Scaling up Poverty Reduction through CBMS

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Background

Poverty reduction is an over-arching goal of many developing nations. Extreme poverty in developing countries fell from 28 percent in 1990 to 19 percent in 2002. Over the same period the number of people in developing countries grew 20 percent, to more than 5 billion, leaving 1 billion people in extreme poverty (MDG website, undated).

The Millennium Development Goals (MDGs) attempts to address the many dimensions of human development, including halving by 2015 the proportion of people living in extreme poverty. Developing countries are working to create their own national poverty eradication strategies based on local needs and priorities.

The MDGs have accelerated demand for data and highlighted limitations in their availability and quality. Significant number of countries does not have enough data to track changes in poverty, child malnutrition or HIV/AIDS prevalence, and in most countries serious data quality issues exist in measuring maternal mortality and access to water and sanitation.

Accelerating poverty reduction efforts requires convergence of efforts and proper targeting.

The Millennium Development Goals: Issues and Challenges

In September 2000 at the Millennium Summit the Member States of the United Nations issued the Millennium Declaration, committing themselves to a series of time-bound and quantified targets for addressing extreme poverty in its many dimensions-income poverty, hunger, disease, lack of adequate shelter, and exclusion-while promoting gender equality, education, and environmental sustainability. Most of the targets are to be achieved by 2015. The Millennium Development Goals (MDGs) is geared to represent a framework for achieving human development and broadening its benefits.

In support of the Millennium Declaration signed in September 2000, heads of states as well as multilateral and bilateral development institutions agreed through the signing of the Paris Declaration on Aid Effectiveness to take far-reaching and measurable actions to reform the ways aid is delivered and managed around the world.

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2 PEP-Co Director and CBMS Network Leader, and Research and Administrative Officer of PEP-CBMS Network, respectively.
Among the challenges faced by national governments in carrying out their commitments towards the achievement of the MDG by 2015 is the mainstreaming of the MDGs in the plans and budgets at the local level, and the lack of a regular and up to date source of the necessary benchmark information for monitoring of the achievement of the MDG at the local level. Other related issues include the lack of capacity and the necessary resources to localize the MDG.

In order to meet the MDGs, the following institutional issues need to be considered.

- Need for a national strong advocacy and sustained action to operationalize the goals and targets at the local level.
- Vigorous and continuous efforts to raise the level of awareness of leaders and other major stakeholders
- Promote policy and pragmatic interventions to realize the goals and targets
- Build on gains and opportunities offered by existing collaboration and evolving partnerships among key players

Support mechanisms and strategies are necessary to localize and fast track the achievement of the MDGs in line with a national development agenda. These mechanisms include enabling local policies, poverty planning and focused interventions to poor and vulnerable sectors, improved delivery of basic services, and institutionalizing a local monitoring system such as the CBMS.

The Informal Sector and Poverty Reduction

For many local and national governments in developing countries, the goal of poverty reduction, coupled with job creation, remains a key for overall development. These challenges are constrained by an increasing proportion of its population that is migrating to cities and urbanized areas. Amidst a lack of action from governments, the informal sector thrives for precisely the same reason—to alleviate poverty and create jobs.

The informal sector covers a wide range of labor market activities that combine two groups of different nature. On the one hand, the informal sector is formed by coping behavior of individuals and families in economic environment where earning opportunities are scarce. On the other hand, the informal sector is a product of rational behavior of entrepreneurs that desire to escape state regulations.
Overview on the CBMS

The Community-Based Monitoring System (CBMS) is one of the tools developed in the early 1990s to provide policymakers and program implementers with a good information base for tracking the impacts of macroeconomic reforms and various policy shocks. It is an organized way of collecting information at the local level for use of local government units, national government agencies, non-government organizations, civil society and development partners for planning, program implementation and monitoring.

CBMS attempts to build and strengthen the capacity of planners and program implementers at the national and local levels for a more improved and transparent system of resource allocation and governance. A major objective of the CBMS is to assist in poverty reduction while building capacities of LGUs, increasing gender equity, and eliciting early warning signs of crisis.

Moreover, the CBMS likewise establishes partnerships among local communities and various sectors in the country in the design and implementation of appropriate interventions in pursuit of meeting the millennium development goals, in particular, poverty reduction. The CBMS empowers non-government organizations, civil society and development partners in pursuing poverty reduction strategies and development programs based on comprehensive diagnosis and clear priorities.

