

SDG indicator metadata

(Harmonized metadata template - format version 1.1)

0. Indicator information (SDG_INDICATOR_INFO)

0.a. Goal (SDG_GOAL)

Goal 1: End poverty in all its forms everywhere

0.b. Target (SDG_TARGET)

Target 1.b: Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions

0.c. Indicator (SDG_INDICATOR)

Indicator 1.b.1: Pro-poor public social spending

0.d. Series (SDG_SERIES_DESCR)

SD XPD MNPO

0.e. Metadata update (META_LAST_UPDATE)

~~2021-12-20~~

2024-04-01

0.f. Related indicators (SDG_RELATED_INDICATORS)

~~The definition of poverty follows indicator 1.2.1 (Proportion of population living below the national poverty line, by sex and age).~~

~~The methodology underlying the proposed indicator 1.b.1 and its data requirements are also closely related to that of the newly accepted indicator *Redistributive Impact of Fiscal Policy* measuring SDG target 10.4. However, the two indicators measures different aspects of public policies: while the *Redistributive Impact of Fiscal Policy* indicator is an exact measure of the distributional impact of fiscal policies aimed at achieving greater equality (SDG target 10.4), this indicator focuses solely on the spending side of governments' fiscal policies and its effect on the poor. Fiscal policies that are found to reduce overall inequality may not benefit disproportionately more the poor, as their impact on the income distribution may occur in higher deciles of the distribution. In clear contrast to the indicator *Redistributive Impact of Fiscal Policy*, the clear focus of the proposed indicator *Pro-poor public social spending* is on the effect of spending for poor individuals or households, reflecting if social policies are designed with pro-poor development strategies in mind, and therefore directly measuring SDG target 1.b.~~

~~10.4.2, 1.2.1, 1.a.2, 1.1.1, 1.2.2~~

0.g. International organisations(s) responsible for global monitoring

(SDG_CUSTODIAN_AGENCIES)

United Nations Children's Fund (UNICEF), Save the Children

1. Data reporter (CONTACT)

1.a. Organisation (CONTACT_ORGANISATION)

United Nations Children's Fund (UNICEF), Save the Children

2. Definition, concepts, and classifications (IND_DEF_CON_CLASS)

2.a. Definition and concepts (STAT_CONC_DEF)

Definition:

Proportion of government spending ~~towards which benefit directly the monetary poor in health~~ on social transfers, health, and education and direct transfers. ~~Government spending measures public expenditures on health, which benefits (a) the poorest 20% and (b) the monetary poor, and education services. Direct transfers refer to cash transfers and near-cash transfers. The definition of the monetary poor follows national standards, with poverty levels determined by national definition of income or consumption poverty (consistent with SDG 1.2.1).~~

Concepts:

~~Proportion of public~~ Public spending: Expenditures by governments on social transfers (cash, near-cash, and/or in-kind), health, and education and direct transfers (cash transfers and near-cash transfers). If data only exists for some sectors, these can still be reported (indicated with an explanation in a footnote).

Poorest 20%: Bottom quintile of income/consumption/physical asset-based distribution. Footnotes should indicate what kind of data was used.

~~The~~ Monetary poor: Monetary Poverty as determined by national definition of income/consumption poverty (consistent with SDG 1.2.1).

2.b. Unit of measure (UNIT_MEASURE)

Percent (%)

2.c. Classifications (CLASS_SYSTEM)

Not Applicable

3. Data source type and data collection method (SRC_TYPE_COLL_METHOD)

3.a. Data sources (SOURCE_TYPE)

This indicator requires fiscal or budgetary or administrative data on social expenditures and subsidy expenditure as well as a nationally representative micro-data set (for instance income/expenditure survey or household budget survey).

3.b. Data collection method (COLL_METHOD)

Nationally representative micro-data sets are often collected and hosted by the national statistics agency. Fiscal or budgetary or administrative data is occasionally available in unabridged summaries with enough detail at the program or policy level for the estimation of the indicator. More often, however, budgetary and administrative data is kept by the agency executing the program. The validation process requires consultation with each of the ministries and agencies responsible for executing programmatic expenditures.

3.c. Data collection calendar (FREQ_COLL)

Source data collection follows the update cycle for country-specific micro-data sets as well as the audit cycle for fiscal year revenues and expenditures.

3.d. Data release calendar (REL_CAL_POLICY)

~~There is not yet a regularized new data release or update schedule for this indicator. We are planning annual updates of the dataset in March.~~

3.e. Data providers (DATA_SOURCE)

Ultimately the data providers are national-level statistical agencies for the micro-data sets and national-level fiscal agencies and bodies for the budgetary and administrative data.

