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Reports on the work of the Conference of European Statisticians, its Bureau and Teams of Specialists

Implementation of the UNECE Statistical Programme 2016

Addendum

Note by the Secretariat

**Report of the High-level seminar on harmonization of poverty statistics
in CIS countries**

Summary

1. The High-level Seminar on Harmonization of Poverty Statistics in CIS countries was held on 31 October – 2 November 2016 in Sochi, Russian Federation.
2. The present document is the report of that seminar, and is provided to inform the Conference of European Statisticians on the organization, outcomes and recommendations of the meeting.

I. Attendance

1. The UNECE High-level Seminar on Harmonization of Poverty Statistics in CIS countries was held on 31 October – 2 November 2016 in Sochi, Russian Federation. It was attended by participants from Armenia, Austria, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Latvia, Mongolia, Republic of Moldova, Russian Federation and Tajikistan. The Interstate Statistical Committee of the Commonwealth of Independent States (CISSTAT), the United Nations Development Programme (UNDP) and the World Bank were also represented. An expert from Oxford University (United Kingdom) participated at the invitation of the UNECE secretariat.
2. The meeting was conducted with financial support from and the project “Harmonized poverty indicators for monitoring sustainable development in the CIS countries” funded by Russian Federation.

II. Organization of the seminar

3. The following topics were discussed at the meeting:
 - a) Measuring poverty to review progress on Sustainable Development Goals
 - b) Country experiences in responding to latest challenges in producing poverty statistics
 - c) Round table on poverty measurement in the context of new political demands and the role of Statistical Offices
 - d) Improving comparability of household surveys in CIS countries
 - e) Multidimensional poverty: what could be the options for CIS countries?
 - f) Conclusions on the way forward with harmonisation of poverty statistics.
4. The discussion at the meeting was based on presentations and papers that are available on the UNECE website: <http://www.unece.org/index.php?id=43384#>

III. Conclusions on the way forward with harmonisation of poverty statistics

5. Participants noted the significant progress that CIS countries have achieved in poverty measurement, and re-iterated the commitment of national Statistical Offices to produce the poverty and inequality indicators necessary for the monitoring of **the 2030 Agenda for Sustainable Development**.
6. The differences in the methodologies of compiling poverty statistics remain a concern. The Seminar recognized the value for harmonizing the nationally used **methodologies** with those used internationally. In this context, participants emphasized the important role of CISSTAT and UNECE in developing harmonized poverty measures for CIS countries.
7. For publication and analysis of poverty estimates, it is recommended to develop and use **harmonized** welfare measures, equivalence scales and decomposition groups.
8. To improve understanding of poverty statistics, Statistical Offices should publish more **metadata**. Participants recognized the need to strengthen work with users of information on forming demand for poverty data.

9. In view of the important role of non-monetary measures of poverty, CIS countries should explore the possibilities for constructing and introducing in statistical practice national and regional measures of **multidimensional poverty**.
10. Participants pointed out the need to improve the household surveys used for collecting data on poverty. In this context, participants supported the work plan under the project “Harmonized poverty indicators for monitoring sustainable development”, which entails:
 - a) finalizing the **analysis** of household survey questions used for collecting data on poverty in CIS countries, considering the comments provided at the Seminar
 - b) developing a **harmonized survey module** for collecting poverty data in CIS countries
 - c) developing **technical guidelines** for using the harmonized survey module
 - d) organizing a **workshop** on poverty measurement for CIS experts in 2017 back-to-back with the UNECE region-wide expert meeting on measuring poverty and inequality.
11. National Statistical Offices of Azerbaijan, Belarus, Republic of Moldova and Russian Federation expressed interest in **testing** the harmonized survey module for poverty measurement in 2017 and 2018.
12. Participants noted the possibility of participation of Statistical Offices of interested countries in the development and use of the harmonized survey module.
13. The following **topics** are suggested for the 2017 workshop:
 - a) Monitoring SDGs on poverty and inequality: latest developments
 - b) Harmonized survey module for collecting data on poverty in CIS countries
 - c) Leaving no one behind: Challenges in measuring poverty in vulnerable and hard-to-reach population groups.

IV. Adoption of the report of the meeting

14. The present report was adopted during the closing session.
15. A summary of the discussion in the substantive sessions of the meeting will be prepared by the Secretariat after the meeting and presented in the annex of this report.

