

Appendix 2 Basic Check List

Below is a basic checklist of most of the representative indicators used for understanding the conditions and degree of poverty in a country.

The concept of poverty and the approaches towards poverty vary greatly in the donor agencies and recipient countries. There are thus, a wide range of indicators and data that are used in measuring poverty. This section takes a practical perspective and attempts to provide indicators and data that are relatively accessible and useful for gaining a basic understanding of the poverty conditions in a recipient country based on the Development Objectives Chart on Poverty Reduction presented in this report.

These indicators are to be used to gain a general understanding of the conditions of poverty. When beginning actual cooperation, it is vital to gather specific information on each of the targeted sectors, regions and strata of population (e.g. women, children) and to quantitatively understand the levels of a project's outcomes. With respect to the detailed checklists by sector, since issues such as Basic Education, HIV/AIDS and Rural Development have been summarized in the Approaches for Systematic Planning of Development Projects, these will also serve as a reference.

Items/Indicators		Unit	Calculation method	Remarks
(Poverty)				General Poverty Conditions for Individual Countries
1	Real GDP Per Capita	Currency (\$)	GDP/Total Population	A country's situation of poverty is generally expressed by the percentage of the total population that is below the poverty line. In general, the poverty line is expressed by the income or expenditure required for purchasing the food required to meet the minimum nutritional needs and other major essential items besides food. Since measures differ according to countries, it is effective to globally use the income of one dollar a day or less as the poverty line for better performance.
2	Total population	People		
3	Population ratio below the national poverty line	%	Number of poor Population /Total Population	International comparisons. Furthermore, in addition to single year figures, it is important to grasp growth or decline compared to the several, previous years and to investigate the correlation between economic growth and other factors. In order to understand the attributes of the poor population of a country, it is important to verify the domestic regional distribution and confirm concentrations in specific regions, sectors and occupations (small-scale agriculture, micro-fishing, urban informal sectors) by which the poor make their living. In the same way, among the poor it is important to keep in mind the significance of differences between men and women and particular ethnicities and groups (ethnic minorities, HIV/AIDS orphans and households headed by children) in poverty.
4	Population below international poverty line	%	Number of poor Population /Total Population	

Items/Indicators		Unit	Calculation method	Remarks
5	Population growth rate	%		When the rate of population growth exceeds the rate of economic growth, the distribution effect of economic growth is lost. In rural areas, land is distributed in even smaller sections and this leads to decreased capacity for production and urbanization due to immigration to urban areas and contributes to further deterioration of the poor's lives.
6	Poverty Gap Index	%		A measure of the degree of poverty for people below the poverty line that cannot be indicated only by the poverty line and the amount of inequality between levels of the poor (also called poverty depth). In measuring, the distance of each level of the poor from the poverty line and the number of poor people at each level are both given consideration. In practice, the percentage of index gap showing the average income shortfalls of people below the poverty line is often used. In addition, the severity of poverty (Squared Poverty Gap) measuring inequalities between the levels of the poor is also used.
7	Gini Coefficient (Lorenz Curve)			The Gini Coefficient ranges from 0 to 1. 0 representing perfect equality and 1 total inequality. Equality distribution is represented by the area created by a straight diagonal line (equality diagonal) in a square figure and a Lorenz curve line drawn to the right of it. Greater the coefficient (deviation of the Lorenz curve from the diagonal line), greater the inequality and smaller the coefficient, greater the equality is in income distribution.
8	Human Development Index (HDI)			The Human Development Index (HDI) is calculated by the United Nations Development Program (UNDP) with an emphasis on the diverse aspects of human development and is based on life expectancy at birth, adult literacy rate, school attendance rates and GDP per capita. The Gender Development Index (GDI), like the HDI, also measures the achievement of basic capabilities, but emphasizes on the differences observed between males and females. The UNDP measures both numerically by countries and ranks countries accordingly.
9	Gender Development Index (GDI)			
(Macroeconomy and public expenditure)				Structural and Cross-Sector Issues Interrelated with Poverty
10	Annual Economic Growth Rate	%		Economic growth is an integral condition for poverty reduction, but as the content of growth varies between countries and sectors, it is necessary to research on the content of growth so as to ascertain whether the sectors that have a great impact on the poor are growing or not.
11	External balance			Macroeconomic stability is required for poverty reduction and in particular, excessive inflation directly and adversely affects the lives of the poor. For macroeconomic stability and economic growth, it is essential to maintain a good external balance and have domestic savings for domestic investments.
12	Inflation rate of commodities	%		
13	Domestic saving rate	%		

