SPECIAL
MPI as a Policy Guide

Multidimensional Poverty in
ANDHRA PRADESH

MOZAMBIQUE
The First African Country with an Official MPI

INTERVIEW
with Jimmy Vásquez from El Salvador
Andhra Pradesh
Becomes the First Indian State to Adopt a Multidimensional Poverty Index

Mozambique:
The First African Country with an Official National MPI

Interview with Jimmy Vásquez:
‘Multidimensional poverty measurement allows the state to see things which income measurement does not show’

Special:
The MPI as a Guide for Public Policy in Colombia and Costa Rica

Monitoring SDGs through an MPI:
The Case of Colombia

Data of the Month

A Day in the Life

News
Two New Multidimensional Poverty Indexes

This edition tells the story of how two multidimensional poverty indexes (MPIs) were created. One was constructed in Mozambique, a country of 29 million inhabitants, which has become the first African nation to have an official multidimensional poverty measurement. The second was developed in Andhra Pradesh, a state in India with a population of nearly 50 million people, which is the first in that nation to adopt the MPI. This is a significant milestone given that India is the country with the largest number of multidimensionally poor people in the world.

Why does a country make the decision to measure poverty from a multidimensional perspective? In this edition’s interview, Jimmy Vásquez, who was involved in the creation of El Salvador’s MPI, gives us some insights on why the index is a necessary tool for public policy.

In this edition we also explore a central theme: several countries within the United Nations are promoting the inclusion of the MPI as an indicator for monitoring Sustainable Development Goal (SDG) 1, which consists of reducing poverty in all of its forms worldwide. We share an article about the recently launched strategy by the government of Colombia to implement the SDGs and how it is using the national MPI as one of the indicators to help achieve them. This makes Colombia the first country to officially incorporate the MPI into this agenda.

Finally, we are offering a new section that will provide comparisons of the innovative ways different countries are using the MPI to guide public policy. In this edition, we show you how Colombia and Costa Rica are using their national MPIs to establish goals through simulation exercises. These exercises promote new coordination mechanisms, improve the monitoring of poverty reduction strategies, and they strengthen governance.

The ‘Data of the Month’ is inspiring: the new version of the global MPI shows that 271 million people came out of poverty in India between 2005/6 and 2015/16. However, the country still has the largest number of people living in multidimensional poverty in the world: 364 million.

We invite you to read Dimensions, a new perspective for understanding poverty.

Carolina Moreno and Diego Zavaleta, editors
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Andhra Pradesh Becomes the First Indian State to Adopt a Multidimensional Poverty Index

By Alen John, Bhaskar Somayaji and Soumya Guha

The Indian state of Andhra Pradesh published the first edition of its multidimensional poverty index (MPI) report this year in March. This pioneering venture made Andhra Pradesh the first state in the country to have undertaken a project exclusively to estimate an MPI at the state and district level, disaggregated by social categories and urban-rural areas, using the data collected through a household survey conducted specifically for this purpose.

Located on the southeast coast of India, Andhra Pradesh is the eighth largest state in the country in terms of area and is home to 50 million people. The erstwhile larger state of Andhra Pradesh used to be the fourth largest state in the India with a population of 84 million, but it was reorganised in 2014 into the present day states of Andhra Pradesh and Telangana.

The new state drafted a vision for itself to achieve key development milestones by 2019, 2022, and 2029. Tackling poverty in such a way that it leads not only to higher income but also better human development is a crucial thrust of this vision, demonstrated by the goal of ensuring access for all to 12 basic needs by 2019. In this context, the MPI was identified as a suitable metric to complement consumption-based poverty measures.

The latest official estimates of poverty, as calculated in accordance with the 2011–12 Tendulkar methodology based on consumption expenditure, pegged the headcount ratio at 9.2% of the population of erstwhile Andhra Pradesh (the state prior to its division). Prior to the recent estimation project, the latest available values of the MPI and related parameters were based on the data from the National Family Health Survey (NFHS) 2006, which put the headcount ratio at 41.6%, intensity of multidimensional poverty at 46.6%, and the MPI at 0.194 (OPHI, 2013). The division of the state and the lack of periodical data necessitated a deeper inquiry into poverty and its regional manifestation within the state.

Against this background, the state government commissioned a project in 2016 to estimate the MPI with three objectives: (1) to understand the multidimensional deprivations faced by its people, by location and social categories; (2) to support evidence-based policymaking in reducing multidimensional poverty;
and (3) to benchmark itself against other states and countries with respect to the reduction in multidimensional poverty.

Andhra Pradesh has adopted the global MPI structure with three dimensions (education, health, and living standards) and their associated 10 indicators. This enables the state to benchmark itself against a large number of countries for which the global MPI estimates are available. The dimensions of education and health have two indicators each (years of schooling and school attendance, and nutrition and child mortality, respectively); living standards has six indicators (access to electricity, improved sanitation, improved drinking water, flooring, clean cooking fuel, and asset ownership).

With technical assistance from the Oxford Poverty and Human Development Initiative (OPHI), the estimation exercise was led by the Vision Management Unit (VMU), a part of the Andhra Pradesh State Development Planning Society, which is an organ under the Planning Department of the state government. Sampling, questionnaires, the training programme for master trainers, field inspections, data processing and analysis, and publications were the responsibilities of VMU while the Directorate of Economics and Statistics of the state government carried out the household data collection.

The latest report, based on the 2016—17 household survey conducted by VMU, pegs the headcount of multidimensional poverty in the state at 21%. The headcount ratio is an important tool to gauge the proportion of the population who are MPI poor and are cumulatively deprived in at least one third of the 10 indicators across three dimensions.

The intensity of poverty captures the average number of deprivations faced by households, which in turn gives us information about how poor the MPI poor really are according to the 10 indicators. This additional information, along with the headcount ratio, makes MPI headline numbers robust and profound. The state’s intensity of poverty is 39.3% – in other words, multidimensionally poor persons in the state are deprived, on average, in 39.3% of the weighted indicators. The 13 districts are clustered tightly around this number with the lowest MPI intensity in Guntur at 37% and the highest in Kadapa at 41.4%.

### District Levels of MPI

![District Levels of MPI](image)

<table>
<thead>
<tr>
<th>District</th>
<th>MPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Godavari</td>
<td>0.0468</td>
</tr>
<tr>
<td>Nellore</td>
<td>0.0610</td>
</tr>
<tr>
<td>Chittoor</td>
<td>0.0696</td>
</tr>
<tr>
<td>Srikakulam</td>
<td>0.0696</td>
</tr>
<tr>
<td>West Godavari</td>
<td>0.0705</td>
</tr>
<tr>
<td>Guntur</td>
<td>0.0731</td>
</tr>
<tr>
<td>Krishna</td>
<td>0.0816</td>
</tr>
<tr>
<td>State</td>
<td>0.0825</td>
</tr>
<tr>
<td>Kadapa</td>
<td>0.0851</td>
</tr>
<tr>
<td>Prakasam</td>
<td>0.0865</td>
</tr>
<tr>
<td>Visakhapatnam</td>
<td>0.0884</td>
</tr>
<tr>
<td>Anantapur</td>
<td>0.1079</td>
</tr>
<tr>
<td>Kurnool</td>
<td>0.1191</td>
</tr>
<tr>
<td>Vizianagaram</td>
<td>0.1271</td>
</tr>
</tbody>
</table>

Note: Higher values indicate higher levels of multidimensional poverty.

