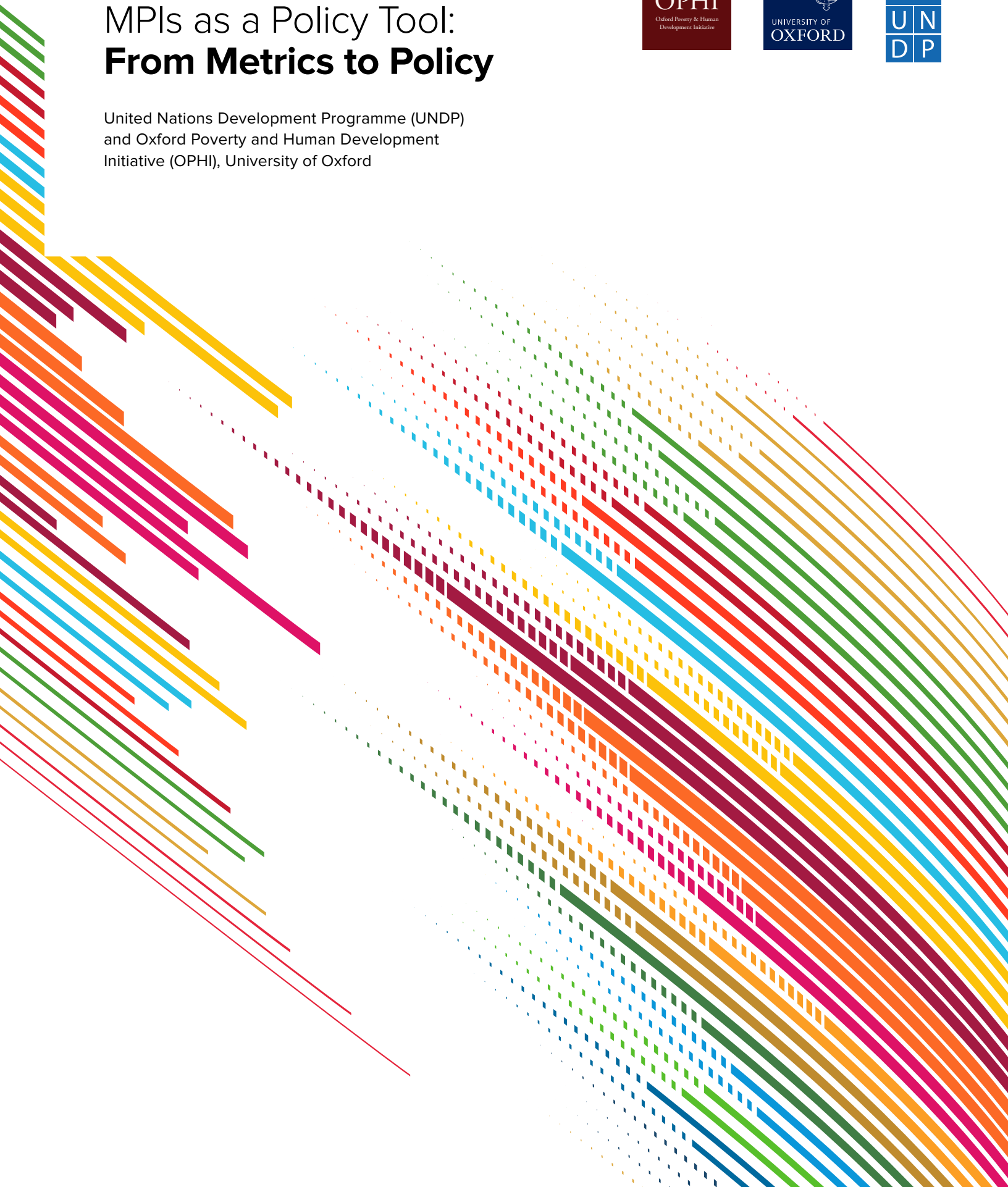


How to Use National MPIs as a Policy Tool: **From Metrics to Policy**

United Nations Development Programme (UNDP)
and Oxford Poverty and Human Development
Initiative (OPHI), University of Oxford



ABOUT UNDP

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The Oxford Poverty and Human Development Initiative (OPHI) is a research centre within the Oxford Department of International Development, Queen Elizabeth House, at the University of Oxford. Led by Sabina Alkire, OPHI aspires to build and advance a more systematic methodological and economic framework for reducing multidimensional poverty, grounded in people's experiences and values.

ABOUT THIS PUBLICATION

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UN DISCLAIMER

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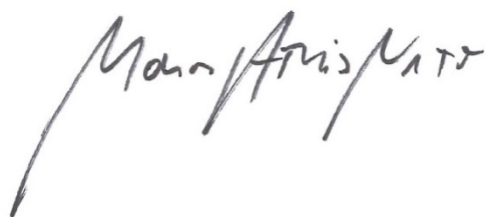
Foreword

In an era where poverty eradication is a global imperative, recognizing poverty as a multidimensional issue is essential for crafting effective policies and targeted interventions. This handbook, “How to Use National MPIs as a Policy Tool: From Metrics to Policy”, provides practical guidance on how to apply the Multidimensional Poverty Index (MPI) to inform public policy and optimize resource allocation, moving beyond income-based assessments to address the range of deprivations impacting individuals and households.

As countries strive to meet the Sustainable Development Goals (SDGs), particularly the goal to end poverty in all its forms, this handbook serves as an essential resource. It bridges the gap between measurement and actionable policy, equipping governments, policymakers, and practitioners with tools to analyze poverty comprehensively and allocate resources effectively. Through real-world examples from countries that have successfully implemented national MPIs to monitor poverty, guide resource distribution, and shape policy decisions, the handbook illustrates how multidimensional poverty data can help identify and address the specific needs of different regions, demographic groups, and communities.

The handbook underscores that national MPIs can drive more equitable development by enabling governments to disaggregate data and tailor solutions to the unique needs of their populations. By adopting and institutionalizing MPI as a tool in poverty measurement and policy design, countries can strengthen governance, foster inter-ministerial collaboration, and fulfill their commitment to Leave No One Behind.

This handbook, jointly developed by the United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI), offers practical guidance for integrating MPI into policy frameworks. It is a call to action for countries to deepen their commitment to multidimensional poverty reduction, ultimately working toward a world free from poverty in all its complex forms.



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Introduction

Bright scientists, creative academics, and rigorous technicians have developed all kinds of measurements for all kinds of purposes. The health sector, for instance, is rich in measurements regarding our body's functioning: blood pressure, body temperature, cholesterol levels, body mass index, and many others. The effectiveness of the treatments prescribed by doctors depends heavily on these measurements.

Yet, unlike in the health sector, when it comes to social measurements, it is still a bit unclear how governments could make better use of them to understand and diagnose a country's problems, and consequently improve public policy. In the case of poverty, academics have designed various ways of measuring it for decades. A growing number of countries, with the leadership of governments, have even adopted some of these measurements as official national indicators, as is the case of the Multidimensional Poverty Index (MPI). However, this does not necessarily mean that policy makers use them often when designing poverty-eradicating public policy. Unlike doctors in the health sector, ministers, members of congress, presidents, and prime ministers are not always clear on how the MPI can be used to guide more effective poverty-reducing interventions. If we really would like to have better strategies to eradicate poverty, we not only need better measurement tools, but we need those tools to be used actively when making public policy decisions.

The Case for Multidimensional Poverty and National MPIs

Among the greatest advances in assessing poverty over the past decades has been the global acknowledgment that poverty is multidimensional. Between the 20th and the 21st centuries, we transitioned from viewing poverty exclusively through a monetary lens to recognizing poverty as a multidimensional phenomenon, with various social and economic dimensions aside from income. In fact, people experience poverty much more broadly. A person who is poor can suffer multiple disadvantages at the same time – they may have poor health or malnutrition, a lack of clean water or electricity, poor quality of work or little schooling. Academics such as Amartya Sen, Francois Bourguignon, Satya Chakravarty, Jean-Yves Duclos, David Sahn, Peter Townsend, and David Gordon, among others, have been pioneers in conceptualizing and measuring poverty in a multidimensional way. Sabina Alkire and James Foster, from the Oxford Poverty and Human Development Initiative (OPHI), started their work on multidimensional poverty at the beginning of the 21st century and developed the Alkire-Foster (AF) method with various technical properties, such as disaggregation by population groups, by dimensions and by indicators. The method could be applied using household surveys and censuses to estimate poverty figures for many countries (Alkire & Foster, Alkire-Foster Method). Currently, the AF method is widely used to develop not only international, national and subnational measures of poverty, but also measures of wellbeing and empowerment, for example: [Bhutan's Gross National Happiness Index](#) (Ura, Alkire, & Zangmo, 2012) [Women's Empowerment in Agriculture Index](#) (Alkire, Meinzen-Dick, Peterman, & et al, 2013). In 2010, UNDP and OPHI launched the global Multidimensional Poverty Index estimating acute multidimensional poverty for more than 100 countries with the possibility of disaggregating poverty by regions and social groups (UNDP, 2010). The AF method has been crucial towards better understanding poverty.

However, the biggest step in shifting from metrics to using MPIs for public policy has been made by countries. A growing number of governments realized that if poverty were to be understood exclusively through a monetary lens, then social responses to poverty can only be effective through providing money (or some form thereof). They acknowledged that multidimensional poverty measures can be used to elaborate a more comprehensive picture of poverty by revealing the range of different deprivation simultaneously experienced by the poor.

Using information sources (surveys, censuses) with household information for various dimensions, it is possible to detect if individuals suffer from various deprivations simultaneously (a joint distribution of disadvantages). Multidimensional poverty measures reveal who is poor and how they are poor; they also illustrate how poverty

WHY A MULTIDIMENSIONAL POVERTY INDEX (MPI) IS IMPORTANT?

Many countries now measure multidimensional poverty alongside monetary poverty. This means that a country will estimate and release two complementary official national measures of poverty. The monetary poverty measure assesses income or consumption and expenditure poverty, according to national poverty lines. The multidimensional poverty measure reflects relevant non-monetary aspects of poverty— food insecurity, unemployment, dilapidated housing, lack of healthcare, meager educational levels and so on. These non-monetary aspects reflect national development plans, participatory exercises, the SDGs and policy priorities. Both measures are used to monitor progress over time nationally and by subgroup, according to national definitions. The measures, together, advance a common fundamental motivation: to end poverty in all its forms, leaving no one behind.

The development of multidimensional poverty measures focuses on actively reducing poverty and improving the lives of those currently living in poverty. In this sense, the most important stakeholders in this handbook are those living in multidimensional poverty around the world. It is our hope that by creating national MPIs, countries will have a more effective tool for designing policies to eradicate poverty.

Source: How to Build a National Multidimensional Poverty Index, 2019, OPHI, pg. 13

WHAT DOES AN MPI MEAN?

To create an MPI requires choosing the dimensions and indicators of poverty and identifying what a deprivation is in each indicator. MPIs can be built for individuals or households; the most common is households. For example, if an indicator is school attendance, is a household deprived if any child is not attending school til class 8? or class 10? What kind of housing, water source, sanitation, access to health care, or employment is considered deprived? After the deprivations are defined, they are also weighted. Most commonly, dimensions are equally weighted and indicators within each dimension are equally weighted unless there is a clear logic for adjusting the weights.

