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Effects of the GFC seen in the increase in coping mechanisms employed by households in Kenya*

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Editor's Note:
The recent global financial and economic crisis which started in the United States and expanded to other developed countries has, to some extent, affected developing countries as well. Given the vulnerability of most developing countries, it is important to monitor the impact of this global crisis on poverty. In response, the CBMS Network started the initiative titled "Monitoring and Mitigating the Impact on Poverty of the Global Financial Crisis " which aims to monitor the impact of the global financial crisis (GFC) on poverty in selected developing countries in Asia, Africa and South America. The results of this initiative would serve as inputs for policymakers in prioritizing mitigation measures that would address the impact of the crisis.

The project involves an analysis of the impact of the global financial crisis on poverty. Selected countries in Asia and Africa serve as poverty observatories or sentinels in monitoring the impact. The CBMS Teams involved in the project conducted studies in their respective countries using the standard CBMS core indicators as well as additional indicators that were identified based on the relevant key transmission channels for each of the participating countries. These include outcome and impact indicators. Indicators of coping mechanisms are also being monitored to determine the coping mechanisms used by households in response to the crisis.

Preliminary results from the sentinel sites in Kenya are presented in the succeeding sections.

Community members participated during the validation of the CBMS results in Tana River District, Kenya.

Source: CBMS-Kenya

Introduction

In the last two years, many publications have focused on the various impacts of the GFC (e.g., IMF 2009). Assessments indicate that so far, there has been a global impact, with America and parts of Europe having been more hit than Africa and other developing nations. Figure 1 shows the global trends in gross domestic product (GDP) growth between 2007 and 2009. There were estimates that 2010 would see considerable growth globally and in Kenya in particular.

In Kenya, the GDP recorded a major decline of 1.6 percent in 2008 due to three adverse shocks. First, the second-

Inside

* This report is based on studies conducted in four sites. Tana River District was funded through CBMS while the Government of Kenya, through the Ministry of State for Planning, National Development and Vision 2030, supported the process in three Local Authorities – Murang'a, Kilifi and Kisumu.

Figure 1. Yearly comparison of GDP Growth

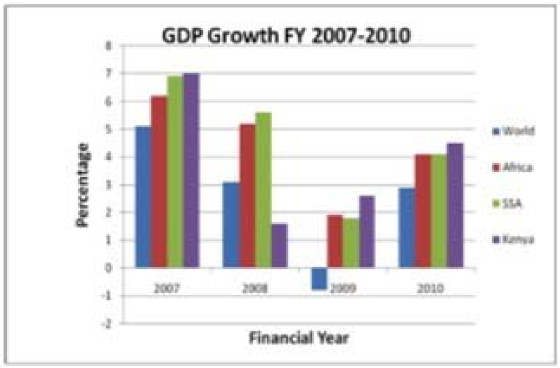
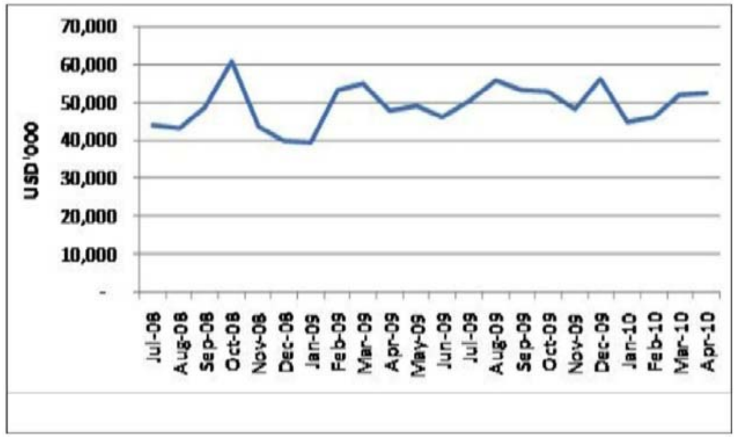


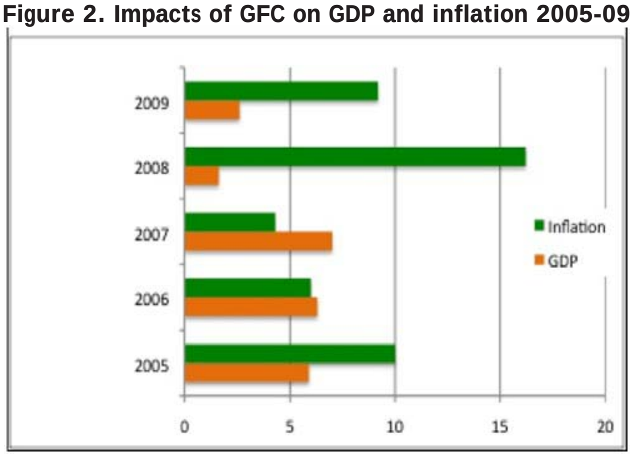
Figure 3. Monthly remittance, 2008-2010



round effects of the global economic downturn depressed Kenya's main export markets, in particular, tea, coffee and horticulture. Second, the erratic, delayed and shorter rainfall had a negative impact on the agriculture and power sectors. And third, the prolonged effects of the 2008 post-election violence depressed investor confidence and had adverse effects on the whole Kenyan economy and population. Figure 2 illustrates the impact of these factors on the GDP and inflation. Inflation generally led to an increase in the cost of commodities, including food.