Source: *Andhra Pradesh Multidimensional Poverty Index Report 2017*. 
The MPI, which is a product of the headcount ratio and intensity, has a cutoff of 33% in this study for each household across the 10 weighted indicators – following the global methodology. The state MPI for Andhra Pradesh stands at 0.083 while the calculated MPI for India (OPHI 2017), derived from the 2011 India Human Development Survey (HDS), was 0.191. If Andhra Pradesh were to be compared and ranked alongside the 104 countries featured in the global MPI report by OPHI, it would have an equivalent rank of 51 and this would be above Bhutan, Myanmar, Nepal, India, and Bangladesh at 53rd, 55th, 63rd, 66th, and 68th, respectively. Interestingly, Vizianagaram district, which has the highest MPI in the state (0.127), still performed better than India taken as a whole, which has an MPI of 0.191.

### Years of schooling and nutrition deprivation

Years of schooling and nutrition deprivation, which contribute 34.6% and 32.5% to the overall MPI, respectively, are the major areas of concern for Andhra Pradesh.

Many of the 13 districts of the state have a population that is higher than several of the countries listed in the global MPI, and, therefore, such comparisons can provide the policymakers of the state an opportunity to exchange ideas and learn from the experiences of these nation-states in addressing the multidimensional nature of poverty.

The decomposition of the MPI is vital to identifying areas of concern and addressing the factors that contribute to the overall MPI of a region. In other words, this decomposition gives us a glimpse into the factors that affect the MPI poor the most. Years of schooling and nutrition deprivation, which contribute 34.6% and 32.5% to the overall MPI, respectively, are the major areas of concern for Andhra Pradesh.

Despite school attendance for children contributing only 3.2% to the MPI, years of schooling remains an issue, and this alludes to the fact that, while impressive headway has been made in the area of school enrolment for children, adult literacy remains an issue for the state.
The contribution to the MPI takes into account the weights given to individual indicators, and therefore the low contribution of child mortality highlights progress in terms of expanding government assistance for institutionalized deliveries, supplementary nutrition, and immunization.

The state’s present status as a power surplus state and its subsequent success in increasing access to electricity are captured by the low contribution of electricity deprivation to the index. Deprivation in cooking fuel, identified as a major concern for some districts, is expected to be much lower today as the state government has aggressively promoted liquefied petroleum gas (LPG in cylinders is widely used as an improved source of cooking in India) adoption in the 18 months between the inception of data collection for MPI estimation and the release of the MPI report.

The MPI estimation project of Andhra Pradesh demonstrates that any government with solid statistical systems and a small team for leadership and data analysis can undertake an exercise to measure the multidimensional deprivations of its people. The robust nature of the index, in conjunction with the specific household survey, is a new paradigm for states and districts in India in the quest to address regional and social category deprivations and poverty.

Furthermore, the MPI can be a robust tool for tracking the progress of states with respect to Sustainable Development Goal 1 – to end poverty in all its forms everywhere. The MPI report and the initiative to conduct an exclusive survey for MPI has the potential to become a template for other states in the country, which can also result in increasing the frequency of such studies and, in turn, helping in evidence-based policymaking.
UNTIL a few years ago, the estimation of poverty in Mozambique was based on personal consumption. Over time, however, the concept of poverty and how it is measured has evolved. According to Finorio Castigo, specialist at the Directorate of Economic and Financial Studies (DEEF) at the Ministry of Economy and Finance, this change is reflected, for example, in the Action Plan for the Reduction of Absolute Poverty (PARPA I). The plan shifted from considering the material dimensions of poverty only, with the resulting measure being based on the cost of basic needs, to a broader concept defined as ‘the incapacity of individuals, families, and communities, due to inability or lack of opportunity, to have access to minimum conditions, in accordance with basic norms of society’ (PARPA II). For Castigo, this definition ‘requires the introduction of a series of indicators tied not only to capabilities, but also to opportunities in education, health/nutrition, and asset ownership’.

The first evaluation of poverty and well-being in Mozambique took place in 1996/97 and had a purely monetary focus. The latest, conducted in 2014/15 by the Ministry of Economy and Finance, offers not only estimations of multidimensional poverty for a given year but also its evolution over time. This is possible thanks to the publication of two multidimensional measures of poverty. One compares poverty over time (see box), and the other, more thorough, measure takes into consideration the same dimensions as the global MPI, but also includes a group of additional indicators based on the information available in Mozambique. This information was taken from the most recent household budget survey (IOF 2014/15) which, according to Vincenzo Salvucci, UNU-WIDER researcher and adviser at DEEF, delivers ‘more comprehensive data, and contains information about a broader range of indicators regarding the complex state of well-being in the country’.

Toward a National MPI

With a broader concept of poverty, it was necessary to find a method to measure it that would be compatible with its multidimensionality. The Alkire-Foster method was selected because it was one of the most widely used worldwide among measures of its kind, and it could also include a broad range of indicators.

The next task was how to select the dimensions and indicators for the MPI for Mozambique (MPI-MZ). Three criteria were established to this end. The first
Mozambique’s Historical MPI

Mozambique launched its national MPI in 2017, with the goal of complementing the existing measures of monetary poverty and obtaining more comprehensive information about this issue in order to implement more efficient public policies. The national MPI made extensive use of the data available in the 2014/15 Household Budget Survey (IAF/IOF is its acronym in Portuguese). Various indicators incorporated in the measure were not available in the previous rounds of the survey, however, and therefore monitoring over time was not possible. A historical MPI was created to address this limitation. This is a simplified index compared to the official one, but it allows for an evaluation of data dating back to 1996/97.

The historical MPI consists of four dimensions (education, determinants of health, living conditions, and durable goods) and six indicators, chosen based on information that was continuously available in the IAF/IOF surveys conducted in 1996/97, 2002/03, 2008/09, and 2014/15. All of the indicators are given equal weight in this measure. Households with deprivations in at least four of the six indicators are considered multidimensionally poor.

The results obtained with this simplified historical MPI demonstrate a great reduction in the proportion of the population living in multidimensional poverty over time, from 86% in 1996/97 to 55% in 2014/15. Significant differences are also evident between rural and urban areas, as well as on a regional level, where the south of the country shows much lower levels of multidimensional poverty than the centre and the north.

With respect to the indicators, the results show a reduction in the levels of deprivation over time in all of them, with differences in the speed of that reduction between the analysed indicators. Access to education and access to safe drinking water are the indicators that have most improved among the population. Nonetheless, according to the document ‘Poverty and Well-Being in Mozambique: Fourth National Poverty Assessment’, a large portion of the population still suffers deprivations with regard to housing conditions, such as access to safe sanitation, electricity, and durable goods – especially in rural areas.

was to define the relevance of each dimension and indicator in relation to well-being, taking into consideration the existing literature and other countries’ experiences.

