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Poverty Reduction and Economic Recovery

Concept Paper on Poverty Monitoring and Analysis System for Somalia

Paper for Discussion

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ACKNOWLEDGEMENTS

List of Abbreviations and Acronyms

DHS	Demographic and Health Survey
DPT	Diphtheria, Polio and Tetanus
FAO	Food and Agricultural Organization
FCI	Family Care International
FEWS	Famine Early Warning System
FSAU	Food Security Analysis Unit
GDP	Gross Domestic Product
GIS	Geographical Information System
HDI	Human Development Index
HHS	Household Survey
IMF	International Monetary Fund
IS	Integrated Survey
LSMS	Living Standards Monitoring Survey
NBO	Nairobi
NGO	Non-governmental Organization
OPD	Out Patient Department
PMAS	Poverty Monitoring and Analysis System
PMATU	Poverty Monitoring and Analysis Technical Unit
PME	Poverty Monitoring and Analysis
PMES	Poverty Monitoring and Analysis System
PPA	Participatory Poverty Assessment
PPP	Purchasing Power Parity
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PSR	Poverty Status Report
SDV	Social Development Department
SPSS	Statistical Package for Social Surveys
TNG	Transitional National Government (based in Mogadishu - in Somalia)
TNG	Transitional National Government
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Fund for Population Activities
UNICEF	United Nations Children's Education Fund
WHO	World Health Organization
WMS	Welfare Monitoring Survey

Glossary of Terms, Concepts and Definitions

Absolute poverty	A condition of extreme material deprivation where one cannot obtain or satisfy the basic needs for human sustenance. It is a situation of inability to obtain the minimum food, clothing, water, shelter, transport, and other essential requirements of life.[1]
Absolute poverty line	The value of the basic basket of food necessary to meet the minimum daily dietary requirements of 2,250 calories per adult equivalent per day
Access to Safe Water	The ability to access adequate amount (agree on minimum litres per person/livestock per day) of safe drinking water (treated surface water or uncontaminated borehole/protected well water) within (agreed distance) from the User's dwelling. It is measured in terms of distance to the nearest water supply point, as well as the ability to meet the cost of water[2]
Assets	Anything of value owned by a person or business, classified into fixed and current assets[3]
Basic Education	Pre-primary and primary school education
Basket of Goods	The combination of typical types of food items consumed commonly in society
Child mortality Rate	The number of deaths out of 1,000 live births born the same day who die before reaching their first birthday.[4]
Community	The larger group within which households have their secondary social and economic contacts
Consumption expenditure	Expenditure by a household in a specified period. It includes expenditure on frequently purchased items of food, beverages, tobacco, non-durable goods, services, and semi-durable goods.
Contraceptive Prevalence	Is the proportion of a given population that uses contraceptives
Dependency ratio	The ratio of the population defined as dependent- those under 15 and over 64- to the working-age population, aged 15-64
Deprivation	Lacking what is needed for well-being. Have physical, social, economic, political and psychological/spiritual dimensions. It includes forms of disadvantages such as social inferiority, physical weakness, isolation, poverty, vulnerability, powerlessness and humiliation.[5]
Development	Good change.
Diverse	Having variety, different ness, with many different things and/or forms of the same type of thing. [6]
DPT 3 – immunization coverage	Is the proportion of children under one year of age who have received the 3rd dose of DPT. DPT protects children from Diphtheria, Polio and Tetanus.
Dropout rate	Is the percentage of pupils enrolled in a given grade or level of

[1] World Bank (2002) Can The Poor Influence Policy?
[2] UNDP (2000) Human Development Report 2000 P. 281
[3] Saleemi N.A. (1988) Commerce Simplified
[4] UNDP (2000) Human Development Report 2000 P. 277
[5] Chambers R (1997) Whose reality counts? P. xiv
[6] Chambers R (1997) Whose reality counts? P. xiv

	education in a given school year who are not enrolled in any grade during the following school year.
Economic dependency	Gives the number of household members who are solely dependent on one provider (guardian) for their needs either because they are too young or too old to be economically active, have disabilities, are students, unpaid family workers or engaged in non wage work e.g. domestic duties etc.
Empowerment	Participation, freedom to choose and engage in political, social and economic activities
Extreme poverty	Characterizes destitution, usually expressed in terms of inability to satisfy even minimum food needs
Food Poor Households	In layman terms, - those that survive on less than two meals a day
Food Poverty	Is a situation where households are unable to obtain minimum daily food intake deemed essential for human survival
Food Poverty Line	Determined through a valuation of that basket of food items that provide every member of a household with the minimum energy requirements of say 2250 kilocalories a day. It is the amount of money required to purchase or consume that level of food intake.[7]
Gender	Refers to the socially defined roles and responsibilities of men and women, boys and girls[8]
Gender inequality	Unequal treatment of women and men in laws and policies, and in access to resources and services within families, communities and society at large[9]
Goals	The objectives a country or a society wants to achieve; often expressed in non-technical, qualitative terms, such as "eradicate hunger" or "reduce poverty."
Gross Domestic Product	The total goods and services produced by an economy both by the residents and non residents (remittances) for a specified period of 12 months
Gross enrolment ratio	The number of students enrolled in a level of education, regardless of age, as a percentage of the population of school going age for that level[10]
Gross National Product	Refers to total value of goods and services produced within the geographical boundaries of a country for a specified period of 12 months.
Gross Primary School enrolment	The number of students enrolled in a primary level of education, regardless of age, as a percentage of the population of school going age for primary school level[11]
Hard core Poverty	Same as extreme poverty
Head-count ratio (incidence of poverty)	Is an estimate of the percentage or proportion of the population living below the poverty line. It is number those people or households whose standard of living falls below the poverty line.[12]

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[7] UNDP (2000) Human Development Report 2000 P. 277

[8] FCI (2000) Sexual and Reproductive Health

[9] FCI (2000) Sexual and Reproductive Health

[10] UNDP (2000) Human Development Report 2000 P. 278

[11] UNDP (2000) Human Development Report 2000 P. 278

HIV AIDS Prevalence	The total number of HIV positive cases in a given population during a given period
Household	A group of persons who normally live and eat together. If a man has more than one family who live and eat separately, these are different households.
Human Development Index	A composite index based on three welfare indicators (i) longevity (of life) - measured as life expectancy after birth, (ii) education attainment {adult literacy (2/3 weight), gross primary school, secondary and tertiary enrollment ratios}, (iii) standard of living based on per capita GDP[13]
Human poverty	The state of lacking essential human capabilities such as being illiterate, inadequately nourished or in ill health.
Income	A measure of the total receipts (cash and kind) in exchange for goods sold, employment or in return for capital investment or other sources like pensions, remittances and other forms of cash transfers etc.
Income Poverty	Lack of adequate income or expenditure to meet one's requirements for minimum basic needs (Food, Shelter, and Clothing etc)
Indicators	The variables used to measure progress toward meeting specific goals. Indicators can be broadly classified into two categories: intermediate and final. When an indicator measures the effect of an intervention on individuals' well-being, we call it a "final" indicator.
Infant mortality Rate	The number of deaths out of 1,000 live births born the same day who die before reaching their first birthday (could be estimated within communities).
Institution	An organization or rules in use. The latter refers to working rules, procedures and norms expressed in repeated actions and relationships between individuals in organisations. [14]
Interstitial poverty,	A situation where the poor and the rich coexist in the same neighborhoods, side by side
Life expectancy	The expected lifespan or the number of years individual members of a community or nation are likely to live (on average)[15]
Literacy rate	Is the proportion of adults able to read, write, understand and count in any language (Adults are taken to be 15 years of age or older).
Local	Pertaining to a particular rural or urban place or area.[16]
Local people	People who live in a particular rural or urban place or area.[17]
Macro analysis	
Maternal mortality	Refers to number of women who die of pregnancy related causes out of 100,000 live births in a given period.
Millennium Development Goals	Following the various international conferences of the 1990s and the work on the International Development Goals, over 150 Heads of State gathered at the Millennium Summit in September 2000 in New York agreed on a set of goals to monitor progress in poverty reduction

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[12] World Bank ( )"Poverty Module 1: Study Notes: The Measurement of Poverty: Users Guide"
[13] Bradbury M., Menkhaus K. and Marchal R (2001) Human Development Report 2001, Somalia
[14] Chambers R (1997) Whose reality counts? P. xiv
[15] UNDP (2000) Human Development Report 2000 P. 280
[16] Chambers R (1997) Whose reality counts? P. Xv
[17] Chambers R (1997) Whose reality counts? P. xiv

Morbidity	The prevalence of an illness, sickness, ill-health or disease in a population (source from clinics, hospitals)
Net – Primary School Enrolment Ratio	The proportion of pupils in the official primary school age group who enroll and attend primary school. Primary school level includes all children attending classes whose ages are ranging from 6 years to 17 years respectively (discuss issue of Madrasa).
Out Patients Department Utilization Rate	The proportion of the population within the catchment area of a health facility that attended the Out Patient Department (OPD) services for the year in question
Poor	Being deprived, in a bad condition, and lacking basic needs[18]
Poverty	Lack of incomes and inability to meet basic human needs. Poverty is also defined as lack of capacity to engage in productive and income earning activities (due to physical inability, old age or disability. 2. A condition of lack of physical necessities, assets and income. It includes, but is more than, income-poverty. It is different from other dimensions of deprivation.[19]
Poverty Gap Index	Measures the depth of poverty. It is the degree/proportion by which an individual or a household is below the poverty line.[20]
Poverty line	A definition of that level of income or expenditure on consumption that enables a household just to meet its minimum basic needs. The line can be decomposed into the Food Poverty Line and Composite Poverty line (which includes other essential needs besides food).
Primary school Participation rates	The number of eligible children going through and completing various stages of primary school education
Professionalism	In a profession or discipline, often positivist and placing a high value on measurement.[21]
Purchasing Power Parity	A nominal translation of the dollar equivalent scale of the internal purchasing power of the Somali currency – an attempt to adjust the real exchange rate between the US $ and the local currency
Relative Poverty	Represent a variable standard of living where poverty is judged relative to prevailing societal standards
Relevance	Practical utility for learning and acting.[22]
Sporadic poverty	Is the type of poverty arising from unpredictable occurrences such as droughts, floods, pests, other natural calamities and population displacements, which may lead to serious incidences of malnutrition, cause sporadic poverty.
Targets	The quantified levels of the indicators that a country or society wants to achieve within a given period of time
The political imperative	The inevitable obligation arising from popular social and political demands for the authorities to act
The poorest of the	The population whose income or consumption is 60 percent below the

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[18] Chambers R (1997) whose reality counts? P. xiv
[19] Chambers R (1997) whose reality counts? P. xiv
[20] World Bank (   )"Poverty Module 1: Study Notes: The Measurement of Poverty: Users Guide"
[21] Chambers R (1997) whose reality counts? P. xiv
[22] Chambers R (1997) whose reality counts? P. xiv