Remittances were also affected during the same period, but data from the Central Bank of Kenya show that the levels picked up considerably as seen in Figure 3.

Figure 2. Impacts of GFC on GDP and inflation 2005-09



Remittances seem to track the long run average of US$ 50 million per month. Meanwhile, the source markets for remittances on average maintained the same shares, with North America contributing 52 percent and Europe, 30 percent of total remittances to Kenya in April 2010. The pick up in April 2010 could indirectly be attributed to the improving economic conditions in the regions of origin, and improved prospects for economic recovery at home[1].

In response to the shocks outlined above, the government put in place several measures to stimulate growth, including:

- Restoring investor confidence;
- Expansionary fiscal policy, e.g., establishing an economic stimulus package; and
- Monetary policy focusing on achieving and maintaining price stability within a single digit inflation rate of 5 percent.

[1] Commentary on Remittances for April 2010 Mr. Charles Gitari Koori, Director Research Department.

These measures contributed to an improved growth rate of 2.6 percent in 2009 in the economy, with a projected growth of 4.5 percent in 2010.

As anticipated, the GFC had an effect on the Kenyan economy through trade as the transmission channel. Domestic exports grew marginally by 0.3 percent while re-export declined by 4.1 percent. Total imports grew by 2.5 percent in 2009 compared to 27.4 percent in 2008. This resulted in the volume of trade growing by only 1.6 percent in 2009 compared to a growth of 26.8 percent in 2008 (KNBS, 2010). Furthermore, tea production declined by 9.2 percent , from 345.8 thousand tons in 2008 to 314.1 thousand tons in 2009.

Exports of fresh horticultural produce reduced from 193.1 thousand tons in 2009 while export earnings declined from Ksh 58.0 billion in 2008 to Ksh 49.4 billion in 2009. On the other hand, the Kenya shilling depreciated against the US dollar to a record Ksh 77.35 in 2009 compared to Ksh 69.18 per dollar in 2008. Remittances inflow declined from US$ 611.4 million in 2008 to US$ 609.2 million in 2009 (although this was a minimal decline).

However, tourism earnings rose from Ksh 52.7 billion in 2008 to Ksh 62.5 billion in 2009. The turnaround in the tourism sector was attributed to recovery from the effects of the post-election violence and perceived political stability.

Impact of GFC at the Micro/Household Level

In response to this crisis, the CBMS Network designed a study in 2009 with the aim of capturing the consequences in several countries, including Kenya, Ghana, Peru, the Philippines, Tanzania and Zambia. The channels of impacts in Kenya were expected to become apparent in agricultural exports, tourism and remittances. Further compounding the GFC was a food crisis that hit the country and other parts of the world in 2008, which led to approximately 10 million people being declared at risk of starvation (KFSSG, 2008). This number was adjusted to 7.5 million in 2010 (KFSSG, 2010).

The Kenyan study was therefore commissioned to assess the impact of the GFC on poverty in Tana River District[2] and in three Local Authorities (LAs)[3] – Murang'a, Kisumu and Kilifi.

Methodology of the Study

Data were collected from 11,845 households as follows: Tana River, 5,882; Murang'a, 2,286; Kilifi, 2,649; and Kisumu, 1,028. A set of indicators for assessing the impact of the GFC was developed, with all of the indicators aimed at capturing the immediate and direct impact of the crisis on households. The focus was on three main channels: remittances; employment and income, and utilization of social services; and access to credit.

Data were collected through the use of an interviewer-based questionnaire that was administered to heads of household or other responsible adults at the time of data collection. The questionnaire was pre-tested in each site and amended accordingly. The data collection process covered between 15-30 days for the LAs, with the longest period being in Tana River, which took 103 days due to the large number of households and the vastness of the study area.

Household-Level Survey Results

Impact of the GFC on Remittances

When asked whether they had experienced any changes in remittances, very few households indicated that they received remittances from abroad. Of the few (2.5%) that received remittances, about one-third (30.4%) saw a decline in the amount remitted. Another 28.9 percent on average experienced changes in the schedule of payment as shown in Table 1.