Where a country produces its own 1.b.1 indicator it will take precedence over estimates produced by other institutions, subject to meeting the reporting requirements below. For all other countries, estimates and indicators produced by the WBG, the Commitment to Equity Institute, UNICEF. Save the Children, or other institutions will be considered.

3.f. Data compilers (COMPILING_ORG)

UNICEF ~~would be and Save the custodian~~ Children are the custodians of the compilation and reporting procedures for this indicator across national participants and contributing organizations. ~~UNICEF collaborates~~ The custodian agencies collaborate with Save the Children and World Bank, the CEQ Institute at Tulane University, which will initially provide of Tulane, and other partners in collating and processing data on this indicator based on its work in this field.

3.g. Institutional mandate (INST_MANDATE)

Data compilation on the pro-poor social spending are the responsibilities undertaken by UNICEF and Save the Children in view of their mandate to assess policies and government efforts on behalf of families and children (UN Convention on the Rights of the Child, Article 4).

4. Other methodological considerations (OTHER_METHOD)

4.a. Rationale (RATIONALE)

The indicator measures the extent to which public spending in three key areas which are critical for poverty eradication, including health, education, and other ~~direct social~~ transfers is directly allocated to individuals or households in ~~the monetary poor as per the national definition. (a) the poorest 20%, and (b) monetary poverty as per the national definition.~~

~~The indicator measures if public spending is targeting the monetary poor.~~

Pro-poor social spending is defined if the proportion of government expenditures on social services is (a) equal or larger than 20%, and (b) higher than the proportion of the population in monetarty poverty, measured at the level determined by national definition of income/consumption poverty (consistent with SDG 1.2.1)-), and.

For instance, for (b) if the proportion of public spending received by the poor exceeds (falls below) the proportion of poor as defined by national definitions, public expenditures can be interpreted as pro-poor (not pro-poor).

This is a strong measurement of the financial commitment governments make to target their services and transfers on the poor groups of society, reinforcing pro-poor development strategies.

Further developments of

In line with the methodology and improvements in SDG guidelines on data availability may allow to expand disaggregation, this indicator to other vulnerable groups, such as women and (where possible) should be disaggregated by gender, children, location (urban/rural), and political and administrative units.

4.b. Comment and limitations (REC_USE_LIM)

Feasibility: The indicator can be estimated for any country for which (a) a micro-data set detailing incomes or expenditures and services utilization (i.e. education, health, and cash transfers receipts) at the individual or household level exists and (b) a set of fiscal, administrative, or budgetary records detailing public expenditures at the program level is available.

Suitability/relevance: The indicator provides an estimate how well public resources are allocated to sectors which disproportionately benefit the poor. This reflects the financial consequences of policy frameworks, which are based on pro-poor development strategies, which allows to measure progress on the SDG target 1.b.

Relationship with other SDGs: The indicator could be compared with the one under SDG 10 on equity of fiscal policy. Countries should be encouraged to collect and analyse the data within a single process to create synergy and avoid unnecessary duplication.

Limitations: The indicator does not take into effect the consequences of revenue-related fiscal activities, such as taxes or contributions to public insurance systems, on the poor. ~~The proposed methodology does not currently expand to other groups, such as women or children.~~

4.c. Method of computation (DATA_COMP)

Monetary Poverty or the population in the poorest 20% of households can be derived directly from a nationally representative micro-data set (an Income and Expenditure Survey, for example). Procedures for estimations of poverty are detailed comprehensively in the 1.2.1 metadata. The estimates used for this indicator would be the same as the ones for Target 1.2.1.

Public spending on social services can be directly derived from budget administrative data.

A fiscal incidence analysis is required to estimate the benefit the poor individuals or households (depending on underlying survey data) are receiving from those services. The incidence analysis measures the monetised value of in-kind transfers in education and health services at average government costs. In addition, this indicator includes cash and near cash transfers in the definition of social services (conditional and unconditional cash transfers, school feeding programmes etc.). The procedures are described in detailed in the CEQ Handbook, Meerman, Jacob (1979), Selowsky, Marcelo (1979), and many other ones.

4.d. Validation (DATA_VALIDATION)

Every year, UNICEF validates the latest data on all the SDG indicators UNICEF is custodian for. The validation process involves sharing the latest data (and metadata) of the indicators with SDG focal persons in each country, via the UNICEF Country Offices. Governments respond in writing accepting, rejecting or providing an alternative indicator.

4.e. Adjustments (ADJUSTMENT)

Not Applicable

4.f. Treatment of missing values (i) at country level and (ii) at regional level (IMPUTATION)

- **At country level**

The indicator cannot be calculated when no nationally representative micro-data set and/or country-level fiscal, budgetary, and administrative data are available. Budget and administrative data exists for every fiscal system but is not always public.