Poor	Poverty line of the country
Total Fertility Rate	The average number of children born alive to a woman during her life time, if she were to bear children at each age in accordance with the prevailing Age – specific fertility rates[23]
Triangulation	Seeking multiple perspectives through different methods, analysts, entities sampled, locations, points in a distribution, sources of information, and/or disciplinary perspectives, leading to crosschecking, successive approximation, and/or appreciation of ranges of variance.[24]
Under 5 Mortality Rate	The number of deaths out of 1,000 live births born the same day who die before reaching their fifth birthday.[25]
Unemployment	Is the state of non-engagement in any economic activity although one is willing and capable to work if granted the opportunity to do so.
Vulnerability	1. a state of susceptibility, high risk, or being prone to suffering more proportionately than others due to the negative effects of poverty causing circumstances e.g. drought, death, civil war, and economic deterioration etc. 2. Exposure and defenselessness. It has two sides: the external side of exposure to shocks, stress, and risk; and the internal side of defenselessness, meaning a lack of means to cope without damaging loss.[26]
Vulnerable groups	Often include (i) pastoralists and nomads who suffer most during drought, stock theft - losing all their livestock – thus they are vulnerable to drought; (ii) orphans and widows who suffer greatly after winning a bread winner, - they become poor overnight (iii) crop farmers who are vulnerable to and suffer a lot due to price fluctuations and unpredictable markets as well as variable weather patterns, (iv) women headed households who are vulnerable due to social discrimination and their failure to own or acquire productive assets; (vi) communities who perish due to epidemics caused by poor sanitary environments
Well-being	The experience of good quality of life.[27]

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[23] UNDP (2000) Human Development Report 2000 P. 282
[24] Chambers R (1997) whose reality counts? P. xiv
[25] UNDP (2000) Human Development Report 2000 P. 277
[26] Chambers R (1997) whose reality counts? P. xiv
[27] Chambers R (1997) Whose reality counts? P. xiv

CHAPTER 1

I. INTRODUCTION AND BACKGROUND

1.	In response to the growing desire to identify ways of establishing Poverty Monitoring and Analysis System (PMAS), the initial purpose of this Consultancy is to assist in the establishment of Poverty Monitoring and Technical Analysis Units (PMATUs) within the various Functional administrations in Somalia. The PMATUs will shoulder the responsibility of working with the consultant and in collaboration with stakeholders; to set up effective poverty monitoring and analysis systems for the various functional administrations. The assignment involves the enhancement of local capacities to identify data needs, collect quality data, and analyze the full dimensions of poverty and vulnerability. The overriding desire is to remedy the currently perceived gaps in the available information on poverty, with the aim to (a) carry out collective identification of priority poverty indicators for Somalia; (b) design basic poverty monitoring systems, collect, collate, and analyze a wide range of data on poverty, and (c) develop, maintain and continuously update the data bases on poverty.

2.	This consultancy offers guidance on building capacity, particularly strengthening the processes that provide policymakers and implementing agencies with feedback on the impact of programs especially in reducing poverty. A key message of this section is that dissemination of results is critical for use. Results that are not widely disseminated, through mechanisms tailored to different groups in civil society, will not be used, and the resources spent in getting such results will be wasted.

3.	A key objective is to get the leadership and the top executive within the various functional administrations not only to appreciate the critical value of monitoring poverty, but also to identify the policy applications and potential uses of the information. The functional administrations, UN agencies, civil society and research institutions, the local special-interest and advocacy groups, and the local communities in Somalia, all have an important role to play in the design of the poverty monitoring and analysis system, undertake data collection within the communities, and analyze the data, and use the results to better their resolve in fighting poverty in all its manifestations. The ultimate aim is to harmonize and standardize all the processes of gathering data by these various agencies operating in Somalia and build their capacities to identify additional data needs and collect quality information on poverty and vulnerability.

4.	This Paper identifies basic elements of a poverty monitoring system for Somalia which will b used to track progress monitor and evaluate whether the ongoing and future poverty reduction strategies will be effective in reducing poverty. The poverty monitoring system

**Box 1:	The political imperative to act against poverty**

No society or leadership is truly democratic if it ignores the social needs of its people. By monitoring poverty and making the data widely available, the functional administrations will highlight their concerns about raising the standard of living of all their people and the poor in particular. To this end, the Somali Functional administrations, and UN agencies, all have a stake in monitoring poverty measurement and supporting improvements in the ongoing data collection efforts.

will involve tracking the key poverty indicators over a period of time, besides assessing any changes in human welfare that may result from ongoing and future poverty reduction

strategies in Somalia of the strategy. The Paper discusses the setting up a poverty monitoring system, and the definition of key indicators, and tracking the changes in the indicators. A major challenge is how to get all the stakeholders, and the functional administrations to treat poverty monitoring and its role in designing poverty reduction programmes, as a priority national policy objective.

5.   The setting up PMAS in Somalia takes place against a background of significant interest in poverty issues internationally, coupled with an inclination towards the adoption of Poverty Reduction Strategies (PRSs) as the operational basis for development assistance to the developing countries from the World Bank and IMF[28]. In line with these international obligations, many neighbouring countries in the region have established various forms of poverty measurement and monitoring systems. The systems in operation include the elaborate and extensive Welfare Monitoring Surveys (WMS) and Poverty Mapping Systems in Kenya, the Uganda Poverty Monitoring and Analysis System (PMES), and similar systems in Ethiopia, Tanzania, and Malawi. These countries have also undertaken extensive consultations on poverty reduction strategies that have drawn heavily on the available data on the incidence in these countries to inform the preparations of Poverty Reduction Strategy Papers (PRSPs). However, although donor requirements do pressure governments into operationalizing poverty monitoring and analysis, the need for developing sustainable capacity in poverty monitoring and analysis calls for a strong impetus emanating within.

6.   This exercise will involve two undertakings. First, seeking to establish the necessary structures, provide logistical support mechanisms, and mobilize the resources for the regular monitoring of the poverty at the national, sub national, and community levels. The second undertaking is to identify the existing gaps and collect quality data for purposes of analyzing and understanding the full dimensions of poverty and vulnerability in Somalia, paying particular attention to those socio-economic circumstances, and their own intrinsic human deficiencies that constrain them from engaging in productive participating in

Box 2: prerequisites for PMAS

Poverty monitoring and analysis need to be carried out by institutions that have the capacity and ability to effectively coo-ordinate with key decision makers. The ongoing poverty much monitoring and analysis is proceeding with little or no requisite development of in-country capacity. The documentation of what works and what does not is limited.

economic activities; and that make them vulnerable to a rapid deterioration in the quality of their life.

7.   As part of the efforts to get the stakeholders to fully endorse the formulation of a Poverty Monitoring and Analysis System, there have been wide consultations starting with UNDP technical staff in Nairobi, and local technical staff in Somalia. The next step is to brief the executive within the functional administrations in Punt land, Somaliland and where possible, the Transitional National Government (TNG); as well as the senior

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[28] Donors sometimes push for poverty monitoring and analysis through the pre-conditionalities attached to their country assistance. For example, the International Monetary Fund (IMF) and the World Bank, under the PRSP approach, require as one of the conditions associated with the provision of concessional assistance and debt relief that governments prepare an annual progress report on the implementation of the poverty reduction strategy. This annual report would discuss actions taken and changes in those indicators that are tracked annually; if annual targets were set, the report would discuss whether they were attained and indicate the reasons for any differences between actual values and targets.

administrative and technical staff, NGOs and community stakeholders A key element of further consultations is to bringing together the key stakeholders in the fight against poverty in Somalia (the functional administrations, the UN agencies, leading NGOs); - to identify the priority poverty monitoring indicators, agree on standard methods for data collection, storage, processing and analysis - besides assigning the specific institutional roles and responsibilities for various agencies**.** The subsequent dissemination and use of data and information on poverty will create greater public awareness on the devastating effects of poverty and anarchy, and elicit the necessary demands for remedial action.

8.   These preliminary steps in designing a national poverty monitoring system require public relations (PR) exercises; - the first PR exercise is to build the case for and justify the overriding need for close collaboration among the many agencies through an umbrella structure, - the PMATU. Coordination saves resources and time. Equally important is building consensus on adopting harmonized and/or standard approaches to gathering and processing the relevant data at the national, regional, sub regional and District levels; and at the subgroup level..

9.   The second PR exercise involves consensus building on how to profile the poor and vulnerable groups, paying particular attention to documenting those characteristics that constrain them from getting out of poverty by participating in productive economic activities; and those circumstances that make them vulnerable to and susceptible to the negative effects of (i) social and political upheavals, (ii) drought, (iii) disease, (iv) rapid changes in the economic environment, (v) disintegration of social institutions, and (vi) social discrimination; all that lead to a rapid deterioration in the quality of life of the poor

10.   Despite the data collection and analysis efforts being undertaken within the framework of the UNDP and World Bank sponsored - Somali Watching Brief and Poverty Dialogue; Food Security Analysis Unit - FSAU, Famine Early Warning Systems, and UNICEF surveys on education and household demographic characteristics etc; there are still some perceived gaps in the available information on the full dimension of poverty in Somalia. However, the information currently being collected by the UN agencies operating in Somalia as well as the functional administrations forms a vital resource for designing the initial poverty monitoring system. Attempts are made to identify the perceived gaps in the existing data, review the main constraints and suggest how they can be optimally addressed over the coming years.

11.   This Paper identifies the institutional and operational framework within which the process of planning and managing poverty monitoring and analysis in Somalia should proceed. It describes the main elements of the undertakings towards fully fledged poverty analysis capability in Somalia. The Report commences with a preamble on the political economy of poverty and why key stakeholders should opt to invest their scarce human and financial resources in developing a comprehensive poverty monitoring system. Strategic issues including the justification for PMAS and the linkages between PMAS and the overall national development policy formulation are highlighted within the context of internationally recognized concepts and definitions of poverty and social deprivation.

12.   The political will to establish a comprehensive the poverty monitoring and analysis system in Somalia needs to be cultivated. The success of this endeavor hinges on a number principles and commitments; – firstly, the functional administrations must demonstrate a clear political will. Secondly, the system developed should reflect a comprehensive understanding of the diversity and the full complexities of poverty and its

determinants in the Somalia context. Thirdly, the poverty monitoring system should be useful in the selection of high poverty impact policy actions. A strong demand at all levels will be a major boost for the development of a national poverty monitoring and analysis system. Sustainable capacity will be enhance if the functional administrations and civil society are truly committed to measuring the outcomes and impact of public action and to using this information to achieve better results. Thus the participatory processes followed in designing this poverty monitoring system shall be critical in creating a strong PMAS.

13.   The Paper highlights the preconditions for the successful implementation a national poverty monitoring and analysis programme along the following lines of consensus building: -

(i)   Cultivating the political obligation on the part of the leadership to tackle the problem of poverty in Somalia;

(ii)   Building a sufficient case for investing the scarce resources in identifying, assisting, and benefiting the poor;

(iii)   Obtaining the commitment to empower the stakeholders (including NGOs, and research agencies) within the regions of Somalia to play a key role in monitoring poverty and vulnerability;

(iv)   A clear delineation of the roles of government vis-à-vis nongovernmental agencies, in poverty monitoring;

(v)   Agreeing on whether poverty monitoring systems should be established within existing ministries in the functional administrations, or alternatively within other autonomous agencies?