Items/Indicators		Unit	Calculation method	Remarks
14	Public expenditure on social sector (education, healthcare) and Military as a % of GNP	%		Confirms the ratio of expenditure in the social development sector in both current and capital expenditures of the central or local government's budgets and external assistance. Also checks whether military expenditure exceeds expenditure in the social development sector.
(Formulation of Poverty Reduction Plans, Systems and Implementation of the Framework)				
15	Poverty Reduction Policy/Strategy			Confirms the existence of policies, strategies and plans (including PRSPs) that aim for poverty reduction by the government of a country or by donor countries and organizations. It is important to consider the details of assistance while taking into consideration priority sectors, implementation period and plans for and methods of implementation, as in many cases these policies, strategies and plans are good indications of the views of the government towards poverty.
16	Participatory Poverty Assessment			Checks whether development plans are being formulated to reflect the voices of the poor in the country, includes the recent World Bank Participatory Poverty Assessment.
17	Decentralization			Ascertains the state of delegation of authority and budgets to local governments.
18	Protection of human rights			Checks whether the poor's political or human rights are markedly infringed due to undeveloped legal systems.
19	Social systems that increase the poor and inequalities			This indicator ascertains whether there are social systems (including caste, tribe and gender) that hinders community participation by the poor and if they exist, understands the actual conditions related to those.
(Income)				Income, livelihood, employment and assets required to maintain a standard of living.
Employment Conditions				
20	Labor force distribution by sectors			Gains an overview of the labor force by sectors and analyzes the labor and industry structures from a poverty perspective.
21	Population of agricultural workers as a % of total rural labor force	%	Number of agricultural workers/Rural labor force	Develops an understanding of agricultural and non-agricultural workers in rural areas and investigates the correlation between those and the poverty level to bring rural poverty issues to light.
22	Population of formal and informal sector as a % of total labor force (by rural, urban, male, female)	%	Number of workers in informal sector/Total Labor Force	Many of the poor in urban areas are in the informal sector. In order to provide assistance to the poor who have no productive assets outside their own ability to work, it is necessary to understand the structure of the informal sector, the major industries and the types of jobs available.
23	Unemployment and under employment as a % of total labor force	%		

Items/Indicators		Unit	Calculation method	Remarks
Regional Conditions				
24	Ratio of female-headed households in agricultural sector	%	Number of female-headed farm households/ Number of farm households	When farm households are headed by females, it is often the case that the access to agriculture production, assets and working conditions are more disadvantageous than for males and the degree of poverty is higher. So it is vital to understand the actual conditions.
25	Distribution of land in rural area			Agricultural workers are divided into large-scale, medium-scale, small-scale farmers, landless farmers and agricultural laborers. The acreage of land and whether the land is owned by the farmer or not is directly linked to production and therefore, has a profound relationship to poverty. It is thus necessary to investigate the structural issues, especially that of the large number of poor who are small-scale and landless farmers.
26	Access to rural infrastructure and extension services			In rural areas where a large number of the poor live, this is an indicator used to understand the actual conditions related to the development of roads, small-scale irrigation facilities, other infrastructure and the access to those by the poor. It is also used to understand the poor's access to the government's agricultural extension activities.
27	Access to rural micro credit			For the poor who have no assets or resources, micro credit is an important means of sustaining their livelihoods. For this reason, this indicator is used to understand the availability and access to micro credit.
(Basic Human Needs)				Fulfillment of BHN, access to social services.
Education				
28	Adult literacy rate (by sex)	%	Percentage of literate adults; 15 years and above	The ability to read and write a short, simple statement related to one's everyday life has become an international statistical standard. It is desirable to obtain separate data for both males and females in order to take into consideration any differences between them.
29	Net enrollment ratio in primary education (by sex)	%	Number of enrolled primary school-age children/ population of primary school-age children	Net enrollment ratio is the proportion of the number of children who are of school going age and are attending school, to the total population of children of the same age; this can provide an accurate and quantitative understanding of the prevalence of education. Meanwhile cases exist in which children from poor households drop-out of school or repeat school years for various reasons and it is therefore important to understand repetition rates and drop-out rates in addition to the net enrollment ratio, in order to understand the actual conditions surrounding education. From the perspective of poverty, it is important to keep in mind the correlation with female poverty rates when female enrollment rates are particularly low. In addition, it is also important to pay attention to the role of informal education for children and adults outside the formal education.
30	Net enrollment ratio in secondary education (by sex)	%	Number of enrolled secondary school-age going children/ population of secondary school-age going children	