The second criterion was the result of five workshops on multidimensional poverty that were organised by DEEF. These workshops took place in 2015 in collaboration with the United Nations Development Programme (UNDP) and the United Nations Children’s Funds (UNICEF) in Mozambique – in the capital city of Maputo (two workshops), in the northern region of Cabo Delgado, in Zambézia (located in the central region), and in the southern region of Inhambane. The goal of these workshops was to identify the dimensions and indicators that reflect the characteristics of poverty and well-being for Mozambicans.

The third criterion was the availability of information. Concurrently with the workshops, DEEF assessed the desired and/or existing dimensions and indicators that would reflect non-monetary aspects of poverty in the four databases of the household budget surveys: IAF 1996/97, IAF 2002/03, IOF 2008/09 and IOF 2014/15. The information to create the historical MPI was based on these surveys, and the IOF 2014/15 was used to create the MPI-MZ.

This process identified 17 indicators, grouped into three dimensions – education, health and determinants of health, and living standards – which are the components of the 2014/15 MPI-MZ (see Table 1). Given the importance of each, the decision was made to give equal weight to each dimension. All of the indicators for each dimension were also given equal weights.
### Table 1. MPI-MZ Dimensions and Indicators

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Indicator</th>
<th>Condition of Deprivation of the Family Unit (FU)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education (1/3)</strong></td>
<td>Access to primary school (1/9)</td>
<td>The closest primary school is more than a 30-minute walk from home, one way</td>
</tr>
<tr>
<td></td>
<td>A member of the family completed primary education (1/9)</td>
<td>If no family member completed 1st grade of primary education</td>
</tr>
<tr>
<td></td>
<td>Children’s schooling (1/9)</td>
<td>At least one school-aged child does not attend school</td>
</tr>
<tr>
<td><strong>Health/Determinants of health (1/3)</strong></td>
<td>Safe water source (1/15)</td>
<td>If the FU does not use safe drinking water (inside the home, outside the home/patio) or water from a fountain or well with a mechanical or manual pump, or mineral or bottled water</td>
</tr>
<tr>
<td></td>
<td>Improved sanitation (1/15)</td>
<td>If the FU uses an unimproved latrine, or does not have any kind of toilet or latrine</td>
</tr>
<tr>
<td></td>
<td>Access to health (1/15)</td>
<td>Closest health facility is more than a 30-minute walk from home, one way</td>
</tr>
<tr>
<td></td>
<td>Access to water source (1/15)</td>
<td>The nearest water source is more than a 30-minute walk from home, one way</td>
</tr>
<tr>
<td></td>
<td>Chronic malnutrition (1/15)</td>
<td>At least one child between 0 and 59 months old suffers from chronic malnutrition</td>
</tr>
<tr>
<td><strong>Living standards (1/3)</strong></td>
<td>Persons per room (1/27)</td>
<td>There are 4 or more people per bedroom</td>
</tr>
<tr>
<td></td>
<td>Flooring (1/27)</td>
<td>If the flooring is not made of parquet, wood, brick, marble, tile, or cement</td>
</tr>
<tr>
<td></td>
<td>Walls (1/27)</td>
<td>If the walls are not made of cement, block, or brick</td>
</tr>
<tr>
<td></td>
<td>Roof made of conventional material (1/27)</td>
<td>If the roof is not of concrete slab, shingles, plating (zinc or lusalite)</td>
</tr>
<tr>
<td></td>
<td>Access to electricity (1/27)</td>
<td>If the FU does not have access to electricity</td>
</tr>
<tr>
<td></td>
<td>Access to the market (1/27)</td>
<td>Closest market is more than a 30-minute walk from home, one way</td>
</tr>
<tr>
<td></td>
<td>Access to transportation (1/27)</td>
<td>Closest transportation stop is more than a 30-minute walk from home, one way</td>
</tr>
<tr>
<td></td>
<td>Access to security (1/27)</td>
<td>Closest police station is more than a 30-minute walk from home, one way</td>
</tr>
<tr>
<td></td>
<td>Possession of durable goods, rural assets, and livestock (1/27)</td>
<td>If the FU does not have at least 3 durable goods from a list of the most common durable goods (bicycle, automobile, motorcycle, television, telephone, computer, printer, bed, refrigerator, freezer, music equipment), or does not have at least 2 rural assets (plough, chainsaw, tractor, wheelbarrow, threshing machine, motor-driven pump, fishing boat, fish-farming tank, sewing machine), or does not have at least 2 head of cattle, 2 donkeys, 12 goats, or 24 chickens or ducks</td>
</tr>
</tbody>
</table>

Note: Parentheses indicate weights.
Analysis of the 2014/15 MPI-MZ indicates that 53% of the population is multidimensionally poor. There is a great difference between rural and urban areas. In rural areas, 70% of the population are in a situation of multidimensional poverty, while in urban areas it is 17%. Meanwhile, the south of the country has substantially lower levels of poverty (18%) than the central zone (62%) and the north (67%).

Uses

The MPI-MZ will be used by the government of Mozambique in a variety of ways. According to Salvucci, ‘This index will become one of the most important standards for determining the amount of transfers from the central government to the provinces and districts’.

It will also be taken into account when assigning resources for the sectors where the population has the greatest deprivations. Salvucci indicates that ‘investment in policies and provision of public services aimed at areas with more deprivations is becoming ever more important, from the perspectives of both well-being and political economy. Achieving inclusive growth appears to be the main public policy challenge that Mozambique faces in its economic and social development in the coming decades’.

Lastly, the MPI-MZ will serve as the basis for evaluating the evolution and trends of multidimensional poverty in future household budget surveys. ‘The MPI can help with the design of projects that will contribute to the improvement of people’s living conditions, and assessment over time also is also useful to monitor programmes’ impact’, Castigo states.
Jimmy Vásquez:

‘Multidimensional poverty measurement allows the state to see things which income measurement does not show’

The MPI of El Salvador (MPI-ES) was launched in 2015 after a broad participatory process that involved academics, politicians, and people living in poverty. We spoke to Jimmy Vásquez, who was on the team that led the process for creating the MPI-ES.

Why did El Salvador decide to measure poverty in a multidimensional way?

It was for a number of reasons. In short, I think that in El Salvador we came to the conclusion that income poverty measurement was not proving to be very useful for guiding the implementation of public policy interventions, especially with regards to social policy.

At the beginning of 2000, different studies, particularly several that were carried out by the agencies of the United Nations System (UNS), indicated that income poverty was not being adequately measured. The fundamental reason for this was that the reference for the basic food basket, which was established in 1983 and is still used, was based on nutritional patterns observed in urban and rural areas of the country in 1967 and 1976, respectively. Obviously, 40 years later, this is very different. Consumption patterns have changed, due to, among other reasons, the growing weight of international remittances on the economy (around 17% of the GDP) and its effect on household consumption.

