

# World Bank Statement on Rwanda Statistics

August 16, 2019

World Bank support for statistical capacity building and open data initiatives is in high demand by our member countries, their constituents, and our development partners across the globe. The World Bank has a strong track record of providing technical and financial support for internal and external research along with constructive debate aimed at improving the measurement and monitoring of poverty. Better data is fundamental to making the right policy decisions that help reduce poverty.

World Bank staff weighed in publicly, clearly, and with commensurate technical rigor on the Rwanda poverty measurement debate in a working paper (Revisiting the Poverty Trend in Rwanda : 2010/11 to 2013/14) published in September 2018. The National Institute of Statistics of Rwanda (NISR) shared the underlying survey data and engaged in constructive discussions to elaborate in detail on the methodology used to measure and monitor poverty in Rwanda. The published technical paper was based on careful and clearly set-out analysis, with a finding that supported the official trend published in NISR (2016).

Consistent comparisons of monetary poverty measures over time, just like consumer prices or GDP, require the use of a deflator. However, the appropriate deflator for measuring poverty is not the Consumer Price Index or GDP deflator, but rather a composite “cost-of-living” index that is representative of the food and non-food consumption choices of poor households as well as the unit prices they face in the markets where they purchase goods and services. Poor households consume a diet that is less diverse and relies more on self-produced (especially in rural areas), basic, and cheaper staples. The consumption choices and prices faced by the poor, be it in informal urban or rural markets, differ from those in formal retail stores and supermarkets. A comparison between populated areas of Kigali and the country’s rural towns and villages shows wide variances in consumption choices and prices faced by households.

Differences over methodologies for poverty estimation are common in all countries, including developed ones, given the complexity of the subject matter. There is no single “best way” to estimate poverty that is appropriate for all contexts and all times. Methodology adjustments may be necessary to better capture the position of the poor, so that policy adjustments can be targeted to address their needs. The official NISR poverty measures are calculated using appropriate deflators that are computed based on the prices faced and consumption choices made by poor households in different regions of Rwanda.

The World Bank has a strong track record of producing reliable analytical work, we continue to work on this topic in Rwanda, and we welcome critical views of our technical work and methodology. We support constructive debate aimed at improving the measurement and monitoring of poverty, as its elimination is at the core of our mission.