Table 1 shows that most of the households did not have access to external resources and therefore did not feel the impact of the GFC when remittance was considered as a channel. However, although the proportion of households that saw a decline in remittances was relatively low, the affected households experienced shocks that may be related to this decline. As shown in Figure 4, these households experienced high levels of food shortage (especially in Kilifi) while many experienced a marked reduction in expenditure on healthcare, education and clothing.

It is clear from the Figure that the most important impact was on food shortage, especially in Kilifi, which saw a decline in access to healthcare, education and clothing. For Murang'a, although the impact on access to healthcare was relatively low, there was a marked reduction in access to education, which could be reflected in the out-of-school rates (persons aged 13-16 years old) at 16.4 percent as shown further below.

Impact of the GFC on Labor and Employment

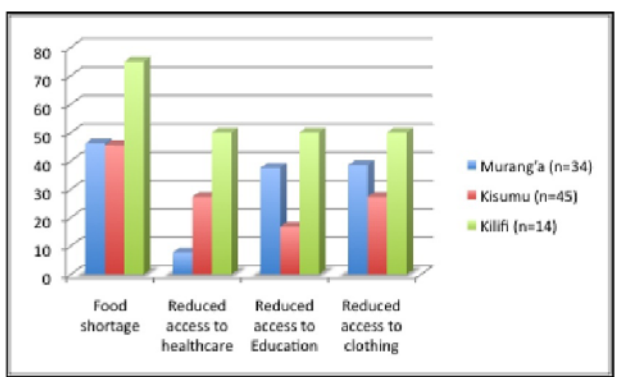
On labor employment, households were asked a range of questions to assess whether they had experienced any change in employment in the six months prior to the survey. Similar to the findings on remittances, few reported changes in labor as shown in Table 2.

Table 2 indicates general low employment levels in all the sites. This is because most people in the four sites were already unemployed; therefore, they did not feel the impact of GFC on employment. The proportion of children and older persons engaged in income generation was quite low in general. Youth unemployment was high in all sites, more so in Tana River district. The most affected workers were

Table 1. Households affected by the crisis through remittances in the last six months

	Murang'a	Kisumu	Kilifi	Tana River	Total
Proportion of HHs that received remittances from relatives working abroad	n=2249 **2.3%**	n=993 **4.5%**	n=2617 **0.6%**	n=5823 **0.2%**	n=11,682 **1.9%**
Proportion of HHs that saw a decline in remittances received	n=34 **38.2%**	n=45 **24.4%**	n=14 **28.6%**	n=11 **0.0%**	n=104 **22.8%**

Figure 4. Impacts of reduced remittances on access to food and services



[2] The AIHD has been implementing CBMS in Tana River District since 2007. The household questionnaire was reviewed to include questionnaires intended to capture the effects of the global financial crisis.

[3] The Ministry of State for Planning, National Development and Vision 2030 funded the implementation of CBMS in Kilifi, Murang'a and Kisumu.

Table 2: Local employment

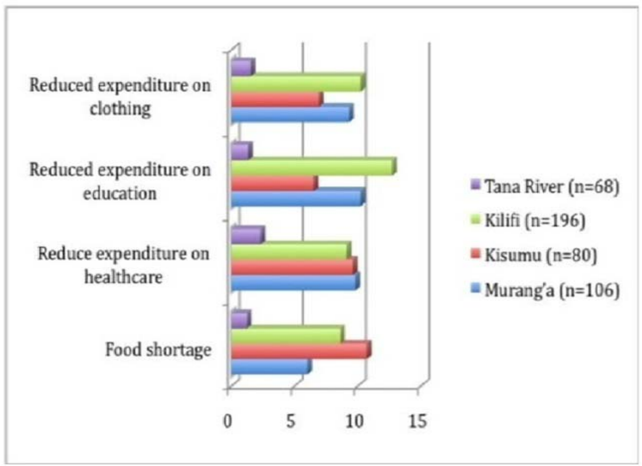
	Murang'a	Kisumu	Kilifi	Tana River	Total
Proportion of HHs with employed persons who experienced wage cut	n=2213 **1.4%**	n=989 **3.9%**	n=2571 **2.7%**	n=5301 **1.1%**	n=11,074 **2.3%**
Number of persons who lost jobs	n= 2236 **4.7%**	n= 991 **8.1%**	n= 2579 **7.6%**	n=5431 **1.3%**	n=11,237 **5.4%**
Number of employed persons who experienced reduced working hours	n=2225 **1.1%**	n=991 **1.7%**	n=2568 **0.9%**	n=5284 **2.5%**	n=11,068 **1.6%**
Proportion of persons who are employed	n=1376 **57%**	n=723 **61.3%**	n=2126 **67.1%**	n=4060 **11.7%**	n=8285 **49.3%**
Proportion of persons who perform multiple jobs	n=2255 **18.9%**	n=995 **18.9%**	n=2571 **17.3%**	n=5764 **3.4%**	n=11,585 **14.6%**

those engaged as casual laborers in farms (Kilifi, Murang'a and Tana River) and mango plantations in Tana River. In Kisumu, the workers who lost jobs were also casual laborers from different sectors (including fishing and small scale business operators). They attributed the loss of job to bad economic times.