The first step is seeing which of the included deprivations each person or household experience, then combining them into a deprivation score which is the weighted sum of deprivations for that person. Then each person or household is identified as poor or non-poor depending on their deprivation score. How? A poverty cutoff is chosen, and any person with a deprivation score that is equal to or more than that score is multidimensionally poor. For example, if the cutoff is 33%, and a person's deprivation score is 50%, they are poor. From this information, the number of those in poverty and the incidence or headcount ratio of poverty (H) can be calculated. This represents the percentage of the population who are multidimensionally poor. Next, the breadth of deprivation is assessed by calculating the intensity of poverty (A). The intensity is the average percentage of weighted deprivations that poor people experience – their average deprivation score. Finally, the MPI, or adjusted headcount ratio, is calculated by multiplying H by A. The MPI value ranges from 0 to 1. It shows the percentage of possible deprivations across all dimensions actually experienced by poor people. A higher value implies higher poverty. The MPI changes if either incidence or intensity change. Put differently, if any deprivation of any poor person is eradicated, MPI goes down - every single time. Read this [OPHI Brief](#) to know more about the MPI, applied in Nepal.

levels vary across different country areas or amongst different sub-groups of people. The MPI's characteristics not only help in better understanding poverty, but also make this tool especially attractive and easy to link to public policy. At present nearly 40 countries have developed their own national MPIs, many with support from OPHI and UNDP. After understanding poverty as a multidimensional phenomenon, governments realized the importance of measuring it according to their country-specific context. National MPIs can capture local realities and national priorities, and consequently, various countries have used them to orient public policy.

Thus, during the past decades we have witnessed two efforts meet: the technical development of robust multidimensional poverty measures, such as the MPI, and the political engagement skills of policy entrepreneurs. For the purposes of this handbook, MPI policy entrepreneurs (also known here as MPI-leverage champions) are those people with the technical, political and communication abilities to be able to inform and engage governments, parliaments, policy makers and civil society to own these techniques and use them for better governance, or by applying the MPI estimates to specific public policy decisions, such as targeting benefits, coordinating agencies, improving budgeting decisions or tracking progress of development strategies.

Why is using a national MPI for policy relevant?

The global MPI developed by OPHI and UNDP captures acute deprivations in health, education, and living standards that a person can face, simultaneously for many countries. It uses the same method, variable and cut-off for all countries. It is important because it is possible to compare multidimensional poverty between countries and world regions, and within countries. At the same time, national poverty measurements, such as the ones adopted by many countries over the past two decades are especially important for policy for various reasons. National MPIs are tailor-made for the country and for the country's policies. Each national MPI creates a comprehensive picture of poverty. Their dimensions and indicators are selected by each country according to national definitions, history, priorities, and local agreements between key stakeholders¹. National MPIs reveal who the poor are, how many people are poor, the intensity of poverty and their main characteristics, making it possible to capture the different deprivations that simultaneously affect their lives.

MPIs, unlike income-based poverty measurements, directly link poverty with policies. Placing a child in school, improving housing quality, increasing access to health care services, for example, all can have a direct impact on poverty if it is measured in a multidimensional way. Through a multidimensional poverty approach, government officials and policy makers demonstrate how different social and economic programs create a joint impact in reducing poverty. A multidimensional poverty lens opens the range of available government responses.

In identifying the poor, national MPIs not only show where the largest number of poor people are living, but also reveal where to find clusters of interlinked deprivations. For most, if not all, national MPIs, this information is available at both national and subnational levels and can be further disaggregated to examine the situation for specific population sub-groups, such as different age groups or ethnicities. For this reason, the MPI is an important tool to reduce inequalities and contribute to the realization of the pledge of the 2030 Agenda – 'Leaving no one behind'.

¹ It is true that the definition and measurement of national MPIs is also driven by what data are already available in the country. Thus, the need also to determine the ideal MPI dimensions and then make the effort to collect appropriate information.

A key benefit of the MPI is that it provides a tool to break down government silos and help coordinate policymaking across ministries and stakeholders. With an MPI, governments can more easily persuade departments and ministries to work together. This multi-sectoral approach is important when tackling the multifaceted nature of poverty.

Detailed analysis of the MPI can clearly identify the sectors, regions and the segments of the population that require attention and provide the basis for a range of decisions around policy, targeting and resource allocation². Because of the indicator-level detail and information on interlinkages across deprivations, the MPI can be used to inform multi-sectoral policy design as well as to coordinate policies, guide resource allocation, monitor trends and ultimately, to reduce poverty in all its forms. This aligns with the 2030 Agenda and SDG 1, which calls for “ending poverty in all its forms everywhere”.

National MPIs have been used to shape policy in many ways, including to:

1. Complement monetary poverty measures
2. Track poverty over time, including as official national statistics and towards SDG indicator 1.2.2
3. Allocate resources by sector and by region
4. Target marginalized regions, groups (gender, ages, race, ethnicity), or households
5. Coordinate policy across sectors and subnational levels
6. Evaluate policies and adjust by what works
7. Leave No One Behind by focusing on the poorest of the poor and tracking trends
8. Strengthen governance by promoting consensus, responsibility, transparency, accountability, effectiveness, and efficiency
9. Measure COVID-19-related vulnerabilities for a more rapid and equitable recovery.

So far, various countries have adopted national MPIs and used them for public policy. When this happens, it's because at least two things concur: the country was able to technically develop a sound national measurement, and there were sufficient political skills within countries to inform and convince key stakeholders about the importance of MPIs for governance and public policy. These elements do not always come together. In some cases, the poverty measurement remains in drawers, and it does not become an active part of public policy, which means that the technical element was not correctly matched with a convincing political strategy. For an MPI to be used and adopted officially by governments, both elements are essential – the technical part and the policy engagement commitment.

The importance of policy engagement: institutional and political agreements for using the MPI as a policy tool

When a government decides to officially adopt an MPI or when an MPI is used systematically for public policy, it means that there was political will and leadership. There are MPI champions or policy entrepreneurs who understand the socio-political context, spot key stakeholders, align the incentives of relevant officials, and build local consensus. They understand the technical elements behind an MPI, and they also engage with high ranked officials, informing them about the merits behind the systematic use of national MPIs to make better informed policy decisions.

² The challenge again is to have a large enough survey, or be able to use censuses, to be able to have various groups disaggregation.

Countries that have succeeded using their national MPIs as policy tools have in common the strategic work of MPI champions that have managed to bring two complex things together: a technically solid measurement methodology and getting support from the country's top leadership. Top leadership is a pivotal requirement to guarantee the sustainability and effectiveness of a national MPI. Using a national MPI as a policy tool demands strong political commitment but is also premised on the effective engagement of a range of stakeholders.

If we would like national MPIs or any other technical measurement tool to go beyond metrics and be used systematically for public policy, it is important to understand and navigate the political spaces where key stakeholders discuss and make decisions. Every time we would like to reach public policy, it is inevitable to go through policy engagement processes, which means understanding the political context of the country is essential to finding ways to inform key political figures. This handbook deals precisely with this: show the importance of using national MPIs as a policy tool and guide us on how we could approach key stakeholders; how we could include the “human touch,” so to speak, to achieve this goal.

SDGs, COVID-19 and the MPI as a policy tool

This handbook comes at a particularly important time. As countries work towards achieving the 2030 Agenda in the “decade of action”, they must address poverty reduction strategies. COVID-19 has been a terrible shock for all, but it has also showed that measuring poverty in a multidimensional way is more important than ever, both to identify vulnerable groups and to work towards a more robust and equitable recovery. The Sustainable Development Goals (SDGs) include reducing the proportion of men, women and children of all ages living in poverty in all dimensions at least by half, according to national definitions, by 2030 (Target 1.2). Ideally, this means all countries should develop their own multidimensional poverty measure and use it for public policy design to obtain a significant and measurable decrease in poverty. Hopefully, this handbook aids in understanding how to engage with relevant stakeholders, learn from them, and build partnerships, so they eventually perceive the MPI as a technical solution aligned with their own political incentives.

Purpose of the handbook

The main purpose of this handbook is to show the importance of using MPIs for public policy and provide strategic tools and skills for MPI champions to succeed in implementing them. The handbook goes beyond the technical aspects of the measurement to provide guidance on how to assess the country-specific socio-political context, strategically engage with stakeholders, and align incentives to make evidence-based decisions.

The main challenge for a country after the adoption of a national MPI will always be twofold: secure the measurement's continuity across administrations and ensure it is used to orient public policy. A pivotal requirement to guarantee the continuity and effectiveness of a national MPI is getting the buy-in of the country's top leadership and engaging with a wide range of government officials. This handbook shows how different countries have been able to use national MPIs for public policy, and also addresses the political economy behind the use of the MPI as a tool for policy. Using real-life examples from various countries, this handbook illustrates how countries have been able to engage stakeholders (government, statistical offices, parliaments, civil society, etc.) and develop a political strategy for using the national MPI for policy. Here, the handbook hopes to illustrate what lies behind the countries that have succeeded in using their national MPIs for tracking poverty, allocating resources, targeting beneficiaries, coordinating policy actors, among other uses, with a special eye on the political and institutional steps taken to achieve such success.

This handbook is aimed at enhancing leadership towards MPI and poverty reduction and complements a previous handbook released by UNDP and OPHI in 2019 titled: [How to Build a National Multidimensional Poverty Index \(MPI\): Using the MPI to inform the SDGs, a guide to design a national MPI](#) (OPHI, UNDP, 2019). Together, these handbooks present practical guidance for the development and implementation of a national MPI at both technical and political levels.

Who should use this handbook?

This handbook is intended for any person who wants to better understand how to engage key stakeholders around an important technical tool such as the MPI. It is especially designed for decision makers, political advisors, policymakers, program coordinators, government technicians, or other interested stakeholders from policy think-tanks, businesses, NGOs, and civil society organizations.

The handbook is for those willing to become a policy entrepreneur and champion the use of the MPI to reduce multidimensional poverty at international, national, or subnational levels. The handbook will be useful for countries willing not only to have a tool to measure poverty, but to use the MPI, which has the potential to be used in different areas of public policy aiming to eradicate poverty.

How to use the handbook

This handbook is meant to guide the reader through the process of using an MPI to inform policy decisions aimed at reducing multidimensional poverty. It could be used by countries with an existing national MPI or those in the process of adopting one. The handbook is comprised of nine self-contained chapters that can be read in a sequential order or independently, according to the reader's specific interest and needs.

Chapter 1 is about the characteristics of the MPI, why they are suitable for policy, and why the tool is important to achieve poverty reduction. Chapters 2 to 5 show country examples of national MPI used in various contexts. Chapter 2 has examples of countries using national MPIs for tracking progress; Chapter 3 is about the importance of the MPI for targeting, Chapter 4 is about the MPI's use for budgeting; Chapter 5 shows the importance of an MPI for emergencies, such as COVID-19 diagnostics and effective recovery strategies, as well as innovations in the use of MPI.

Chapters 6 to 9 touch on strategies to improve policy engagement among key stakeholders. We believe these strategies are useful for informing and encouraging government or parliaments to use the MPI for policy. Chapter 6 talks about the importance of understanding the political context as a precondition to developing policy engagement strategies; Chapter 7 deals with the importance of policy engagement strategies, especially linking the technical know-how to the needs and understanding of politicians; Chapter 8 underlines the importance of having suitable narratives to help with policy engagement, and Chapter 9 shows the importance of the institutionalization of MPI both to maximize policy use and to make this use sustainable.

CHAPTER 1

National MPI as a Policy Tool

The need to go beyond measurement

Measuring any phenomenon that needs changing is not just important, it's essential. The National Council for the Evaluation of the Social Policy (CONEVAL) in Mexico has a motto: "We can improve what we can measure". Yet, it is also true that metrics are only significant if we actually use them in a systematic way to improve the situation we have at hand, such as poverty.

As we mentioned previously, finding the way to properly measure poverty, or any other subject, is a real accomplishment, but if these measurement tools cannot go beyond the mere metrics, improvements in people's lives may not be possible through these means. Good evidence is great, but it should be part of governments' daily decisions if we want tangible results on poverty or, broadly, on development. However, this is not always the case.

We cannot blame only politicians for this: there are various factors explaining the lack of evidence used in public decision making. One of these usually is the language used to communicate scientific or academic findings, which may not be clear for the general audience. It is impossible to ask policy makers and politicians to pay attention to scientific tools if we cannot explain their relevance and practical utility in a clear way. Another reason is that, in fact, making decisions is not an easy task; it is not easy for individuals, and it is not easy for governments. There's plenty of information from many sources around, and there are different incentives for policy makers in every decision. Choosing the right option within an ever changing and dynamic context has never been easy. However, if we better understand the context of the country at a specific time, if we can identify the diverse political incentives, then we will be in a better position to influence poverty reduction through the use of MPIs.