Items/Indicators		Unit	Calculation method	Remarks
Health and Sanitation				
31	Life expectancy at birth	Age		The average life expectancy at birth (age 0) had been increasing, even in developing countries, but there are countries in which it is declining due to the HIV/AIDS epidemic.
32	Infant mortality rate (IMR)	%	per 1000 births	"Infant mortality" indicates deaths within the first year of birth and "under-5 mortality" indicates deaths that occur between birth and up to the age of five. It can be said that mortality rates, including the maternal mortality ratio, are high for the poor due to difficulty in accessing health and sanitation facilities, but data restricted to the poor is not easily gathered.
33	Under-5 mortality rate	%	per 1000 births	
34	Maternal mortality rate (MMR)	%	per 100000 births	
35	Total fertility rate (TFR)		Total fertility rate in women between the age group of 15 to 49	The average number of children a female would bear during her lifetime if she experiences current age-specific fertility rates at each age of her reproductive life.
36	Child Immunization rate	%		The percentage of children under one year of age receiving vaccination coverage for four diseases - measles, diphtheria, pertussis (whooping cough) and tetanus (DPT).
37	Number of people living with HIV/AIDS	People		For countries in Sub-Saharan Africa, the scale of the impact of the HIV/AIDS epidemic surpasses the healthcare sector and is actually a social issue. Coping with this requires a wide variety of activities from increased education about prevention to caring for patients and the issue must be comprehensively addressed by the whole society across every related sector.
38	Infectious diseases			Death rates from malaria and other infectious diseases are still high and it is important to understand the diseases that result in the death of the poor varying from country to country. In addition, with regard to diseases, since the poor have especially low nutritional intake, it is also important to gather data on malnutrition and under nutrition.
39	Access to safe water as a % of total population (urban, rural)	%		Due to factors such as shortage of safe drinking water and sanitation facilities in both urban and rural areas and due to the distances to reach these facilities, the poor very often cannot access safe drinking water and other such facilities, which exacerbates their health conditions. Also, as the burden of carrying water is often placed on the female. There are many cases in which the lack of access to water supply facilities brings about excessive labor for the female.
40	Access to sanitation facilities as a % of total population	%		

Items/Indicators		Unit	Calculation method	Remarks
(Vulnerabilities)				Preparation against external shocks.
41	Availability of social safety net			The poor are extremely vulnerable to macroeconomic shocks and natural disasters and when these unforeseen conditions arise the poor are likely to be plummeted into even more severe poverty due to undeveloped social welfare systems. This indicator checks the availability of public social safety nets and of informal safety nets such as regional mutual-aid associations.
42	Natural disasters			As the living conditions of the poor are often adverse, the poor are susceptible to extensive damage from natural disasters. This indicator ascertains the types of disasters that are problematic in a country or region and estimates the degree of damage from them.
43	Refugees and Conflicts			Conflicts result in loss of lives and loss of social infrastructure and generate numerous poor and refugees who have no productive base. This indicator ascertains the causes and actual conditions of conflicts as well as the impact of the conflicts on the poor (including refugees).