Impact of the GFC on Education

Table 3 presents the results on school attendance and literacy in the four study sites. The key questions that captured the impact of the GFC were the transfer of children from private to public schools and households that cut back on education expenses. Transfers were minimal in all sites except for Kilifi which recorded the highest proportion of households that cut back on expenditures (23.3%).

Figure 5. Job loss and access to food and other services



It is notable that Tana River had the highest proportion of children aged 6-12 years old who are not in school compared with the other sites. Such is reflected in the low transition from primary to secondary school and further reflected in the low literacy levels among the 15-24 year olds.

Impact of the GFC on Income

This was seen as a major indicator of changes that could impact on the households negatively as a result of the GFC. It is clear that a high proportion of households

Table 3. School attendance and literacy

	Murang'a	Kisumu	Kilifi	Tana River	Total
Proportion of children aged 6-12 years old who are not attending elementary school	n=1129 **7.6%**	n=605 **6.4%**	n=2958 **10.3%**	n=7505 **32.8%**	n=12,197 **14.3%**
Proportion of children aged 13-16 years old who are not attending secondary school	n=627 **16.4%**	n=252 **13.1%**	n=1365 **10.8%**	n=3080 **31.5%**	n= 5324 **17.9%**
Proportion of youth aged 15-24 years who are not literate	n= 1521 **2.0%**	n=2808 **23%**	n=10927 **43.9%**	n=3945 **31.3%**	n=19,201 **25.1%**
Proportion of HHs which transferred at least a child from private to public school	n=1062 **5.6%**	n=561 **4.5%**	n=1655 **2.4%**	n=5308 **1.6%**	n= 8586 **3.5%**
Proportion of HHs which cut back on education expenses	n=1056 **5.6%**	n=552 **11.2%**	n=1759 **23.3%**	n=4274 **13.3%**	n= 7,641 **13.4%**

in Tana River (69.3%) experienced food shortage followed by Kilifi, Kisumu and Murang'a. It should be noted that by the time this survey was carried out, there had been a nationwide shortage of rain, which had adverse impacts on food security, especially in the arid and semi-arid areas, including Tana River. Table 4 presents a summary of the results on income.

The high loss of farm produce reported in Murang'a and Kilifi is a result of the drought that affected most parts of the country, especially because agriculture is the mainstay of the economy in these LAs.

Majority of the residents of Tana River District live in makeshift housing

Source: CBMS-Kenya

Table 4. Income proxies

	Murang'a	Kisumu	Kilifi	Tana River	Total
Proportion of households that experienced food shortage	n=2248 **25.4%**	n=990 **38.1%**	n=2603 **40.5%**	n=5825 **69.3%**	n=11,684 **43.3%**
Proportion of households that had balanced diet	n=2258 **39.1%**	n=993 **63.3%**	n=2616 **34.9%**	n=5817 **25.4%**	n=11,684 **40.7%**
Proportion of households with farmland	n=2211 **14.8%**	n=993 **8.6%**	n=2620 **18.5%**	n=3041 **27.2%**	n=8865 **17.3%**
Proportion of household with livestock	n=2210 **7.2%**	n=993 **3.9%**	n=2620 **6.3%**	n=5830 **36.1%**	n=11,653 **53.5%**
Proportion of households that lost livestock	n=840 **10.4%**	n=445 **4.3%**	n=1528 **7.9%**	n=5270 **58.2%**	n=8083 **13.4%**
Proportion of households that lost farm produce	n=840 **87.7%**	n=445 **33.7%**	n=1528 **90.2%**	n=5270 **52.2%**	n=8083 **65.9%**

Tana River experienced the highest loss of livestock, which is also commensurate with the higher proportion of households that keep livestock (36.1%) compared with the other study sites.

Coping Mechanisms Employed by Households in Response to the GFC

The list of coping indicators generated for the survey were intended to capture changes in household behavior within a specified period of time, particularly the array of coping strategies employed by the households in response to income and welfare shocks from the GFC. The coping strategies were captured based on assets, access to credit and other forms of support, including cash transfers.