"The UN Assistant Secretary-General's address speaks on the importance of measuring multidimensional poverty, and how this information can be used to create policies that help reduce poverty. In the address the Assistant SG also highlights some of the work UNDP has done in this area, including training people on how to measure multidimensional poverty and working with other agencies to develop indicators for this type of poverty" (Xu X. , 2021)

"Countries in Latin America, including Colombia, Mexico, and Panama, are in an advanced stage of applying the MPI as a policy tool. By contrast, while most countries in Asia and the Pacific have started computing a national MPI, its use as a policy tool has occurred in Bhutan, Pakistan and Viet Nam" (UNDP, 2019). It is important to overcome obstacles to move quicker from metrics to policy in more countries.

Potential uses of national MPIs

Successful policymaker engagement on the MPI depends heavily on policymakers perceiving the MPI as a solution to a pressing concern (COVID-19 is a good example), a problem they face, or a vehicle for a political victory. To increase the possibilities of policymakers' engagement, the measurement should satisfy policymakers' needs. So, what pressing concern can the MPI help to solve? What are we going to use the MPI for?

When countries first decide to develop a national MPI, all the potential uses of the MPI may not be clear. It is possible that a single initial objective is simply to have an additional measure to monitor the evolution of poverty using economic and social dimensions beyond income. When a government decides to develop and officially launch a national MPI, it is possible that it also makes the commitment to have a better tool to be accountable for its social

and economic policies — an important use for an MPI. In other words, just by having a national MPI, measurement and accountability could be immediate gains, assuming the government makes the additional commitment of estimating the MPI on a regular basis and without any intentional biases.

Potentially, MPIs could be used for many more policy purposes, as we already mentioned before. In fact, the first OPHI-UNDP handbook, [How to Build a National Multidimensional Poverty Index \(MPI\): Using the MPI to inform the SDGs](#) already mentioned various MPI policy uses in chapter 1 (OPHI, UNDP, 2019). UNDP also published an important document reviewing the MPI and its policy uses in Asia and the Pacific (UNDP, 2019). We summarize them and include other policy uses that have been incorporated recently below. Depending on the local context, the measurement may serve more than one of the nine following purposes:

- *Improve comprehension of the country's poverty context, enhance a high-level view of national poverty, and importance for tracking progress.* The national MPIs are designed to fit their national contexts. These are attributes that can be defined by policymakers together with other stakeholders to accurately characterize poverty in diverse contexts. The MPI is also transparent and easy to implement; only a modest amount of technical knowledge is required to understand the MPI calculation. This provides legitimacy for official estimates. For this reason, the MPI is intuitive and relatively simple to communicate to the press, private sector and civil society. Because of this, MPIs are key to track changes in poverty and its respective dimensions, especially when it is possible to keep the methodology without many changes for some period. All stakeholders, not only in government, could use the MPI for a robust analysis of poverty at one moment in time, or through a certain period. Furthermore, it is also possible to use the MPI for measuring the impact of public policies and programs on various dimensions before turning to poverty itself.
- *Advocacy:* The MPI portrays a high-level view of poverty in a country, one that allows for disaggregation and in-depth analysis of poverty conditions faced in different regions and demographic groups. One such use of the MPI is to advocate on behalf of different groups showing their problems, especially those with multiple deprivations; this is, for example, the case of households with children. The fact that the MPI can disaggregate by dimensions makes it appealing to address poverty at the ministerial level, as it is easier for ministries to advocate for poverty reduction strategies and resources linked to the ministries' objectives. When we present the MPI as a single numeric estimate, but with direct links to sectors and ministries (through dimensional analysis), it easily catches the eye for advocacy and direct responsibilities. Using a dashboard, on the other hand, does not link sectors and individual dimensions to the overall problem of poverty as a whole.

There could be various stakeholders willing to use the MPI for these purposes. For instance, a government that would like public policy budget efforts to focus on the central goal (consistent with the SDGs) of reducing poverty across the country can better convince the legislature and the public by raising awareness on poverty. The same motives can be useful for civil society. A social organization that aims to reduce the poverty for a specific group (refugees, indigenous women, people with disabilities) would do better with a solid and easy to communicate group-specific poverty measure. Since the MPI is easy to disaggregate, it is possible that we could focus on different groups even with the same indicator.

- *Complement monetary poverty measures:* The norm when measuring poverty has long been monetary measures. Still, people experience multiple deprivations aside from income, deprivations which may not be satisfied only through cash transfers. The MPI complements existing monetary poverty statistics, and the

dimensions of the MPI have proven to help identify and achieve targeted policy interventions. Indeed, the ability to provide a better depiction of poverty and inform more precise policy actions has been an incentive in every country that has developed a national MPI so far. Furthermore, improvements in public actions in areas like education, infrastructure, and housing, which might only impact income in the next generation, are not well captured by traditional monetary metrics. In contrast, an MPI that includes such indicators can show rapid improvements in these areas, demonstrating the effect of social policies more directly, even within the duration of a government term. Moreover, MPI measurement and its use as a policy tool is in tandem with the capability approach. Reducing the deprivations in non-monetary dimensions does help in promoting human development. It not only builds people's capabilities and enlarges choices but also promotes the effective use of public money because there is no full guarantee that the cash transfer will help build human capabilities.

- *Identify overlapping deprivations and emergency responses.* The MPI is usually estimated using single surveys or censuses containing vast socio-economic information about the characteristics of the individuals, the households and dwellings. Surveys allows for geographical and groups disaggregation, but censuses also detect individuals and households with multiple deprivations. This provides new information that is unavailable in many other measures; this data is extremely relevant for identifying the poorest of the poor and being able to target efforts towards the people who experience the most deprivations at the same time. It is also useful for guiding multisectoral and integrated policies because the complexity of simultaneous deprivations can be seen even at the household level.

With this information, actions can be quickly taken to allocate urgent support in a short amount of time. The MPI — through the AF method — has the properties, particularly with disaggregation, to make picking up sets of deprivations to outline and analyze different kinds of vulnerabilities, according to specific risk situations, possible. COVID-19 is a prime example. People with multiple deprivations, especially in terms of basic services such as water, health services, cooking with inadequate fuel, and overcrowding were particularly vulnerable for COVID-19. When COVID-19 spread through countries, multidimensional measures became good predictors of populations at risk, as we can see in Chapter 5. They also served as targeting measures to guide recovery efforts, helping countries to build forward better³. It is important to clarify that when the MPI is estimated by household surveys, we could estimate what type of households and individuals have multiple deprivations, but we need additional tools to identify and reach specific households. For example, Vietnam conducted a census in all the communes which are identified first as poor. Conducting the census like these allowed authorities to reach specific households. A similar method was used by Colombia, a case which will be expanded on in later chapters.

- *Generate information to shape policy and budgeting.* One of the most important purposes of the MPI has been to support countries in being more effective in reducing poverty through better public policies. If an MPI, or related vulnerability index, could show which households have a critical mass of multiple deprivations and how these sets of deprivations vary across regions and groups, then we could use this information not only for targeting purposes, but also to advise multiple sectors to address the same households using various programs and strategies. This information could also lead to analyze interactions between development goals at the household level, which in other circumstances are usually difficult to measure. For example, when facing

³ This is a reference to UN common-used terminology, but it is true that what we need is *Build Forward Better*. Going back to the previous status quo is not a good option, we need to build much better in the future.

MPI AND COVID-19 RISK: SUB-SAHARAN AFRICA

Prior to the COVID-19 pandemic, the livelihoods of many in sub-Saharan Africa were greatly threatened by poverty, food insecurity, natural disasters, conflict, or unmet health needs. When the virus began spreading swiftly across sub-Saharan Africa, these people faced a new threat to their life and livelihood. Information on overlapping vulnerabilities could then be used to reduce direct fatalities from COVID-19 and to reduce the collateral human cost of COVID-19 policies. Response plans could benefit from considering the number of vulnerable people (for targeting and allocation) and the percentage of the population that is vulnerable (to understand coping strategies). The global MPI sheds light on three COVID-19 risk indicators: nutrition, drinking water, and cooking fuel. Analyzing the joint distribution of these three indicators helped identify who was at high risk. An analysis for countries in sub-Saharan Africa revealed the countries with the five highest proportions of people at high risk: **DRC (40%), Ethiopia (37%), Niger (35%), Chad (32%), and Madagascar (29%).**

Source: *Multidimensional Poverty and Vulnerability to COVID-19: A Rapid Overview of Disaggregated and Interlinked Vulnerabilities in Sub-Saharan Africa*, OPHI Briefing 54, 2020.

various ministries with the need to help households with multiple deprivations, it is easier to have inter-ministerial agreements about the best way to interact with them (which services should go first, how to work with more efficiency between ministries and agencies, for example).

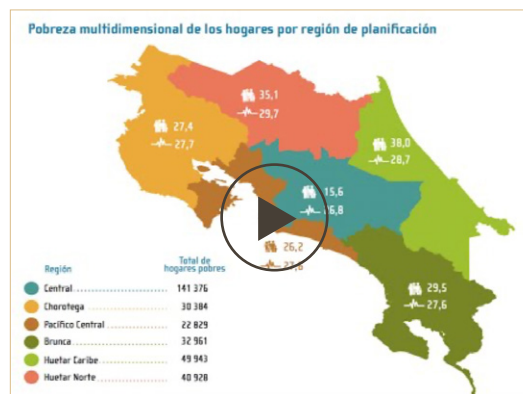
When poverty is measured using only one dimension, like income, there are incentives to use limited poverty reduction instruments such as monetary transfers, conditional or not. However, the MPI reminds us that poverty has to do with deprivations and lack of access of the population in various dimensions at the same time. This implies that public policy instruments should be diverse, with many of them being complementary between each other. A key (potential) use of MPI is to achieve a better budgeting process, as we will see in Chapter 4. The most logical path for this use is as follows: if one of the most important goals of a country (or a state) is to reduce poverty in the following years, then it needs to assign a budget for this goal. An MPI is a useful tool to do this for various reasons. The first, as we have mentioned previously, is that the MPI can provide information about *where* the poorest of the

population live and the types of deprivations they face (individuals with more deprivations are more intensely poor according to the MPI approach). At the same time, a transparent MPI shows the cut-offs and weights of every dimension, which can be concrete goals for targeting purposes by ministries. If the government can also get the unit costs of the services in each dimension, then it is possible to assign budgets in an efficient way, and it is clear where

MPI IN COSTA RICA

(VIDEO IN SPANISH)

Take a look at how Costa Rica uses its national MPI.



Source: The Costa Rica MPI

the government needs to assign every dollar in order to reduce poverty in the country, region or state. Colombia, Costa Rica, Mozambique, Bhutan and Mexico, including the states of Oaxaca and Puebla (Mexico), are some places where the MPI has been used to assign budgets for poverty reduction.

- *Governance and Coordination:* If poverty measurement uses only one dimension, it is common to assign responsibility for poverty reduction to a single agency; this happens mostly to the ministries of social development, social justice, social protection, rural development or any ministry responsible for working directly for the poor population. This, in addition to being unfair, is not adequate for an effective public policy since poverty is really an outcome of many economic and social interactions. With a one-dimensional measurement, other ministries may not have the power to address or even feel responsible for poverty reduction.
- *Multidimensional measurement* that includes several indicators necessarily involves several ministries, ideally from its design stage. An MPI helps visualize how various ministries share responsibility over poverty reduction.

MPI FOR POLICY COORDINATION

Listen to Luis Felipe López Calva, UNDP Regional Director for Latin American and the Caribbean, elaborate on using the MPI for policy coordination.



This can help the government to improve governance, which is essentially the interaction of stakeholders to reach and sustain solid agreements. Better governance requires solid mechanisms for coordination, cooperation, and commitment, as stated by Luis Felipe López Calva, UNDP Regional Director for Latin America and the Caribbean.