- **At regional and global levels**

N/A

Not Applicable

4.g. Regional aggregations (REG_AGG)

No regional or global aggregates exist for this indicator.

SDG reporting regions will be used when at least half of the countries in a given region report data.

4.h. Methods and guidance available to countries for the compilation of the data at the national level (DOC_METHOD)

- This indicator can be calculated based on the current state of household surveys micro-data and budget administrative data.
- The methodology is the traditional bBenefit Incidence Analysis wich has been used for many years in many countries an contexts.
- A detailed description of the methodology can be found in Lustig, Nora (ed). 2018. CEQ Handbook: Estimating the Impact of Fiscal Policy on Inequality and Poverty, CEQ Institute at Tulane University and Brookings Institution Press, Meerman, Jacob Public Expenditures in Malaysia: Who Benefits and Why? (New York: Oxford University Press, 1979), Selowsky, Marcelo (1979) Who Benefits from Government Expenditure? (New York: Oxford University Press), and many others.
- ~~This indicator can be calculated based on the current state of household surveys micro-data and budget administrative data.~~

4.i. Quality management (QUALITY_MGMNT)

UNICEF and Save the Children will coordinate with data providers on the quality of their respective indicators

4.j Quality assurance (QUALITY_ASSURE)

UNICEF and Save the Children will seek collaboration with the UN Regional Economic Commissions, the UN Department of Economic and Social Affairs, the International Monetary Fund, The World Bank, and Regional Development Banks to provide quality assurance and international comparability.

4.k Quality assessment (QUALITY_ASSMNT)

Submissions to the SDG Indicator Database will indicate whether information has been prepared by the official government agencies, Save the Children, UNICEF, the World Bank, the Commitment to Equity Institute, or any other agency.

5. Data availability and disaggregation (COVERAGE)

Data availability:

Directly comparable data from fiscal incidence analyses for at least one sector (health, education, transfers) exist currently for 85 countries globally (covering 72% of the global population), with data for 59 countries (27% of population) available for 2015 or later.

Including further available data for individual sectors (not directly comparable across countries, but still included in SDG reporting in line with 2.a), data on pro-poor spending currently exist for 151 countries (covering 94% of the global population), with data for 133 countries (73% of population) for 2015 or later.

<u>Region</u>	<u>Number of countries (2015 or later)</u>	<u>Population coverage (2015 or later)</u>
<u>Australia and New Zealand</u>	<u>1 (1)</u>	<u>84% (84%)</u>
<u>Central Asia and Southern Asia</u>	<u>13 (13)</u>	<u>100% (100%)</u>
<u>Eastern Asia and South-eastern Asia</u>	<u>11 (10)</u>	<u>91% (30%)</u>
<u>Latin America and the Caribbean</u>	<u>22 (19)</u>	<u>97% (90%)</u>
<u>Northern America and Europe</u>	<u>40 (39)</u>	<u>96% (96%)</u>
<u>Oceania excluding Australia and New Zealand</u>	<u>7 (3)</u>	<u>90% (3%)</u>
<u>Sub-Saharan Africa</u>	<u>42 (39)</u>	<u>94% (88%)</u>
<u>Western Asia and Northern Africa</u>	<u>15 (9)</u>	<u>82% (49%)</u>

Time series:

The Comparable estimates for this indicator is-are for the most part available for single country/year pairs only.–The only limitation to producing more frequent time series is the availability of more frequent household surveys.

Disaggregation:

The indicator can be disaggregated by subnational level, if fiscal, budgetary, should be disaggregated by gender, children, location (urban/rural), and political and administrative units, where data ~~on~~

~~government expenditures on this level are~~ available. ~~Further developments of the methodology and improvements in data availability may allow to expand this indicator to other subgroups which are included in the micro data set.~~

6. Comparability / deviation from international standards (COMPARABILITY)

Sources of discrepancies:

Not applicable.

7. References and Documentation (OTHER_DOC)

~~UNICEF, Save the Children (2023). Pro-poor public social spending: concepts, reporting status, challenges, and forward steps. <https://data.unicef.org/resources/measuring-pro-poor-public-social-spending-challenges-and-opportunities-for-achieving-the-sdgs/>.~~

Lustig, Nora (ed). 2018. CEQ Handbook: Estimating the Impact of Fiscal Policy on Inequality and Poverty, CEQ Institute at Tulane University and Brookings Institution Press. commitmenttoequity.org/publications-ceq-handbook.

Meerman, Jacob Public Expenditures in Malaysia: Who Benefits and Why? (New York: Oxford University Press, 1979).

Selowsky, Marcelo (1979) Who Benefits from Government Expenditure? (New York: Oxford University Press), ~~and many other ones.~~