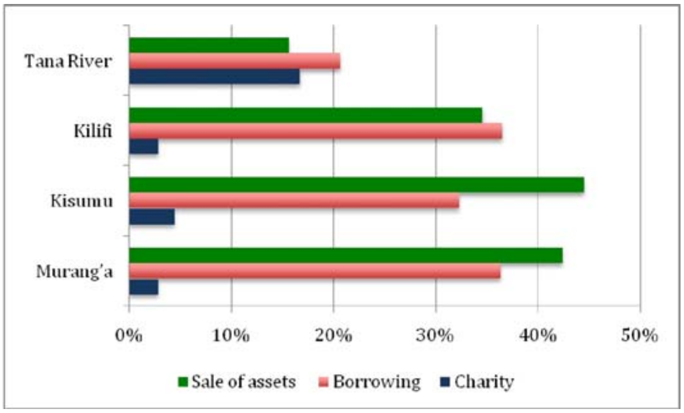
Table 5. Disposal of assets and access to credit as coping mechanisms

	Murang'a	Kisumu	Kilifi	Tana River	Total
Proportion of HHs that lost savings as a coping strategy	n=823 **0.6%**	n=320 **2.8%**	n=347 **3.7%**	n=563 **2.0%**	n=2053 **9.1%**
Proportion of HHs that had access to credit	n=2247 **9.7%**	n=992 **8.7%**	n=2603 **4.8%**	n=5817 **4.3%**	n=11,659 **6.9%**

Table 5 shows that few households sold assets as a coping strategy while only about 5 percent of the households had access to credit.

Figure 6 shows that borrowing was prevalently reported as a form of coping compared with assistance from charitable organizations. A higher proportion of the households spent their savings to cope with shocks, illustrating the limited options for credit and external support. It is notable that households in Tana River borrowed less and spent less of their savings to cope with shocks. This could be due to the fact that the capacity of households to invest is more limited in this area compared with Kisumu and Murang'a, where more households had more access to borrowed resources.

Figure 6. Access to charity, borrowing and sale of assets as coping mechanisms



It is worth noting that for a variety of reasons, the poor are often the least equipped to cope with the impact of aggregate shocks. This is because they have fewer assets which they could sell or use as a buffer, have limited or no access to formal credit and insurance markets to help smooth income shocks over time, and often lack the education and marketable skills which are necessary for successful migration to other areas with better economic opportunities. Where the consumption of the good or service is necessary such as healthcare, poor households are faced with catastrophic spending burdens that drive them deeper into debt and destitution. Furthermore, many of their coping strategies are either ineffective or create harmful consequences on the welfare of the households, especially on the children. A key example is when children drop out of school in order to save on household expenditures or when children go to work to augment the household income.

A comparison between the coping mechanisms adopted by households directly affected by GFC and those not directly affected by the crisis is summarized in Table 6.

Table 6 illustrates that over and above normal coping mechanisms, those directly affected by the crisis engaged in measures aimed at reducing or cutting expenditures. The choices made such as withdrawal of children from school and borrowing reduced both social and economic capital, further impoverishing poor households.

Table 6. Comparison of households directly affected and those not directly affected by the GFC

HHs directly affected	HHS not directly affected
• Reduction of expenditure on education, medication and clothing • Shifting children from private to public schools • Looking for additional employment • Borrowing money from friends and financial institutions • Use of savings	• Charcoal burning • Hunting and gathering • Migration to the nearby towns in search for jobs • Distress livestock selling • Premature harvesting of crops • Reduction of frequency/quality/ quantity of food • Prostitution

Table 7. Proportion of households that received assistance from government programs in the last 6 months

Government programs	Murang'a (n=2,265)	Kisumu (n=990)	Kilifi (n=2,619)	Tana River (n=3,357)
Youth Development Fund	1.6	1.7	1.5	3.2
Bursary Fund	11.4	4.2	2.7	4.6
Higher education loan	1.3	1.2	0.7	0.6
Constituency Development Funds (CDF)	6.2	1.5	15.3	1.4
Women Enterprise Funds (WEF)	3.2	1.4	3	1.6
Agriculture Extension Services	3.5	0.9	1.6	0.1
Livestock restocking programme	2.5	0.6	3.4	0
Local Authority Transfer Funds (LATF)	0.6	0	1.9	0.1
Relief Food Services	2.6	0.4	9.6	88.2
Kazi kwa vijana	38.8	4.9	2.9	-8
Other	5.8	8.8	0.1	0

Access to Government Programs

The Government has put a range of products in place for poverty mitigation through the constituency development funds (CDF) and other measures such as extension workers in agriculture, livestock restocking and relief food. Table 7 indicates that relief food was the main form of support in Tana River while access to all the other programs is fairly limited. Murang'a had a higher access to bursary funds and *kazi kwa vijana* (public works program targeting the youth). Kilifi enjoyed a higher access to CDF compared with the other sites but generally few households had access to Government programs.

Conclusions and Policy Recommendations

Following the prediction of the global nature of the GFC that started in the USA in 2008, it was anticipated that there would be ripple effects around the globe. America and Europe were expected to feel the brunt more compared with the developing countries, which were expected to experience the shocks later in 2008 and 2009 (World Bank 2008). Countries, institutions and individuals reacted to these projections differently. In Kenya, while the Prime Minister in 2008 postulated a major impact from the crisis, the Ministry of Finance and Central Bank

Members of the community of Kisumu constructing a social map.

