Between 2004 and 2007, no annual official statistics on poverty existed in Peru. This was due to serious problems with the household survey used to estimate poverty and implemented by the National Statistical Institute (INEI). Many of the technical issues arose from changes in the survey instrument, data collection practices and delays in updating poverty measurement methodologies. This put on hold poverty analyses for more than three years, time during which little was known about changes in poverty, inequality and the effectiveness of policies to reduce poverty. As a result, the public’s confidence in INEI’s analysis was low. Within this context, in March 2007, INEI requested technical assistance from the World Bank to solve the methodological and data collection issues.

Instead of providing direct technical assistance to INEI (as was usually done in the past for such requests), the World Bank team proposed the creation of an external Advisory Committee (AC) whose role would be to: (i) discuss, advise and reach a consensus on the best methodology that could be used to improve and produce comparable poverty estimates in Peru; and (ii) oversee the work of an inter-institutional technical team (composed of INEI, WB and others) who would implement the AC’s recommendations. The AC was composed of experts on poverty issues from the public sector (Ministry of Economics and Finance and the Central Bank), local academia (Universidad Católica, Universidad del Pacífico, Grupo de Análisis para el Desarrollo, Universidad San Martín), and international organizations (Institut de recherche pour le développement, the Inter-American Development Bank, the United Nations Economic Commission for Latin America and the Caribbean, and the World Bank). This inter-institutional approach was aimed at helping INEI to solve the methodological and data collection issues.

Since 2007 the World Bank has supported INEI with non-lending technical assistance (NLTA) in fine-tuning and implementing the AC model. The support has included participation in the AC meetings, technical assistance, capacity building, and advice on dissemination activities, all with the goal of developing consensus on how to resolve the main methodological issues and improve policy dialogue.1

This participatory approach of a task typically implemented solely by the government has been a unique and innovative accomplishment. Allowing external experts and academics to discuss, debate, and influence the appropriate methodology to measure official poverty statistics has proven to be a success. It provided the space for dialogue and consensus building, just-in-time technical advice to INEI, and a new concept for quality control of national statistics. As a result, the methodological issues in poverty measurement have been resolved and improved. INEI’s capacity has been strengthened and dissemination efforts have facilitated widespread public access of the information produced. In addition, media and public perceptions of the credibility of these figures improved,
moving the country debate towards the role of public policy in poverty reduction. The approach is being replicated in a number of countries in the region, and INEI is currently exploring ways to expand the model to other areas (labor market indicators, growth estimates). Finally, the External Advisory Committee on Poverty has been formalized through a presidential decree in December 2009, something that will allow sustaining its role as an independent committee providing advice on poverty methodology to INEI in the coming years.

Based on this experience, this note presents a number of key lessons on elements of this process that facilitated its success with the objective of informing the design of similar models elsewhere and in the future.

**Lesson 1: Get the right people, set up clear roles, and keep it technical**

After agreeing with INEI, an original invitation by the World Bank to the potential external members was instrumental in creating a concrete work plan and the committee’s organizational structure. The World Bank’s ability to lead this in the beginning facilitated a number of key goals and overcame various challenges. First, it ensured that external members included individuals with relevant expertise and reputation on poverty methodologies (the majority of which had been vocal critics of INEI’s capacity to produce quality data). Second, under World Bank coordination, this initial phase clarified the committee’s role as advisory and not executing. This meant that INEI would be ultimately held accountable for any final outputs (the poverty estimates), something that reduced the concerns of external members who feared that participation in the committee would be perceived as an endorsement of the existing government regime and its policies. Finally, by defining a narrow, technical focus for each meeting, it allowed the work to be confined to methodological issues, which sharpened the profile of the AC’s mission and eventually helped the AC to resist pressures to grant membership to individuals with no technical expertise.

**Lesson 2: Transfer knowledge locally (and ensure ownership)**

The AC model allowed INEI’s technical staff and external experts to discuss, debate, and influence the poverty methodology. At the beginning of the process, the involvement of the external members varied in intensity (most attended the AC meetings but were less actively involved with the data and technical analysis). While this was useful, it was clear that at times the technical discussions could have been more efficient and deeper if members had been more “hands-on.” Over time, the AC agreed on the need for a more systematic involvement by the external members. This led to the creation of subcommittees on various topics with the aim of allowing members to focus on their areas of expertise and to interact directly and “bilaterally” with the INEI staff before reporting to the full AC. This improved both ownership and the quality of the technical advice given to INEI and has given even the most vocal critics of the poverty numbers the opportunity to contribute constructively. It has also strengthened the skills of the technical staff of INEI, who have been working side to side with the external members to implement the new ideas and suggestions.