Furthermore, since 2005 accountability and the communication of the results of income poverty rates, became, let us say, uncomfortable. The indicator began to show significant volatility in spite of the implementation of the first conditional transfer programmes. What was behind this? Because El Salvador is a small economy, a price taker in world markets, what happened was that poverty began to show behaviour akin to nutritional inflation and inflation of the basic components of the basic food basket, in particular with regard to the price of corn and beans, and a weak or almost null relationship with the behaviour of household income.

Jimmy Vásquez, Salvadoran economist, led the technical-political process of establishing and formalising multidimensional poverty measurement in El Salvador. He is the author of the book Poverty in El Salvador from the Perspective of its Protagonists and co-author of the UNDP report Multidimensional Progress: Well-being Beyond Income. He is currently a specialist in social policy for UNICEF El Salvador.
Meanwhile, although the official poverty measure used the income approach, social programmes and their conceptualisation, as reflected in the poverty maps of the time, were based on a multidimensional understanding of the phenomenon. However, there had not yet been a move towards a rigorous process that would allow for the creation of a methodology that would measure poverty periodically in a multidimensional way. It is in this context that the opportunity arose and the decision to move towards this approach was taken.

How did the process begin?

In the beginning it coincided with the process in Mexico which led to the adoption of the multidimensional poverty methodology there in December 2009. In El Salvador the timing was ideal to set in motion a similar project, which was developed by the UNS with the financial support of the Grand Duchy of Luxembourg. That gave birth to a formal project, with large funding, which allowed for the evaluation of the successes and failures of the project in Mexico, based on the understanding that we were looking for the most efficient route for the political adoption of this process.

The starting point was defined by two moments. The first was the establishment of a political advisory body called the Advisory Council on Multidimensional Poverty, which was made up of experts in the country and co-directed by the UNS and the Technical and Planning Secretariat of the Presidency. A technical advisory body was set up in parallel to this. These councils had the task of supporting the process both at the political and technical level, as well as making vital decisions about the methodology – for example, which dimensions to include and what the minimum achievement would be in a determined indicator to consider a person or household to be deprived.

The second moment was the public launch in July 2011, with an international seminar in San Salvador,
in which we explored the Alkire-Foster methodology in detail together with the experiences of Mexico and Colombia, as well as the work carried out by the University of Bristol around 2002 on the measurement of multidimensional poverty in children. It was at this time that it was announced that the country would work on building a measure for multidimensional poverty. There was no turning back after that.

What elements were considered when defining the methodology?

We followed the decision process sequence proposed by the majority of multidimensional poverty measurement trials: beginning the discussion with the objective of the measure, followed by the definition of indicators, cutoff lines, and finally the aggregation method.

In hindsight, I believe that ideally the conversation about the methodology should have taken place at the beginning of the process. I think that it is worth discussing all the options and, as was the case in El Salvador, considering the pros and cons, from an axiomatic and a practical point of view, of each of the aggregation methods available.

In the case of El Salvador it was simple because one of the first decisions made by the council was that multidimensional measurement should follow a logic based on a combination of the capability approach and the rights-based and life cycle approaches. The Alkire-Foster method, in addition to the axiomatic foundations and properties it offers, had the epistemological alignment we were looking for, which is why we decided to use it.

What has the process of appropriation of this measure been like in El Salvador?

Without a doubt, there has been an increasing level of appropriation. Several facts have led me to this conclusion. The first is that measurement began in the 2009–2014 administration, but was concluded and formalised in 2015, with the 2014–2019 government administration. This shows the level of appropriation and commitment that there was, not just on a technical level but also on the political level, from the Technical and Planning Secretariat of the Presidency and the Advisory Council. The second was the fact that the multidimensional poverty measure was included in the Development and Social Protection Act, which was unanimously approved by the Legislative Assembly in 2014. Finally, its calculation and publication has been maintained with each launch of the Multipurpose Household Survey – the last of which was launched in the second half of 2017.

That said, I think that in broader terms there are still challenges for its appropriation by civil society, private enterprise, academia, and other key actors in the discussion of public policies. Without a doubt, there is still much to be done. We need time to see how the tool consolidates itself as a reference for social policy interventions – which are essential in order to move from poverty relief to poverty prevention. We are confident that this moment will come, as by definition there is no better suited tool for making this leap in the quality of social policy. In contrast to the volatility that income poverty measurement can have, multidimensional measurement allows the state and society to observe things that income measurement does not show: the challenges to capacity building among our people, from infancy through to adulthood.

Read about the participative process for defining the dimensions of the MPI-ES: www.mppn.org/elsalvador
Special Section: The MPI as a Guide for Public Policy

This section introduces the reader to different examples of how countries are using their national MPIs to guide public policy and make poverty reduction more efficient.

This time, we showcase the experiences of Colombia and Costa Rica and their use of simulations to establish global goals for the reduction of multidimensional poverty, as well as specific goals by sector.

By closely analysing the social investment budgets that affect MPI indicators and the targeting policies of the public institutions in charge of programmes that impact these indicators, it is possible to simulate the effect of that investment on the reduction of multidimensional poverty. This generates a powerful social management and accountability tool that enables senior authorities to see what progress is being made in reducing poverty and to clearly establish those responsible for such improvements or setbacks.

It also opens up the very interesting possibility that the starting point could be reversed, i.e. defining the desirable goals first and then quantifying their cost. This could be used, for example, to determine the cost of achieving the Sustainable Development Goals’ specific objectives.
Colombia
Building Scenarios for Setting MPI Goals: From Multidimensional Measurement to Multisector Public Policy

By Roberto Angulo and Diego Zavaleta

In 2011 Colombia announced the launch of its Multidimensional Poverty Index (C-MPI). This launch went hand in hand with important institutional innovations and with the generation of public policies informed by that index. A crucial innovation was the creation of a traffic light dashboard to support the work of a Poverty Roundtable, headed by the President of the Republic.

This dashboard contained goals for reducing multidimensional poverty, as well as goals for each one of the components of the C-MPI over four years (the presidential term in Colombia) – all of them set within the National Development Plan (NDP). For example, the number of people living in multidimensional poverty (headcount) was expected to fall from 30.4% to 22.5% between 2010 and 2014. Similarly, the number of people with low educational achievement (one of the indicators of the C-MPI) was expected to fall from 55.4% to 52.8% in the same period, and so on for each of the other 14 indicators of the C-MPI.

In order to define these goals, the National Planning Department (NPD) carried out an innovative policy scenario simulation exercise to estimate an achievement goal for each C-MPI indicator, as well as the global multidimensional poverty goal.

Designing the C-MPI coincided with the election period and the change of government in Colombia in the year 2010. The incoming president, Juan Manuel Santos, instructed his collaborators to carry out two tasks: 1) ensuring his government’s NDP had an important and explicit emphasis on reducing poverty and inequality, and 2) designing good governance management tools that would help him monitor results in order to concretely verify outcomes. To this end, the NPD – the ministry in Colombia in charge of estimating poverty levels and designing the national MPI – was first asked to propose the indicators that would track poverty reduction.

Second, the President’s advisory team were asked to design a Poverty Roundtable for the monitoring
of the poverty reduction strategy, which would be headed by the President and in which all ministers and heads of administrative departments associated with poverty reduction tasks would participate (an Employment and a Defence and Security roundtable were also established at the same time).