(vi)   Assessing the immediate needs for capacity building in Poverty Monitoring;

Box 3: The need to act now

The success of poverty monitoring and analysis work in Somalia hinges on immediate action to demonstrate a political commitment to act immediately, to mobilize the available human resources; develop grass roots capacity (establishing a pool of trained data collectors/enumerators), set up survey clusters; improve coordination, and institutional capacities for data collection

14.   It is recognized that the various regions of Somalia have a number of different socio-economic groups who are vulnerable to the above circumstances and that no single information system will represent the characteristics of all vulnerable groups. Therefore, for the regional authorities to design effective economic and social policies to reduce poverty and vulnerability, policymakers and planners need to have reliable and up-to-date information not just on the number of poor households, but also on their characteristics, for example, their geographical location, household and gender composition, employment status, and age structure.

15.   Furthermore, policymakers should know how the poverty status of particular socioeconomic groups is likely to change over time. The Paper draws on a wide range of concepts and definitions to review the institutional and policy framework for developing a national poverty information system. The principal aim is to assist Somalia's functional administrations to improve their capabilities to analyze data and use it for policy purposes. In this regard the consultant has put together guidelines to assist in the training of local analysts.   The manner in which analysis will be carried out is defined and described in the Training Manual.

16.   Thus poverty monitoring in Somalia will as far as possible, rely on existing sources of data within UN agencies and functional administrations. In the event of major information gaps on poverty arising particularly at the household and community level, the stakeholders will plan and implement further households and community surveys to fill them. These will essentially be multi subject household surveys that provide inputs into future policy formulation and design of anti poverty programmes. These surveys will mainly focus on household, community and organization levels, but also generate valuable data for macro analysis and policymaking. A key issue of consensus building is whether the poverty monitoring and analysis should be operationalized and implemented through existing ministries, or whether there is any justification for setting up the Poverty Monitoring and Analysis Technical Units (PMATUs) within the Ministries of Planning to shoulder the task of co-ordination PMAS activities.

17.   The system will incorporates the use of sectoral indicators in poverty reduction and an examination of how specific sectoral characteristics affect the design and management of poverty monitoring system, especially in agriculture and rural development, housing and urban development, education, health, water and sanitation, nutrition and food security.   An alternative to quantitative or statistical methods of monitoring poverty, - the participatory monitoring approach with maximum involvement of communities at all stages of monitoring is presented. A flexible learning approach is incorporated to permit the {PMAS) to be modified as its implementation proceeds.

A.   OBJECTIVES OF PMAS

50.   The key policy objectives in developing a poverty monitoring and analysis system for Somalia are based on the need for quality data as vital input in policy formulation and design of pro-poor programmes aimed at improving income earning opportunities and ensuring access to essential services by the poor. Poverty monitoring provides the vital information to assess overall progress in achieving poverty reduction goals and to understand changes over time. The establishment of an integrated poverty monitoring system for Somalia will ensure that the right information is available in usable form and on a timely basis. The development of PMAS will incorporate consultations and advocacy elements to the point where real demand for poverty information exists. Possible future uses will include the preparation of the Poverty Reduction Strategy Paper (PRSP) for Somalia, with policy matrix that prioritises the poverty reduction activities, and preparation of the Medium Term Expenditure Framework priorities through which public funds shall be allocated. The system shall ensure that the data needs of these policy processes are adequately catered for.

18.   Some of the key policy issues to be addressed by PMAS include: how the data on poverty could be used to develop macroeconomic policies that are consistent with balanced

urban-rural development, poverty alleviation and the provision of basic services for the poor. The functional administrations and the international development agencies in Somalia need to understand how effective their efforts are in meeting the needs of the most vulnerable groups. The PMAS provides a basis for making sound judgments about priorities in poverty alleviation. It also assigns responsibility to local stakeholders in mentoring poverty.

19.　　　　Currently, the expatriates are playing a leading role in poverty analysis in Somalia. The establishment of PMAS is essentially a participatory undertaking, which involves local people, development agencies, and policy makers; deciding together how progress should be measured, and results acted upon. It will provide valuable lessons and improve social accountability on the part of the authorities as well as humanitarian assistance groups. It represents a challenge to the Somalis to question the devastating effects and consequences of prolonged civil conflict as well as re-examine their individual and collective roles in bringing about a lasting solution. Poverty monitoring and analysis is vital for functional administrations and UN agencies to judge if their development efforts have succeeded or failed.

20.　　　　Information on the poor will help the administrations to decide what assistance they should give to the poor as well as contemplate the rationale of ongoing humanitarian assistance and future development policies and programs on poverty. This will also enable them to compare levels of poverty in different areas and districts as well as between different points in time (for example, before civil conflict and after). These comparisons can also be made between different socio-economic groupings (for example women headed households vs. male headed ones; pastoralists vis-à-vis fishermen, rural dwellers versus urban dwellers) are vital in setting new development priorities. Using the data, we can contemplate what would have happened with, or without some interventions by UN agencies or the authorities.

21.　　　　The leadership will be in a better position to predict the desired direction of change in poverty and the magnitude of that change. With this knowledge the people of Somalia will begin to understand how contemplated policy decisions might affect the poor and how large that effect is likely to be. We can then compare and evaluate how effective alternative policies and programs are in helping the poor. With incisive knowledge about poverty in Somalia, the Somalis will begin to understand how future decisions by the authorities are likely to affect the poor. The authorities may be interested in improving the quality of life for the vast majority who are poor and reduce social inequalities.

22.　　　　The first task in poverty monitoring is the choice of a poverty index, which will measure the incidence of poverty, its intensity and its severity.　Such an index should remain valid and carry the same meaning across sectors regions, districts, and social groups within local communities; in order to provide a basis for analyzing the full dimensions the social, economic, and political circumstances that create and perpetuate mass poverty in Somalia.

23.　　　　Notably, the task of establishing a comprehensive Poverty Monitoring and Analysis System in Somalia is a formidable one; since currently, the functional administrations have limited human and financial resources to undertake routine monitoring and analysis. Due to likely resource constraints, we shall endeavor to identify mainly those critical needs for information that are not met by any existing monitoring arrangements. Emphasis shall be on building capacity within existing local Monitoring and

Analysis institutions (if any) to gradually reduce dependence on foreign Technical Assistance.

24.   To enable the functional administrations to systematically monitor the state of poverty and endorse the formulation of a Poverty Monitoring and Analysis System (PMAS), there have been wide consultations starting with UNDP technical staff in NBO, and local technical staff in Somalia. This is being followed by consultations and briefing of the executive within the functional administrations in Punt land, Somaliland and where possible, the Transitional National Government (TNG), senior administrative and technical staff, as well as NGOs and community stakeholders. The PMAS will be a vital tool in assessing regional trends in poverty and analysis of the outcomes of ongoing and future interventions.

25.   In this process, the stakeholders identify priority poverty monitoring indicators, methods for data collection, storage, processing and analysis, while assigning institutional roles and responsibilities to various agencies. The dissemination and use of the poverty monitoring data will create greater awareness of the devastating effects of poverty and anarchy.

26.   This task requires a firm set of priorities and well-delineated data collection and analysis methodologies. A key policy decision has to be made on how long the development of PMAS will be done on Regional basis. Initial consultation on the matter with the D.G for Planning in Mogadishu seems to favour outright development of a National Poverty Monitoring Database for Somalia. However the odds are in favour of caution given the sensitive nature of the prevailing Somali political landscape. Nonetheless, there are logistical constraints to be faced.

27.   Taken all together, a complete poverty information system will be extensive. In its finest form, the information system identified must provide geographically disaggregated data. By helping to establish a database on poverty across the regions and districts, the PMAS will facilitate effective liaison and coordination among international agencies and sectoral departments so that each specific task is performed by the most competent among them. A major challenge on the part of UN agencies is to work towards a synchronizing and harmonizing their data collection and analysis systems.

28.   With the perceived limited analytical capacity within the functional administrative setups and in the sectors management information services; in the medium-term, some Technical Assistance in setting up and administering a permanent poverty data collection and processing system will continue to be solicited from the UN agencies and other donors.

29.   In order to monitor the full range of poverty in Somalia, the PMATU will be facilitated to collate and present definitions of basic needs components; and identify indicators that represent each component, defining a threshold for each indicator below which a household is considered poor. Attempts will be made to define methodologies for calculating a general living index that incorporates both income and social indicators. Measurement of aaccess to basic social services such as basic education, basic health care, safe water and sanitation, nutrition and housing are vital elements of human welfare.

30.   A key method of monitoring and analyzing poverty in Somalia will be the construction of income and consumption aggregates and using them in identifying the poor, and computing standard measures of poverty and inequality. The aggregates will also be

used to identify those who are likely to benefit or lose from some policies. In the Training Manual, we have explained the theoretical framework and procedures that would normally be followed in constructing consumption aggregates for purposes of monitoring poverty.

B. ONGOING POVERTY MONITORING EFFORTS IN SOMALIA

31.   In Somalia, national-level socio-economic monitoring has been undertaken by the UNDP and published in a series of Human Development Reports (HDRs). For example, the Food Security Assessment Unit (FSAU) in collaboration with the FAO-FEWS-Net, do undertake the Food economy analysis, besides poverty related monitoring by Save the Children-UK, the UN Co-ordination Unit and UNICEF. The FSAU uses household food economy as its analytical framework. This explores the different ways that households access food, such as through production (crops, livestock), purchase from the market, gifts (including relief), and wild foods (fishing, hunting, wild fruits, nuts, vegetables).

32.   The UNDP – Poverty Watching Brief has undertaken an extensive Social Indicators Survey who's Report was published in November 2003. The Social Indicators Report contains most of the indicator of poverty. The more comprehensive picture on poverty in Somalia is contained in the Human Development Report (UNDP 2001), and the Socio-economic Indicators Survey Report (UNDP -2003). These reports highlight two types of poverty; the first stemming from lack of access to assets and inputs needed for production, inadequate education and technical skills, and lack of access to markets. Human development indicators in Somalia remain extremely low. Ranked globally, this would place Somalia 161 out of 163 states in terms of the level of human development. Among seven neighboring countries in Eastern Africa and the Horn, Somalia ranks lowest in all indicators, with the exception of life expectancy and GDP per capita. Given the high incidence and widespread nature of poverty in Somalia (estimated at over 70 percent of the population) poverty monitoring may initially concentrate on the identifying mainly the severest forms of poverty and vulnerability.

33.   Although, per capita income for Somalia is estimated to be US $200, an improvement on US $176 in 1997, it remains one of the lowest in the world. The HDR attributes current human development crisis not only on the outcome of civil war and the collapse of state, but also to other factors other than the administrative breakdown of the years of civil strife. This is a challenge, which should be addressed through effective monitoring of poverty and analysis of causal factors.