PANAMA AND STRENGTHENING GOVERNANCE

In the case of Panama, all the normative decisions regarding the MPI and its policy uses were made by the Social Cabinet rather than by a single authority. The Social Cabinet advises the Executive branch and the cabinet on all the matters related to the national social agenda. During the process of adopting the national MPI, the Social Cabinet was comprised by the ministers of health, education, housing, environment, economy and finance, labor, and social development, with the power to convene extended meetings inviting other relevant institutions. It is chaired by the president, who during that period delegated this function to the vice president; and coordinated by the minister of social development – the political and technical champions of the MPI, respectively. It has a technical secretariat, and a multisectoral commission integrated by senior technicians of each of the ministries represented. This structure made possible a fluid coordination between all the policy actors related to the dimensions and indicators of the MPI, facilitating alignment of goals. It also ensured the coordination and communication between political and technical levels. This empowered all the relevant institutions, making them part of the process since its beginning. This is an example of how the MPI may contribute to strengthen governance from its adoption.

MPI FOR TARGETING: COLOMBIA

Colombia has used the national MPI to identify which regions have the highest level of multidimensional poverty. Colombia computed a simplified version of the MPI using national census data, which allowed them to identify areas with high levels of multidimensional poverty. This information was then used as an input to prioritize certain regions and municipalities when assigning social program beneficiaries.

“Within the institutional and legislative framework of the Economic, Social and Ecological Emergency Decree issued in March 2020, we have used the indicators of the Multidimensional Poverty Index to target resources. Specifically, in those households and families that were not beneficiaries of conditional cash transfer programmes such as Families in Action or Youth in Action.

This instrument is a very important targeting tool that the government is using to develop complementary unconditional strategies such as solidarity income. In other words, thanks to these statistical tools, complementary monetary transfers are being developed for those populations who depend on informal employment. Thanks to the use of MPI georeferencing, the government has the opportunity to identify which households are deprived in health, education, and informal work”

Juan Daniel Oviedo, Director of DANE, the statistical office in Colombia.

To learn more about Colombia’s MPI measurement during COVID click [here](#).

Source: How to Build a National Multidimensional Poverty Index (MPI), pg 25.

Governments can use the MPI as a tool for aligning goals and coordinating towards poverty reduction; various ministries and agencies could have specific goals for poverty reduction, directly related to different poverty indicators. Coordination to reduce poverty is therefore more likely to happen within the government if the objective is to reduce MPI, as the MPI generates the incentives that favor coordination.

- *MPI as an entry point for the SDGs:* The 2030 Agenda is composed of an ambitious set of goals — the SDGs, or Sustainable Development Goals — agreed upon by UN Member States. The Agenda is a plan of action for the people, the planet, and prosperity, yet, countries face ongoing challenges when implementing actions towards achieving these goals. The goals are clearly interrelated, meaning that countries must work to break down silos. With the Agenda being so complex, and resources being so limited, countries implementing it could benefit from taking on various areas of transformation (entry points) within the Agenda, with common and interrelated elements, and advancing on several targets at once. In fact, the *2019 Global Sustainable Development Report: The Future is Now* (Independent Group of Scientists appointed by the Secretary-General, 2019) suggests the multidimensional approach when implementing the 2030 Agenda and considers the MPI as one of the possible entry points, not only because of the importance of Goal 1, No Poverty, but also because of the multidimensionality of MPI, whose component indicators also address other SDG goals. The MPI can generate incentives for coordinated work with repercussions across several SDGs. Not only that, but Target 1.2 is about reducing poverty in all dimensions according to national definitions: if countries use a national MPI, they will be working towards Goal 1 of the SDGs with the necessary broadness. Furthermore, Indicator 1.2.2 of Target 1.2 of the Agenda uses national MPIs according to national definitions, which all countries could report

UNDP: NATIONAL POVERTY ERADICATION POLICY AND MPI IN BOTSWANA

The government of Botswana has implemented, with the support of UNDP, the National Poverty Eradication Policy (NPEP). The policy is anchored within the Human and Social Upliftment Pillar of Vision 2036 and it has the primary objective of eradicating extreme income poverty. Nevertheless, “a critical lesson that has been learned in the implementation of interventions targeting the poor and most vulnerable groups is that it is not sufficient to use one method (like the income or consumption) to identify the poor but quite critical to use a multidimensional poverty approach, which can be complemented with the income, consumption and other poverty targeting and alleviation approaches. This is the approach that has been adopted by the Government of Botswana with the support of the UNDP, which is critical for eradicating extreme income poverty and addressing the multiple deprivations that the poor are faced with in life”.

To learn more about this project, click [here](#).

Source: UNDP Botswana, National Poverty Eradication Policy and MPI, 2022.

upon. Regarding the SDGs, over 50 countries have been reporting their work on multidimensional poverty in their Voluntary National Reviews (VNRs), demonstrating that the MPI can also be an important tool to show the evolution of poverty and of specific dimensions as part of the countries' efforts to address the 2030 Agenda.

- *Provide incentives for leaving no one behind and reaching the furthest behind first.* By reflecting the intensity of poverty (detailing the multiple deprivations that a poor family suffers from at the same time), the MPI has an advantage over headcount poverty measures, as efforts to reduce the proportion of simultaneous hardships faced by the poor will reduce the MPI even if they have not yet moved out of poverty. The disaggregation properties of the MPI also make it suitable to identify groups that were geographically left behind (by regions, states, municipalities and even by smaller areas) or by specific household or individual characteristics. Furthermore, the MPI, unlike a unidimensional measurement, has the capacity to detect those people with multiple deprivations who would be a priority for public policy. This creates good incentives for tackling the poorest of the poor: by removing any deprivation faced by a poor person, the MPI will decrease. Clarity about which households are in the worst economic and social situation is necessary to reduce poverty. Certainly, monetary poverty can help to identify the population in the worst income-related situation, but the MPI, as has been previously mentioned, has the advantage of identifying the deepest economic and social deprivations amongst the population. If *Leave No One Behind* is the main goal for the 2030 Agenda, lots can be gained by using the MPI as a targeting tool, which will be depicted in further depth in Chapter 3.
- *MPI for Accountability.* We have centered the main purposes of the MPI on the government, but the MPI can also be used by parliaments, opposition parties, the press, business or civil society to hold the government accountable for their efforts to reduce poverty. However, even, if the MPI is proposed as an accountability tool by opposition parties or other actors, it is important to bring the government on board. For the MPI to be sustainable, it needs to include buy-in from many stakeholders, especially the central government.

CHILE USING MPI FOR TARGETING ON EDUCATION

In Chile the government has used the Social Household Register based on the MPI, to identify deprived households with children who do not attend school. The objective is to effectively target programs for school enrolment. The enrolment administrative data show that in the Metropolitan Region of Santiago, more than 25,000 children do not attend school, that represents 2.3% of all children. Identifying children with this deprivation is necessary for support allocation. The Social Household Register was designed considering multidimensional poverty components. It also identifies families geographically, which makes this a useful tool for policy targeting. (Brenner, 2017)

Using the MPI as an accountability tool requires transparent measurement. It requires credible data (censuses, surveys); it is also advisable to have an independent team to compute or validate the figures (an independent poverty unit or sometimes help from an international institution, such as OPHI) and the publication of all accompanying documentation (for the public to be able to replicate the estimate). For example, Mexico created a specific independent unit to measure poverty. Colombia set up a Poverty Committee, Panama created an Experts Committee to ensure transparency and enhance credibility and Seychelles set up the MPI Technical Committee to take technical agreements in a transparent way. The MPI is a technically robust official poverty measure which can be rigorously applied (e.g., using standard errors and tests of statistical inference) — this means that policymakers can ensure that their statements, such as “poverty has reduced”, refer to statistically significant changes.

These nine uses of the MPI in policy show how policy entrepreneurs have created different bridges between metrics and MPI use in public policy. It shows that MPIs are only valuable if countries (and international institutions) use them actively, and the handbook shows ways to achieve this. Poverty reduction goals are more likely achieved if we go from metrics to policy action.

CHAPTER 2

Using an MPI for Tracking Progress

During the last decade, many countries have agreed on the relevance of embracing an approach towards poverty beyond the monetary perspective, underlying that poverty is a complex phenomenon with multiple dimensions. Over time, more than three dozen countries have developed and/or adopted official multidimensional poverty measurements to complement money-based methods (MPPN, 2022). Many other countries are working on or have expressed interest in developing an MPI (MPPN, 2022).

Among the advantages of institutionalizing an MPI is the possibility of using it as a permanent monitoring tool, to evaluate and calibrate policy instruments for poverty reduction over time or to monitor international development agendas, such as the SDGs, and national development plans. Additionally, the more transparent and understandable it is for the public (although in some cases when the tool is used for program allocation, this might bias the responses of potential beneficiaries), an MPI could be a suitable instrument for government accountability, legitimized and used by civil society and diverse non-governmental actors such the media.

Using an MPI to monitor progress in poverty reduction

National MPIs can be used to track national and international goals (such as the SDGs), as well as objectives set through development plans or poverty reduction strategies. This allows international comparisons on achievements of poverty reduction, but also aims to share successful experiences and good practises towards the SDGs accomplishment. In 2021, the MPI covered 109 developing countries and 5.9 billion people using datasets from 2009-2019/20. Of this proportion, 22% or 1.3 billion people are identified as multidimensionally poor” (UNDP & OPHI, 2021).

As seen in previous chapters, progress in poverty reduction can be tracked not only at national and subnational levels, but also by population groups, depending on the availability of the data disaggregation. For this purpose, sensitive indicators must be designed to show accurately the effects of policy changes on poverty reductions (OPHI, UNDP, 2019).

Counting on a consistent and continuous source of information is essential to build a reliable MPI monitoring tool:

- **Consistency.** To guarantee the comparability between measurements carried out in different moments, the variables must be the same or be statistically harmonized to allow this process. Technical teams must be aware of the differences among surveys to make the necessary adjustments to guarantee the robustness of the time series, especially when updates or changes have been made to methodology to improve the MPIs. In these cases, UNDP and OPHI (2019) recommend presenting both the old and new measures, “This is relevant because articulating from the start how the measure can be revised (e.g., once per decade) ensures that changes do not compromise the stated purpose of poverty monitoring” (OPHI, UNDP, 2019).

2019 GLOBAL MULTI-DIMENSIONAL POVERTY INDEX: TRENDS OVER TIME IN MULTIDIMENSIONAL POVERTY

Listen about trends over time included in the 2019 global MPI.





MARIBEL GUTIÉRREZ
CUBA'S UNDP RESIDENT REPRESENTATIVE

“The adoption of the Multidimensional Poverty Index methodology in 2020 is a clear demonstration of the interest that the Government of Cuba has taken to better understand the causes of poverty in the country with a view of strengthening the design and implementation of poverty reduction public policies. The MPI is expected to be part of the set of indicators and indices that will be used to measure the progress of the National Development Plan by 2030. At the same time, the roll-out of the MPI increases Cuba’s capacity to better measure the progress towards achieving the targets under SDG1. Finally, the inclusion of the data in the Global Report, along with 107 other countries, allows Cuba to better judge its progress vis-à-vis other countries.”

“UNDP has supported this process and is committed to accompanying the country in the implementation of poverty measurement tools and promoting institutional innovations to achieve greater human development in Cuba. The positive impact of this exercise can also be seen in the launch of a new initiative under the leadership of the National Office of Statistics and Information of Cuba (ONEI), namely the design of the national methodology of the Multidimensional Poverty Index and the statistical instrument for collecting information, a process that adapts the global methodology to the country context, and expanding the dimensions of the analysis based on the combination of various deprivations disaggregated geographically, by sex, age, skin color, urban v. rural area”.



- **Continuity.** An effective monitoring process requires the timely provision of data to guarantee regular updates to the MPI, which will eventually be expected by policy makers and stakeholders to track poverty reduction results. For this reason, it is required to “regularly conduct an integrated household survey funded from the government budget” (Tiwari, 2019). The more frequent the MPI updates, the faster governments can react to policy and programmes’ calibration needs to improve their efficiency. Nevertheless, at subnational levels, where the required sample sizes tend to be much larger, updating in short periods could be financially unsustainable. In this case, “strengthening administrative records is one option as big data, particularly in middle-income countries to locate poverty hotspots” (Tiwari, 2019).

