household. Producing poverty measures at the individual level requires the use of variables that specifically aim to depict the processes involved in the acquisition and expenditure of resources within the family: the entry of resources into the household; how resources are allocated and controlled; and how resources are expended. Such variables are currently rare in household surveys and are not harmonized across countries.

The project sets out to develop the survey tools that collect data on these variables and thus **produce pertinent monetary poverty measures by gender**.

### **3 PROJECT STRATEGY**

The project aims to support UNECE member countries in measuring **multidimensional poverty** and in producing pertinent **poverty measures by gender**.

The project will develop new harmonized tools for measuring multidimensional poverty and for measuring poverty by gender, and support member countries in their implementation. The work will begin by reviewing all the existing practices in UNECE countries and deciding on dimensions to be recommended for poverty measurement. It would be important to reach a common agreement in the UNECE region regarding the principles for including the different dimensions, the core dimensions applicable for all multidimensional poverty measures, and the desirable ways of their measurement.

For pertinent measures of poverty by gender, new measurement tools will be developed to consider the individual as the measurement unit instead of the household. As a first step, the information on existing practice will be collected and summarized. After these initial stages, consultants will elaborate the technical details and develop survey questions for use in national data collection. These will be tested in the different contexts in three selected countries. The results will be discussed and common methodologies agreed upon in an expert meeting.

The next phase of the project will involve technical assistance to selected countries for implementing the new data collection tools and producing the related statistics. The concluding meeting of the project will discuss project results among a broad range of experts and decide on follow-up. The beneficiaries – national statistical offices of UNECE countries – engage in the project on the understanding that the methodological tools and indicators developed in this project are meant to serve regular monitoring of poverty levels in their countries.

The UNECE Steering Group on Measuring Poverty and Inequality organizes annual expert meetings on this topic. These expert meetings will exchange experience among countries in using the methodological tools and indicators developed in this project and provide recommendations on how to use them in the different contexts of countries.

## **4 MONITORING AND EVALUATION**

All monitoring, reporting and evaluation of the project will be undertaken in compliance with UNECE policies, UN Financial Rules and Regulations. Updates on the project implementation will be shared with all Member States through the CES Bureau Meetings as well as on UNECE and partners websites.

UNECE evaluations serve as a source of evidence of achievements and aim to contribute to improve the programme performance. All projects funded from extra-budgetary sources with a budget above US\$ 250,000 are subject to internal evaluation. Hence, a provision of 2% of the project budget is set aside at the planning stage, to engage independent consultants that conduct the evaluation upon the completion of the project. As a follow up to evaluations, UNECE prepares a management response to evaluate the Consultant's recommendations. All evaluation reports and management responses are available publicly on the following website: <https://www.unece.org/info/open-unece/evaluation.html>.

## **5 MANAGEMENT AND COORDINATION AGREEMENTS**

A project manager will be hired for the duration of the project in the Social and Demographic Statistics Section of the UNECE Statistical Division. The UNECE Steering Group on Measuring Poverty and Inequality will advise on key substantive decisions in the project and prepare the substantive programme of the UNECE expert meetings on this topic.

Collaboration partners in implementing the project include UN Women, UNDP, OECD, the World Bank, CISSTAT – the Interstate Statistical Committee of the Commonwealth of Independent States, and OPHI – the Oxford Poverty and Human Development Initiative.



## 6 RESULTS-BASED WORK PLAN

Expected accomplishment	Activity	Year	
EA1 Regionally harmonised measures of multidimensional poverty	A1.1	Expert meeting to agree upon a common set of dimensions and measurement approaches	Y1
	A1.2	Development of a regionally agreed methodology	Y1
	A1.3	Testing of the methodology in three countries	Y2
	A1.4	Expert meeting to review the results and agree on common methodology	Y2
EA2 Enhanced methodology for measuring gender differences in poverty	A2.1	Collection of practices in measuring poverty on the individual level	Y1
	A2.2	Development of a set of survey questions for measuring poverty on the individual level	Y1
	A2.3	Development of the methodology for computing gendered poverty indicators	Y1
	A2.4	Testing of the new measurement tool for individual level poverty measures in three countries	Y2
	A2.5	Expert meeting to review the results and agree on common methodology	Y2
EA3 Availability of multidimensional and gendered indicators of poverty	A3.1	Technical assistance missions to three countries to support implementation of the survey tools for individual-level poverty measures	Y2 Y3
	A3.2	Technical assistance missions to three countries to support the compilation and communication of multidimensional poverty indicators	Y2 Y3
	A3.3	Meeting to share project results and decide on follow-up	Y3

## 7 INDICATIVE BUDGET

	thousands U.S. dollars
Programme officer P2 level 3 years	456
Methodological work – consultancies (A1.2 A2.1 A2.2 A2.3)	80
Technical assistance to countries (A3.1 A3.2)	120
Testing of data collection in 3 countries: grants (A1.3 A2.4)	140
Four expert meetings (A1.1 A1.4 A2.5 A3.3)	240
Total direct cost	1 036
13 per cent UN programme support cost	135
2 per cent for evaluation	21
Total	1 191