



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 19th, 2023. The methods notes are living documents and will be subject to updating and revision pending operational inputs and implementation lessons over time.

OVERVIEW	
INDICATOR NAME	Percentage of global population living in poverty (at \$2.15/day and \$6.85/day)
SUB-INDICATORS	N/A
VISION / CLIENT CONTEXT	<input checked="" type="checkbox"/> Vision indicator <input type="checkbox"/> Client context indicator
OUTCOME AREA	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <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 </div> <div style="width: 45%;"> <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 type="checkbox"/> Better Lives for People in Fragility, Conflict, and Violence <input type="checkbox"/> More private investments </div> </div>
SDG ALIGNMENT	<p>See https://sdgs.un.org/ for further details on SDGs:</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <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 </div> <div style="width: 45%;"> <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 </div> </div> <p>List of specific UN targets (if applicable):</p>
UNIT OF MEASURE	<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
LEGACY INDICATOR NAME	<input checked="" type="checkbox"/> WB Old Scorecard indicator: [Population living under the international poverty line (constant 2017 PPP \$, %)] <input type="checkbox"/> WBG Old Scorecard indicator: <input type="checkbox"/> N/A
RATIONALE	
DEFINITION	The percent of the population living on less than \$2.15 and \$6.85 a day in 2017 purchasing power parity (PPP) adjusted prices. Measures based on internationally comparable 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. The threshold of \$6.85 corresponds to the median poverty line for upper-middle-income countries. ¹
DEVELOPMENT RELEVANCE	<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. 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.</p> <p>While the extreme poverty line reflects the situation of the most destitute, the inclusion of a second indicator (also based on an internationally comparable poverty line) recognizes that as extreme poverty declines, countries’ definitions of what constitute basic needs change, implying that the population requires more resources to be able to afford a minimum standard of living. To achieve the goal of eradicating poverty globally progress should be tracked appropriately in both LICs and MICs. 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>
LIMITATIONS	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. Thus, global (and regional) estimates will rely on both actual survey data, as well as projections. Certain countries for which no household surveys are available at any time and countries without information on PPP exchange rates will be imputed a poverty rate. Poverty rates will be based on countries’ available information on households’ monetary welfare, measured either as consumption or income. The underlying survey data is subject to methodological changes over time rendering the poverty trend estimates potentially non-comparable.
DATA AND CALCULATION	
DATA SOURCE(S)	Data are derived from the World Bank Poverty and Inequality Platform. Estimations use household survey data typically produced by countries’ National Statistical Offices as the underlying data.
METHOD OF CALCULATION (CORE)	<p>The calculation of poverty figures follows five steps, outlined below. The Global Poverty Rate will be updated twice per year.²</p> <ol style="list-style-type: none"> A Reference Year is selected. Given data availability, the reporting year is the calendar year minus one or two years, subject to sufficient data coverage. For example, Global Poverty reported in 2014 will reflect the estimate of either 2013 or 2012, subject to data coverage. The choice of year will depend on whether survey data in the reference year are representative of at least 50 percent of the world’s population and 50 percent of the population in low-income and lower-middle-income countries, because most of the poor live in these groups of countries. A country is considered to have sufficiently recent data if it has a survey-based poverty estimate within three years from the reference year. Per capita welfare aggregates are estimated for all countries for their latest available surveys. The daily per capita welfare aggregates 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. Welfare can be based on either household consumption or household income. Per capita welfare aggregates are extrapolated to the Reference Year. 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

¹ See Joliffe et al. (2022) for more details related to the assignment of poverty lines.

² Detailed documentation of the methodology is available in the Poverty and Inequality Platform: <https://datanalytics.worldbank.org/PIP-Methodology/>

	<p>US\$ 2017 PPP are extrapolated using national accounts growth rates and assuming distribution neutrality.</p> <ol style="list-style-type: none"> 4. Next, estimate the poverty rate for each country for the Reporting Year. The poverty rate is estimated by comparing the extrapolated welfare aggregate with the relevant poverty lines (US\$2.15 or US\$6.85 in 2017 PPP). Individuals whose per capita consumption or income falls below these lines are considered poor. 5. Finally, the aggregation for the world is created. To do so, the estimated poverty rates for each country at the reporting year are aggregated using population estimates at the Reporting Year published in the World Development Indicators.
<p>METHOD OF CALCULATION (DISAGGREGATION)</p>	<p>Global poverty rates are obtained as a population-weighted average of poverty rates calculated (or imputed) at the country level. Poverty rates for any country group (including FCS, region, and country income groups) can therefore be calculated as a population-weighted average of the poverty rate for each country in the group. However, data availability may affect the frequency for which some disaggregated indicators are published. Poverty rates by groups will be calculated if data cover 50 percent of the population in the group within a predetermined period in the reference year. That is, for groups in which the coverage rule is not met, disaggregated poverty estimates are not reported. Notably, for the countries for which microdata are available, poverty rates can also be disaggregated within countries by subnational units, location (urban/rural), sex, age groups, etc.</p>
<p>VERSION</p>	<p>Version 1. Revised March 28, 2024</p>