Since the early 1990s, the International Development Research Centre (IDRC) has supported the design and pilot-test of the CBMS in selected countries in Asia and Africa through its Micro Impacts of Macroeconomic Adjustment Policies (MIMAP) Research Program. Due to the growing number of countries that implement and intend to implement the CBMS, a regional coordinating body was formed in 2002 to facilitate the development and utilization of CBMS for policymaking and governance. This coordinating body known as the CBMS Network is part of the Poverty and Economic Policy (PEP) Research Network of the IDRC. The CBMS Network is composed of researchers and analysts specializing in poverty measurement, development and implementation of local monitoring systems, and policy-impact analysis. In general, the Network aims to provide a reliable and credible information base for policymaking, program design and impact monitoring through the development and institutionalization of CBMS.

As of date, CBMS is currently being implemented in Asia such as Bangladesh, Cambodia, Indonesia, Lao PDR, Philippines, and Vietnam as well as in selected countries in Africa such as Benin, Burkina Faso, Ghana, Senegal, and Tanzania. CBMS has also been developed and pilot-tested in Nepal, India, Pakistan and Sri Lanka. Proposals are currently being reviewed for the development of CBMS in Kenya and Zimbabwe and for its expansion in Sri Lanka. CBMS in these countries has been utilized for poverty research, management and evaluation of poverty reduction projects, for monitoring and localizing the MDG, targeting, policy-impact assessment and improved local governance among others.

The CBMS Process and its Key Features

CBMS work involves the design, pilot-test and implementation of a methodology for data collection and data processing, validation and utilization of CBMS data for needs identification as
well as for the design and monitoring of program interventions at all geopolitical levels. The CBMS network initiative complements global efforts to fight poverty by providing better statistics or benchmark information for evidence-based policymaking. The implementation of CBMS likewise involves the participation of community members and various stakeholders at each geopolitical level.

**CBMS is an organized way of collecting household level information** at the local level. CBMS data collection entails a census of all households. However, CBMS is more than just a data collection system. It seeks to integrate the use of data in local level planning and program implementation. It is also intended to promote evidence-based decision-making.

The **CBMS is also a tool to support the decentralization process** by providing local government units with a system to improve local governance. It builds the capacities of LGUs to develop policies and programs that meet the needs of the people.

**CBMS is LGU based while promoting community-participation.** It taps existing LGU personnel as monitors. It is a system that generates a core set of indicators while flexible enough to incorporate LGU specific indicators.

**Uses of CBMS data**

CBMS has a number of potential concrete uses particularly in the areas of local governance and poverty monitoring. Specifically, data gathered from CBMS can:

- **Build the capacities of LGUs and communities**
  CBMS can be used to further nourish if not build the capacities of local government units as well as members of communities in addressing the needs of their respective localities by maximizing the use of their existing resources.

  The system provides an organized process that can be used to empower communities for a more data-based and participatory approach to development planning and welfare monitoring. Through the implementation of a CBMS, capacities of LGUs and communities are enhanced through trainings on data collection, processing and validation as well as on analyzing and using the set of information that they have on hand. The administration of the process develops capacities of local and community leaders for mobilizing human and financial resources. CBMS also steers up the spirit of volunteerism among local communities and paves the way for a greater sense of accountability among them in diagnosing, addressing and monitoring their respective community’s development concerns.

- **Facilitate resource allocation**
  One the most common dilemmas among local chief executives is how to efficiently and effectively use and manage the meager financial resources of the local government unit given the many competing projects and programs that need to be delivered in their localities. CBMS tries to address this issue by providing the necessary information that would reveal to decision-makers an up-to-date development situation of communities in terms of core areas of welfare.

- **Enrich existing databases**
CBMS can complement existing databases by providing a regular source of information on socioeconomic attributes of communities to further enrich the contents and usefulness of existing databases. A number of local government units were able to get funding support from international organizations in the past for setting up databanks containing information on children, environment and the like. CBMS can help enrich these databases by providing a complete set of household, village, municipal/city and provincial level information.

- **Serve as inputs for preparation of development profiles**

  CBMS data also provide vital baseline information for the preparation of village, municipal/city, and provincial socioeconomic profiles, annual investment plans, land use plans, infrastructure project proposals, and other related development reports.