Using an MPI to report towards the SDGs

The MPI is an essential tool for reporting on the Sustainable Development Goals (SDGs). The first SDG refers to ending poverty in all its forms everywhere and includes multidimensional poverty in Target 1.2. It seeks to ‘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’. An MPI allows countries to align policies to cover national and international goals at the same time, identify linkages between policy and SDGs, and monitor progress, to guarantee that no one is left behind.

Some countries have included the accomplishment of the SDGs as part of their official national development plans, which strengthens the coordination of actions against poverty with their national specific objectives as well. The national MPIs can encompass indicators to track both national and international goals, with the possibility of making comparisons from the local level among districts or municipalities, and at the international level, among countries, to broaden the analytical perspective on the factors and actions that are most effective against poverty. The very multidimensional nature of the Agenda facilitates MPI usage as an entry point for the SDGs.

MULTIDIMENSIONAL POVERTY AND THE SDGS

OPHI encourages countries to report their intentions and actions to reduce multidimensional poverty in their Voluntary National Reviews (VNRs) of progress towards the SDGs during the High-Level Political Forum at the UN. The data can be based on global or national MPIs. To date, around 52 countries have mentioned multidimensional poverty in their reviews including Bangladesh, Egypt, Indonesia, Kyrgyzstan, Mozambique, Nigeria, Tajikistan and Uganda. VNRs allow countries to raise the profile of their progress in poverty reduction both within their governments and among the international community.

Another avenue for engagement is to report an official permanent national MPI statistics as SDG indicator 1.2.2 in the Global SDGs for which national governments are custodian agency, and UNICEF, UNDP and the World Bank are supporting agencies. 71 countries have reported against indicator 1.2.2, a number of them reporting national MPIs including Afghanistan, Mozambique, Nigeria, Pakistan, Palestine, and Sierra Leone; and many other member countries' MPIs are in progress. Hence this is one space in which the work of Islamic Development Bank member countries can be made visible in the international community and used as a tool to confront the pain and the disadvantages that so many continue to suffer. Actors can both learn from one another and share their experiences so that, with the commitment, courage, and compassion of a larger community, and despite the pandemic, the first SDG goal and 'greatest global challenge'-ending poverty in all its forms and dimensions-is realized.

Read more [here](#).

Source: Alkire, S. (2021). *Multidimensional Poverty and the SDGs*. IN SDGs Digest. Issue No. 14, p.10. Islamic Development Bank, SDGs Community of Practice (CoP).

MULTIDIMENSIONAL POVERTY AND THE SDGS

For Bangladesh, using their newly developed MPI was necessary for an accurate reading of their SDG goals, particularly Goal #1, eradicate poverty in all its forms, everywhere. In its Voluntary National Review for 2020, Bangladesh cites previous success in reducing poverty levels in the country. What they call a “stunning success” is not to be understated: from 1971 to 2016, poverty headcount in the country reduced from 82.9% to 24.3%. However, as the report mentions, it is harder to eradicate poverty once lower levels are reached, and Bangladesh's commitment to transform into a high-income country by 2041 and eliminate remaining poverty levels meant that they needed to explore poverty multidimensionally to create apt policies for it.

As the country has continued to grow, so have inequalities, which is why the MPI has become an “inevitable” tool for countries like Bangladesh to tackle poverty: by using the Index, they have been able to compartmentalize each deprivation's contribution to the MPI by region, which is important for targeting policies. This also applies to seeing poverty as a gendered issue: using MPI, Bangladesh has been able to determine that female-led households are more multidimensionally poor than male-led households, even though there are far less female-led households to account for. Because of the potential for compartmentalized knowledge, Bangladesh is able to more accurately reflect their social measures, choosing to invest in food access protection and, notably, internet access for every household by 2021.

Source: [Bangladesh Voluntary National Review 2020 — Accelerated action and transformative pathways](#).

PANAMA AND STRENGTHENING GOVERNANCE

In the case of Panama, all the normative decisions regarding the MPI and its policy uses were made by the Social Cabinet rather than a single authority. The Social Cabinet advises the Executive branch and the cabinet on all the matters related to the national social agenda. During the process of adopting the national MPI, the Social Cabinet was comprised by the ministers of health, education, housing, environment, economy and finance, labor, and social development, with the power to convene extended meetings inviting other relevant institutions. It is chaired by the president, who during that period delegated this function to the vice president; and coordinated by the minister of social development – the political and technical champions of the MPI, respectively. It has a technical secretariat, and a multisectoral commission integrated by senior technicians of each of the ministries represented. This structure made possible a fluid coordination between all the policy actors related to the dimensions and indicators of the MPI, facilitating alignment of goals. It also ensured the coordination and communication between political and technical levels. This empowered all the relevant institutions, making them part of the process since its beginning. This is an example of how the MPI may contribute to strengthen governance from its adoption.

Country examples: Ghana, Nepal, Mexico, Panama

Ghana: MPI for tracking poverty changes and complementing income poverty

Ghana launched its MPI in July 2020, as an official measure complementary to their monetary measure. It was a result of the work made by the Ghana Statistical Services with the support of the UNDP, OPHI, the German Agency for International Cooperation (GIZ), the MPI National Steering Committee, and the University of Cape Coast (OPHI, 2020a). This MPI includes twelve indicators grouped in three dimensions: health, education and living standards.

The measurement was calculated with data from the Ghana Living Standards Survey, conducted between 2016 and 2017, and the Ghana Multiple Indicator Cluster Surveys (MICS) from 2011 and 2018. The latter provided datasets that were harmonized to estimate the evolution of multidimensional poverty over time (OPHI, 2020a). It was possible to track some relevant paths, for instance, between 2011 and 2018, the MPI “incidence, and intensity all saw statistically significant reductions, with particularly large improvements in electricity and cooking fuel” (OPHI, 2020a). In addition, it was possible to see some differences in poverty reduction trends through disaggregation by regions; for instance, reduction was greater in the least poor regions (Ashanti and Western) compared to other regions with higher poverty prevalence (Northern, Upper East and Upper West) (MPPN, 2020).

As part of these poverty findings the information also showed that in Ghana, half of the population identified as multidimensionally poor and are not poor by the monetary measure — health insurance coverage and

LAUNCHING OF GHANA NATIONAL MPI REPORT

Listen about the Ghana's 2020 Multidimensional Poverty Report.



school lag indicators contributed the most to multidimensional poverty (OPHI, 2020b). In addition, the estimations indicate that 64.6% of rural populations in Ghana were experiencing multidimensional poverty, compared with 27.0% of urban populations. The Northern Region of Ghana had the highest proportion of multidimensionally poor people at 80% (OPHI, 2020b). Breaking down the information by region and group will allow Ghanaian government to tailor policies according to their specific deprivations. During the launch of the measurement, Professor George Gyan-Baffour, the Ghanaian Minister of Planning said “the MPI provides detailed information regarding public policy instruments to motivate the design of coordinated programs between different sectors to ensure effectiveness in reducing poverty in all its dimensions” (OPHI, 2020b). This could suggest opportunity areas for the use of an MPI for policy and programs prioritization and for resource allocation, reaching those who need the most support first.

As this tool gains significance in understanding the evolution of poverty in the country, but also in the planning, design, monitoring, and assessment of interventions against poverty, more compelling findings regarding its achieved effectiveness may be available in the future. As Regina Bauerochse, Country Director of GIZ in Ghana noted, “the Ghana MPI is an important milestone, as it provides disaggregated data that sheds light on the realities of the most vulnerable. This information is key for identifying and tailoring effective interventions that reflect the development needs of all Ghanaians” (MPPN, 2020).

As previously mentioned, Ghana have used their MPI for tracking changes between 2011 and 2018, but it has also been working to move forward in the future estimation of their MPI with important innovations. According to Samuel Kobina Annim, Government Statistician of the Ghana Statistical Service “in 2021...we did go ahead to include health indicators, specifically health insurance to complement education and living conditions variables that we use in the computation of multidimensional poverty index in our previous and release. Going forward, from the census, we're going to use more area estimation, to do poverty estimates, poverty mapping across our different districts and obviously, do ranking of the poverty mapping in the country. We're also going to have a thematic and analytical report, they will give us a sense of the correlates of multidimensional poverty index” (OPHI-MPPN, 2022).

There are further plans in store for the MPI in Ghana, says Mr. Kobina: “for the period 2022 to 2024, we're going to roll out our annual household income and expenditure survey and Ghana Living Standards survey as well. All indicators would add to the richness of the poverty, measurement and releases, specifically once we do the annual household income and expenditure survey, we'll be able to compare the proportion of the population that experience both monetary and non-monetary poverty. We are also planning to have panel data (to track household changes). From 2022 we're going to have quarterly, multidimensional poverty index and also a vulnerability index. In our quest to tackle poverty broadly, we'll go beyond traditional sources of data” (OPHI-MPPN, 2022). It is important to notice the level of engagement of the authorities from Ghana on the MPI; this engagement allows countries to find innovative ways to technically improve the MPI and to find further ways of using it for policy.

Nepal: Poverty tracking and outstanding results

Before 2010, poverty was measured in Nepal only through a monetary approach based on the Cost of Basic Needs (CBN). The first multidimensional measurement was carried out by Gahire (2013, 2014) with data from the 2010/2011 Nepal Living Standard Survey. Among the findings, it stands out that “[first,] over half of the persons identified as multidimensionally poor were not consumption poor, even though the poverty rate by both measures was roughly equal [...] Second, the MPI can be affected directly by public actions that may not affect monetary poverty in the short term” (NPC/GN-OPHI, 2018).

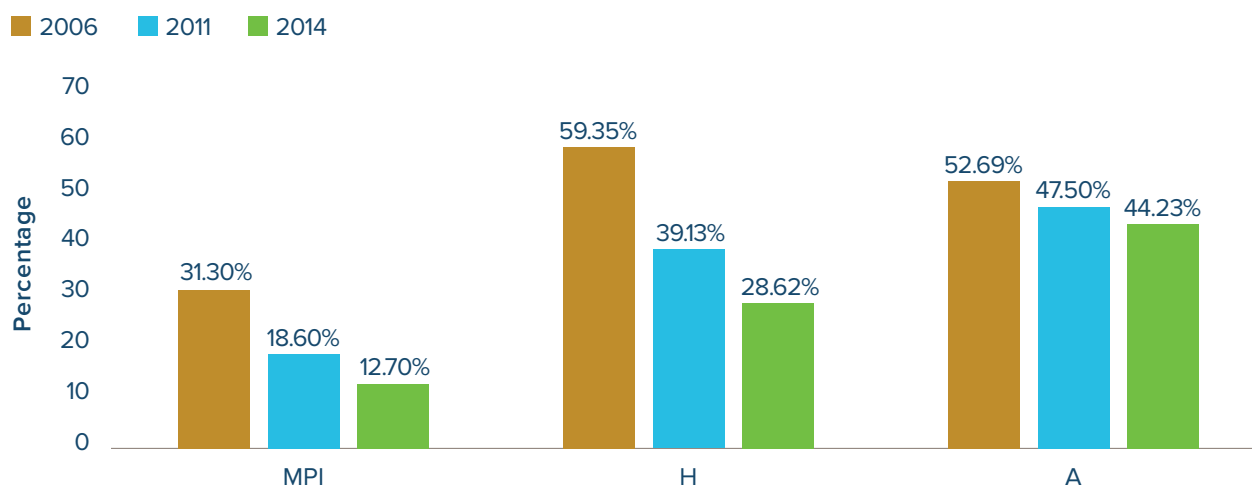
In 2010, the global MPI was released, including information on Nepal from the 2006 Demographic and Health Survey (DHS) and was updated with the 2010 DHS and 2014 Multiple Indicator Cluster Survey (MICS) (NPC/GN-OPHI, 2018). Nepal considers the MPI's monitoring potential as the main purpose of their multidimensional measurement, "Nepal's MPI is to monitor progress across a set of interlinked and policy-responsive Sustainable Development Goals and targets that are recognized national and global importance" (NPC/GN-OPHI, 2018).