34.   Despite various efforts by international agencies to bring the great negative social effects of poverty to the forefront of strategic planning and resources allocation process in Somali, several factors are hampering these endeavor include:
- **Lack of timely and accurate information** about the incidence of poverty in the districts, which are most disadvantaged
- **The lack of an effective feedback system**. Because data is not fully available on the extent and nature of poverty in Somalia, there is no built-in feedback to improve intervention programmes
- The inability and lack of capacities by the administrations to meet the recurrent costs associated with the development of poverty information infrastructure

C.   PERCEIVED CONSTRAINTS

35.   An analysis of the available information in Somalia each reveals some gaps and deficiencies. These deficiencies are less evident to the macro, and meso levels, but they become amplified at the household level (micro levels). The data on some of the macro and meso variables is being 0collected by UN agencies for their specific uses. But data on the operation of enterprises and the circumstances of households needs to be improved. At the meso level, for example, a key requirement will be for detailed price information for commodities and services, and for wage rates.

36.   Although most aspects of the range of information needed on poverty already in place and are being extensively used by UN agencies, the bulk of available data is aggregate macro data, but as we go down at the meso (community) and micro (household/enterprise) levels the data becomes scanty. Despite the various efforts by international agencies to bring the great negative social effects of poverty to the forefront, several factors are hampering this endeavor, principally the lack of local administrative capacities to meet the recurrent costs associated with the development of poverty information infrastructure Currently there is not a single system but a cluster or more or less autonomous data-gathering efforts. There are differences in concepts and definitions used in data collection by the different UN agencies and NGOs. This makes it near to impossible to integrate the data sets from different sources. Also, the timing and geographical coverage of data collection varies with various UN agencies. For data sets that are complementary but are generated by different institutions in different places, at different times, integrating the data becomes very difficult

37.   Some problems arise from the limited grass roots capacity and the existing weak or un-coordinated data collection institutions need to be addressed. Besides the absence of a Central National Statistical Agency, there is reportedly a very high turnover of trained staff. More importantly, Somalia's protracted civil strife has eroded the institutions and hampered their capacity to systematically collect and verify data on human welfare. The national institutions for data collection and analysis have gone, the gap being filled by ad-hoc measures by international (principally UN) agencies. The agencies though, do address self-motivated concerns with no agreed uniform formats and ways of collecting and analyzing the information.

38.   There is no policy framework for generating geographically disaggregated data on poverty. Some of the available data from past poverty related surveys have not been disaggregated to the regional and district level and below... It is partly for this reason that future poverty monitoring in Somalia will continue to rely on special surveys of different types, which sample whole populations. Theses Surveys will be supplemented alongside participatory poverty assessment, which are community-rather that facility-based.

39.   The first set of problems arises from the fact that we do not how much routine administrative data is being done at facility-level. This should be an important source of information on those already getting access to services, not on those who are for one reason or another outside the reach of current provision. Those are often precisely the target group of poverty-oriented policies, on which information is most needed. It is partly for this reason that monitoring has to rely on surveys of different types, which sample whole populations and participatory assessment exercises, which are community-rather that facility-based.

40.		The other set of problems arises from some institutional limitations leading to untimely and inaccurate data. A major outstanding problem is the incompleteness of data at the level of intermediate processes, outcomes and impact. There is no regular sectoral data collection, thus rendering sector poverty indicators of questionable value for assessing outcomes. The institutional constraints in Somalia include:

- Inadequate logistical support, in terms of equipment, transport facilities, and allowances, which has resulted in poor supervision of many routine monitoring activities;
- Inadequate skills and weak incentives to collect and analyse data, especially at the local levels, with the result that most administrative data on human welfare are not recorded beyond facts and figures.

41.		The combined effect of these types of problems mean that it is necessary to complement routine data with special surveys, such as the national service-delivery surveys, as well as participatory exercises focused on the beneficiary groups as a whole. However, government shall ensure adequate capacity and logistical support exists in the sectoral MIS. A major focus in data collection shall be on the priority sectors for poverty reduction, namely education, health, water and sanitation, and agriculture.

## D.	REPORT OUTLINE

42.		This **Concept Paper** describes the main elements of the information system needed to effectively undertake the full range of poverty monitoring and analysis in Somalia. The Introductory Chapter begins with a description of the sets of issues in the formulation, planning, and management of poverty monitoring systems, the political economy of poverty and why key stakeholders should opt to invest their scarce resources in developing information systems that aim at identifying, assisting, and benefiting mainly the poor. Strategic issues including the justification for PMAS and their linkages with policy formulation are highlighted.

43.		**In Chapter 2** the concepts and definitions of various forms of poverty are made. These concepts and definitions are standard ones often used in many international publications but modified to represent the Somali socio-economic context. **In Chapter 3,** the institutional, administrative and organizational arrangements for monitoring poverty are discussed. It explains how government and nongovernmental institutions can most effectively be involved in the monitoring of poverty. A key concern is whether poverty monitoring should be implemented through existing line ministries or new institutions. The needs for capacity building are elaborated.

44.		In **Chapter 4,**	the design elements needed to implement the PMAS are discussed. The key issue is the need to put in place a system of collecting, processing and analyzing the relevant data. Issues pertaining to data processing and creation of the database files needed to construct poverty indicators are covered. The hardware (computers) and software requirements are highlighted.

45.		**In Chapter 5,** the data requirements, particularly the kinds of information and the feasibility of obtaining this information in a timely and cost-effective manner are examined. A review of the uses of various types of Surveys and data collection techniques to fill in the perceived information gaps and update the available data on poverty and social indicators is done. It includes a brief description of the future plans for data

collection and analysis. It also reviews the full range of uses to which the data generated from surveys should be applied.

46.   The Training Guidelines that will be used by the consultant to facilitate training on the Design and Management of a Poverty Monitoring and Analysis System within the Somali functional administrations are presented separately in a Manual. The Training Manual describes the important step of computing the essential household income and expenditure aggregates for Somalia and sub aggregates needed to develop household accounts. The guidelines focus specifically on defining the key accounting concepts needed to create these supplementary computed variables. Operational issues including poverty measurement and analysis techniques are presented in summary in the various training modules. A flexible learning approach is incorporated to permit the System to be modified as its implementation proceeds.

E.   SCOPE AND COVERAGE

47.   The initial work on establishment of PMAS and PMATU in Somalia will cover Somaliland and Punt land. The work will be extended to other regions as and when the circumstances allow. Nonetheless the priority objective is to remedy the currently perceived gaps in the available data poverty indicators in Somalia; while simultaneously laying the ground to strengthen the capacity of functional administrations (a) to develop and maintain data bases on poverty and human development, (b) to carry out initial identification of priority poverty indicators for their regions, and (c) to design basic Poverty Monitoring and Analysis programmes and engage in regular and systematic quality data collection, or collation, and analysis.

48.   In order to enlist the necessary political and administrative support for undertaking this assignment; the technical and administrative leadership will be sensitized through meetings, seminars and workshops to agree on various processes of strengthening their Statistical Services which will regularly provide relevant data on poverty in a timely and reliable form and at sufficiently disaggregated level. To this end initial sets of welfare survey instruments have been identified; and recommended for application in any of the Regions of Somalia, in suitably modified forms. The work on PMAS inevitably incorporates plans for training and facilitating national and regional agencies to undertake data collection and analysis. The long-term objective, however, would be to develop national capabilities to administer a permanent poverty data collection and analysis program.

CHAPTER 2

II. BASIC CONCEPTS IN POVERTY MONITORING

51.   In order to study the full extent of poverty in the Somalia Regions, this Paper presents definitions of poverty, and identifies the indicators that represent each aspect of poverty. The needs or defining a threshold for each indicator below which a household is considered poor and calculating a general living index that incorporates both income and social indicators emphasized. The resulting information will be used to undertake poverty mapping in which the proportion of poor households in any given locality, or district will be determined and their characteristics (profile) identified. The Millennium Development Goals (MDGs) provide an example of the types of goals, indicators, and targets that can be used to monitor progress in poverty reduction efforts within Somalia.

Defining poverty indicators

49.   Before a monitoring system for Somalia takes root, stakeholders will have to agree on which poverty reduction objectives and goals the monitoring system ought to serve. They will select key poverty indicators, and review their position towards meeting the global Millennium targets set for such indicators. In this respect, poverty indicators will be used to measure progress toward meeting specific objectives. For example, progress towards eradicating hunger in Somalia could be measured by looking at the number households who can afford two square meals a day through a period of 12 months each year. Based on the available information about each indicator, the authorities will be in position to review the targets[29].

Selecting indicators

50.   The identification of poverty indicators in Somalia shall be a participatory one. The indicators shall be classified into two categories: intermediate and final.[30]The process of monitoring poverty has two separate components, (i) the definitions of various aspects of poverty and the selection of measurable and acceptable indicators of poverty, (ii) identifying appropriate standards for classifying individuals into the poor and the non-poor categories using the chosen indicators. Final, and intermediate indicators should be complemented with input, process and output indicators to measure overall country performance in meeting both domestic and international goals. In general, good indicators share a number of features. First the data should be available within a country. Secondly one must asses the feasibility of collecting the relevant data on the indictor given resource and capacity constraints. The selection of poverty indicators should start from an analysis of what is available and what is feasible. Indicators that are not yet available should be earmarked for fresh data collection or included in new surveys.

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[29] Targets are the quantified levels of the indicators that a country or society wants to achieve in a given period of time-for example, a target can be set for all children to be fully immunized against measles
[30] When an indicator measures the effect of an intervention on individuals' well-being, we call it a "final" indicator. For example, literacy may be considered one of the dimensions of well-being, so an indicator measuring it-say, the proportion of people of a certain age who can read a simple text and write their name- would be a final indicator. Sometimes final indicators are divided into "outcome" and "impact" indicators. Impact indicators measure key dimensions of well-being such as freedom from hunger, literacy, good health, empowerment and security

Features of Good Indicators

- A direct and unambiguous measure of progress-more (or less) is unmistakably better;

- Its relevance-and ability to capture and represent factors that reflect the objectives;

- Should be sensitive to changes in policies, programs, and institutions;

- Is should not easily compromised and cannot be easily manipulated to show achievement where none exists; and

A.   DEFINING POVERTY

52.   Six standard definitions of poverty can be identified: (i) Extreme Poverty (often described as the poorest of the poor), (ii) Human Poverty, (iii) Income Poverty, (iv) Absolute Poverty, (v) Food Poverty, and (vi) Relative Poverty. The last three standards of poverty are quantitative in nature and could be adequately captured from the household and community surveys.

53.   **Extreme Poverty or Hard core Poverty** characterizes destitution, usually expressed in terms of inability to satisfy even minimum food needs, (the hardcore poor often go for days without a decent meal; **Human poverty** denotes the lack of essential human capabilities such as being illiterate, inadequately nourished or unhealthy. On the other hand, **Income Poverty** denotes the lack of adequate income or expenditure to meet one's requirements for minimum basic needs (food, shelter, and clothing). Income poverty and food poverty are prevalent all over the country, underpinning   Absolute *poverty,* which is caused by low productivity and a poor of fragile resource base. This is reflected in low incomes and poor nutrition and poor health.

