



# WBG SCORECARD FY24-FY30 METHODOLOGY NOTE

## WBG Client Context & Vision Indicators

The purpose of this note is to ensure the rigor, transparency, and reproducibility of the WBG client context and vision indicators included in the new WBG Scorecard FY24-FY30, as well as their alignment with the WBG’s vision. Technical teams were asked to provide a sufficiently detailed methodology so that anyone who reads this note can understand its rationale, theory of change, data sources, and method of calculation.

Definitions included in this template are aligned to the WBG Scorecard paper endorsed by the Board on Dec 19<sup>th</sup>, 2023. The methods notes are living documents and will be subject to updating and revision pending operational inputs and implementation lessons over time.

OVERVIEW	
<b>INDICATOR NAME</b>	Percentage of population in FCV countries living in extreme poverty (at \$2.15/day)
<b>SUB-INDICATORS</b>	N/A
<b>VISION / CLIENT CONTEXT</b>	<input type="checkbox"/> Vision indicator <input checked="" type="checkbox"/> Client context indicator
<b>OUTCOME AREA</b>	<input type="checkbox"/> Protection for the Poorest <input type="checkbox"/> Healthier Lives <input type="checkbox"/> Green and blue planet and resilient populations <input type="checkbox"/> Sustainable food systems <input type="checkbox"/> Affordable, reliable, and sustainable energy for all <input type="checkbox"/> Digital services <input type="checkbox"/> More and Better Jobs <input type="checkbox"/> No Learning Poverty <input type="checkbox"/> Effective Macroeconomics and Fiscal Management <input type="checkbox"/> Inclusive and equitable water and sanitation services <input type="checkbox"/> Connected Communities <input type="checkbox"/> Digital connectivity <input type="checkbox"/> Gender equality and youth inclusion <input checked="" type="checkbox"/> Better Lives for People in Fragility, Conflict, and Violence <input type="checkbox"/> More private investments
<b>SDG ALIGNMENT</b>	<p>See <a href="https://sdgs.un.org/">https://sdgs.un.org/</a> for further details on SDGs:</p> <input checked="" type="checkbox"/> 1. No Poverty <input type="checkbox"/> 2. Zero Hunger <input type="checkbox"/> 3. Good Health and Well-being <input type="checkbox"/> 4. Quality Education <input type="checkbox"/> 5. Gender Equality <input type="checkbox"/> 6. Clean Water and Sanitation <input type="checkbox"/> 7. Affordable and Clean Energy <input type="checkbox"/> 8. Decent Work and Economic Growth <input type="checkbox"/> 9. Industry Innovation and Infrastructure <input type="checkbox"/> 10. Reduced Inequalities <input type="checkbox"/> 11. Sustainable Cities and Communities <input type="checkbox"/> 12. Responsible Consumption and Production <input type="checkbox"/> 13. Climate Action <input type="checkbox"/> 14. Life Below Water <input type="checkbox"/> 15. Life on Land <input type="checkbox"/> 16. Peace, Justice and Strong Institutions <input type="checkbox"/> 17. Partnerships for the Goals
	List of specific UN targets (if applicable):
<b>UNIT OF MEASURE</b>	<input type="checkbox"/> Number of people <input type="checkbox"/> Number of countries <input type="checkbox"/> USD <input type="checkbox"/> GW <input type="checkbox"/> Hectares <input type="checkbox"/> tCO2eq/year <input checked="" type="checkbox"/> Other: Percentage of population
<b>LEGACY INDICATOR NAME</b>	<input type="checkbox"/> WB Old Scorecard indicator: <input type="checkbox"/> WBG Old Scorecard indicator: <input checked="" type="checkbox"/> N/A
RATIONALE	
<b>DEFINITION</b>	The percent of the population from countries considered Fragile and Conflicted Situations (FCS) who are living on less than \$2.15 a day in 2017 purchasing power parity (PPP) adjusted prices. Measures based on international poverty lines hold the real value of the poverty line constant across countries when making national and temporal comparisons. The current extreme poverty line (\$2.15 a day, 2017 PPP) represents the median of the poverty lines found in low-income