Annex

Summary of the main issues covered at the substantive sessions

A. Session 1: Measuring poverty to review progress on Sustainable Development Goals

1. The session discussed the challenges in producing SDG indicators and meeting the new demands for poverty statistics. It was based on presentations from the **UNDP Regional Bureau for Europe and CIS, CISSTAT, Belarus and Kyrgyzstan**.
2. In the discussions, the following points were made:
 - a) The process of SDG monitoring is currently being shaped. Countries are making first attempts in producing the indicators. This is therefore an appropriate time to **promote synergies and cooperation** within the statistical community and encourage countries to share information.
 - b) Statisticians were encouraged to produce data based on common approaches that allow **international comparability** in parallel to producing data for national needs. Harmonisation of poverty statistics should be addressed at two levels: harmonization of methodologies and harmonization of definitions and concepts.
 - c) An **integral approach** to monitoring SDGs is needed to reflect the cross-sectoral linkages across SDGs. While the topic of poverty is covered under Goal 1 “End poverty in all its forms everywhere” and Goal 10 “Reduce inequality within and among countries”, poverty related issues are present in several other goals.
 - d) Involvement **at national level** is crucial for committing resources and efforts for the production of SDG indicators.
 - e) CIS countries already produced **first estimates of SDG indicators**. A survey by CISSTAT showed that nine CIS countries have done preparatory work for monitoring SDGs. All countries have the capacity to produce the first two targets under Goal 1 related to estimating poverty using international and national poverty lines. Most countries do not have established methodologies for production of the indicators under targets 1.3 and 1.4 regarding social protection floors and access to basic services.
 - f) Of all SDG indicators, **only 36 per cent are conceptually clear and produced regularly**; 25 per cent are conceptually clear, with well-established methodology but not produced regularly; and 39 per cent have no established methodology, standards or methods, or standards are under development and testing.
 - g) The **data sources** for producing the SDG indicators include administrative sources and registers as well as household surveys. The importance of matching administrative records and sample surveys was emphasised.
3. Participants pointed out the following needs:
 - a) to establish **clear definitions** of key concepts in poverty measurement such as “minimum level of social protection”, “basic needs”, “basic services”, “extreme poverty” and other;

- b) to improve the availability of poverty indicators **broken down** by sex, age, economic activity status, disability and ethnicity;
- c) to **agree on common** age thresholds for social groups such as children, youth and the elderly, definitions of urban and rural population, and equivalence scales;
- d) to apply **the definitions of the 2013 ILO resolution** concerning statistics of work, employment and labour underutilization.

B. Session 2: Country experiences in responding to latest challenges in producing poverty statistics

4. The session discussed the differences in estimating poverty in the CIS countries. Participants recognised the changing nature of poverty concepts and noted the recent developments towards measuring non-monetary aspects of poverty. The session was based on presentations from **CIS-STAT, Azerbaijan, Kazakhstan and World Bank**.
5. In the discussions, the following points were made:
 - a) All countries measure **absolute poverty** based on either income or expenditures. Most countries use the same classification of consumer expenditures. Differences emerge when valuing the in-kind products and services as well as estimating the social benefits. Some countries use average price and others market price.
 - b) Several countries use also **relative poverty approach** that is widely used in the countries of OECD and European Union. These countries also make estimation of material deprivation, however, using different deprivation lists.
 - c) Regarding **subjective poverty**, estimates are made by Armenia, Belarus, Kazakhstan, Russian Federation and Ukraine.
 - d) In CIS countries, it would be challenging to interpret findings based on the **global definition of extreme poverty**, set in 2015 at 1.90 dollars (PPP-adjusted) a day per person.
 - e) The following **issues are especially relevant** for CIS countries: spatial deflation adjustments, rapid depreciation of housing stock, and growing heterogeneity between the countries.
 - f) Participants were informed about the **latest recommendations of the Atkinson Commission** and the expected World Bank's response. One important recommendation concerned the reporting of possible sources and the potential magnitude of errors. The Commission also encouraged the World Bank to take an active role in supporting countries for developing multidimensional poverty indicators that cover non-monetary aspects of poverty.

C. Session 3: Round table on poverty measurement in the context of new political demands and the role of statistical offices

6. The round table discussed two main questions: (1) How to develop monitoring indicators that are useful in the regional and national context and how can international organizations best assist in this? (2) What are the main challenges for statistical offices in meeting policymakers' needs for poverty statistics and how can statistical offices meet those challenges?

