Appendix E
Selection Criteria and Methodology Used to Assess the Quality of Poverty Assessments from 20 Countries

The objective of this Poverty Assessment (PA) Quality Review is to determine the extent to which the PAs (a) provided sufficient background information on available poverty surveys and data, (b) made good use of available survey and other data to provide a clear understanding of the extent and drivers of poverty, (c) assessed the adequacy of the countries’ poverty reduction institutions, programs and funding, (d) evaluated poverty monitoring and evaluation arrangements, (e) proposed specific and actionable recommendations for reducing poverty, and (f) influenced the countries’ poverty reduction strategies and programs, helped build in-country capacity, and supported joint work and partnerships. The methodology for evaluating the quality of the twenty PAs is consistent with the World Bank’s 2004 Guidance Note on Poverty Assessments.¹

The review period is 2002-13. The term “poverty assessment (PA)” includes full PAs as well as poverty notes, updates, reports, and TAs. The term “poverty profile” refers to estimates of the levels and trends in poverty (a) at the national level and disaggregated by regions and social groups, and (b) across income, consumption, and non-income indicators. The term “poverty diagnostics” refers to the examination of the (a) key drivers of income and non-income poverty at the national and regional levels and across social groups, (b) determinants of the changes in poverty incidence over time, including growth and distributional changes, and (c) obstacles to poverty reduction nationwide, most-affected regions, and across social groups.

Poverty Assessment Selection

The Review examined the quality of 20 country poverty assessments (PAs), notes, and poverty reduction technical assistance projects. There is some overlap with the study’s country case studies (Bangladesh, Egypt, Lao PDR, and Nigeria). Most of the 20 countries have at least one publically available poverty assessment and many have poverty notes, poverty updates, and technical assistance reports.

The 20 countries were selected to (i) provide equal coverage of each of the Bank’s six Regions (four countries each for the Africa and East Asia and Pacific Regions, and
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three countries each for the remaining four Regions; (ii) countries with greater rates of poverty either as a proportion of the developing world’s poor or as a share of country population; and (iii) at least one weak data country in each Region. These selection criteria should identify any gaps in the quality of Bank poverty diagnostics across the Regions—across those countries with the greatest poverty reduction challenges in absolute or relative terms—and countries with weak data.

The 20 countries, with weak data countries in italics, are:

- **Africa (4):** Democratic Republic of Congo, Ethiopia, Mozambique, and Nigeria
- **East Asia and Pacific (4):** China, Indonesia, Lao People’s Democratic Republic, and Papua New Guinea
- **Europe and Central Asia (3):** Armenia, the Kyrgyz Republic, and Moldova
- **Latin America and the Caribbean (3):** Brazil, Colombia, and Guyana
- **Middle East and North Africa (3):** the Arab Republic of Egypt, Iraq, and Republic of Yemen
- **South Asia (3):** Afghanistan, Bangladesh, and India

**Poverty Headcount**

Using the most recent year that data were collected, nine countries were selected based on having the greatest poverty headcounts under an international poverty line of $1.25 per day per person at 2005 purchasing power parity (PPP) prices. These nine countries are (year of PA completion and the number of poor in millions are in parentheses): Nigeria (2010, 109), Congo, Democratic Republic (2006, 49), Ethiopia (2005, 37), Mozambique (2008, 14), China (2009, 157), Indonesia (2010, 44), Brazil (2009, 12), India (2010, 394), and Bangladesh (2010, 65). The number of poor in these nine countries totaled to about 881 million, or nearly three-quarters of the 1.2 billion poor in all developing countries in 2010. One additional country was selected on the basis of national poverty: Egypt (2009, 17). Not surprisingly, there is a heavy overlap between the rankings of countries with the greatest poverty headcounts based on the international and national poverty lines.

**Poverty Rates**

An additional six countries (namely, Armenia, Colombia, Iraq, Kyrgyz Republic, Lao PDR, and the Republic of Yemen) were selected to bring the regional distribution into balance (that is, two additional countries each for Europe and Central Asia and the Middle East and North Africa, and one country each for East Asia and Pacific and Latin America and the Caribbean. These six countries were selected from a sample of 46 countries with high rates of headcount poverty as reported in the 2008
World Development Report. The 46 countries had headcount poverty rates greater than 40 percent on the basis of the national poverty line or greater than 20 percent on the basis of the international poverty line. Of these 46 countries, 15 were eliminated due to a lack of poverty diagnostics during 2000–2013, and the 11 countries in the Africa Region were eliminated since 4 countries had been selected on the basis of the poverty headcount criteria. Of the remaining 20 countries, 6 were selected for the Review in accordance with those having the greatest number of publically available poverty diagnostic works. These six countries are Armenia, Colombia, Iraq, Kyrgyz Republic, and Republic of Yemen.

**Weak Data**

The list of 16 countries selected for the study on the basis of poverty headcount and poverty rates includes three weak data countries (namely, the Democratic Republic of Congo, Iraq, and Republic of Yemen) in Africa and the Middle East and North Africa. In order to cover at least one weak data country in each region, three additional weak data countries were added: Afghanistan, Guyana, and Papua New Guinea. They were selected from a list of the weak data countries, and two of these countries (i.e. Guyana, and Papua New Guinea) had no surveys available in PovCalNet during 2000–2012. Moldova is included in the list for the Europe and Central Asia Region.