Source: CBMS-Kenya

officials indicated that the impacts would be indirect and most likely small.

This study confirms the position taken by the latter group although at the same time, it illustrates that for the households affected, the shocks had far-reaching consequences on access to food and other services, including healthcare, education and clothing.

The results show that in general, the study sites experienced limited impacts of the GFC due to various factors such as:

1. The four sites were not engaged in any major export activity that could have suffered from inflation and currency depreciation. It is notable that although Murang'a used to export coffee, the community members had long uprooted it due to poor economic returns.
2. The impact on tourism was not felt directly mainly due to the location of the four sites and although Kisumu and Kilifi are tourist destinations, these study communities were removed from the mainstream activities.
3. Unemployment is a major problem in the country. Approximately 64 percent of young people aged 15-24 years are unemployed; therefore, any impact at the central level did not spiral to areas out of Nairobi.

Most of the households engaged in this study did not hold savings, either in bank accounts or in the form of shares. Thus, they were cushioned from the fall in the stock market. Nyangito (2009) reported that stock markets fell by 27 percent in Kenya, 21 percent in Uganda, and 24 percent in South Africa between September 1 and November 30.

Further, the results illustrate the fact that for households that were affected by the GFC in the form of loss of jobs and decline in remittances, the impact was felt in three critical areas: food; healthcare; and education. For households that are already poor, any shock that affects their main source of livelihood is hard to cope with. It is also notable that Government interventions were also limited, with food relief being the most accessible. Food distribution has been found to be expensive and unsustainable. In some cases, it has been found not to reach the most needy members of a target community (Samson 2009). It is important to note that only 36.5 percent of those who experienced food shortages in Kilifi had access to relief food; yet, this is one of the sites where the government, with its development partners, distributes food annually.

The results show minimum impacts from the GFC in general on the study communities. However, this could be due to the fact that the study sites represented the poor in the LAs and in Tana River district. As indicated earlier, Kilifi and Tana River rank among the poorest districts in Kenya (with 65% and 72% of the people living below the poverty line, respectively). Although Kisumu and Kilifi attract tourists (tourism is one of the GFC channels in Kenya), the population involved in the study were not engaged in the mainstream activities around tourism. This could partly explain why the job losses were minimal in these sites.

It is clear from the study of the impact of the GFC that countries have become intricately linked such that a crisis in one part of the world is bound to have implications in another, if not in all other parts. It is therefore important for Governments to put in place measures to safeguard their citizens against such eventualities. Although few households were directly affected by the impacts of the GFC, it is important for the Kenyan Government, in particular, to invest in poor areas, to create employment opportunities and to provide alternative coping strategies during shocks so that the few assets owned by the poor are not depleted as a coping mechanism.

There appears to be a high dependence on relief food when communities are faced with food shortages. Food distribution has been found to be expensive and it does not often reach the most deserving members of society. It is therefore critical for the Government to explore other mechanisms of addressing shocks while at the same time investing in sustainable mechanisms that would eventually reduce the proportion of households dependent on relief food.

Although the country has an array of poverty mitigation funds through devolved funding, these do not seem to reach the people who need them most. Therefore, it is essential for the Government to strengthen the distribution of these funds so as to help cushion the general public from the effect of shocks as this will lead to improved welfare of the communities. The introduction of a social protection policy, currently under development by the Ministry of Gender, Children and Social Development, would help refine the targeting mechanisms while at the same time mitigate the impacts of shocks on the poor and vulnerable members of the society.

CBMS results guide planning and allocation of resources in Edem, Nigeria

The local government of Nsukka, Nigeria plans to allocate resources to clans in the community of Edem in light of the results from the Community-Based Monitoring System (CBMS) implemented in 2010. Plans were also set to expand the implementation of the CBMS in other communities in Nsukka.

The data from the CBMS were also recognized as a major planning information tool that will assist the local governments in improving the welfare status of the members of the community of Edem. The availability of disaggregated data on the welfare status of the households, on the impacts of the Global Financial Crisis (GFC) as well as the various coping mechanisms employed by households in times of crisis makes planning and budgeting transparent.

In particular, the CBMS data for Edem in 2010 were used for the electrification of households in the said community. The use of CBMS data in the distribution of welfare packages on a pro-rata basis resulted in a more efficient distribution of the packages.

With the advantages of implementing CBMS recognized, the local government of Nsukka is seeking the State Government's support to replicate the methodology in other communities under its jurisdiction. The pre-test site of Mkpamute has also expressed its interest in and need for the implementation of the CBMS.