Nepal's achievements in poverty reduction have been remarkable. In 2018, Nepal was recognized as the country with the fastest reduction of multidimensional poverty in annualized terms, from 2006 to 2011, among 34 countries covered (NPC/GN-OPHI, 2018). In the same year, the updated global MPI was launched, and a series of conversations and diverse analysis regarding the construction of a national MPI started.

Nepal's National MPI was released in 2018, with data from the 2014 Nepal MICS. It was a result of the work of the National Planning Commission of the Government of Nepal, in collaboration with the Central Statistics Office and OPHI, and with technical and financial support of the World Bank and the Department for International Development (DFID) of the United Kingdom. Nepal's MPI contains few changes regarding the global MPI (it keeps the same dimensions with some differences in indicators such as child undernutrition, schooling, water and sanitation, and floor and roofing materials), which permits a partial comparison with the 2006 and 2011 DHS surveys (NPC/GN-OPHI, 2018). The Nepal MPI was again updated in 2021 with information of the 2019 Nepal MICS.

By tracking poverty over time, the incidence of poverty from 2006 to 2014 was more than halved, from 59.35% to 28.62%, in conjunction with significant declines in intensity indicators (NPC/GN-OPHI, 2018). In 2019, the percentage was even lower: it reached 17.4%, which means that between 2014 and 2019, 3.1 million people left poverty (NPC/GN et al, 2021). In terms of specific deprivations, during the period of 2014-2019 the highest rates were in cooking fuel, housing, and years of schooling, but all indicators decreased, and the largest reduction, in absolute terms, was observed in cooking fuel (13.3 percentage points), sanitation (13 percentage points), and housing (12.4 percentage points) (NPC/GN et al, 2021).

MULTIDIMENSIONAL POVERTY IN NEPAL, 2006-2014



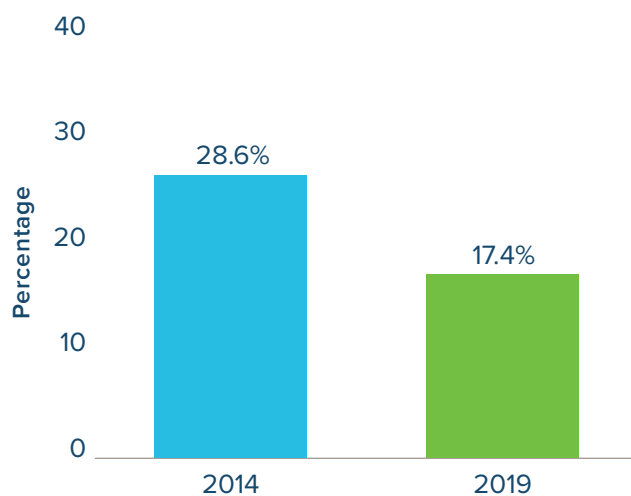
Source: NPC/GN-OPHI. Nepal Multidimensional Poverty Index 2018. Analysis Towards Action.

The Nepal-MPI has also been disaggregated by age groups and provinces. In terms of age groups, it is noticeable that children (the poorest group in 2014), left poverty in an absolute rate of 1.7 million in 2019, in comparison with 1.4 million adults (NPC/GN et al, 2021). Regarding the geographic disaggregation, it is observed that the greatest absolute reductions of deprivations in 2019 were achieved in Province 2, Karnali Province and Lumbini Province, the three were among the provinces with highest rates of MPI in 2014 (NPC/GN et al, 2021). These trends suggest a proper targeting strategy to reach the poorest by group characteristics and geographic location in Nepal.

Nepal is a good example of leveraging use of the MPI as a guideline to tackle poverty. Nevertheless, there are challenges to overcome: for instance,

the disproportionate share of poverty in rural areas and the high incidence of deprivations such as schooling and nutrition. The Nepal MPI has also been used to track progress towards the SDGs, and in recent times, it held an important role in the identification of vulnerable population in view of the COVID-19 scenario.

INCIDENCE OF MULTIDIMENSIONAL POVERTY IN NEPAL, 2014-2019



Source: NPC/GN, et. al. Nepal Multidimensional Poverty Index 2021. Analysis Towards Action.



AYSHANIE LABE
NEPAL'S UNDP RESIDENT REPRESENTATIVE,

“Nepal was recognized to have made impressive progress to reduce poverty over the years, in record time. The MPI reports Nepal prepared were useful to track that progress and offer policy choices. The country still counts 5 million people multidimensionally poor. Communities, rich in diversity, challenged by their ascribed identities, gender, geography, are vulnerable to shocks and could be easily trapped in multi-dimensional poverty. This is where analysis, differentiated targeting, financing and tracking through tailored anti-poverty programmes are imperative and remain the priority of successive Governments in pursuit of SDGs and LDC graduation. Hence this Hand book is timely, comes handy for planners, administrative officers and other office bearers particularly at the sub-national level.”



Mexico: MPI as a socially legitimated instrument for accountability

Mexico was the first country in the world that adopted an official multidimensional poverty measurement. The Mexican MPI was launched in 2009 by the National Council for the Evaluation of Social Development Policy (CONEVAL). It was a result of research and consultation processes with national and international specialists on poverty, as well as other stakeholders (such as political actors and international organizations) (Zavaleta & Moreno, 2016). The resulting methodology comprises six dimensions: educational lag, access to health services, access to

social security, access to food, housing quality and space, and access to basic housing services. It also includes the income dimension as part of the poverty index, and the degree of social cohesion as an independent one to analyse contextual and relational factors on a territorial level (CONEVAL, n.d.).

Multidimensional poverty is measured in Mexico biannually at national level with information from the National Household Income and Expenses Survey (ENIGH), and every 5 years at municipal level, with information from National Population and Households Census (conducted every ten years) or Intercensal Surveys conducted between censuses. Both sources are conducted by the National Institute of Statistics and Geography (INEGI). In the case of municipalities with 15 thousand inhabitants or more, poverty is estimated at even smaller levels, in sets of streets called Basic Geo-statistic Areas. This allows to determine the precise location of population with deprivations in large, heterogeneous cities. Despite these developments, the generalized use of the MPI at the municipal levels is still a challenge with important exceptions, many of which have been acknowledged by CONEVAL as “Good practices of monitoring and assessment in the states”.

When CONEVAL, the autonomous agency that measures poverty in Mexico, launched the national MPI, the media received the new methodology relatively well because before the launching, CONEVAL organized a two-day workshop on the MPI for journalists. CONEVAL understood that the media was going to be crucial for the future of the MPI. Thus, MPI quickly became a legitimate accountability tool to monitor government, at the federal and state level. When poverty went up between 2008 and 2010, the news covered front pages in all newspapers and the public acknowledged this.

However, despite quick media and public acceptance, both the government and Congress were hesitant to adopt the MPI for policy purposes. Its first use came when the President was briefed that despite an increase of poverty in 2010 — due to the international financial crisis of 2008-2009 — there were some dimensions of the MPI that had, in fact, improved during this period, such as access to health services. The President understood that although poverty had increased in Mexico due to the financial crisis, access to health services and the quality of housing improved due to the government’s public policy interventions. Not only did MPI provide assurance to the President that his government’s policies had had a positive effect on people’s livelihoods, it also legitimized those decisions publicly. Mexico’s MPI finally had government buy-in.

Perhaps the most intense use of the MPI was between 2013 and 2018, when the government and many state governments used the tool as a guide for social policy. The new administration had included the MPI into the National Development Plan and it became a guide for the main social strategy, the *Estrategia Nacional de Inclusión* (National Inclusion Strategy). The government, through the Ministry of Social Development, set targets for each

MULTIDIMENSIONAL POVERTY IN MEXICO

Listen to Gonzalo Hernández Licona on the political process behind Mexico’s MPI and the impact this had on its use.

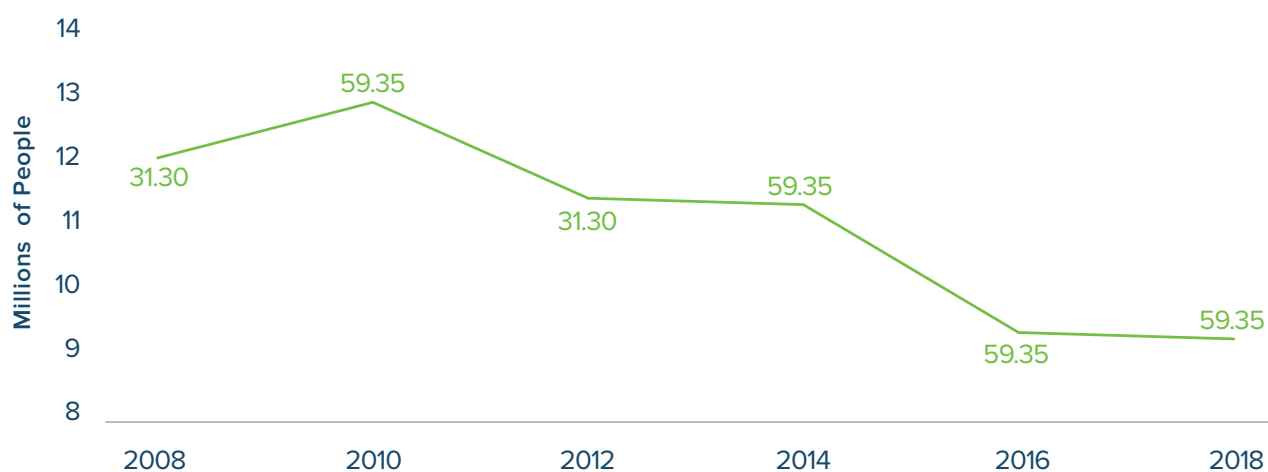


ministry to improve all poverty dimensions, including income, to reduce multidimensional poverty, especially extreme poverty, defined as the intersection of two conditions: 1) suffering three or more deprivations and 2) income lower than a minimum welfare line, meaning that it is insufficient to cover nutritional needs. Extreme poverty was reduced from 11.5 million people in 2012 to 9.3 million in 2018, even though the household income evolution was erratic during this period. In the state of Puebla, the social budget had reduced the MPI as its main priority. For this state, multidimensional extreme poverty went down from 17.6% to 9.0% between 2012 and 2016.

In recent years, and more specifically, since 2018, the government has not used the MPI nearly as much. The main reason for this is that the new government has not been keen in the use and generation of evidence; in fact, the budget for analysis and evaluations has been reduced between 2018 and 2022. Nevertheless, media and civil society are still using and consulting the MPI to hold the government accountable. CONEVAL is still a sound institution measuring the MPI rigorously and independently; the statistical office, INEGI, provides the data in a systematic and independent way. The institutionalization of the MPI means, in practice, that it could survive across administrations. Here we note the importance of the MPI champions: people who actively support the MPI in good times but also in bad ones.

This example shows that the national MPI could have multiple policy uses in countries and it is sometimes difficult to assign one single use. In Mexico, the MPI has been used to track poverty changes, but also it was used for coordinating ministries towards social policies and also for better budget decisions. The same happens in Colombia, Ghana, Panama, Angola and in most other countries mentioned in this handbook. They have used the MPI for multiple objectives. At the end of the day, this is what we are aiming for: MPI should be used as much as possible for policy, to contribute to poverty reduction.

EXTREME POVERTY IN MEXICO (MILLIONS OF PEOPLE)



Source: CONEVAL estimates, 2018.

Panama: MPI for tracking poverty and SDGs

In March 2017, the Panamanian government approved the Plan Panama for All: Zero Poverty, which included the finalization and official launch of the Panama's MPI as an objective, an ongoing process with assistance from OPHI (MPPN, 2017). In June of the same year, the MPI was released, and included 17 indicators grouped in five dimensions: education, housing/basic services and Internet, environment and sanitation, employment, and health. The MPI-Panama was established as the official instrument for the multidimensional poverty measurement through Executive Decree No.63, modified in 2019 by Executive Decree No. 367 to include the MPI at *corregimiento* level based on the census. Also in 2017, the country adopted the National Strategic Plan with a State Vision — Panama 2030 (PEN 2030) —, developed with the active participation of 23 diverse sectors of society, as a roadmap to achieve the SDGs. A year after that, Panama officially adopted the Child MPI as a complement to its national MPI.