The DNP team decided to carry out what they called simulations and the creation of public policy scenarios for the C-MPI. Specifically, what was done was an exercise in designing counterfactual scenarios using microdata from the Quality of Life Survey based on the simulation of different investments in social sectors, targeting rules, and access to public social services and goods. In other words, counterfactual multidimensional poverty scenarios were estimated with the microdata transformed for each of the four years of government. Having worked on the survey microdata, the exercise allowed scenarios to be created for the C-MPI by global goal, dimensions, and by each of the specific indicators.

To do so, several steps were followed. The first involved reviewing the NDP’s public expenditure priorities (operational and investment). This fiscal framework made it possible to set an approximate amount of expenditure in social investment for the incoming government. Once the annual social expenditure and investment amounts had been determined, the NPD met with each state institution and ministry in the social sector to devise an investment plan for the four-year period and to specify all the projects and investments that the institution or ministry were planning for the term (including those related to poverty reduction and those that were not).

These plans were later embodied in the NDP as sectorial targets. It is important to make it clear that all these plans had annualised budget allocations and were capable of being territorialized since several of them corresponded to earmarked expenditures defined by a region specified by law. This step, which is a routine process of the national government in the formulation of the NDP every four years, served as a framework for the exercise of building C-MPI scenarios.

The team in charge of the C-MPI used these discussions to identify all the specific investment or expenditure commitments within each ministry or institution that would directly impact the C-MPI indicators (for example, the construction of social housing for the population in extreme poverty).

With this information, a simulation of these investments was carried out on the Quality of Life Survey. For this, the different investment or expenditure commitments were taken as completed and the outcomes introduced into the Quality of Life Survey (for example, the construction of 70,000 social housing units for the population in extreme poverty were counted as replacing an equal number of houses considered as deprived).

To make the exercise more realistic, the household and geographical targeting rules of each programme were applied to identify population subgroups (where and for what type of family the Ministry of Housing would build a house with those characteristics given the official targeting rules it follows). Within these subgroups, households were selected randomly whenever the allocations were lower than those needed for the entire potential beneficiary population of the identified subgroups.

Once the outcomes of the investments were introduced in the survey, the effects of these outcomes on each of the MPI indicators (for example, if the investment impacted the adequate flooring and adequate external walls indicators) were identified. Following this, counterfactual scenarios were built with households that would no longer suffer deprivations in these indicators should the investment be made.
### Figure 1. Estimations of Deprivation Reductions by MPI Indicator Based on Policy Scenario Simulations

<table>
<thead>
<tr>
<th>Poverty</th>
<th>Baseline NDP 2008</th>
<th>Data 2010</th>
<th>Data 2011</th>
<th>Analysis</th>
<th>Goal 2011</th>
<th>4 year goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>MPI (Multidimensional Poverty)</td>
<td>34.7%</td>
<td>30.4%</td>
<td>29.4%</td>
<td>●</td>
<td>25.6%</td>
<td>22.5%</td>
</tr>
<tr>
<td>Low educational achievement (≥15 years)</td>
<td>58.8%</td>
<td>55.4%</td>
<td>54.6%</td>
<td>●</td>
<td>54.3%</td>
<td>52.8%</td>
</tr>
<tr>
<td>Illiteracy (≥15 years)</td>
<td>14.2%</td>
<td>13.2%</td>
<td>12.0%</td>
<td>●</td>
<td>12.5%</td>
<td>12.0%</td>
</tr>
<tr>
<td>School non-attendance (6–16)</td>
<td>5.4%</td>
<td>4.6%</td>
<td>4.8%</td>
<td>●</td>
<td>4.4%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Lagging behind (7–17)</td>
<td>33.4%</td>
<td>35.1%</td>
<td>34.1%</td>
<td>●</td>
<td>33.9%</td>
<td>33.1%</td>
</tr>
<tr>
<td>Barriers to access care in early childhood</td>
<td>12.1%</td>
<td>11.8%</td>
<td>10.8%</td>
<td>●</td>
<td>11.5%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Child labour (12–17)</td>
<td>5.5%</td>
<td>4.6%</td>
<td>4.5%</td>
<td>●</td>
<td>3.6%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Long-term unemployment</td>
<td>9.6%</td>
<td>9.9%</td>
<td>9.1%</td>
<td>●</td>
<td>9.5%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Level of informality</td>
<td>80.6%</td>
<td>80.9%</td>
<td>80.4%</td>
<td>●</td>
<td>77.2%</td>
<td>74.7%</td>
</tr>
<tr>
<td>No health insurance</td>
<td>24.2%</td>
<td>21.0%</td>
<td>19.0%</td>
<td>●</td>
<td>8.7%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Barriers to access health services</td>
<td>8.9%</td>
<td>6.9%</td>
<td>8.2%</td>
<td>●</td>
<td>5.3%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Low coverage–pipelines</td>
<td>12.9%</td>
<td>11.6%</td>
<td>12.0%</td>
<td>●</td>
<td>11.2%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Low coverage–sewers</td>
<td>14.1%</td>
<td>12.0%</td>
<td>14.5%</td>
<td>●</td>
<td>11.6%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Inadequate flooring</td>
<td>7.5%</td>
<td>6.3%</td>
<td>6.3%</td>
<td>●</td>
<td>5.9%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Inadequate walls</td>
<td>3.1%</td>
<td>3.0%</td>
<td>3.2%</td>
<td>●</td>
<td>2.4%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Overcrowding</td>
<td>15.7%</td>
<td>15.1%</td>
<td>14.2%</td>
<td>●</td>
<td>11.1%</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

Source: Presentation by Bruce Mac Master, Director of the Department of Social Prosperity, Colombia, during the first meeting of the Multidimensional Poverty Peer Network at the University of Oxford, June 2013.
Finally, the MPI for those scenarios was calculated in order to determine how the general result would change year after year and how the number of people with deprivations in each one of these indicators would be reduced if the sectorial goals of the NPD were fulfilled. The exercise also made the same macroeconomic assumptions of the NDP, which are routinely set every four years.

These simulations made it possible to deliver sensible goals to the Office of the President. On the one hand, specific goals for the reduction in the multidimensional poverty rate (from 34.7% to 22.5% in four years) were added to the NDP. This was done by introducing MPI-related exercises to the traditional sectorial exercise for the design of development plans in Colombia. On the other hand, these simulations made it possible to populate the dashboard with specific goals, track the advances towards achieving them, and inform the policies and programs designed to achieve them in case the established milestones were not being met.

As can be seen in Figure 1, the dashboard was fed these simulations for each of the indicators of the C-MPI. Thus, for example, the baseline for the low educational achievement indicator for the year 2008 (58.8%), the annual goals, and the goal for the four-year period (52.8%) were available. After a year, the actual data was contrasted with the goal and the progress status was defined (red if improvement was 0%–10%, yellow if 10%–25%, and green if over 25%). We can therefore see that 54.3% was estimated for that indicator for 2011 and that the actual figure was 54.6% (thus a green dot was assigned to the goal as substantial progress towards the goal was achieved). This enabled the President and the ministers to visualise the indicators very easily and, consequently, see the sectors where there were problems, allowing them to devise a solution, if necessary, in order not to miss the general goals.