7. The following main points were made:
- a) **Challenges** in front of statistical offices include, among others, maintaining and improving capacity, building data collection and processing infrastructure, following new methodological developments, sharing information online, learning from other countries' experience and ensuring good coverage of the statistics.
 - b) **Coordination** among countries is important for the modernization of statistical offices and keeping statisticians open to innovation. Use of **latest technologies** is necessary to adapt statistical offices to changing policy needs and new needs arising from SDG monitoring.
 - c) In view of the great investment required to carry out **household surveys** regularly, it is important to ensure that they serve many different purposes.
 - d) International organizations should further improve coordination of their requests to national statistical offices to **reduce response burden**.
 - e) International organizations should direct efforts towards **improving comparability** across countries in terms of methodologies and surveys, as well as with regard to multidimensional poverty measures.
 - f) Statistical offices should devote resources to **communication** with users of statistics. Engaging policymakers in indicator development would generate **demand for data** and ensure national ownership.

D. Session 4: Improving comparability of household surveys in CIS countries

8. The session investigated the way forward to improve comparability by of household surveys in CIS countries. It was based on presentations from **Austria, Latvia, Russian Federation, World Bank** and **UNECE**.
9. In the discussions, the following points were made:
- a) Harmonising poverty measurement tools can be a long process. For example, the European Union Statistics on Income and Living Conditions (**EU-SILC**) was established gradually and in frequent consultation rounds among participating countries.
 - b) Household surveys need to be conducted on a **regular basis**, with **sufficient sample size** and enough data to produce the necessary **disaggregation**. The data should meet standard quality requirements, during both data collection and data production processes.
 - c) Calibration for **selective non-response** critically determines poverty levels and trends. It is important to compensate for the selectivity of the non-response, for example for less educated population groups.
 - d) Weighting is important but imputation for **missing income information** is also a critical part of data processing, and such that can affect significantly the poverty levels. Technical tools for imputation are available.
 - e) Harmonisation of **data collection** methods is as important as the harmonisation of questionnaires.
 - f) Capturing the **informal sector** through surveys is a challenge. Latin American countries could provide useful examples in that respect.

- g) To promote research on poverty, it would be important that statistical offices make available the **microdata** of their surveys.
 - h) **Data Document Initiative (DDI)** of the World Bank is an important standard for metadata production.
 - i) **COICOP classification** should be part of countries efforts to harmonise data collection on the consumption side. It is also important to check the microdata for missing values that may be too many for the survey implementation to be successful.
10. Participants emphasized the need for harmonized poverty measures for CIS countries and supported the **UNECE project “Harmonized poverty indicators for monitoring sustainable development”**.
11. Participants also welcomed the work on the forthcoming **UNECE Guide on poverty measurement** to be published at the end of 2017, and stressed their expectations on practical guidance, concrete recommendations and examples to learn from each other.

E. Session 5: Multidimensional poverty: what could be the options for CIS countries?

12. The session discussed the rising importance of multidimensional poverty measures motivated by the need to describe the complexity, depth and persistence of poverty in the countries. It was based on presentations from **Oxford University, Armenia, Mongolia, Republic of Moldova and Tajikistan**.
13. In the discussions, the following points were made:
- a) The recent rapid development of multidimensional poverty measurement has benefitted from availability of new survey data. This development is now further strengthened by the inclusion of multidimensional poverty among monitoring indicators for the first Sustainable Development Goal.
 - b) **Alkire-Foster methodology** is a tool that can be adapted to countries. The establishment of multidimensional poverty index (MPI) includes the choice of dimensions, indicators, weights and cut-offs. National MPIs reflect national contexts and priorities. They are useful to guide policies and monitor progress.
 - c) **Policymakers** should be actively involved in the process of developing an MPI.
 - d) The use of MPI for **concrete policy interventions** was underlined. For example, poverty maps with distribution of beneficiaries and multidimensionally poor help identifying regions where policy interventions would be most needed.
 - e) Efforts to **harmonise household surveys** with regard to non-monetary aspects would help develop a regional MPI.

F. Session 6: Conclusions on the way forward with harmonisation on poverty statistics

14. Participants discussed the way forward with harmonisation of poverty statistics in CIS countries and agreed on the conclusions as presented in section III of the seminar report.