54.   Two qualitative types of poverty i.e. poverty as perceived and experienced by individuals and communities, can be identified. **Interstitial poverty** is a situation whereby the poor and the rich mingle and co-exist side-by-side. This situation makes it difficult for the authorities to target assistance to the poor and/or exclude the non-poor.

55.   From a community point of view, definitions of poverty often emphasize the lack of incomes and inability to meet basic human needs. To most people, poverty is characterized by lack of land, cattle, food and housing. Poverty is also defined as lack of capacity to operate businesses or utilize income-earning opportunities, including physical inability to cultivate land due to old age or disability. It is also a mark of poverty when one lives in a small semi-permanent house, which cannot accommodate the family comfortably, and when a person has to sell important assets like land and cattle in order to meet expenses like school fees and health care.

56.   Those households considered as poor are often without tangible economic assets, (i) households without farming and transport tools and machinery (e.g. ploughs, bicycles, wheel barrows, ox/donkey carts etc.); (ii) households headed by women and there for without rights of ownership of either land or other productive properties; (iii) nomadic pastoralists (households which are not settled in any specific area and which derive most of their income and consumption from pastoral livestock); and (iv) small peasant farmers. Other are (v) small artisans, (vi) fishermen (households carrying out fishing activities in small units using small, often non-mechanized boats), (vii) households headed by people without formal education, unskilled and semi-skilled labourers, (viii) AIDs Widows and orphans, (ix) street children, (x) beggars and the handicapped. These groups often overlap and are not fully reported in many poverty reports in Somalia.

B. THE CONCEPT OF ABSOLUTE POVERTY

57.   We begin by explaining the concept of absolute poverty; in terms of the absence of access to a minimum basket of goods and services deemed necessary for physical survival; such as food, clothing, and shelter. This Report highlights both the monetary and non-monetary aspects of poverty... Poverty measurement involves two basic activities, (i) agreement on the correct indicators of poverty, and (ii) determining the threshold against which individuals or households are deemed to be poor. The stakeholders in the fight against poverty in Somalia will be brought together to agree on what exactly are good indicators of poverty. Is it income, or purchasing power, or wealth, or is it something that constitutes a fuller quality of life, such as the levels of education, social integration, health status, life expectancy, or security. To determine the number of poor people, a poverty line will be derived using the costs of basic (typical) baskets of goods commonly consumed in the various regions. The most recent source of data for constructing consumption or expenditure aggregates for Somalia is the Socio-economic Indicators Report – 2002[31].

58.   There is wealth of experience in the region regarding data collection and analysis of household consumption expenditures on food and a full range of essential non food items such as expenditures on clothing, education, medical services, transportation, rent etc[32].

Determining a Poverty Line for Somalia

59.   The poverty line is defined as the minimum level of household income that can buy a basket of goods and the services to satisfy the household's basic needs items, i.e. food, clothing, shelter, etc. The poverty line is calculated using data on daily food intake derived from "typical food baskets" in each region. Using a threshold of 2,250 kilocalories, the food poverty line is determined and thereafter adjusted to include the non-food components. An average poverty line is computed using a weighted average of the household's per capita poverty line[33]. We can then measure how poor (severity of poverty) the households are in terms of how far below the poverty line each household lies. The poorest of the poor (hardcore poor) are those with average monthly incomes below 60 % of the poverty line.

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[31] The Somalia Socio-economic Indicators Survey collected data on household income and expenditure from all sources – household economic activities, wage income, income from self-employment and transfers, as well as imputed income derived by the households. Data on income from crop production, livestock rearing and remittances was collected since they are seen to play a major role in the Somali economy.

[32] In Kenya, for example, the consumption aggregates are adjusted using price differentials between different regions as well as the different cost of living between urban and rural areas. To account for the varying dietary needs within the households e.g. adults, children) an adult equivalent scale is applied.

[33] Despite the convenience of lumping human needs and satisfaction in one composite indicator based on income; the establishment and use of poverty lines based on income are subject to many errors that arise due to the difficulties in (a) identifying acceptable choice of the minimum consumption basket, (b) choosing the representative items within each consumable group of items, (c) selecting appropriate prices to value the minimum consumption basket and (d) in fixing a standard norm of the per capita energy (calorie) requirements per day, owing to the great variation in calorie needs by age, sex, body weight and height, activity, climatic conditions etc.

60.   However this definition presupposes the construction of consumption aggregates – and by extension, the determination of an appropriate poverty line for Somalia will be delayed until the necessary data base especially on household consumptions and expenditures is fully collected and analyzed.

61.   The poverty incidence is an indication of the number of households (or individuals whose total daily expenditures fall below the amounts required to meet the minimum daily calorific (food) intake as well as the basic non-food needs. The current attempts to estimate the number of the poor in Somalia has been based on the internationally recognized 1US$ per day norm. An estimate of the number of households living in extreme poverty in Somalia is currently measured by the UNDP in terms of the proportion of population living on less than 1 US $ per day estimated from the purchasing power parity (PPP) Socio Economic Indicator Report - 2001). Based on this source, the proportion of population living in extreme poverty is estimated as 43.2 percent for Somalia. The extreme poverty in urban areas is 23.5 percent and in rural and nomadic areas 53.4 percent. In absolute terms, the population living in extreme poverty is estimated as 2.94 million, consisting of 0.54 million in urban and 2.4 million in rural and nomadic are

62.   None the less, the future process of determining the number of people in Somalia who are poor will involve the determination of a poverty line which represents the cost of a typical basic basket of goods commonly consumed by households in Somalia[34]. The basic norms for determining the poverty line will be explained and set in terms of either

(i)   The level of income or expenditure at which the households can satisfy their basic needs (especially the recommended calorific food intake[35]).

(ii)   The whole range of minimum basic consumptions in order to maintain human survival[36].

63.   This approach synthesizes the household or community needs and satisfactions into one composite indicator based on income. A poverty line can thus be defined as the minimum level of household income that can buy a basket of goods and the services to satisfy the household's basic needs. Ideally, the minimum basic needs items should be itemized in terms of consumption of food, clothing, shelter, etc.

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[34] Global poverty estimates based on the number of people living on $2 per day are 73.4 percent for Somalia, consisting of 60.7 percent for urban and 79.9 percent for rural and nomadic areas. According to this measure, 5 million people in Somalia live in poverty, 1.4 million in urban and 3.6 million in rural and nomadic areas. The average annual per capita income (adjusted for purchasing power parity) of the population below extreme poverty line is estimated as $210.

[35] **Food Consumption** includes food purchased from market: (i) amount spent in the typical month x 12 (or number of months typically consumed; (ii) food that is home–produced: quantity in typical monthly x farm gate price x number of months typically consumed(iii) Food received as gift or in-kind payment:
The total value for a year
- Meals consumed outside the home:
- Amount spent in restaurants
- Amount spent on prepared foods
- Amount spent on meals at work
- mount spent on meals at school
- Amount spent on meals on vacation

[36] **Non-food Consumption** includes daily use items, the value of Clothing and house wares, Health expenses, Education expenses excluding taxes paid, purchase of assets, repayment of loans, expenditure on durable goods and purchase of new houses as well as expenditures such as marriages and dowries.

64. It should be noted, however, that the establishment and use of poverty lines based on income are subject to many errors that arise due to the difficulties in (a) identifying acceptable criteria for the choice of the minimum consumption basket, (b) choosing the representative items within each consumable group, (c) selecting appropriate prices to value the minimum consumption basket and (d) in fixing a standard norm of the per capita energy (calorie) requirements per day, owing to the great variation in calorie needs by age, sex, body weight and height, activity, climatic conditions etc. The poverty lines do not necessarily reveal how far families are below the poverty line. A way of overcoming this problem is to use the Index, which proposes the weighting of individuals below the line on the basis of how far they fall below the poverty line, thus combining poverty and income distribution approaches[37].

65. Measures of participation in social and development processes, decision making at community, household and national level, and insecurity are intrinsically important aspects of poverty that may constitute a full meaning of poverty to the Somalis. Equally important is the measurement of access to primary school education, basic health services, water and sanitation and other vital services that are needed for life.

66. Besides deciding what to measure, there are always challenges to do with how to measure it i.e. which ways are appropriate for collecting the information needed. The measurement of poverty involves a range of concepts and definitions, which are sometimes fairly subjective. Nonetheless the conceptual frame for defining and measuring poverty in Somalia should be developed by collectively agreeing on what constitutes poverty in the country's context.

67. The guiding principle in poverty measurement is the need to maintain consistency not only in the identity of the poor, but also consistency in the measurements of what constitutes poverty so that it means one and the same thing across the various cultures, communities and the regions of Somalia. Once consistency is guaranteed, we can agree on whether to include only subsistence needs or broader social needs in measuring various forms of poverty. For this reason, the definition of the poor takes the form of determining the poverty lines based on the minim household food consumption needs as well essential non-food requirements for human life sustenance. The poverty of a household or an individual is determined by comparing their consumption levels against the poverty line.

C. WIDENING THE DEFINITION OF POVERTY

68. The backgrounds and interests of people and society shape their perceptions about poverty. Poverty is defined in terms of varying circumstance e.g. (i) lack of income and/or assets, (ii) lack of access to essential services that can improve one's life e.g. health and education services, poor housing, (iii) inadequate nutrition, (iv) lack of participation in decision making, and (v) political disenfranchisement of sections of society, etc. While addressing poverty issues, people often place different emphasis on each of these deficiencies in human needs.

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[37] **Sources of data on poverty line:** Household income and expenditure surveys and food consumption and nutrition surveys. These surveys should also cover the items on subsistence consumption both for the estimation of private consumption and incomes of the rural households. Ideally, such income and expenditure distributions should be available on a per capita basis, be disaggregated by size and composition of households and be constituted in a reasonably wide range of household income classes.

69.   In order to study the full extent of poverty in Somalia, a baseline situation will be established to determine the baseline poverty indicators for Somalia; the components that constitute each indicator will be defined and a threshold for each indicator below which a household is considered poor agreed upon. Calculation of a general living index that incorporates both income and social indicators will follow. The resulting indicators will then be used to undertake poverty mapping in which the proportion of poor households in any given locality, or district will be determined and their characteristics (profiles) identified.

Relative Poverty

70.   The current situation in Somalia seems to justify greater emphasis on measuring poverty on the basis of prevailing social standards in the specific regions or localities. Relative poverty measurements are derived from average incomes or average expenditure on consumption. They represent what society regards as the absolutely necessary level of consumption for society.

71.   Six standard definitions of poverty can be identified: (i) Extreme Poverty (often described as the poorest of the poor), (ii) Human Poverty, (iii) Income Poverty, (iv) Absolute Poverty, (v) Food Poverty, and (vi) Relative Poverty. The last three standards of poverty are quantitative in nature and could be adequately captured from the household and community surveys.