**Poverty Diagnostic Work**

Many of the 20 countries selected for the study include a mixture of poverty assessments, notes, technical assistance, and other poverty diagnostic work. This amalgam allows for a preliminary assessment of the 2008 trend in Bank poverty diagnostic work away from full poverty assessments toward poverty notes, updates, and technical assistance.

**Quality Assessment Methodology and Template**

The methodology used for the assessment of the quality of the twenty PAs closely follows the 2004 Guidance Note. The 2004 Guidance Note did specify that the PAs would be prepared “in close coordination with national institutions, partners and civil society groups” and would cover three topics: (a) an assessment of the poverty situation, (b) an analysis of the impact of growth and public actions on poverty, and (c) the appraisal of poverty monitoring and evaluation systems. Further, a PA was to include: (a) an analytical synthesis of existing knowledge on these three topics, (b) an identification of key knowledge gaps with respect to these three topics, and (c) new analysis that addresses selected gaps or complements existing work. The 2004 Guidance Note also calls for the consideration of qualitative data and
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sociological/anthropological studies (see para. 4), the inclusion of specialists in the relevant sectors on the task team (see para. 26), and the wide dissemination “of poverty work within the Bank and outside” (see para. 27). Importantly, the 2004 Guidance Note states that good-practice PAs aim to inform good pro-poor policy and that “good technical analysis is a means to this end” (see para. 7), and the need for strong linkages between the PAs and CASs, lending operations, and non-lending activities is noted.

Consistent with the World Bank’s 2004 guidance note on poverty assessments, the systematic review of the quality of the Poverty Assessment follows six criteria and 26 sub-criteria as below:

- **Surveys and Data.** Did the PA provide sufficient background on the:
  - data used to undertake the poverty diagnostics, including the survey type, year, location, and content (income, consumption, education, health, and/or other non-income indicators),
  - survey methodology and whether the data were publically available, and,
  - Institutional arrangements and capacity for the survey design and implementation and, where appropriate or needed, was capacity building planned and/or undertaken?

- **Poverty Profiles and Diagnostics.** Did the PA:
  - identify and provide an analytical synthesis of the poverty statistics and knowledge available from alternative sources,
  - explain the methodology used to determine the PA’s poverty statistics including types of data used, poverty line(s) used, and possible alternative poverty lines,
  - make use of analytical tools developed in recent years such as ADePT, poverty mapping, and micro-simulation,
  - provide estimates of the levels and trends in poverty (i) at the national level and disaggregated by regions and social groups, and (ii) across income, consumption, and non-income indicators,
  - examine extreme poverty,
  - report any participatory assessments of poverty,
  - examine the key drivers of income and non-income poverty at the national and regional levels and across social groups,
  - consider the determinants of the changes in poverty incidence over time, including growth and distributional changes, and,
  - explore the obstacles to poverty reduction nationwide, most-affected regions, and across social groups?

- **Institutions and Public Actions.** Did the PA evaluate the:
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- government’s response to poverty including its key institutions, strategies, funding, and programs for poverty reduction,
- impact of past policies (macroeconomic, structural and sectoral) and programs (including targeted poverty reduction, social protection, specific public expenditure, and other programs) on the well-being of the poor and different segments of the poor, and,
- government, donors, and other partners’ efforts to support empowerment of poor communities and participatory poverty reduction work?

- Monitoring and Analysis System. Did the PA:
  - consider whether the country’s systems and capacity to monitor and analyze trends in poverty are adequate and, where problems are identified, summarize possible remedial actions,
  - assess whether sufficient systems and capacity exist to evaluate the poverty impact of policy and program interventions, and,
  - check for participatory, qualitative, or other alternative assessments of poverty?

- Recommendations. Did the PA:
  - provide a concise and clearly prioritized set of recommendations for poverty reduction work, and,
  - specify costs, possible sources of funding, administrative responsibilities, and timing for these poverty reduction measures?

- Influence and Impact. Did the PA report on:
  - the extent to which core government agencies, key donors and other partners were engaged in the design, data acquisition and analytical work, compilation, and review of the PA,
  - the support, if any, provided to improving poverty monitoring, analysis, and evaluation,
  - whether any longer-term capacity building process was considered and/or initiated,
  - whether any support was provided to in-country participatory processes—for reaching broad consensus on methodologies, findings, strategies and priority actions—during and after conducting analytical work, and,
  - whether the PA was (i) made publically available and widely disseminated through printed publications and electronic media, (ii) adequately discussed with government, donors, other partners, and the poor themselves, and (iii) linked with country-based and owned processes which aim to develop a poverty reduction strategy and/or inform public actions.
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List of Poverty Assessments

The 20 PAs reviewed by the study were (with year of publication and year of survey in parentheses):

- Poverty Status in Afghanistan (2010; 2008)
- From Poor Areas to Poor People: China’s Evolving Poverty Reduction Agenda (2009; 2003)
- Perspectives on Poverty In India: Stylized Facts from Survey Data (2011; 2005)
- Confronting Poverty in Iraq (2011; 2007)
The Europe and Central Asia Region is an exception. During the period of 2000-12, most countries in the Region had at least two rounds of household survey data available in PovCalNet. Turkmenistan did not have surveys during the period of evaluation but it did not have a poverty assessment after 2001. Armenia, the Kyrgyz Republic, and Moldova were selected for the review of PAs.

The 2004 Guidance Note was intended to provide good practice guidance for the preparation of PAs. Its requirements were not binding and allowed for considerable flexibility in the content and focus of the PAs in accordance with country needs and specific circumstances.