Regional Comparison Using Basic Checklist

	Items/Indicators	Unit	Sub-Saharan Africa	Middle East/North Africa	Europe/Central Asia	South Asia	East Asia/Oceania	Latin America/Caribbean
(Poverty)								
1*	Real GDP Per Capita	Currency (\$)	1,690.0	4,793.0	2,000.0	2,404.0	4,290.0	7,234.0
2	Total population	People (in millions)	643.3	294.9	473.3	14,000	18,000	516.0
3	Population below national poverty line and percentage	People, %	-	-	-	-	-	-
4	Population below international poverty line	People (in millions)	300	7	17	490	46 (260 including China)	77
5	Population growth rate	%	2.5	1.9	0.1	1.9	0.9	1.5
6	Poverty Gap Index	%	-	-	-	-	-	-
7	Gini Coefficient (Lorenz Curve)		-	-	-	-	-	-
8*	Human Development Index (HDI)		0.471	0.653	0.783	0.570	0.726	0.767
9	Gender Development Index (GDI)		-	-	-	-	-	-
(Macroeconomic Indicators)								
10	Annual Economic Growth Rate	%	2.7	4.1	6.5	4.2	6.9	5.1 (1997)
11	External balance		-	-	-	-	-	-
12	Inflation rate of commodities	%		30.2	49.8	4.1	9.9	19.1 (1997)
13	Domestic saving rate	%	-	-	-	-	-	-
14	Public expenditure on social sector and military as a % of GNP		-	-	-	-	-	-
(Formulation of Poverty Reduction Plans, Systems and Implementation of the Framework)								
15	Poverty Reduction Policy/Strategy	PRSP (full PRSP)	26 (12)	2 (1)	9 (1)	1	4 (1)	5 (3)
16	Participatory Poverty Assessment		-	-	-	-	-	-
17	Decentralization		-	-	-	-	-	-
18	Protection of Human rights		-	-	-	-	-	-
19	Social systems that increase the poor and inequalities		-	-	-	-	-	-
(Income)								
Employment								
20	Labor force distribution in sectors		-	-	-	-	-	-
21	Population of agricultural workers as a % of total rural labor force	%	-	-	-	-	-	-
22	Population of formal and informal sector as a % of total labor force (by rural, urban, male, female)	%	-	-	-	-	-	-
23*	Unemployment and under employment as a % of total labor force	% (unemployment rate)	-	-	11.1	-	3.7	9.2
Regional Conditions								
24	Female headed households as a % of farmers	%	-	-	-	-	-	-
25	Distribution of land in rural areas		-	-	-	-	-	-
26	Access to rural infrastructure and extension services		-	-	-	-	-	-
27	Access to rural micro credit		-	-	-	-	-	-
(BHN)								
Education								
28*	Adult illiteracy rate	%	males (31.1) females (48.0)	males (24.8) females (46.0)	males (1.4) females (4.0)	males (33.9) females (57.3)	males (8.1) females (21.2)	males (10.7) females (12.5)
29*	Gross enrollment ratio in primary education (by sex)	%	males (85.5) females (73.9)	males (99.2) females (91.3)	males (95.5) females (92.7)	males (110.3) females (90.6)	males (105.3) females (105.6)	males (133.3) females (129.6)
30*	Gross enrollment ratio in secondary education (by sex)	%	males (28.0) females (23.2)	males (72.4) females (66.8)	males (80.7) females (79.7)	males (57.4) females (41.0)	males (65.4) females (59.8)	males (80.3) females (87.5)

Approaches for Systematic Planning of Development Projects / Poverty Reduction

	Items/Indicators	Unit	Sub-Saharan Africa	Middle East/North Africa	Europe/Central Asia	South Asia	East Asia/Oceania	Latin America/Caribbean
Healthcare and sanitation								
31	Life expectancy at birth	age	49.2 (1995)	67.9	68.8	62.4	69.0	70.4
32	Infant mortality rate (IMR)	per 1000 births	95.8 (1995)	43.1	20.1	72.9	36.0	29.0
33	Under-5 mortality rate	per 1000 births	–	54	25.2	96.9	45.3	36.7
34	Maternal mortality rate (MMR)	per 1000 births	–	–	–	–	–	–
35	Total fertility rate (TFR)	%	5.6 (1995)	3.4	1.6	3.3	2.1	2.6
36	Immunization rate	% (DPT/measles)	46.4/52.9	88.1/86.4	92.6/92.5	57.1/53.2	85.4/85.4	86.8/93.0
37	Number of people living with HIV/AIDS	% (number of infected adults/population)	9.00	0.35	0.48	0.55	0.20	0.61
38	Infectious diseases		–	–	–	–	–	–
39*	Access to safe water as a % of total population (urban, rural)	% Nationwide (Rural areas)	54 (42.6)	86 (79.1)	90.2	89 (85.1)	75 (65.6)	85 (61.4)
40*	Access to sanitation facilities as a % of total population	% Urban areas/Rural areas	55/43.9	81.0/66.8	–	39.0/20.7	48.0/35.0	78.0/48.2
(Vulnerabilities)								
41	Availability of social safety net		–	–	–	–	–	–
42	Natural disasters		–	–	–	–	–	–
43*	Refugees and Conflicts	Number of refugees (1000s)	2929	704	463	4191	595	38

Main data sources: World Bank's World Development Database 2002. For Sub-Saharan Africa only, 1999 data used (partly 1995 data), for other regions 2000 data used.

Data available at www.worldbank.org/data (partial, incomplete.)

Data from UNDP's Human Development Report FY2002 was used in 1, 8, 39, 40, 43. Also available at www.undp.org/hdr2002/.

23: Represents only the unemployment rate.

28: Illiteracy rate shown here but literacy rate also acceptable.

29, 30: As data is still incomplete, here gross enrollment is used, however, when possible net enrollment rate is more desirable.

43: Political exiles excluding Palestinian refugees.