The data collection for the second round of implementation of the CBMS in Nigeria is currently being implemented in Edem and is expected to run until July 2011.

Above: A boy collecting water in the Edem community for household use
RIght: A hamlet in the Edem community

Source: CBMS-Nigeria

As part of the preparations for this second round, the survey instruments were reviewed and revised based on the lessons learned during the first round of implementation. Enumerators were also re-trained and workshops were conducted to promote and facilitate awareness among the various stakeholders.

The first round of the CBMS implementation in Nigeria began in 2008, headed by Dr. Anthonia Achike of the University of Nigeria, and was completed last year, with the survey results presented during the 8th Poverty and Economic Policy (PEP) Network Meeting held in Senegal in June 2010. A total of 4720 households were surveyed during the first round of data collection.

A pilot survey was also conducted in the rural village of Mkpamte which is close to Edem. The purpose was to test the validity of the instruments designed for the study. Several dimensions of the instrument were tested and the results were used to fine-tune the main instrument.

CBMS-Burkina Faso to begin data collection in 3 communes

The Community-Based Monitoring System (CBMS) data collection is to set off soon in Diébougou, Koper and Yako Communes in Burkina Faso. The data collection instrument was finalized in the first quarter of this year. Questions on the impacts of the Global Financial Crisis (GFC) and of climate change were also included in the survey instrument.

Among the other activities successfully completed by the CBMS-Burkina Faso Team are:

- Sensitization of communal and local administrative staff in the three sites in Diébougou
- Coordination with local partners for the implementation of the CBMS in the identified expansion site (Koper Commune)
- Reproduction of survey instruments
- Training of enumerators and supervisors

The CBMS methodology was pilot tested in the country in 1997. In 2002, the CBMS was implemented in Yako in 39 villages covering a total of 7 sectors. In 2005, the implementation of the CBMS was replicated in 28 villages and 7 sectors of the city of Diébougou. Under the current phase of their CBMS project, the CBMS implementation is set to be expanded to include Koper Commune.

PEP Asia-CBMS Network Office hosts CBMS briefing for PDRK officials

The PEP Asia-CBMS Network Office hosted a briefing on the Community-Based Monitoring System (CBMS) for 15 officials of the Central Bureau of Statistics of the Democratic People's Republic of Korea (DPRK) on June 7, 2011.

The visit consisted of a courtesy call on the CBMS Network team and an orientation/ presentation by the research team of the CBMS Network Office on the components, processes and instruments of CBMS and how CBMS is being used to track local level progress on the Millennium Development Goals (MDGs).

Officials from the Central Bureau of Statistics of the Democratic People's Republic of Korea with the CBMS Research Team

The briefing was part of the training course on "Improving Statistical Capability for Assessing Progress in Achieving the MDGs" spearheaded by the Statistical Research and Training Center (SRTC) of the Philippines in partnership with the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). The 19-day training which started on May 23, 2011 aims to: (i) improve the statistical capability of the DPRK's Central Bureau of Statistics in relation to assessing progress in achieving the MDGs, and (ii) enhance its and update its knowledge on statistical standards, frameworks, methods and data sources for producing, analyzing and disseminating MDG indicators.

Role of CBMS in the fight against child labor highlighted

The role of the Community-Based Monitoring System (CBMS) and other available data in analyzing the situation of children and in examining issues relating to child labor was highlighted during a two-part training series for selected local government units (LGUs) held on May 3-5 and June 28-30, 2011 at the CSB Hotel and Lotus Garden Hotel both in Manila, respectively.

Supported by the International Labour Organization (ILO) Country Office for the Philippines under its ILO-IPEC's Time-Bound Programme on the Elimination of the Worst Forms of Child Labor, the training series was designed to build the capacity of LGUs in the analysis of child labor issues and their implications on development outcomes. The objective is for the LGUs to integrate these issues in the preparation of their local development plans.

At least 13 LGUs from the Provinces of Bukidnon (Malaybalay City, Maramag, Quezon and Valencia City), Masbate (Aroroy, Cawayan and Masbate City), Northern Samar (Catarman, Laoang, Las Navas and Mondragon) and Quezon (Calauag and Catanauan) participated in the said training sessions.

The first workshop focused on the processing of existing data to generate child labor indicators. In particular, the 3-day activity aimed to provide participants with: (i) a deeper appreciation of the importance of CBMS in tracking and monitoring child labor in their localities; (ii) a satisfactory level of knowledge in processing CBMS and other data to facilitate the analyses of child labor issues; and (iii) tools and methodologies in formulating local child labor situationers.

Meanwhile, the second workshop focused on the analysis of existing data on child labor issues and their impact on development outcomes. The outputs from this 3-day activity were the complete manuscripts of the LGU reports which already incorporated the comments/inputs of assigned mentors and resource persons who were invited to share their expertise during the event.