- **Aid the design, targeting and impact monitoring of social services and development programs**

  CBMS provides disaggregated information that reveal the community's needs based on the CBMS household survey and corresponding explanations for such deficiencies as gathered during the validation forum and supplemented by information gathered from the village profile questionnaire. In this light, CBMS can serve as a useful tool for the design of appropriate interventions to address particular development needs.

  CBMS can also facilitate targeting by providing information on who are the eligible beneficiaries for specific programs. Sector-specific indicators can be used to identify who should receive the interventions. For instance, households with malnourished children should be the beneficiaries of supplemental feeding programs. On the other hand, composite indicators (combining the different indicators using statistical techniques) can be used to rank the poorest households in the barangay or municipality.

  Finally, CBMS can serve as a supplemental tool or even a main source for vital information for monitoring the impacts of development programs that have been implemented in the communities by various organizations.

- **Serve as inputs in poverty mapping**

  CBMS, through poverty mapping, aids in identifying the location of municipalities, cities, villages and even households which are in dire need of basic services. It has also been found that the local policymakers and the communities' understanding of the poverty situation in their localities were greatly facilitated by the use of maps.

- **Can be used as a tool in localizing the MDGs**

  With the commitment from national governments in developing countries to achieve the Millennium Development Goals (MDGs) Agenda, it becomes imperative to be able to monitor the performance of the country vis-à-vis the targets. Initial monitoring indicates that spatial disparities are large, necessitating concerted action in areas where performance is very low. Most national surveys, on the other hand, can only provide data at the regional or provincial level at most.

  The CBMS will allow the monitoring of achievements of these targets not just at the municipal/city level but also at the village/commune level. Maps 1, 2 and 3 show sample datasets on access to
safe water at the provincial, municipal, village and household level that can be generated through CBMS.

MAP 1
Proportion of households without access to safe water supply across municipalities in Agusan del Sur, Philippines 2005

Map 2
Proportion of households without access to safe water supply, across barangays in Municipality of Esperanza, Agusan del Sur, Philippines 2005
CBMS can be an empowering tool in monitoring the MDGs at the local level. Through CBMS, indicators of the MDGs can be generated providing LGUs with critical information needed in the attainment of the MDGs.

- **Facilitates the Development of Focused Interventions for Sectoral Groups**

Since CBMS involves a census, covering all members of all households in the community, CBMS can facilitate the tracking of development status and identification of needs across sectors. Aside from generating a core set of indicators at the provincial, municipal/city, village, and household level, CBMS also generates individual-based socioeconomic characteristics and information on that can be disaggregated across sexes, age-groups, income-class, and type of employment.

For instance, CBMS can bridge the data gaps in the informal sector. CBMS results from Pasay City in the Philippines indicate that vendors, laundry pressers, and pedicab workers, which form part of the informal sector, tend to be worse off than the rest of the population. They tend to have lower educational attainment, more income poor, have less access to water, more likely to be informal settlers and have less access to programs such as the government health insurance program.

These types of information would be useful for policymakers and program implementers for the design of appropriate interventions and targeting of beneficiaries of social protection programs in line with education, health, employment and livelihood among others.
Recent Developments

As of date, the CBMS Network was able to develop a set of indicators for measuring the different dimensions of poverty, data collection and processing instruments, and CBMS training modules that are customized in the context of local planning needs and related poverty issues in each of the countries where CBMS is being developed or implemented under the Network in partnership with research and academic institutions and other local stakeholders. In the case of the CBMS developed for the Philippines, the set of CBMS indicators is now being used to monitor the MDGs at the local level. Correspondence between the CBMS indicators and the MDGs is shown in the table below.