Identifying the Causes of Poverty

72.   Income poverty and food poverty are prevalent all over the country, underpinning   *Absolute poverty*, which is caused by low productivity and a poor of fragile resource base. This is reflected in low incomes and poor nutrition and poor health. The causes of poverty may vary in their impact on poverty in various geographical locations. The influence of one cause may vary between districts in the same Region. due to the geographical locations and the natural environment. Based on an analysis of poverty in the Districts, it may emerge that poor roads and infrastructure, illiteracy; inadequate agricultural support services, unemployment and insecurity are overwhelmingly important causes of poverty in Somalia

73.   Equally important is inadequate agricultural support services, lack of credit and mismanagement, and exploitation by, middlemen. Next in importance is the problem of environmental degradation, and gender bias.   Sometimes, Drought, cattle theft, and insecurity are major causes of poverty Some area may experience unique causes of poverty such as refugee problems; wildlife-human conflicts; lack of agricultural marketing systems, poor land tenure systems and lack or collapse of irrigation facilities.

74.   HIV/Aids as a cause of poverty may be n emerging social concern both in the urban and rural areas of reported to be infected with the virus is still very low it is important to know that the HIV AIDS is a major of deaths and may soon account for a high degree of bed occupancy in the hospitals and clinics.   Due to the high rate of HIV/Aids related deaths, there are an increased number of orphans, widows and single mothers, high morbidity and high dependency factors that contribute to poverty.

75.   Thus the leading causes of poverty can be broadly summarized as Material Deprivation, Isolation, Alienation, Dependency, Lack of Participation or Freedom of

Choice or Assets, Vulnerability and Insecurity. Isolation here covers the lack of the infrastructure, physical access to roads and mass communication services; alienation includes the lack of education, employment opportunities, unexploited irrigation potential, high costs of agricultural inputs and services, and the lack of appropriate technologies. Dependency is evident by virtue of landlessness and dependency on remittances. On the other hand, vulnerability is manifested through natural and external factors and processes that make households highly susceptible to their negative impacts.

CHAPTER 3

III.   THE INSTITUTIONAL FRAMEWORK FOR PMAS

A.   SPECIFIC ROLES AND RESPONSIBILITIES

76.   Poverty monitoring in Somalia is a process in which international agencies and have taken the lead and which has not been consolidated within an Umbrella Body. Already, a number of UN agencies are collecting information that is of relevance for PMAS. It is these efforts that should be strengthened with a strong coordinating structure through the Poverty Monitoring Analysis Units (PMATUs).   However, cooperation between institutions involved in monitoring is essential to ensure that all important aspects are covered; that needless duplication is avoided; and that weaknesses in particular areas are addressed with some form of compensating action. Although there is some limited interactive relationship between institutions, there are four types of institutions that have the lead role of monitoring at different levels. These are:

a. **The Ministries of Planning and International Affairs** through the Poverty Monitoring and Analysis Units shall take lead in monitoring intermediate and final outcomes resulting from the interventions. The ministries of planning and finance shall coordinate the design, monitoring, and support for PMAS activities.
b. **Central statistical offices** are key providers of data as well as expertise in data collection and analysis
c. **The UN agencies** will continue to provide technical assistance and support data collection and analysis until a central statistical agency is established and operationalize data on intermediate and final outcome indicators. Development assistance agencies can help develop M&E capacity by providing technical assistance
d. **The Sectoral Ministries/departments** through their own Management Information Systems shall assess their own performance by monitoring inputs, activities, outputs and level of reach of their services. The mechanisms for harmonizing the poverty data sets at different levels shall be strengthened. Line ministries shall play an important role in supervising the implementation of PMAS activities at the sectoral level, and they are the key source of administrative records and data from management information systems
e. The other key institutions involved shall be the **civil society Organisations and Development partners.**
f. **Universities, research centers, and consulting firms** are potential suppliers of analysis and evaluation skills and also can offer training in a range of skills.

77.   To ensure that the strategy is effective, a number of issues shall be resolved in through consultations
a. Strengthen and institutionalize the functions of PMATU through donor funding
b. Determine the frequency of national surveys so as to pool resources, with a possibility of generating district – level estimates, which currently are not available.
c. Streamline the reporting mechanisms between local and regional authorities
d. Institute incentive mechanisms to encourage collection and use of monitoring information at all levels
e. Determine and institutionalize the role of Civil Society Organisations in poverty monitoring.

RESPONSIBILITIES OF PMATUS

78.   In each Region the Poverty Monitoring and Technical Analysis Unit (PMATU) will play a major role in helping functional administrations to establish a continuous and sustainable survey capability. It will:

(i)   Develop prototype models of household and community surveys (including questionnaires, systems design, data entry and processing systems, and guidelines for data analysis) for local adaptation to specific regional needs and resources;
(ii)   Assist the functional administrations to identify and recruit both short and long-term technical assistance to reinforce their statistical and poverty analysis capabilities;
(iii)   Support the development of national poverty monitoring capabilities through the development of regional training program; and
(iv)   Provide analytical support and strengthen national analytical capabilities.

79.   In collaboration with UNDP Somalia, and other UN agencies principally FAO, UNICEF, and WHO, the PMATU will initiate the Planning for key surveys on poverty, and ensure that future national household surveys collect all the relevant data on poverty indicators Specifically the PMATU will acquire the services of and work closely with liaison officers from UN agencies operating in Somalia to plan and:
   (i.)   Oversee the collation and/or collection and collation of all available data on poverty
   (ii.)   Commission data collection activities and mobilize international development institutions to fund joint monitoring activities of relevance to poverty.
   (iii.) Analyse the whole range of available data and oversee the production of Poverty Status Reports and occasional Discussion Papers.
   (iv.)   Disseminate the Reports to the authorities and the development partners.
   (v.)   Arrange staff trainings and ensure some integration of the qualitative and quantitative methodologies for data collection.
   (vi.)   Assist the NGOs to develop Poverty Monitoring and Analysis capability
   (vii.) Collect and analyse household and community level data to provide timely poverty indicators on service use, and poverty trends.
   (viii.) Ensure that all poverty related data collecting agencies use similar definitions and concepts (standardization).
   (ix.)   In GIS companies, develop a Geographical Information System (GIS) that shall provide poverty maps about lower levels of government.
   (x.)   Provide technical support to institutions undertaking poverty related statistical data collection.

80.   The first assignment of the PMATU will be to team up with the Consultant to undertake initial consultations with regional administrations and carry out some advocacy elements to the point where real demand for poverty information exists. The PMAS will ensure that the right information is available in usable form on a timely basis. Future uses will include the preparation of the Poverty Reduction Strategy Paper (PRSP), with policy matrix that prioritises the poverty reduction activities and the Sectoral Budget Framework Papers through which public funds are allocated. The strategy shall ensure that the data needs of these policy processes are adequately catered for.

81.   For enhanced dissemination of poverty data, annual Poverty Status Reports (PSRs) shall be produced as the main documents outlining the progress in compiling data on poverty in the regions. These indicators will be discussed and selected by various stakeholders at the first workshop

ROLES OF SECTORS/MINISTRIES

82.   Specifically, the ministries shall do the following:

a) Develop targets to assess sectoral performance in poverty reduction.   These should include both interim targets and the final targets to be achieved by 2015
b) Strengthen the sectoral management information systems to ensure that reliable and timely data on poverty is collected
c) Use PMAS information to enhance sectoral performance, both in terms of effectiveness and efficiency in the delivery of essential services to the poor.

Table 1:   Responsibilities in Poverty Monitoring

Institution	Responsibility
Offices of Regional Administrations	• Collate policy related information and influence national political, socio-economic decisions. • Provide information on public service performance.
Poverty Monitoring and Technical Analysis Unit (PMATU) - Ministry of Planning	• Coordinate poverty data collection particularly the special Surveys and PPAs. • Analyze the whole range of data. • Publish poverty reports that present a holistic view of poverty in Somalia and disseminate findings to functional administrations and civil society.
National Statistics Authority (equivalent of CBS to be set up)	• Conduct censuses and surveys (including Integrated Household Surveys, National Service Delivery Surveys, and Demographic and Health Surveys) and provide basic analysis of these data. Construct national accounts.
Sector ministries' - Planning Units.	• Design sector poverty indicators and collect administrative data on service delivery efforts and their immediate outcomes; analyze these data in conjunction with other data sources, and identify sectoral policy responses.
Ministry of Finance,	• Monitoring and projecting macroeconomic indicators
Security agencies	• Compile administrative data on crime and the activities of the police and judiciary.
Office for Co-ordination of Humanitarian Assistance	• Co-ordinate and publish data on the number and living conditions of displaced people and refugees.
UN agencies	• Conduct relevant economic policy research that informs the monitoring process, thereby helping in refining it further.
Others: - academic institutions and NGOs	• Complement, supplement and support the monitoring efforts of government and CSOs; and using the findings to positively influence policy on poverty reduction. • Conduct research, surveys and assessments of all aspects of poverty, and, provide an independent view on the outcomes of poverty reduction efforts by all stakeholders. • Provide information on human rights issues

Strengthening local analytical capacity

83.   Poverty monitoring and impact analysis activities involve the participation of several agencies both inside and outside the government, each with their own role. Within the government, central ministries such as finance and planning should shoulder the major responsibility in designing the overall monitoring and analysis strategy, monitoring

its implementation, and using the results, as well as providing key data on expenditures. The sectoral ministries usually provide data on outputs; the central statistical agency is usually responsible for the collection of data from households and individuals. Agencies and institutions outside the government, such as research centres, universities, and NGOs, often collect and analyze information especially on the quality of services both in the private and public domain. Donors should provide technical assistance to strengthen capacity.

TRAINING

84.　　　　There is a need for local training to help build local capacity to identify design and implement a reliable Poverty Monitoring and analysis system. The need for training is particularly acute in the following areas:

- Planning and management of the monitoring system, including the use of computers and relevant software; formulation of standard concepts as well as PMAS design. This training will be operational in nature. Small and simple manuals will be used for illustration...
- Pass on data processing and analytical skills to local professional staff, to ensure sustainability
- Improve the civil society and private sector institutional capacity to collect and disseminate their wealth of experience in working with poor communities.
- Impart skills in social impact assessment on communities.
- Identify and train of systems for local area networking with parent ministries, NGOs, and community organizations.

85.　　　　The training programs will be tailored to the needs of special groups. Training programs intended to improve the skills and institutional capacity of local NGOs and community based development groups will be planned and executed once the PMATUs are established and fully functional.

PLANNING PMAS ACTIVITIES

86.　　　　There are a number of issues pertaining to poverty monitoring and analysis in Somalia that need to be agreed upon during the workshops and subsequent consultations as follows:

(i.)　　Identify the sources of funding of the establishment and operations of the Unit for a period of at least five years.

(ii.)　　Jointly plan for a nationwide Integrated Household Surveys. These Surveys should be designed to provide district-based poverty estimates.

(iii.)　　Getting UNDP, UNICEF, WHO, FAO/FSAU, UNFPA, UNDOS etc. to agree on a joint action Programme that mat involve pooling some resources for special poverty surveys involving large samples at district levels.