**Lesson 3: It takes time, so invest appropriately (in quantity and time)**

A sufficiently long-term framework was important for sustained engagement with policy and technical institutions, especially in the absence of an accompanying operation. A three-year ongoing relationship, with frequent opportunities for interaction, with local partners was essential to building rapport and establishing a working relationship and trust among the AC members. This relationship also improved communication and the quality of the technical discussions and outputs. Having the necessary resources to keep the engagement over this period was therefore crucial and was facilitated by the management team’s flexibility to extend the work beyond.

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1 As of January 2010, there were at least 10 subcommittees with AC members supporting INEI with advice in their areas of expertise (updating caloric diet requirements, improving the construction of price deflators, sampling issues, etc.)
its original fiscal-year limits. Given the high fixed costs of starting up such models or providing one-off technical support, the AC model seems to have been a more effective approach from a cost-benefit point of view as it allowed the space for technical assistance and helped develop in-house skills at the Statistical Office in a sustainable way.

**Lesson 4: Delink short- from long-term objectives**

The continuous, multi-year engagement with INEI and the AC model allowed the work to be delinked from external short-term goals and pressures, and at the same time to increase its effectiveness and quality. For example, the work to improve the methodology was separated from INEI's need to report annual poverty estimates to the public. This was done by creating two parallel work plans: the first aimed at ensuring (short-term) consensus about the existing poverty methodology and comparability over time, while the second (long-term) focused on improving a number of pending issues with the existing methodology (e.g. updating caloric requirements, demographic changes due to a new census). This meant that INEI implemented the AC's recommendation to keep using an updated, technically robust poverty methodology to report official poverty estimates to the public, while continuing updating and improving the methodology to ensure that all existing limitations were addressed. In addition to avoiding pressures to compromise the technical work due to short-term datelines, this approach also minimized confusing the public with presenting too many updates on the methodology, which could have also been misinterpreted as politically driven, thus politicizing the AC and putting pressure on its technical focus.

**Lesson 5: Think about sustainability early on**

In the absence of a legally binding mandate for the committee, ensuring lasting impacts and sustainability beyond the life of the NLTA was always at risk. Institutionalizing an official AC role required a clear link to INEI legal structure of. Committee members discussed how to formalize the AC early. They raised the possibility of creating bilateral or other types of formal, legally binding, and non-binding agreements between INEI and each institution represented in the AC. Another suggestion was using INEI's legal institutional status to give the AC a role similar to a company's “Board,” but with a more narrow focus.³

Two factors seem to have aided these discussions. First, INEI benefited by the accompanying support of the World Bank and the AC members, as it gave a strong signal to the public about the credibility of the process and the poverty numbers. In this sense, INEI was eager to showcase the transparency of the process and the consensus building work around the poverty figures and find ways to solidify it. Second, the set-up (see lesson 1) ensured that the AC was only there to offer advice and guidance and was not to be held accountable for the poverty numbers. This reduced concerns by the external AC members who did not want to the AC to be seen as a political instrument.⁴ These factors made it easier to discuss how to move the AC's initial informal character to a more formal entity.

While this process is still not complete, the high public visibility of the AC model has led to a presidential decree, formally institutionalizing the Poverty Advisory Committee. While this is only a first step, it has strengthened the AC model and has renewed the need to explore additional legislative measures to institutionalize the process.

**Lesson 6: Improve transparency**

Transparency was emphasized from the start, not only with the public, but also within the AC and INEI. Improving communication about the AC work, related materials such as data, methodological briefs, and programs used to construct poverty estimates were published on INEI's website. This allowed interested parties to replicate

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³ Peruvian law requires agencies like INEI to have a "board" that oversees its work.

⁴ The fact that the poverty numbers were not controversial - large declines in poverty during a period of record growth – also facilitated the media and public's acceptance of the process and its technical merits.
the procedures and verify the poverty findings. This built confidence in the AC and INEI’s work and arguably contributed to the wide media interest and acceptance.

**Lesson 7: Support constructive dialogue with the media**

INEI publishes poverty numbers once a year (usually in May). During these events, the AC has pursued a dissemination strategy of active interaction with the media through press releases, presentations, and interviews, with the objective of educating the public about poverty trends. This engagement benefitted from the long timeframe of the World Bank’s technical assistance, which also allowed the team to provide more in-depth analytical products (such as a series of studies on understanding the poverty trends) and better coordinate with INEI and the AC members. The interaction with the media has been critical as it has slowly moved the debate away from defending the credibility of the poverty numbers to discussing the actual poverty trends and policy implications. Figure 1 summarizes public perceptions of INEI’s poverty numbers based on a review of press articles and news programs covering poverty since 2006. As it can be seen from this qualitative review, the shift in the content of the media coverage (from questioning the numbers to focusing on the actual trends) highlights the importance of integrating a strong dissemination and communication strategy in such activities.

**Figure 1. Public perceptions of poverty numbers over time**

![Figure 1](image)

**About the Authors**

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