Quarterly estimations of progress towards the goals were also done for some indicators based on administrative records. For example, the NPD team examined the administrative records of the health ministry each quarter to analyse the number of new enrolments in the health insurance system and the backgrounds of the new beneficiaries. This allowed them to calculate a proxy of improvements in specific indicators of the MPI within each year.

In general, the estimations of these exercises reasonably matched the observed outcomes. In some cases, delays were observed, but these were explained by management problems (which goes to show the value of these estimations as a tool for guiding public policy). However, other sectors accomplished their goals faster than expected, compensating for some of the delays. Therefore, the forecast was not met in detail, sector by sector, but the final aggregate ended up being very close.

This point is crucial for understanding the potential of the MPI as a public policy monitoring tool: While it is true that there is a corresponding expected path (a set of intermediate yearly milestones) for each indicator in order to reach the estimated overall goal for multidimensional poverty reduction, there exist multiple ways of achieving that goal. That is to say, the overall goal can be achieved by multiple combinations of improvements in the indicators. A delay in meeting one of the indicator goals due to unforeseen circumstances or management problems can be compensated for by improvements in other indicators above what was expected. In this sense, the dashboard can flag delays in progress towards specific indicator goals, but at the same time it shows alternatives for continuing improvements towards the overall goal at the desired speed.

It is important to stress that this exercise translated sectorial goals (financed and included in an investment plan) into simulations of how the C-MPI would change if they were met. However, this exercise could also be reversed: multidimensional poverty reduction goals can be set (as well as reductions in deprivations by indicator) and the cost of achieving this estimated using the same exercise. In this way, for example, a country could have an estimate of the cost of achieving a specific number of the SDGs or national priorities given reasonable assumptions with respect to the macroeconomic environment and the demographic and socioeconomic conditions.

The exercise of setting goals based on scenarios proved to be a very important organizational tool for social policy and enabled the sectors to understand the importance of coordinating efforts and the inter-connections of their work in terms of poverty reduction. It also gave the President an executive tool to monitor the poverty reduction efforts of the government. The C-MPI contributed to turning a multidimensional concept of poverty into multisector public policy.
In July 2016, just nine months after launching the Costa Rica Multidimensional Poverty Index (MPI-CR), President Luis Guillermo Solís Rivera issued Presidential Directive N°045-MP. In this directive he called on ‘all heads and officials of ministries and institutions of the public social sector to use the Multidimensional Poverty Index as an official tool for measuring poverty, guiding the allocation of resources, and monitoring and evaluating social programmes’.

The directive also announced a pilot project to examine the 2017 programme budgeting process in greater detail, starting with the seven institutions that could have the greatest impact on multidimensional poverty reduction.

The selection of these institutions was primarily based on the identification of the highest contributing indicators to the MPI-CR, since those showing a greater proportion of households with specific deprivations are the most likely to contribute to improvements in the index. Therefore, among the 19 indicators that make up the MPI-CR, the following six indicators were identified as priorities:

1. Low development of human capital,
2. No health insurance,
3. No internet access,
4. Roof, floor, and outside walls in poor condition,
5. Independent informal employment,

The next step involved the use of the Social Management Dashboard, which connects each MPI indicator with the relevant institutions. The table was used to identify seven institutions that would take part in the first budgeting exercise based on the MPI-CR. These institutions were The National Scholarship Fund (Fonabe), the Joint Social Welfare Institute (IMAS), the Ministry of Work and Social Security (MTSS), the National Institute of Apprenticeship (INA), the Costa Rican Social Security Fund (CCSS), the Housing Mortgage Bank (Bahnvi), and the National Telecommunications Fund (Fonatel).
A simulation exercise was carried out to see the potential impact that this work would have on the reduction of multidimensional poverty prior to the work of each institution in planning their budgets. The results of this exercise are the subject of this article.

**How was this exercise carried out?**

This theoretical work was carried out by a public-private partnership between the Costa Rican government and the Asociación Horizonte Positivo, supported by the consulting firm Cocobolo for statistical analysis. This analysis was done using a statistical simulation.

The simulation considered the current poverty estimation based on data from the household survey carried out by the National Institute of Statistics and Censuses (INEC). This survey allows us to observe which deprivations are experienced by each member of every single household included in the national sample. The exercise simulates a reduction in the number of deprivations in some of these households (assuming that the state provides them with the benefits they need to no longer experience this deprivation) and re-evaluate the country’s multidimensional poverty rate.

In order to create the simulations, the main input required were the goals committed to by each institution for 2017. For this, a baseline was created using the National Development Plan 2015–2018 (PND) goals. The PND is a document that sets the actions and goals of each administration.

After the revision of the PND goals, an analysis of the historical trends in meeting goals by each of the seven institutions was conducted in order to refine the estimations. Finally, ten programmes for poverty reduction that could influence the six MPI-CR indicators were identified within the institutions involved. The details are presented in Table 1.

### Table 1. Indicators Associated with Each Institution / Presidential Directive Programme

<table>
<thead>
<tr>
<th>Institution</th>
<th>Programme</th>
<th>Dimension</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>FONABE</td>
<td>Grants</td>
<td></td>
<td>School non-attendance</td>
</tr>
<tr>
<td>IMAS</td>
<td>AVANCEMOS (well-being and family support)</td>
<td>Education</td>
<td>Low development of human capital</td>
</tr>
<tr>
<td>MTSS</td>
<td>PRONAE /EMPLAITE (jobs)</td>
<td></td>
<td>Independent informal employment</td>
</tr>
<tr>
<td>INA</td>
<td>Training of graduates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTSS</td>
<td>PRONAE (temporary income)</td>
<td>Employment</td>
<td></td>
</tr>
<tr>
<td>MTSS</td>
<td>PRONAMYPE (credits)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTSS</td>
<td>PRONAMYPE (training)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BANHVI</td>
<td>Housing subsidies</td>
<td>Housing</td>
<td>Roof, floor and outside walls in poor condition No Internet access</td>
</tr>
<tr>
<td>FONATEL</td>
<td>Connected homes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCSS</td>
<td>Insurance covered by the state</td>
<td>Health</td>
<td>No health insurance</td>
</tr>
</tbody>
</table>

**Note:** The National Scholarship Fund (Fonabe), the Joint Social Welfare Institute (IMAS), the Ministry of Work and Social Security (MTSS), the National Institute of Apprenticeship (INA), the Costa Rican Social Security Fund (CCSS), the Housing Mortgage Bank (Bahnvi), and the National Telecommunications Fund (Fonatel).
However, for the final model the subsidy for the Housing Mortgage Bank (Bahnvi) was excluded. For this reason, only nine programmes, six institutions, and five MPI-CR indicators were included.

In most cases, a potential increase in the number of beneficiaries for 2017 was used as an input in order to run the simulations. In others, the goal for that year was used as input. Furthermore, in order to capture the possible effect of poverty reduction in the six planning regions into which the country is divided, the regional distribution of beneficiaries according to the proportion of poor households with the associated MPI deprivation was taken into account. This distribution can be seen in the following maps.