(iv.)　　Undertaking national Service Delivery Surveys need to be undertaken through partnerships with sector agencies.

(v.)　　Agree on the future of qualitative poverty assessments (PPAs) at community level. The PMATU should establish a Steering Committee to coordinate national PPAs. These activities should be integrated into the PMATU and undertaken in collaboration with selected NGOs

(vi.)　　Harmonize/streamline the mechanisms for collecting routine data on sector indicators of poverty and reporting by ministries and local authorities.

(vii.)　　Develop simple sector poverty monitoring formats for each sector and to streamline the reporting mechanisms.

Budgetary Implications

87.   The cost of setting up PMAS and PMATU is gradually being determined through consultations and technical analysis. However, in the short-term a lot of effort shall be put in identifying suitable staff, training, equipment/software specification and procurement.

CHAPTER 4

IV. PMAS DESIGN FEATURES

A. ESSENTIAL PROPERTIES OF PMAS

88.   Having looked at the basic concepts and responsibilities in monitoring poverty, we now turn to the system development and design issues. This chapter covers some aspects of systems design needed to institutionalize the PMAS. The key message of this chapter is the need to put in place a system of data collection, collation and issues related to data processing, including data entry, verification and validation, data processing and creation of the database files needed. Hardware and software requirements are reviewed.

110.   The design and management of the Poverty Monitoring and Analysis System requires separation of the two key functions namely: (a) overall system design and (b) management of data processing and analysis. It also demands a range of skills including; (i) expertise in designing and setting up poverty data bases, (ii) expertise in designing and implementation of Surveys, (iii) Knowledge of computer hardware and software applications, and (iv) staff management capabilities. The work of persons with these different skills has to be integrated into a coherent, efficient and effective analytical system. No one person can have a complete understanding of all components of the system.

111.   The overall responsibility for managing the PMAS will be vested in a designated Poverty Monitoring Co-coordinator (within the PMATU) with a strong background in statistics and economics. The Services of a Systems designer could be obtained on technical assistance or contractual basis for a specified period. Other experts required are survey specialists (Statisticians, sociologists, and anthropologists) etc. and Policy analysts.

89.   The first step in setting up the System is to carry out a proper needs assessment and decide the kind of hardware and software to be used. These decisions will be influenced by what the UNDP and other UN agencies are already using and the availability of the computers and other related equipments. Poverty analysis will undergo three main stages. First, the analysts will define the dependent variable of interest. This will be dictated by the subject of interest (for example, unemployment, malnutrition, income, education, health, etc.). The next step is to define a series of explanatory variables used to explain variations in the dependent variable. Poverty analysis takes the following general form:

90.   In order to identify the main poverty groups in the community and to assess how each group has been affected by political and economic events, the analysts will choose a poverty index which will measure the incidence of poverty, its intensity and its severity. Such an index should be decomposable across sectors and sub-groups of the community to enable the analysis of the effects of socio-economic processes on poverty.

91.   Poverty analysis involves determination of a poverty line for Somalia. This can be done by first agreeing on some standard measuring absolute poverty within the country's context. In the absence of concrete data on consumption aggregates, in the meantime per capita total household expenditure should be taken as the measure of welfare. A simple tabular approach is suggested. Simple tabulations can highlight the human capital of poor households, assessing how their 'basic needs' of health, education and housing are met.

92.   To undertake the full range of poverty analysis the functional authorities will need to strengthen their data collection and analytical capacities to provide the necessary data in a timely and reliable form and at a sufficiently disaggregated level. To this end, the PMATUs will develop a set of interlinked survey instruments, which may be applied, in suitably modified form, in any of the regions of Somalia.

93.   The principal purpose of poverty monitoring and analysis is to provide an empirical basis for assessing the levels and distribution of poverty within the regions. Poverty monitoring is explicitly policy-oriented and serves the design of pro-poor development programmes that include and reflect social concerns. It involves an analysis of household data to establish how various household groups have been subject to the negative effects of poverty. Poverty analysis seeks to capture household behaviour and welfare, including the distribution of income, poverty, employment, health and education. The fundamental objective of the Integrated Survey is to provide a reliable information base for formulating economic and social policy in participating countries

B.   IDENTIFICATION PRIORITY POVERTY INDICATORS

94.   An essential step in poverty monitoring is the choice of poverty indicators, which will measure the incidence of poverty, its intensity and severity. The indicators should be valid across sectors, regions, districts, and social groupings, in order to provide a basis for universal application in analyzing the full dimensions of the social, economic, and political circumstances that create and perpetuate mass poverty in Somalia. The choice of specific poverty indicators is requires a firm set of priorities and well-delineated data collection and analysis methodologies. A key policy consideration is for how long the development of poverty indicators and poverty monitoring instruments should be done on Regional basis. Initial consultation on the matter with the D.G for Planning in Mogadishu seems to favour outright development of a National Poverty Monitoring Database for Somalia. However, the odds are in favour of caution, given the sensitive nature of the prevailing Somali political landscape.

C.   DATA COLLECTION/COLLATION AND PROCESSING

112.   To undertake the analysis described in this document, functional administrations in Somalia will embark on the process of strengthening their existing data collection capabilities. Through consultations, the proposed Poverty Monitoring and Technical Analysis Units (PMATUs) will coordinate the process of developing sets of data collection instruments to be applied in collecting additional data on poverty. The long-term objective is to develop national capabilities to administer an integrated poverty monitoring and analysis system (PMES).

113.   Taken all together, a complete poverty information system will be extensive. In its finest form, the system identified must provide geographically disaggregated data on poverty and vulnerability. By helping to establish a database on poverty across the regions and districts, the PMAS will facilitate effective liaison and coordination among international agencies and sectoral departments so that each specific task is performed by the most competent among them. A major challenge on the part of UN agencies is to work towards a synchronizing and harmonizing their data collection and analysis systems.

114.   In order to enhance Good governance and security the PMAS shall focus on providing information on the number of people internally displaced, beneficiary assessment of the quality of services, and levels of awareness about human rights and entitlements within Somalia. The incomes of the poor shall be assessed using indicators of incidence and depth of poverty, economic dependency, share of rural non-farm employment, and yield rates of major crops.

115.   Data on the quality of life shall be reviewed under the three priority sectors namely:

   a. Health using: maternal and child mortality, distances to nearest facility, percentage of population per qualified health workers in public and private, and HIV prevalence.

   b. Primary education using: net-school enrolments and participation, pupil – trained teacher ratio, pupil – textbook ratio, and classroom – pupil ratio.

   c. Water and sanitation basing on: proportion of population within reasonable distance to safe water, and proportion of the population with good sanitation facilities.

116.   In addition, quality of life shall be assessed in the medium term using measures of life expectancy, infant mortality, maternal mortality, proportion of children who are stunted, and literacy rates. A lot of efforts shall be put in complementing the priority indicators with other information with a view to obtaining a comprehensive picture of the poverty trends.

117.   An important element of a PMAS is its Participatory Poverty Monitoring, which emphasizes the use of Participatory Poverty Assessments (PPAs) to determine the true nature of poverty in the communities... There are vast opportunities for consultation not just in the assessment of poverty, but also in the formulation of intervention strategies, approval, and implementation of relevant programmes. Participatory Poverty Monitoring embraces direct consultation with the beneficiaries (the poor), which expands the information base for poverty establishing the causes of poverty, monitoring the policy implementation and evaluating the outcomes of the policy.

PMAS COMPONENTS

Hardware

118.   Initial hardware requirements for PMATU will include at least 6 latest models (Pentium 4) Desktop computers for each PMATU. These will take care of initial data inputting, processing and analytical needs pending proper needs assessment.

Table 2:   **Data collection, processing and analysis**

Activities		Month 1				Month2				Month3				Month 4			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
POVERTY MONITORING SYSTEM DESIGN AND IMPLEMENTATION																	
i.	PMAS needs assessment	█	█	█													
ii.	Identification of General system requirements			█	█												
iii.	Selection of data processing software			█	█												
iv.	Acquisition and Installation of hardware and software					█	█	█	█	█	█	█	█	█	█	█	█
v.	Data entry specifications					█											
vi.	Adapt tabulation programs																
vii.	Pre-testing of data processing System																
DEVELOPMENT OF DATA PROCESSING AND ANALYSIS TRAINING MANUALS																	
i.	Develop data entry manual						█	█	█								
ii.	Training of data entry staff									█	█						
	Preliminary tabulations of data on priority poverty indicators									█	█	█					

Software

119.   Data processing and analysis requires software developed specifically for Survey data entry, processing, and tabulation. The packages should be computer based, user friendly and usable by clerical staff and junior officers with limited computer training. Local statisticians and programmers could be allowed to design and implement their own data entry, processing and tabulation systems. For purposes of initial training, Ms Excel and SPSS will be applied.   The Software is needed for a number of processes: (a) questionnaire design, (b) data entry, correction, (c) data validation, editing, analysis, and (c) statistical analysis. The acquired computer software packages must have built in editing facilities. Some powerful database management packages can combine a number of functions e.g. MS ACCESS, FOXPRO, and/or ORACLE.   The statistical packages in common use are: SPSS, Anthro, Epi-Info and SAC-PC. The training manual for the pioneer staff of PMATUs is presented separately.

CHAPTER 5

V.   DATA COLLECTION INSTRUMENTS

120.   Poverty monitoring draws on data from a wide range of sources, collected on the basis of a variety of methods. Household data are probably the most widely used in impact analysis. In some instances, data at other levels of disagregation are desirable. But it is also useful to have information from a diversity of sources, because each major type of source has significant limitations. A combination of different data-collection instruments is vital to getting a reliable database. In cases where there is conflicting evidence from different sources of information, the choice of the reliable source shall be made after an assessment on a case-by-case basis.

Determining data requirements

121.   To assess the impact of an intervention on particular members of the household (for example, women and children), it is necessary to collect data at the individual level. Ideally, data for impact analysis would be collected from the same set of households. Nonetheless, it is important to distinguish between what information is desired and what is feasible to obtain. The existing information base and time and resource constraints are key factors in choosing data sources to use. It may be better to put in place a few mechanisms that can be implemented immediately rather than start with the design and development of a comprehensive or very sophisticated setup. A first step can be to take stock of existing analytical capabilities among central and line ministries, local governments, national statistical agencies, and other organizations such as universities and NGOs. On the basis of this assessment, various alternatives can be implemented to ease capacity constraints and develop local skills, including the following:

(i.)   Establish partnerships to collect and analyze data and provide training on skills relevant to poverty monitoring and analysis. Potential partners are universities, research institutions, NGOs, consulting firms, and development agencies. Collaboration with these institutions can take several forms, including carrying out joint monitoring, providing grants for the professional development of monitoring and analysis specialists, and contracting out survey implementation.

(ii.)   . Disseminate national and international lessons about experience in monitoring and analysis. Identify good-practice examples within the country and in similar countries and create a database. Selected cases from this database and present at workshops for officials.

(iii.) Build a network to facilitate exchange among practitioners, academics, and civil servants in charge of M&E activities. Network activities can include knowledge dissemination and training.