During the consultations preparatory to Phase 2 of ILO-IPEC's Time-Bound Programme on the Elimination of the Worst Forms of Child Labor, the National Child Labor Committee (NCLC) raised the need to look deeper into the localization efforts. Recognizing that local governments are vital to the attainment of national goals, it noted the importance of assessing how responsive local development plans are to the current Philippine Programme Against Child Labour (PPACL) objectives. It further recommended that local programs and services for child laborers have to be studied so that deeper insights into the causes of failures and the main challenges faced by LGUs in eliminating child labor are obtained.

Left: ILO-IPEC Towards a Child Labor Free Philippines Project Manager Mr. Cesar Giovanni Soledad
Right: Group photos from the two workshops showing representatives of participating LGUs with the CBMS Research Team

PEP-CBMS Network and IOB conduct a technical workshop on CBMS implementation and use

The PEP-CBMS Research Network, in collaboration with the Institute of Development Policy and Management (IOB) of the University of Antwerp in Belgium, conducted a technical workshop on the "Implementation and Use of the Community-Based Monitoring System (CBMS)" on June 15-16, 2011 at the University of Antwerp in Belgium.

From left: Ms. Alellie Sobreviñas, CBMS Research Associate; Dr. Celia M. Reyes, PEP Co-Director and CBMS Network Leader; Prof. German Calfat, Professor at IOB; and IOB Researchers Ana Rivas, Geovanna Benedictis Villacreses and Dennis Essers.

The two-day workshop aimed to orient the IOB researchers and other participants on the CBMS methodology. The workshop was formally opened by Prof. German Calfat of the IOB who presented the objectives of the workshop and introduced the participants.

Meanwhile, Dr. Celia Reyes (PEP Co-Director and CBMS Network Leader) and Ms. Alellie Sobreviñas (CBMS Research Associate) served as resource persons for the workshop. Selected researchers and professors from IOB, graduate students, representatives from the Belgian Technical Cooperation and other stakeholders participated in the workshop.

The workshop started with an overview of the CBMS, highlighting its key features, the rationale for its implementation and its objectives. This was followed by a detailed discussion of the CBMS methodology and how the system is being implemented by local government units, particularly in the Philippines. During the session, the participants were also introduced to the CBMS core indicators and some of their uses.

The session also included a short film highlighting the experiences of the Philippines in implementing the CBMS. In addition, the experiences of other countries in implementing CBMS such as those in Africa, Asia and Latin America were presented, focusing on how the system has been used in informing policymakers.

During the workshop, the participants were also introduced to the CBMS data collection strategies and instruments. In particular, the strategies being adopted in collecting the data as well as the questionnaires (including the core and rider questionnaires) used in collecting the required information were discussed in detail. This session provided the participants an idea on the type of data that are being collected through CBMS.

Moreover, the monitoring strategies and significant results of the studies which employed the CBMS approach, particularly those relating to the impact of shocks, were shared with the participants. These covered the studies on the impact of food and fuel price shocks and that of the global financial and economic crisis on poverty.

Toward the latter part of the workshop, a presentation of the existing IOB initiatives in Ecuador and DR Congo, highlighting the possibility of adopting the CBMS methodology in these countries, was made. Prof. German Calfat and Mr. Dennis Essers presented the case of Ecuador and DR Congo, respectively. There was a discussion of the possible sites and some details on the next steps for the materialization of the implementation of the system in these countries.

The workshop ended with a positive response from the participants and with the hope that the system will be pilot tested in the target countries based on the lessons learned from other CBMS-implementing countries.

News Updates

Guimaras starts provincewide implementation of CBMS

Guimaras is the very first province in Western Visayas to implement the CBMS.

Governor Felipe Hilan A. Nava of the Province of Guimaras led the signing of the Memorandum of Agreement (MOA) for the implementation of the Community-Based Monitoring System (CBMS) in all the five municipalities of the province on May 22, 2011 at the *Guimaras* Trade & Information Center. The signatories included Dir. Evelyn Trompeta of DILG Region 6 (represented by Assistant Regional Director Arnel M. Agabe), local chief executives of the municipalities of Buenavista, Jordan, Nueva Valencia, San Lorenzo and Sibunag, and Ms. Anne Bernadette Mandap of the PEP-CBMS Network Office.

Held during the 19th Anniversary Celebration of the province, the MOA signing was in line with the province's goal to institutionalize the CBMS in order to generate baseline data for poverty diagnosis as well as for effective and efficient planning, program formulation and impact monitoring.

Guimaras is the very first province to implement the CBMS in Western Visayas. The region is composed of six provinces, including Aklan, Antique, Negros Occidental, Capiz, and Iloilo.

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The *Updates* may be downloaded free from the Project's website: http://www.pep-net.org.

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