**Regional distribution of deprivations (percentage)**

- **School non-attendance**
  Regional distribution of poor households with deprivations 2016

- **Low level of development of human capital**
  Regional distribution of poor households with deprivations 2016

- **Independent informal employment**
  Regional distribution of poor households with deprivations 2016

- **No health insurance**
  Regional distribution of poor households with deprivations 2016

- **No Internet access**
  Regional distribution of poor households with deprivations 2016

**Note:** Colours show territorial differences.

Finally, the key assumption for the simulations was that all new benefits to be granted in 2017 would be effectively distributed to households identified as multidimensionally poor.
Results

Considering the simulated scenario, the reduction in the number of poor households varied between 26,000 and 32,000 at the national level, which represents a very significant reduction, as can be seen in Table 2.

Table 2.
Number of Poor Households: 2016 Observed and Simulated

<table>
<thead>
<tr>
<th>Region</th>
<th>2016 Observed</th>
<th>Simulated 95% confidence interval</th>
<th>Difference 95% confidence interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>138,753</td>
<td>129,035 – 132,148</td>
<td>6,605 – 9,718</td>
</tr>
<tr>
<td>Chorotega</td>
<td>27,390</td>
<td>22,524 – 24,016</td>
<td>3,374 – 4,866</td>
</tr>
<tr>
<td>Central Pacific</td>
<td>23,247</td>
<td>18,030 – 19,593</td>
<td>3,654 – 5,217</td>
</tr>
<tr>
<td>Brunca</td>
<td>28,947</td>
<td>23,553 – 25,472</td>
<td>3,475 – 5,394</td>
</tr>
<tr>
<td>Huetar Caribbean</td>
<td>47,286</td>
<td>42,687 – 44,591</td>
<td>2,695 – 4,599</td>
</tr>
<tr>
<td>Huetar North</td>
<td>41,231</td>
<td>35,634 – 37,589</td>
<td>3,642 – 5,597</td>
</tr>
</tbody>
</table>

In terms of incidence, namely the proportion of poor households, the results were as follows.

Table 3.
Incidence of Multidimensional Poverty in Households: 2016 Observed and Simulated (percentage)

<table>
<thead>
<tr>
<th>Region</th>
<th>2016 Observed</th>
<th>Simulated 95% confidence interval</th>
<th>Difference 95% confidence interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costa Rica</td>
<td>20.50</td>
<td>18.36 – 18.71</td>
<td>1.79 – 2.14</td>
</tr>
<tr>
<td>Central</td>
<td>14.92</td>
<td>13.87 – 14.21</td>
<td>0.71 – 1.04</td>
</tr>
<tr>
<td>Chorotega</td>
<td>23.99</td>
<td>19.73 – 21.03</td>
<td>2.95 – 4.26</td>
</tr>
<tr>
<td>Central Pacific</td>
<td>25.89</td>
<td>20.08 – 21.82</td>
<td>4.07 – 5.81</td>
</tr>
<tr>
<td>Brunca</td>
<td>25.39</td>
<td>20.66 – 22.34</td>
<td>3.05 – 4.73</td>
</tr>
<tr>
<td>Huetar Caribbean</td>
<td>35.64</td>
<td>32.17 – 33.61</td>
<td>2.03 – 3.47</td>
</tr>
<tr>
<td>Huetar North</td>
<td>35.55</td>
<td>30.73 – 32.41</td>
<td>3.14 – 4.83</td>
</tr>
</tbody>
</table>

The simulation showed that the reduction in the incidence of multidimensional poverty would be extremely significant, with an overall reduction of at least 1.79%, a maximum reduction of 2.14%, and, in some regions, a reduction of over 4%. These results were presented to the involved institutions to motivate them and help them understand the real impact that the use of the MPI-CR would have as a planning tool for the achievement of poverty-related objectives.

The efforts made by the current government to introduce the MPI-CR tool, particularly with the Bridge to Development strategy, could help achieve the goals set by institutions. The resulting reduction in multidimensional poverty could substantially improve the daily lives of the nations’ poor and, eventually, profoundly benefit the nation as a whole.
In 2015, the United Nations member states adopted the 2030 Agenda for Sustainable Development. Its core mandate is the improvement in the quality of people’s lives while leaving no one behind. For this reason, a set of 17 goals – the SDGs – were defined with the aim of monitoring the progress of each country. In particular, Target 1.2 is concerned with reducing the proportion of men, women, and children of all ages living in poverty in all its dimensions by at least half, according to national definitions, by 2030.

A recurrent question that has arisen among the representatives of several countries ever since is, which indicator should be used to measure the reduction of poverty in all its dimensions? Additionally, the guiding principle of these goals – to leave no one behind – imposes the necessity of understanding who are the poorest among the poor – those who suffer a greater number of deprivations in all its dimensions at the same time – and understanding which are the most relevant interconnections in order to guarantee the efficiency of poverty reduction policies. In other words, it demands to know who is being left behind in multiple dimensions at the same time and not just who is being left behind in particular dimensions – as progress in development goals is usually measured.

These questions have led a number of countries to support the incorporation of the MPI as an official SDGs indicator at the UN – an indicator that provides answers to some of these questions.

One such country is Colombia, whose government has launched the Strategy for the Implementation of Sustainable Development Goals in Colombia, which is articulated in document no. 3918 of the Colombian National Council for Social and Economic Policies (Conpes in Spanish). This strategy defines a monitoring and reporting framework for advancements in the implementation of the SDGs in Colombia that is based on a set of national indicators and which includes a baseline for each indicator and its respective goal for 2030.

It also outlines a plan to strengthen statistical production in order to be able to measure all aspects concerning the SDGs, as well as clear guidelines for the regionalisation of the goals. Finally, it establishes concrete actions for dialogue with non-governmental actors and thus promotes a multi-actor approach towards the achievement of these goals.

The monitoring and reporting mechanism for the implementation of the SDGs establishes 156 indicators to measure progress towards the attainment of the SDGs, names the lead institutions for each indicator – given that, in some cases, several entities are in charge of one indicator – and determines the resources necessary to reach the goals. A particularly relevant aspect is that, considering the high number of indicators, the Government of Colombia has decided to establish 16 tracking indicators that will be monitored especially closely; the government has also created a monitoring framework to determine the resources necessary to fund the SDGs. The Multidimensional Poverty Index of Colombia (MPI-CO) was defined as one of the tracking indicators in the strategy to achieve the SDGs.
The Government of Colombia has specifically chosen to use the MPI as a tracking indicator to monitor accomplishments related to SDG 1, as can be observed in Figure 1. This figure also shows the identified baseline (20.2% of people in multidimensional poverty in the year 2015) and the goals established for the years 2018 and 2030 (17.8% and 8.4%, respectively). The lead institutions responsible for each goal have also been clearly established (see Figure 2). More information on this strategy can be found on the portal www.ods.gov.co/goals/1.

