


Selecting poverty monitoring indicators

- Different types of indicators
 - Qualities of indicators
 - Level of disaggregation
 - Process for selection of indicators
- 

Indicators: What types?

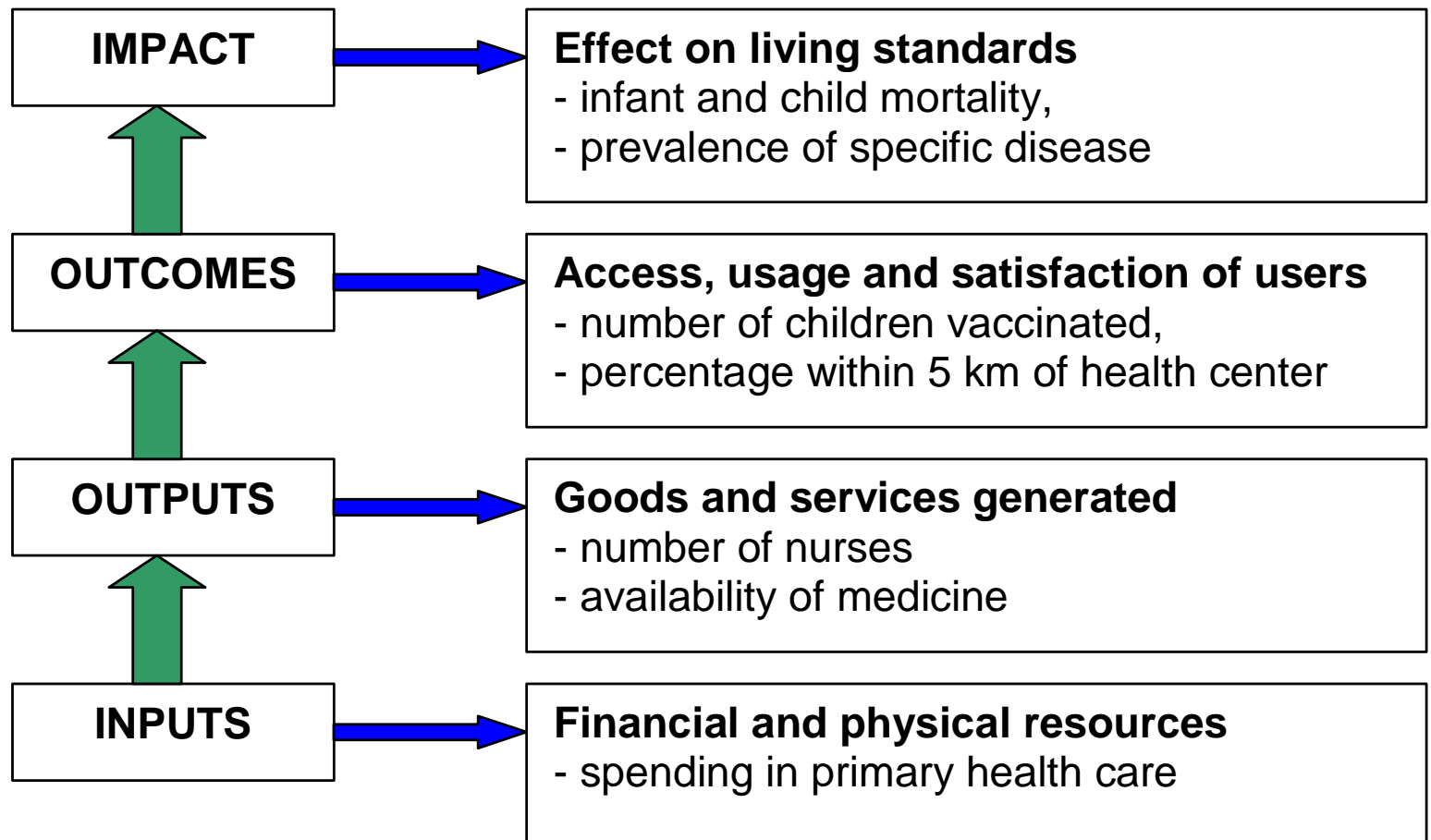
Indicators can be broadly classified into four categories:

1. **Input:** Input indicators track all the financial and physical resources used for an intervention.
2. **Output:** Output indicators cover all the goods and services generated by the use of the inputs. These measure the supply of goods and services provided to individuals. Outputs typically are fully under the control of the agency that provides them.