Table 1. Correspondence of the MDGs and CBMS Core Indicators

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<tr>
<th>MDGs</th>
<th>CBMS Core Indicators</th>
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<tr>
<td><strong>Goal 1: Eradicate Extreme Poverty and Hunger</strong></td>
<td>✓ Proportion of households with income less than the poverty threshold</td>
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<tr>
<td></td>
<td>✓ Proportion of households with income below the food threshold</td>
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<td></td>
<td>✓ Proportion of 0-5 year old children who are moderately and severely underweight</td>
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<td></td>
<td>✓ Proportion of households who eat less than 3 full meals a day</td>
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<td><strong>Goal 2: Achieve Universal Primary Education</strong></td>
<td>✓ Proportion of 6-12 year old children who are not in elementary school</td>
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<td></td>
<td>✓ Proportion of 13-16 year old children who are not in secondary school</td>
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<tr>
<td><strong>Goal 3: Promote Gender Equality</strong></td>
<td>✓ Ratio of girls to boys in primary and secondary education</td>
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<td></td>
<td>✓ Ratio of literate women to men</td>
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<tr>
<td><strong>Goal 4: Reduce Child Mortality</strong></td>
<td>✓ Proportion of children under 5 years old who died</td>
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<tr>
<td><strong>Goal 5: Improve Maternal Health</strong></td>
<td>✓ Proportion of women who died due to pregnancy-related causes</td>
</tr>
<tr>
<td><strong>Goal 7. Ensure Environmental Sustainability</strong></td>
<td>✓ Proportion of households without access to safe water</td>
</tr>
<tr>
<td></td>
<td>✓ Proportion of households without access to sanitary toilet facilities</td>
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</table>
Proportion of households who are squatters

Proportion of households with makeshift housing

Goal 8: Develop a Global Partnership for Development

Proportion of 15 years old and above who are not working but are actively seeking work

Initial mechanisms have also been established through CBMS projects to influence design of poverty interventions and other development policies by engaging local planners and other key personnel at the local level in the course of the project implementation. With the disaggregated data generated by CBMS, poverty profiles showing the various dimensions of poverty and its distinct nature and extent in certain type of communities have been produced by CBMS researchers for a more evidence (need) based design and implementation of interventions by local planners.

Moreover, the Network through its technical collaboration with local institutions in countries where CBMS has been developed has provided avenues for building the capacities of local governments to establish benchmark information and/or update their existing databases that are needed as they took a more active role in the delivery of basic social services in their community.

The extent of the development and implementation of CBMS under the Network, however, varies across countries.

In the Philippines, for instance, there is an increasing demand from various stakeholders at the national and local levels for the institutionalization of CBMS nationwide. The CBMS in the Philippines, which was designed under the MIMAP Program of IDRC in the early 1990s, is currently being implemented in 22 provinces (11 of which are province-wide), 243 municipalities and 20 cities covering at least 6478 villages (which is more than 10% of the total number of villages in the country). The cost of the implementation of CBMS in these localities is covered by a cost sharing-arrangement between local government units and their development partners from various sectors. CBMS is also being adopted in the country as a tool for crafting development agenda, poverty diagnosis and localizing the millennium development goals among others. Among the key partners of the Network in scaling up of CBMS implementation in the country are Department of Interior Local Government through its Bureau of Local Government Development (DILG-BLGD) and the National Anti-Poverty Commission (NAPC) from 2004 to the present. Non-government organizations such as the Social Watch Philippines (SWP) and the Institute for Democratic Participation in Governance (IDPG) are also active partners in scaling up CBMS implementation at the local level. The National Statistical Coordination Board (NSCB), in 2005 has also issued a resolution recognizing the CBMS as a useful tool for generating local poverty statistics. In the first quarter of 2006, the Working Group on MDG of the Philippine Development Forum, which is comprised of key government line agencies and representatives of the donor community, has called for the acceleration in the target and pace of institutionalizing CBMS in the country. It targets for 100% CBMS coverage by 2010. More recently, the League of Municipalities of the Philippines
(LMP) Secretariat has likewise started to actively advocate the adoption of CBMS in more localities specifically for monitoring the achievement of the millennium development goals.

Meanwhile, initial CBMS work in Indonesia, Cambodia, Bangladesh and Vietnam also shows great potential for expansion and eventual institutionalization with the development of improved community-based methodologies for targeting and local governance.

In Bangladesh, CBMS partners sought forth the pilot test of a user friendly and cost-effective local level poverty monitoring system while ensuring community participation in selected areas and were able to demonstrate the usefulness of the data in the preparation of village ward books. More recently, the CBMS-Bangladesh Team of the Bangladesh Academy for Rural Development (BARD) and the CBMS Network Coordinating Team has sealed partnership with the Power and Participation Research Centre (PPRC) for the adoption of the CBMS-Poverty Mapping tool and database in the northern part of Bangladesh.

In Indonesia, CBMS partners at the SMERU Research Institute were able to design an easy to administer monitoring system to accurately identify poor families. They were also able to develop a set of proxy indicators of welfare ranging from asset ownership, health characteristics, political participation and access to information.

