UN environment

PNUD
Al servicio
de las personas
y las naciones

Environmental variables in multidimensional poverty measurement: a practical guide with examples from Latin America and the Caribbean

Multidimensional poverty measurement - looking beyond just monetary income - is already a reality in a number of countries in the Latin American and Caribbean region. This has been a response to the efforts to achieve the goal of holistic, integrated and sustainable development in the region that "leaves no one behind." Ensuring environmental sustainability as the basis for a prosperous future is a challenge for humanity; hence the need to study and develop new models and tools that can simultaneously generate positive impacts in the area of poverty reduction as well as environmental conservation.

This document, created within the framework of the Poverty-Environment Initiative (PEI), a joint UNDP-UN Environment initiative, looks at the integration of environmental indicators in the mechanisms for poverty measurement in the Latin American and Caribbean region. To this end, it begins with a conceptual and methodological review of the relationship between poverty and the environment, analyzing how to link indicators in this area. This is followed by a study of some representative examples of national Multidimensional Poverty Indices (MPIs) in the region and the way in which environmental indicators have been integrated in them (using the examples of Chile, El Salvador, Mexico, the Dominican Republic and Panama). Additionally, the document presents a practical guide for the incorporation of the most relevant environmental variables for each country in the poverty measurement systems. This guide consists of a twelve-step proposal, illustrated with practical examples.

Conclusions and key lessons from the analysis:
o The Latin American and Caribbean region has demonstrated strong leadership in the development of MPIs, with nine countries having national multidimensional poverty measurements, which are progressively incorporating the environmental dimension in their methodologies and measurements.
o The analysis of the case studies shows that some indicators of an environmental nature have been widely adopted, such as those related to pollution, exposure to natural disasters and household conditions (access to potable water and improved sanitation or the use of solid fuels for cooking), while other indicators have yet to be incorporated, such as those related to livelihoods or environmental health at work.
o With respect to methodology, most of the case studies reviewed in this document use data from household surveys that were modified, at some point, to provide the necessary information to estimate their multidimensional poverty indicators. All that remains now is to explore the possibilities of associating other data sources with household surveys in an effort to crosslink different databases.
o Recently, countries in the region have begun developing national registries of beneficiaries. These registries offer enormous potential for monitoring socioeconomic indicators and could be used to incorporate environmental variables that make the links more explicit between beneficiaries of social programs, their environment and environmental management.

Finally, multidimensional poverty measurement fosters the adoption of holistic perspectives for the solution of contemporary problems. A multidimensional vision is fundamental to break silos and overcome fragmented and disjointed strategies to increase the effectiveness and efficiency of government actions.

Full document available at: http://www.unpei.org/pei-pep-publications