Quantitative and qualitative methods for data collection

122.   The validity of analysis depends largely on the adequacy and reliability of the data. Hence, it is important to use different sources of data collected through quantitative as well as qualitative methods. In general, qualitative methods aim at studying the issues of interest, cases, or events in depth by gathering information on people's attitudes, preferences, and perceptions; data collection is not constrained by predetermined standardized formats or categories of analysis. By contrast, quantitative methods typically rely on random sampling and structured data collection instruments that fit diverse experiences into predetermined response categories (for example, While quantitative methods produce results that are easy to summarize, compare, and generalize, the qualitative approach provides in-depth and detailed data that can be useful in

understanding the processes behind observed results and assessing changes in people's perceptions of their well-being.

123.   Gender analysis is one of the areas where a combination of quantitative and qualitative methods will frequently be required. In many cultures, it is more difficult to obtain reliable information from or about women using conventional quantitative methods, and it will often be necessary to use qualitative data collection methods such as focus groups, participant observation, use of drawings, or pictures to describe how women spend their time, and so on. For a detailed discussion of qualitative methods and how they can be used in gender analysis, see chapter 10, "Gender."

124.   From extensive discussion with statisticians and with agencies and experts operating household surveys in Somalia the need for developing a more flexible range of household and community surveys emerges. An important implication of this is that the functional administrations in each region may establish a Poverty Monitoring and Technical Analysis Unit (PMATU), which would play a more important role in helping regions to establish a continuous and sustainable survey capability.

Obtaining data

125.   Data collection can be both expensive and time consuming. Thus the main challenge is how to take advantage of existing data sources and how to plan additional data collection to maximize its use for both impact analysis and outcome monitoring. Poverty analysis can draw on a variety of data sources, including surveys, administrative records, and management information systems, hence, one of the early steps in designing an analysis strategy is to take stock of different types and quality of data already available. If the existing data are insufficient, the next step is to find out whether there are any planned or ongoing data collection efforts. Surveys or other data collection instruments that are at a planning or early implementation stage can be adapted to provide information for analysis by over-sampling in the program areas or by introducing additional modules on issues related to the analysis. Over-sampling involves increasing the sample of the population surveyed to include enough individuals (or other unit of analysis) with a particular characteristic, such as being a program participant.

Examples at Sources at Data for Analysis
   (i.)   Household income and expenditure surveys
   (ii.)   Living Standards Measurement Surveys (LSMS)
   (iii.)   Demographic and Health Surveys (DHS)
   (iv.)   National census
   (v.)   Labor market surveys
   (vi.)   Records of cooperatives, credit unions, and other financial institutions
   (vii.)   Administrative records (for example, school records on attendance, repetition, examination performance; or public
   (viii.) Health records on incidence of infectious diseases, number of women seeking advice on contraception)
   (ix.)   Specialized surveys conducted by universities, nongovernmental organizations (NGOs), consulting groups
   (x.)   Monitoring data from program administrators
   (xi.)   Project case studies

126.   Some of the poverty analysis will require the collection of new data. If this is the case, it is important to be aware of the additional institutional capacity and other resources

demanded by the data collection task. Where data needs are paramount and institutional capacity is weak, it is important to coordinate efforts across institutions, both public and nonpublic, to design instruments that collect information that is useful for as many purposes as possible.

127.   Through household surveys and routine sector surveys, the PMATU will engage in continuous tracking and feedback mechanism not only on the well-being of Somali citizens but also the impact of any economic and social interventions by regional authorities and development partners. Most critical is the extent to which data collection procedures will empower local agencies and communities to appreciate the need for action to redress the negative effects of conflict and social disorder. The information generated will be useful for making the strategic policy decisions, necessary to undertake interventions. It will provide a framework for setting clear goals and Targets on poverty reduction.

128.   It may be necessary initially to undertake a Priority Poverty Survey with the principal aim to fill in the existing gaps and to gather priority information to identify target groups during the process of poverty reduction. It will obtain rapid results on key poverty indicators. For this purpose short questionnaire will be developed focusing on collecting additional information to construct key poverty indicators. These indicators will be used to identify differences and changes in the circumstances faced by different household groups, and to flag potential problems promptly, so it is possible to take remedial action. The questionnaires will be kept short to ensure more rapid processing and simpler analysis; we reduce the lag between data collection and the production of survey results.

129.   This is a survey designed to provide information on the current poverty situation while the causes and underlying circumstance will be investigated through intensive PPAs and household surveys. It may be repeated in subsequent years, to act as monitoring device and to measure changes in key poverty indicators over time. A large sample is desirable to enable presentation of these results at a disaggregated level. Shorter questionnaire will be designed to hopefully to enable coverage of many households and communities. This presents an opportunity to identify much of those household groups most at risk (Vulnerable) and, hence, to strengthen the quality of cross-sectional analysis.

130.   For the Priority Poverty Surveys to act as an effective poverty monitoring devices, they will capture vital information to enable cross-sectional analysis and the detection of trends in poverty incidence. Unlike the more costly household surveys, priority poverty surveys could be administered regularly, probably annually.

The Household as Unit of Measurement

131.   When considering the social impact of interventions information is needed at the micro level. In general this refers to household level information. The household is an important unit for the collection of social and economic data because: (i) within it many of the decisions concerning individual members' activities, their consumption, and welfare are made, and (ii) its physical properties – the fact that it is a collection of individuals with an identifiable location – make it a useful sample unit in survey work. Likewise concern for the socio-economic aspects of Somalia society requires a clear picture of vulnerability to conflict/instability, drought, diseases, and its impact on the existing patterns of poverty.

Community Surveys

132.   Somalia requires a hierarchical poverty information system, which captures data for the analysis of the linkages between the macro, intermediate and micro levels. Most household surveys will be a main source of information on activities at the micro level. However, we need to develop and design community level surveys. Indeed the Settlement Level Survey will be one of its own.

Integrated Household Surveys (IS)

133.   Integrated Household Surveys (IS) are a part of the information system proposed under the PMAS. The principal purpose of the IS will be to provide an empirical basis for assessing the social impact of current and future interventions against poverty in Somalia. The data to be captured will be explicitly policy-oriented and may serve the preparation of future development programmes, which include and reflect social concerns, especially a Poverty Reduction Strategy Paper (PRSP) for Somalia. For this, a careful analysis of household data will be employed to establish how various household groups have been affected by interventions by various agencies. Although the primary purpose of household surveys is to trace these effects of national policies and programmes, it can also serve a much broader set of applications. It must capture most policy issues concerned with household behaviour and welfare, including the distribution of income, poverty, employment, health and education**.** These kinds of surveys therefore provide an appropriate database for a range of economic and social policy concerns.[38]

134.   In a nutshell what is required for analysis is a comprehensive household data set. In the absence of a comprehensive national household survey in Somalia, this implies a need for a multi-subject household survey. <u>Its purpose is to establish what determines household welfare, and in particular, how socio economic policies affect households.</u> While the choice of data coverage has to be made at the regional level, these considerations will apply:
- The IS should cover production and consumption activities;
- Coverage of income-earning activities should include both wage employment and household enterprise (farm and non-farm) activities;
- Data on household expenditures can be used directly as a measure of welfare, but are also required to estimate how real incomes of households are affected by price changes;
- Since welfare is multifaceted, the IS should obtain information on a number of social dimensions; throwing light on the determinants of each of these aspects of welfare.

Strengths and weaknesses of various Data collection Instruments

135.   Household Surveys and the Demographic and Health Survey provide the robust and comparable quantitative data needed for monitoring the kinds of final poverty outcomes that can be quantified, such as the incidence of poverty at the household level and the frequency of malnutrition or infant and child mortality. However, a major limitation of survey findings is that they concentrate only on dimensions of human deprivation that are measurable. However, when they are brought together with testimony and examples from participatory poverty assessments (PPAs) they capture the unique local meanings and dimensions of poverty thus obtains a more complete and fuller picture is of people's poverty status. An additional limitation is that surveys do not

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[38] World Bank (2002) "Can The Poor Influence Policy?" Washington DC

capture the intra-household distribution of poverty especially the gender issues. This is because the unit of analysis is the household and, furthermore, it is the head of the household, who most often is a man that is interviewed. As a result, estimates of the incidence of individual consumption poverty by sex are largely guesswork.

136.   A further problem is that small sample sizes do not allow disagregation to district level and below, where key decisions are being made and performance needs to be assessed in terms of poverty outcomes. Poverty is location specific, making it necessary to have some location specific indicators targeting socio-economic groups. However, to address this by means of surveys would be a costly exercise requiring very large sample-sizes, an option that may not be sustainable.

137.   For this reason, the planned Settlement Level Survey will be a welcome precursor since it will employ the use of Geographical Information System (GIS) techniques. Hopefully once the estimates of whole Settlements populations are made, it will then be possible for more comprehensive surveys to be carried out to generate relevant district and sub-district information. In addition, the UN agencies should consider undertaking joint capacity building in selected regions for data collection and analysis.

The Case for Participatory Poverty Assessments (PPAs)

138.   Participatory Poverty Assessments (PPAs) have illustrated their ability to provide a richer understanding of poverty and more insights into causal processes. PPAs explore unknown issues and raise questions about the validity of some findings based on surveys. PPAs could be instrumental in reviewing the processes of implementation so as to explain the observed linkages between inputs, outputs and outcomes. In addition, the PPAs should guide the future design of questionnaires for the household surveys. They provide an alternative method for an in-depth exploration of process issues and other "why" questions.

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Appendix 1: TERMS OF REFERENCE

This consultancy on Poverty Monitoring and Analysis System for Somalia is being undertaken with the objective of providing assisting the functioning administrations in Punt land and Somaliland to set up and train manpower for the proposed Poverty Monitoring and Analysis Technical Unit (PMATU) within their respective Ministries of Planning. At the end of the consultancy background Papers will be drafted outlining the scope and coverage of PMAS and PMATU as per the Terms of Reference below:

(i.)   Draft a Concept Paper on PMAS and PMATU jointly with the Administrations
(ii.)   Organize Workshop for wider dissemination of the PMAS and arrive at Consensus on Key stakeholders on the roles and responsibilities of various actors
(iii.) Support the process to generate consensus among functioning administrations on the Institutional Structure, Scope and Methodology for Poverty Monitoring
(iv.)   Assess the training needs of PMATU and prepare a training Plan
(v.)   Carry out basic on the Job Training on PMAS
(vi.)   Organize Seminar/workshops to identify appropriate indicators for income and human poverty monitoring
(vii.) Assist to draft a report on a report on indicators to monitor income and human poverty taking into account the specific local conditions
(viii.) Assess data needs and gaps for poverty Monitoring in close collaboration with UNDP Mission on Statistical Capacity Building
(ix.)   Contribute to poverty assessment surveys and mapping as and when undertaken
(x.)   Support community level assessments - availability, accessibility, and gaps in the provision of basic services in a wider context consistent with emerging human rights approach to Development and within the perspective of Millennium Development Goals