Among the aims of the new measurement and the objectives of the PEN 2030 was to reduce multidimensional poverty before the SDGs deadline in 2030 (OPHI, 2017). During the release of Panama's MPI, President on duty Juan Carlos Varela said: “Our first MPI is an indispensable public policy tool for the implementation of the ‘Panama: The Country for All – Zero Poverty’ Plan which was announced this year and is already being executed. The plan will allow us to enhance the targeting, integration and execution of our social programmes and services so that they are received by those who really need them” (Cited in OPHI, 2017)

The sources of information for the Panama's MPI are the annual Multiple Purpose Survey, also called Household Survey, and the Population and Household Censuses, conducted every ten years. Both are carried out by the National Institute of Statistics and Census. The Panama's first MPI was estimated at the national level with data from the Multiple Purpose Survey 2017, and the second in 2018, with the same source. Also in 2018, an MPI for children was released, comprising ten indicators and five dimensions: health, education, water and sanitation, housing and child protection. This tool was devised to honour SDGs commitments regarding child multidimensional poverty monitoring (MIDES et al, 2019).

Before the 2019 presidential elections in Panama, all presidential candidates committed to follow the PEN 2030 as a guideline for the next government plan. In 2019, President Laurentino Cortizo assumed the presidency and the PEN 2030 was used to guide the Government Strategic Plan 2019-2024. This government plan explicitly refers to the national MPI and the Child MPI as key indicators and adopts the *Plan Colmena* as the strategy to tackle poverty and inequalities. Also in 2019, an MPI was calculated with information from the 2010 Census (it is called MPI-C because the methodology had some adjustments, as the questions of the census differ in comparison with those used in the annual survey) with disaggregation at sub-districts

PANAMA MPI PROCESS OF CONSTRUCTION

Listen to Michelle Muschett on the process of constructions of the Panama's MPI.



level, called *corregimientos*. The information was used to identify the 300 *corregimientos* with the highest levels of deprivations and vulnerability, to be included in the *Plan Colmena* (PSC/PRG-PNUD, 2020). The indicators and goals of this program are related to the 17 ODGs (PRG, 2020). Through this analysis, 98 *corregimientos* with more than 90% of poor population were found (MPPN).

Panama has presented two Voluntary National Reviews of progress towards the SDGs during the High-Level Political Forum at the UN, one in 2017 and the second in 2020. According to the 2017 Voluntary Review, the MPI is an essential instrument for SDGs monitoring, stating that with “this tool, the Government has started a re-direction process of social budget, and suitability of social policies, plans, programs and interventions, to reduce poverty in all its dimensions at national level” (PRG, 2017).

The 2020 SDGs Panama’s Voluntary Review reiterates the importance of the national MPI, the child MPI and the MPI-C to monitor progress towards SDG1. It also refers to the *Plan Colmena*, adopted by the Executive Decree No. 143, as a pathway for closing gaps and achieving the SDGs.

This chapter has offered many country examples of how countries have used their MPI to monitor changes over time in different ways, thanks to the buy-in and action of different agents in those governments, often across a sustained period of time. We now turn to a second use of the MPI: Targeting.



MARIA DEL CARMEN SACASA
PANAMA'S UNDP RESIDENT REPRESENTATIVE

“It is a satisfaction for us that Panama has joined the countries that built their own approach to multidimensional poverty. UNDP and the United Nations System have had the opportunity to accompany the country in the construction of the national index, the child poverty index and the index by communities”

“I would like to highlight that, although it is possible to make decisions based on existing measures of monetary poverty, the multidimensional poverty approach allows to track multiple sets of deprivations and how people experience poverty. Identifying these deprivations as well as their overlapping within society, enables the drafting and implementation of policies with a greater impact in the most vulnerable groups.”



CHAPTER 3

Using an MPI for Targeting

The MPI is a powerful tool to identify the poorest regions, groups, households or individuals in multidimensional poverty, as well as the composition of their poverty. The information provided by the MPI is useful for planning interventions to reduce poverty, because every action can be targeted in a highly accurate fashion when disaggregated information is available on a wide variety of criteria. Population groups can be profiled to adapt the criteria and coverage of programs to the sectors most in need, which also helps to use the budget more efficiently. At the same time, the MPI, using the same AF method, can detect households and even individuals with multiple deprivations. The more deprivations a household has, the more its members suffer poverty. If we would like to target public policy to those left behind, using the analysis of their critical mass of multiple deprivations offers a key instrument for this purpose.

“In Latin America, indigenous peoples are among the poorest. For instance, in Bolivia indigenous communities account for about 44 percent of the population but represent 75 percent of multidimensionally poor people. The figures are also stark in India where five out of six multidimensionally poor people were from lower tribes or castes” (UNDP OPHI, 2022)

It is important to advise that the use of the MPI for targeting, for budget purposes or for any policy use, would depend on the degree of disaggregation of the MPI. The disaggregation possibilities depend on the sources of information and on the design of questionnaires. For example, in the case of household surveys, sample size is vital to be able to detect all types of socio-economic groups and territories. The questionnaire must also be flexible enough to contemplate these variables. Censuses, by definition, are more likely to have appropriate sample sizes, but it is not always clear that they have suitable questions (in the questionnaire) to cover disaggregations adequately.

“(It is important to) muster support to integrate the MPI in official statistics; Regularly conduct an integrated household survey funded by the government budget; Update household questionnaire modules based on national priorities; Increase sample size to provide a higher level of disaggregation; Integrate data sources to enhance disaggregated data; Conduct a census in poverty hotspots using MPI indicators to identify poor and vulnerable households; Use the MPI for local programming” (UNDP, 2019). For this reason, policy entrepreneurs have an important job of encouraging finance ministries and statistical offices to invest on good information.

Using an MPI to identify poor population groups or geographic areas

The MPI can highlight the diversity of groups in poverty, as well as the groups suffering more deprivations. This is important information for adjusting policy design to target those households with more intense poverty. Experiences from different countries prove the usefulness of targeting for planning actions against poverty.

“To fight poverty, one needs to know where poor people live. They are not evenly spread across a country, not even within a household. The global Multidimensional Poverty Index provides the detailed information policy makers need to more effectively target their policies” Achim Stainer UNDP Administrator, 2020.

Targeting based on profiles allows us to integrate sub-groups of deprived population with similar demographic characteristics, such as gender, age, ethnicity, migratory situation, income level, and disabilities, among other identified as relevant. This is necessary to prioritize those groups which suffer the highest rates of specific deprivations. Also, it allows an informed design of suitable policies and programs for these groups, which contributes to offer them a better quality of attention.

ASSESSMENT ON THE POLICY AND PROGRAMME USE OF MULTIDIMENSIONAL POVERTY MEASUREMENTS

An initial review of 20 multidimensional child poverty reports was carried out to tease out the main proposed recommendations and uses of the measure and analysis, followed by a systematic review of 92 reports/papers on the topic (including but also beyond a multidimensional child poverty focus) assessed from key internet sites/repositories. From these 92 reports, an in-depth analysis of 25 full reports was conducted using various approaches. [...] (p.23)

Following the initial review of 92 reports, an in-depth analysis was conducted for 25 reports based on a range of multidimensional poverty approaches (11 reports were based on MODA [Multiple Overlapping Deprivation Analysis], 11 reports were based on MPI, and 3 reports were based on c-MPI [Child Multidimensional Poverty Index]). Finding from this in-depth analysis showed that targeting is the most recommended policy use for addressing multidimensional poverty: 22 reports recommended targeting based on profiles (for example, by age and/or geographical region); 20 reports recommended using the profiling of multidimensional poverty analysis to guide and influence national budgets. (p.37)

Source: [The United Nations Children's Fund \(UNICEF\) \(2021\). A review of the use of multidimensional poverty measures. Informing advocacy, policy and accountability to address child poverty. New York.](#)

Additionally, as seen in the previous chapter, poverty can be mapped (geographic targeting) to visualize the regions with higher and lower intensities of deprivations, to prioritize resource allocation to the most deprived, as well as to define the mechanisms to reach them through the program implementation. Geographic targeting is useful for regional strategies against poverty, local budget allocation, and coordinated action with subnational governments.

When we use the MPI for analysing groups and subgroups, we need to be aware of the sample size, thus targeting requires the assessment of data robustness when smaller sample sizes are used to make estimations about very specific groups. Technical teams must keep this in mind in order to maintain the reliability of the measures. Sometimes, MPIs are adapted to allow the index to be calculated with alternative sources of information, for instance, data provided by surveys with shorter and simplified questionnaires but larger samples.

USING MPI FOR TARGETING AND IMPACT EVALUATION

Listen to Sabina Alkire and Ana Vaz on the use of MPI for targeting poverty and to assess programmes' impact.





INKKA MATILA

DOMINICAN REPUBLIC'S UNDP RESIDENT REPRESENTATIVE

"The MPI-DR has served as a key tool in developing public policies aligned with the SDGs, incorporating innovative elements that help understand how the multidimensional nature of poverty is expressed in the Dominican context, considering the gender gap, the digital gap and community relations. The MPI incorporated from the design phase the gender approach with the possibility of disaggregating the 24 indicators to show the unequal opportunities faced by women, which serves as an instrument for monitoring public policy on gender equality and achievements of SDG 5".



Using an MPI based on registry data to identify poor households

Frequently, programs or institutions have their own tools to identify who must or who must not receive their support, such as census data or beneficiary surveys. One of the main challenges of this kind of instruments is minimizing inclusion/exclusion errors, that is, including those who do not need the support or excluding those who do. The proxy means test is used to approximate specific needs of a household through other possibly correlated variables. Nevertheless, the MPI may help to reduce inclusion/exclusion errors, and also be easier to calculate and communicate (MPPN, n.d.).

For this reason, it is advisable to use the MPI measurement to identify potential beneficiaries. Some countries have developed registries of population that include the MPI indicators, as well as the exact location of the households⁴. These are used with great effectiveness for implementing policy strategies to tackle each deprivation. In addition, policies and programmes' results can be monitored through the regular updates of the national and local MPIs.

Country examples: Pakistan, Colombia, Vietnam, Oaxaca

Pakistan: Targeting of social programs at sub-national levels

The first poverty line was adopted in Pakistan in 2001 and was based on the "food energy intake" method. In 2013 a debate sparked questions about the potential of this method to reflect the true cost of living (Tiwari, 2019). In 2014, the UNDP, the Planning Commission, and the Pakistan Institute of Development Economics (PIDE) started a discussion on multidimensional poverty measurement, as the monetary or income/consumption-based poverty line could not reflect the social wellbeing if they did not capture non-monetary factors including access to services such as education and healthcare (Tiwari, 2019). The support for an MPI as a complement of the income/consumption-based poverty measurement was confirmed via national consultation. (Tiwari, 2019).

Therefore, the UNDP has worked since 2015 in collaboration with the Ministry of Planning, Development and Reform of Pakistan in the measurement and uses of the multidimensional method, such as planning, targeting, resource allocation and social protection (Tiwari, 2019). In 2016, the MPI was measured comprising 15 indicators grouped in three dimensions: health, education, and standard of living. The information for this measure came from the

⁴ Colombia and Honduras are good examples in times of COVID-19, as we can see in Chapter 5.



KNUT OSTBY
PAKISTAN'S UNDP RESIDENT REPRESENTATIVE

“The biggest benefit of having a Multidimensional Poverty Index, as an evidence-based policymaking tool, is its ability to disaggregate data according to different vulnerabilities and geographies. This enables policy makers to develop context specific development plans. The first MPI was developed by the Government of Pakistan in 2016 with UNDP support. Since then, the Government has adopted MPI as a complementary methodology for poverty estimation and is using it for developing targeted policies for vulnerable segments of the population.”