The incorporation of MPI-CO as a tracking indicator of the SDG Agenda confirms that a multidimensional approach on poverty and the interdependence of the SDGs has been established in Colombia. It also shows that the Government of Colombia has decided to continue using a measurement tool that has been extremely useful as a guide for public policy and coordination. Furthermore, it demonstrates that the government intends to fully exploit the advantages of this tool, such as its capacity to capture the multiple deprivations that people suffer simultaneously and the possibility of disaggregating data by region, sex, age, etc., in order to abide by the guiding principle of the SDG Agenda – to leave no one behind.

### FIGURE 2.
Leading Entities and Associates in the Implementation of SDG 1 Targets

<table>
<thead>
<tr>
<th>SDG</th>
<th>SDG Target</th>
<th>Leading Institutions</th>
<th>Other Associated Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>End poverty in all its forms everywhere</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.1. Eradicate extreme poverty for every person in the entire world by 2030 (people living with less than US$1.25 per day are currently considered to be suffering from extreme poverty)</td>
<td>Department for Social Prosperity</td>
<td>Ministry of Agriculture and Rural Development, Ministry of Energy and Mining, Ministry of National Education</td>
</tr>
<tr>
<td></td>
<td>1.2. By 2030, reduce at least by half the proportion of men, women, and children of all ages living in poverty in all its dimensions according to national definitions</td>
<td>Department for Social Prosperity</td>
<td>Ministry of Labour; Ministry of Energy and Mining; Ministry of Agriculture and Rural Development; Ministry of National Education; Ministry of Housing, Urban and Territory Management</td>
</tr>
<tr>
<td></td>
<td>1.3. Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable</td>
<td>Ministry of Labour</td>
<td>Ministry of Health and Social Protection</td>
</tr>
<tr>
<td></td>
<td>1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance</td>
<td>National Land Management Agency</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.5. By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social, and environmental shocks and disasters</td>
<td>Presidency of the Republic through its National Unit for Natural Disasters Management</td>
<td>Ministry of Environment and Sustainable Development</td>
</tr>
<tr>
<td></td>
<td>1.a. Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions</td>
<td>Department for Social Prosperity</td>
<td>Presidential Agency for International Cooperation, Ministry of Finance and Public Credit</td>
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The Global MPI 2018 Shows that India Has Made Remarkable Progress

In September of this year, OPHI and the United Nations Development Programme published a new version of the global MPI, adjusting five of its ten indicators to better align this index with the Sustainable Development Goals (SDGs). With results covering more than 100 countries – disaggregated into more than 1,000 subnational regions, rural-urban areas, and age groups – the global MPI 2018 is particularly useful for identifying people who are being left behind in the SDGs.

One of the main findings of the global MPI is that India has drastically reduced its poverty rate from 55% to 28% in ten years. That means 271 million people moved out of poverty between 2005/6 and 2015/16. While progress has been remarkable, the country still has the largest number of people living in multidimensional poverty in the world (364 million people). Of these, 156 million (34.5%) are children. In fact, of all the poor people in India, just over one in four – 27.1% – has not yet celebrated their tenth birthday.

The good news is that multidimensional poverty among children under ten has fallen the fastest. In 2005/6 there were 292 million poor children in India, so the latest figures represent a 47% decrease or a 136 million fewer children growing up in multidimensional poverty.

When considering the durable and lifetime consequences of childhood deprivation, particularly in nutrition and schooling, this is a tremendously good sign for India’s future.
A Day in the Life

Amudha* is a 14-year-old student in 10th grade in a school located in a small rural area in Naga-malai Pudukottai, Madurai. She lives with her father, mother, sister, nephew, and niece.

Her parents used to work in Kerala. Her father’s hand was badly injured while plucking coconuts from a tree. The injury stopped him from working as a manual labourer.

While he was recovering, he could only work as a watchman, and her mother was obliged to take up construction work to take care of the financial needs of the family. They then migrated to Nagamalai Pudukottai in search of work. Now both her parents work on a construction site, her father’s injury having healed. Her mother earns Rs 350 and her father Rs 400 per day for the same work. Amudha’s mother has frequent knee and back pains due to long working hours.

In spite of all the hard work her parents do, they are unable to afford a liquid petroleum gas (LPG) cylinder for cooking. Amudha’s family do not own a house. They live in a primitive shack next to a dried-up pond on wasteland owned by the local government. Due to a lack of toilet facilities, they are forced to defecate out in the open next to the pond. They get their electricity free by running off a connection from their neighbour. The meagre wages that they earn are not sufficient to pay rent and maintain a family of five. They live in fear of being evicted from their accommodatings for not paying rent. Her family is in desperate need of a good house to live in.

Amudha’s day starts at 6 a.m. She helps her mother at home and then gets ready for school. She walks to school. The bicycle she received from the government needs repair, but there is no money for this. After school, she attends remedial classes until 9 p.m. She then goes back home and has her dinner. Later, she helps her mother wash the dishes and goes to sleep by 10 p.m. Amudha’s ambition in life is to become a doctor. Her mother lost two babies before Amudha was born as her mother had no access to medical facilities and gave birth at home. Amudha wants to help many rural women like her mother. She works hard to achieve this goal.

Amudha is poor according to the 2018 global MPI. The coloured boxes in the graphic show the deprivations she faces.

Ten Indicators

Nutrition  Child mortality
Years of schooling  School attendance
Cooking fuel  Sanitation
Drinking water  Electricity
Housing  Assets

Three Dimensions of Poverty

Learn more about Amudha’s life in this video.

*Name has been changed
**News**

**OPHI and UNDP Launch a Global Multidimensional Poverty Index’s New Version**

The Oxford Poverty and Human Development Initiative and the United Nations Development Programme reviewed the global Multidimensional Poverty Index. The global MPI 2018 covers 105 countries, which are home to 5.7 billion people. Of this, 23% of the people (1.3 billion) are identified as multidimensionally poor.

*More information.*

**MPPN Side Event at the United Nations General Assembly**

The Multidimensional Poverty Peer Network (MPPN) organised a high-level side event at the 73rd session of the General Assembly of the United Nations on September 25 at the United Nations Headquarters in New York. The event labelled ‘Using the Multidimensional Poverty Index (MPI) to Guide Innovative Policies to Eradicate Poverty in All Its Dimensions’ was organised by the government of Panama and was attended by heads of state, vice-presidents, and ministers.

*More information.*

**Swedish International Development Cooperation Agency’s Multidimensional View of Poverty**

The Swedish International Development Cooperation Agency (SIDA) has published a new poverty toolbox to support the integration of multidimensional poverty in its work. SIDA identifies four dimensions of poverty: resources, opportunities and choice, power and voice, and human security.

*More information.*
The Poverty Toolbox gathers tools and information to support the analysis and integration of multidimensional poverty throughout Sida’s operations.

**Political & institutional context**

**Conflict/Peaceful context**

**Economic & social context**

**Environmental context**

**How & Why**

**Opportunities & choice**

**Human security**

**Resources & Power**

**Who**

[www.sida.se](http://www.sida.se)
Dimensions

www.mppn.org
www.ophi.org.uk