Indicators: What types?

3. **Outcome:** Outcome indicators measure the level of access to public services, use of these services, and the level of satisfaction of users. Unlike outputs, outcomes typically depend on factors beyond the control of the implementing agency (such as the behavior of individuals or other demand-side factors).
4. **Impact:** Impact indicators measure the ultimate effect of an intervention on a key dimension of the living standards of individuals – such as freedom from hunger, literacy, good health, empowerment, and security.

Indicators: What types?



Indicators: What types?

One should combine both quantitative and qualitative indicators, since they typically complement each other. Qualitative indicators help explain patterns and help measure notions of quality and satisfaction.

	Quantitative	Qualitative
Input	Expenditure on primary education	Adequacy of the curriculum -
Output	Number of primary school teachers	Quality of teaching, atmosphere in the classroom
Outcome	Enrolment and drop out rates	Satisfaction with quality of teaching
Impact	Literacy	Change in perception of empowerment and poverty status

Indicators: What qualities?

- **Be direct, unambiguous measure of progress**
(for instance: immunization coverage is less ambiguous than household expenditure on health)
- **Vary across group, areas, and over time**
(for instance: child malnutrition is more likely to vary quickly over over time than life expectancy)
- **Have direct link with interventions**
(for instance: vehicle operating cost depends on road quality but also on many other factors, such as international petrol prices. It is therefore not a good indicator for progress in roads sector)

Indicators: What qualities?

- **Be relevant for policy making**
(for instance: use indicators at the right level of disaggregation, such as at the rayon level if expenditures are managed and executed at the rayon level. Use indicators that reflect the objectives)
- **Consistent with decision-making cycle**
(for instance: use indicators at intervals which match the decision making process, prepare indicators in time for budget discussions)
- **Not easily manipulated or blown off course by unrelated developments**
(for instance: some indicators can be very sensitive to external or exogenous factors. Others can be more likely manipulated: where there is self-reporting, or where incentive structures are such that one might be tempted to under or over-estimate the result).

Indicators: What qualities?

- **Easy to measure and not too costly to measure**
(for instance: number of deaths easily recorded, while number of cases of specific diseases sometimes harder to track accurately)
- **Easy to understand**
(for instance: poverty incidence is easier to understand and to communicate than poverty depth)
- **Reliable**
(for instance: scientific, objective indicators are more reliable than indicators which depend on the interpretation of the user. This is related to the above discussion on “manipulation”)

Indicators: What qualities?

But more than anything else....

- **Consistent with data available and the data collection capacity** to ensure that indicators will be measurable at the times and level selected. In line with the planned calendar of data collection
- ➔ **Few but good ones, well chosen and measurable**

Indicators: What level?

Indicators should be chosen at the appropriate level of disaggregation, depending on country circumstances and on the intervention measured. Disaggregation is typically done by:

- **Geographic areas:** urban/rural, agro-climatic zones, administrative units.
- **Demographic groups:** by gender, by age, by gender/age
- **Income/consumption groups:** poor/non-poor, quintiles, deciles, etc.
- **Social groups:** ethnic groups, religious groups, etc.
- **Economic groups:** by sector of employment, by employment status, etc.
- **Other ...**

Indicators: selection process

Use an iteration process between policy, indicators, and data sources. Repeat until the list of indicators is adapted to policy and data collection capacity.

- **Step 1:** Identify indicators, level of disaggregation, and frequency of reporting.
- **Step 2:** Check that the indicators proposed have the qualities reviewed earlier.
- **Step 3:** Identify the information sources that will be used to compute each indicator.
- **Step 4:** Draw the calendar of data collection that would be necessary to ensure all indicators are measurable at the time and level selected.
- **Step 5:** Compare this calendar with current data collection capacity and constraints.
- **Step 6:** Revise indicators in light of data collection plan. One could for instance chose a proxy indicator, which does not have “unrealistic” data needs.

After a few iterations between indicators and data needs, a smaller list of indicators (their level of disaggregation, and their frequency) and data sources can be drawn. This can then be used to draft a plan in terms of data collection.

Indicators: other considerations

- See presentation on data sources
- See presentation on setting targets
- See presentation on setting up poverty monitoring systems.