The pilot CBMS work in Cambodia which was implemented through the Cambodia Development Research Institute (CDRI), on the other hand, yielded valuable results in terms of adequately describing the different facets of poverty in the initial six communes where CBMS was implemented. Aside from building the capacities of local authorities, CBMS also allowed for the integration of provincial and national level planning processes through the use of the data generated from CBMS (referred as Community-Based Poverty Monitoring System in Cambodia). Moreover, the CBMS provided a basis for the Ministry of Planning (MOP) of Cambodia to draw on the experiences of non-government organizations in identifying poor households using qualitative methods and to build on efforts to establish a national monitoring system of identifying poor households. In connection with this a working group was established by the MOP to evaluate a set of indicators that best describe the poverty status of households with the objective of establishing a simple but statistically sound tool that can be implemented to identify poor households nationwide thus improving program targeting. The on-going CBMS expansion work in Cambodia is being implemented through the CBMS Network in partnership with the National Institute of Statistics (NIS) of Cambodia.

CBMS in Lao PDR, on the other hand, was implemented by the Network through the National Statistical Center (NSC) of the Committee for Planning and Cooperation of Lao. Through NSC, technical assistance was provided for the capacity building of local authorities at the village, district and provincial levels in terms of improving primary data collection, and monitoring capacities, as well as in improving the “Village Book Statistics”. Under the CBMS initiative in Lao, NSC was able to develop and pilot test an improved set of indicators and corresponding data collection and processing instruments. Following the pilot CBMS implementation in Lao, there are already requests from the local officials in the pilot provinces to increase the coverage of the CBMS implementation. Said local officials have likewise expressed their interest to continue with the CBMS activity in their areas. Meanwhile, the strategic plan of the NSC already included the integration of CBMS in the data collection system of the Village Book in Lao as well as its inclusion as part of the statistical system of Lao.
The CBMS in Vietnam, on the other hand, was initially developed in the mid-1990s as a tool for poverty monitoring and policy-impact assessment. As of date, work is on-going for the expansion of CBMS implementation to 5 provinces and on the improvement in the CBMS-Vietnam methodology as it seeks to propose to policymakers in Vietnam alternative poverty reduction policies based on the findings on causes and consequences of poverty identified through CBMS. The CBMS work in Vietnam is being implemented through the Socio Economic Development Center (SEDEC).

Next Steps and Future Directions

Sustaining any development efforts geared towards the alleviation of poverty overtime requires regular monitoring of the achievement of the targets. Aside from the monitoring the MDG targets set the national level, it is equally important to keep track of the nature and extent of poverty faced by the different sectors in the society particularly those that are vulnerable to shocks or impacts of policy reforms. These sectors include sub-groups of population such as members of the informal sector, women and children, and persons with disabilities. This entails the development and institutionalization of a monitoring system that would generate the necessary up to date and disaggregated data that can be used for better policy making, program design, implementation and impact-monitoring.

With the convergence of initiatives of development partners in localizing the MDGs comes the challenge to build capacities of local government units and other stakeholders at the local level to carry out their expected role and contribution towards the achievement of the MDGs.

Based on the experience of various CBMS partners and stakeholders in the region, the CBMS can be a vital and cost-effective tool for accelerating the achievement of national and local development agenda which includes the MDG. For one, the system fills in the gap in terms of making necessary information available to policymakers, program implementers and development partners to keep track of the successes and areas for improvement in line with the millennium development agenda among other development targets while facilitating active participation among stakeholders at the local level. CBMS aids evidence-based planning and resource allocation as well as systematic targeting, program implementation and impact-monitoring and in turn improves local governance. Moreover, CBMS builds the capacities of various development stakeholders particularly members of the community to actively take part in the development process.

With the growing demand for the development and institutionalization of CBMS for various development applications, the CBMS Network through its current research partners from countries where CBMS is currently being implemented shall continue to advocate the various best practices and applications of CBMS for policymaking and program implementation. Furthermore, the Network shall continue to provide technical assistance through the conduct of CBMS-related training workshops, organization of interactive conferences and study visits, and dissemination of research findings through publication and making CBMS-related materials and databases on-line. Work is on-going on the development of improved CBMS instruments and training modules for gender-responsive budgeting as well as on the development of new applications of CBMS for panel data analysis and program impact monitoring. Further details about the CBMS Network may be accessed at www.pep-net.org
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