	countries (see Joliffe et al. 2022 for details on the poverty lines). Countries considered FCS will be based on the World Bank’s classification.
<b>DEVELOPMENT RELEVANCE</b>	<p>Enshrined in the World Bank’s new vision, the eradication of poverty is at the forefront of the institution’s goals. By tracking the global poverty rate, policymakers and development practitioners can identify regions and populations that are the most vulnerable and most in need, allowing for an effective design of targeted interventions and making an efficient allocation of resources possible. This information is crucial to promote inclusive development.</p> <p>Tracking the global poverty rate is the cornerstone of the assessment of progress towards achieving the Sustainable Development Goals (SDGs), particularly Goal 1 of eradicating poverty in all its forms. It also provides information for monitoring the impact of development policies and government interventions on poverty reduction. Thus, this rate provides crucial information on areas with high levels of deprivation. The poverty rate is based on the monetary-metric measure to track deprivation, which is a key reflection of households’ welfare. Additional perspectives on the livelihoods of the population can be obtained by other scorecard indicators that monitor non-monetary dimensions.</p>
<b>LIMITATIONS</b>	Lack of annual survey data is still a challenge. In 2023, only about 80 countries had at least one household survey whose data was collected in the previous five years and available to monitor poverty at the international level. As of March 2024, the number of FCS countries with recent data is only 6 (out of 39). Thus, overall FCS estimates will rely on both actual survey data, as well as projections. Poverty rates will be based on countries’ available information on households’ monetary welfare, measured either as consumption or income. The underlying survey data are subject to methodological changes over time rendering the poverty trend estimates potentially non-comparable.
<b>DATA AND CALCULATION</b>	
<b>DATA SOURCE(S)</b>	Poverty and Inequality Platform. Estimations use household survey data typically produced by countries’ National Statistical Offices as the underlying data.
<b>METHOD OF CALCULATION (CORE)</b>	<p>The following steps are used to calculate this indicator.<sup>1</sup></p> <ol style="list-style-type: none"> <li><b>A Reporting Year is selected.</b> Given data availability, the reporting year is the calendar year minus one or two years, subject to sufficient data coverage.</li> <li><b>Per capita welfare aggregates are estimated for all countries for their latest available surveys.</b> The daily per capita welfare aggregates, measured by either consumption or income per capita, are estimated for the latest available survey for each country. Then, these aggregates are deflated to 2017 local prices and then deflated again to PPP-based international dollars.</li> <li><b>Per capita welfare aggregates are extrapolated to the Reporting Year.</b> Due to not all countries having household surveys each year, the daily per capita welfare aggregate must be extrapolated to the Reporting Year. To do so, the daily per capita welfare aggregates at US\$ 2017 PPP are forecasted by using the growth of real GDP per capita or real Household Final Consumption Expenditure per capita from the survey year to the Reporting Year.</li> <li><b>Next, estimate the poverty rate for each country for the Reporting Year.</b> The poverty rate is estimated by comparing the extrapolated welfare aggregate with the relevant poverty lines (US\$2.15). Individuals whose per capita consumption or income falls below these lines are considered poor.</li> <li><b>Finally, the aggregation for the FCS countries is created.</b> To do so, the estimated poverty rates for each FCS country at the reporting year are aggregated using population estimates at the Reporting Year published in the World Development Indicators.</li> </ol>

<sup>1</sup> Detailed documentation of the methodology is available in the Poverty and Inequality Platform: <https://datanalytics.worldbank.org/PIP-Methodology/>

<b>METHOD OF CALCULATION (DISAGGREGATION)</b>	In countries for which microdata are available, poverty rates can also be disaggregated within countries by region, location (urban/rural), sex, age groups, etc.
<b>VERSION</b>	Version 1. Revised March 28, 2024.