Pakistan Social and Living Standards Measurement (PSLM) at the national level. The geographic disaggregation of the PSLM (which is annually conducted) to get information at subnational level represents an opportunity to further target programme allocation.

The government of Pakistan has embraced the commitment for the reduction of multidimensional poverty. In March 2018, the National Economic Council approved the SDG National Framework, which prioritized national goals and indicated targets to be converted into provincial and district plans (Tiwari, 2019). The initiative’s objective was the reduction of multidimensional poverty from the current 38.8% to 19% in 2030 (Tiwari, 2019). The success of the national, provincial and district plans would rely importantly on the precise identification of the deprived population, as it is the base for an efficient allocation of resources.

Among the poverty reduction strategies in Pakistan, there are social protection programmes for the improvement of health and education provision at district levels, and social safety net programmes of cash transfers (Tiwari, 2019). The Benazir Income Support Programme (BISP) is the most important program to complement income, which reached 5.4 million beneficiaries at the end of March 2017 (Tiwari, 2019). To identify the target households for this program, the government uses information from the Nationwide Scorecard Survey to calculate an index which encompasses 25 indicators in six dimensions: demographics, education, dwelling characteristics, durables, productive assets, and geographic location. As indicators are similar to those used in the MPI, this could replace the BISP survey (Tiwari, 2019).

At district-level targeting, information of the 2014-2015 MPI reveals large gaps in multidimensional poverty rates among districts. For instance, while in 3.1% of the population in Islamabad are poor, in the district of Kohistan the proportion is 95.8% (Tiwari, 2019). The districts with the highest proportions of multidimensional poor are also those with the most incidence and intensity of poverty (Tiwari, 2019).

USE OF THE MPI FOR DESIGN AND TARGETING POLICIES AND PROGRAMS IN PAKISTAN

1. The Shahid Javed Burki Institute of Public Policy in 2018 analysed how the China-Pakistan Economic Corridor (CPEC) can be leveraged to reduce multidimensional poverty in some of the most deprived districts of Pakistan. It assessed the potential in the districts that lie on the western, central and eastern routes of the CPEC (see Annex Table 2). It argued for mainstreaming targeted poverty reduction programmes in the CPEC, especially on the western route, where in most districts, more than 70 percent of the population suffers from multidimensional poverty.
2. The Asian Development Bank's project, "Scoping Potential Economic Corridors in Pakistan", supports regional connectivity and trade through investment in transport and public-private partnerships along specific economic corridors. Its strategy for prioritizing economic corridors is targeted to connecting districts with high multidimensional poverty to hubs of economic development with a well-developed infrastructure.
3. As subnational governments embark upon localizing the SDGs, they are using the MPI as one of the criteria to identify districts that need immediate attention. SDG plans are being prepared for districts lagging behind on the MPI in order to accelerate development progress. In Punjab, district development plans have been prepared for Rajanpur and Bhakkar, both lower-ranking districts on the MPI. Similarly, in Baluchistan, the Planning and Development Department has identified Killa Abdulla and Naushki, two districts that score poorly on the MPI, to prepare district localization plans.

Read more about it [here](#).

Source: Tiwari, Bishwa Nath (2019). *Multidimensional Poverty Measures as Policy Tool for Achieving the Sustainable Development Goals: A Review of MPI Measurement and Uses in Asia and the Pacific*. United Nations Development Programme (UNDP) Bangkok Regional Hub, p.37.

Colombia: MPI as a targeting tool for poverty reduction

The Colombian Government led by President Juan Manuel Santos, was the first one to include the reduction of multidimensional poverty as a goal for the government plan. It was done by micro-simulating the social policies goals that could impact the MPI. It was also the first to use the MPI for tracking purposes creating a roundtable of ministers to follow up MPI progress.



JUAN MANUEL SANTOS
FORMER PRESIDENT OF COLOMBIA (CITED IN MPPN, 2016)

"We have been leaders in the implementation of the Multidimensional Poverty Index because we understand that poverty is an issue that goes beyond simple income and the index contributes to our aim of achieving a more just and equitable society. It has also allowed us to better organize our public policy and prioritize the most vulnerable"



Its purpose was to reduce multidimensional poverty from 35% in 2008 to 22% in 2014. The results were outstanding: From 2010 to 2018 the national MPI declined from 30.4% to 19.6%.

The Colombian MPI includes 15 indicators grouped in five dimensions (household education, health, labour, childhood and youth conditions, and access household utilities and living conditions), reflecting public policy priorities in the country.

According to Laura Cepeda, former Deputy Director of Social Policy in Colombia, there were three main steps followed by the Colombian government in the targeting process:

1. Construction of matrices that relate policies and programs to MPI indicators. The selection of the programs was guided by clear criteria, such as the relation with the MPI indicators, political and budgetary relevance, current and expected coverage and sufficient documentation about program characteristics. Once identified, these programs and policies were analysed and documented in terms of target population, unitary costs, monitoring indicators, yearly coverage goals and responsible agency or ministry. Additional programs that also affect the aforementioned MPI indicators were identified to make more effective interventions (e.g., programs with macro-level impacts, such as labour or infrastructure policies).
2. Translation of policy's characteristics into the survey's language. The second step was the translation of the policies and programmes targeting criteria into categories such as deprivations, geographic location or demographic characteristics (e.g., sex, age, ethnicity), gathered through a survey. Through this process, it was assured through statistical simulations that sample sizes were sufficient to robustly measure every variable included.
3. Perform microsimulations to set goals using microdata (ideally with the survey in which the official MPI is calculated). Having gathered the necessary information, the government proceeded to establish the number of deprived individuals that would receive attention through the different policies and programs already identified. To do so, they ran statistical simulations assuming amounts of people receiving support for specific

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SARA FERRER OLIVELLA
COLOMBIA'S UNDP RESIDENT REPRESENTATIVE

“Since 2013 Colombia has been using the Multidimensional Poverty Index as a tool for not only studying and monitoring causes and consequences of poverty widely, but also to design social programs. Thanks to the active use of this indicator, Colombia created a Poverty Committee, composed of independent researchers, international organizations such as UNDP, and officials of the government that has the role of evaluating constantly the pertinence and accuracy of the MPI. Recently, the committee advised Colombian National Statistical Institution (DANE), in the middle of the pandemic, to review how MPI is capturing the diverse COVID-19 impacts on household welfare. The revision suggested was oriented to highlight the drastic decrease of school assistance because of the unequal access to the Internet. This update allowed the statistical authorities to use novel sources of administrative data in order to align the MPI to the new Colombian context.”

”

deprivations. After that, the MPI was recalculated to forecast the impacts on poverty reduction. Based on this, targeting and coverage goals of programs were defined, and monitoring dashboards were designed with a traffic light system to follow the results of public interventions. Dashboards encompassed three levels: 1) One including the MPI, the development plan goals and monetary poverty targets, annually updated, 2) Thematic indicators of MPI deprivations, also monitored on annual basis with exception of indicators that could be updated more frequently with administrative data, 3) Sectoral indicators, with trimestral information from administrative data.

Colombia’s impressive results on multidimensional poverty reduction have proved the efficiency of their targeting process. Recently, in 2020, the National Administrative Department of Statistics (DANE) launched a method for municipal multidimensional poverty measure based on the census (MPPN, 2020). This could improve effectiveness of targeting due to the geographic location of the poor at the municipal level. This information was used for targeting purposes during the pandemic, as shown in Chapter 5. *Más Familias en Acción*, the CCT program, also used this criterion for targeting. In its third phase the programme introduced a new municipality category according to incidence of MPI.

Some of the findings of this tool show, for instance, that the Orinoquía-Amazonia and Pacifica regions include several municipalities with the highest rates of MPI, while the municipalities with the lowest percentages are located on the Central and Eastern regions (MPPN, 2020). Besides its usefulness for targeting national policies and programs, this information is key for multi-level government coordination against poverty.

Vietnam: Using the MPI to target poor households


In Vietnam, the multidimensional poverty measurement has been used for several purposes, with targeting being the most important. Usually, for successful targeting most social protection and poverty programmes require data on households and their members. Yet, MPI measurements based on a national sample survey are not useful enough for targeting social protection or other State support programmes due to their data limitations.

Vietnam has developed alternative ways of collecting data and identifying deprivations to properly identify individuals and households in poverty and adequately target poverty interventions. Their successful targeting strategy relies on two main sources of data: the Vietnam Household Living Standard Survey for 2016-2020 (VHLSS) and the Poverty Census.

The VHLSS is a sample survey included in the annual National Statistical Survey Programme. It provides provincial level estimates for 63 provinces in Vietnam. The survey collects information annually through direct interviews with around 47,000 households (Tiwari, 2019). The survey provides information on living standards, inequality, access

MPI AS AN INSTRUMENT OF PUBLIC POLICY FOR POVERTY REDUCTION IN COLOMBIA

Listen to Nemesio Roys Garzón, Former General Director of Prosperidad Social, Colombia, on the use of MPI for poverty reduction.



The image shows a video player interface. The title of the video is "MPI as an instrument of public policy for poverty reduction in Colombia". The speaker is identified as Nemesio Roys Garzón, General Director of Prosperidad Social, Beijing, China, on October 9th, 2017. The video player includes standard controls like play, volume, and a progress bar. The Prosperidad Social logo is visible in the top right corner of the video frame.



CAITLIN WIESEN
VIETNAM'S UNDP RESIDENT REPRESENTATIVE

“Viet Nam is implementing a new multidimensional poverty line for the period 2021-2025, representing a significant qualitative shift in the measurement, monitoring, and implementation of poverty-reduction policies and solutions. For the first time, the poverty line is set close to the minimum standard of living – resulting in an additional 8 million people benefiting from the Government’s policies and programs on social protection and poverty reduction at a time of great need as people seek to rebound from the impacts of COVID-19. Secondly, a new employment dimension is added, with an indicator for informal employment. Thus, the multidimensional poverty concept considers employment quality as an outcome, in addition to being a means to achieve the other results. This outcome based principle is now also reflected in health and education, with indicators for usage of health services, nutrition and on-time school enrollment. These significant changes are welcome developments as Vietnam strives to become a high-income country by 2045.”



to basic social services, and multidimensional poverty in provinces/cities, regions, and urban and rural areas. Household survey data is used for monitoring but can’t be used for targeting at the individual or household level; the VHLSS main use, therefore, is to measure multidimensional poverty at a national and provincial level.

To target at the individual or household level, Vietnam relies on the Poverty Census. The Poverty Census is the main source of data to identify people in multidimensional poverty in Vietnam. It was first implemented in 2015 by the Ministry of Labour, War Invalids and Social Affairs. Through its initial data collection in 2015, a list of poor and near-poor households using 10 indicators was prepared (Tiwari, 2019). This list is updated annually from the local level using registers, survey questionnaires and community monitoring.

The process of identifying poor households is considered transparent and democratic. The multidimensional and income poverty cut-offs are defined by the total Government budget allocated for social protection. The cut-off and indicators are decided based on national needs and priorities. The Government starts with a low poverty line and can increase the poverty cut-off once the budget increases. The Government assesses different scenarios using different cut-offs and a specific cut-off is selected in line with the number of poor households that can be served by the available budget.

Once national cut-offs for income and multidimensional poverty are defined, three groups of poor households are identified (Tiwari, 2019):

- Group 1: includes households that are income poor and multidimensionally poor
- Group 2: includes households that are income poor but not multidimensionally poor
- Group 3a: includes households that are near-income poor but are not multidimensionally poor
- Group 3b: includes households that are not income poor or near-income poor but are multidimensionally poor

The Poverty Census in 2015 surveyed all 25 million households in Vietnam. Subsequently, annual tracking has been done for about 7.5 million households (Tiwari, 2019). This tracking monitors their status over time and either moves them up to non-poor group or retains them in the list of poor. Those identified as poor receive Government support in several forms including free health-care services, exemption of tuition fees mainly in primary and secondary schooling, credit priority for housing, monthly cash transfers for electricity, and infrastructure improvement. Support is given both at the individual and household levels (Tiwari, 2019).

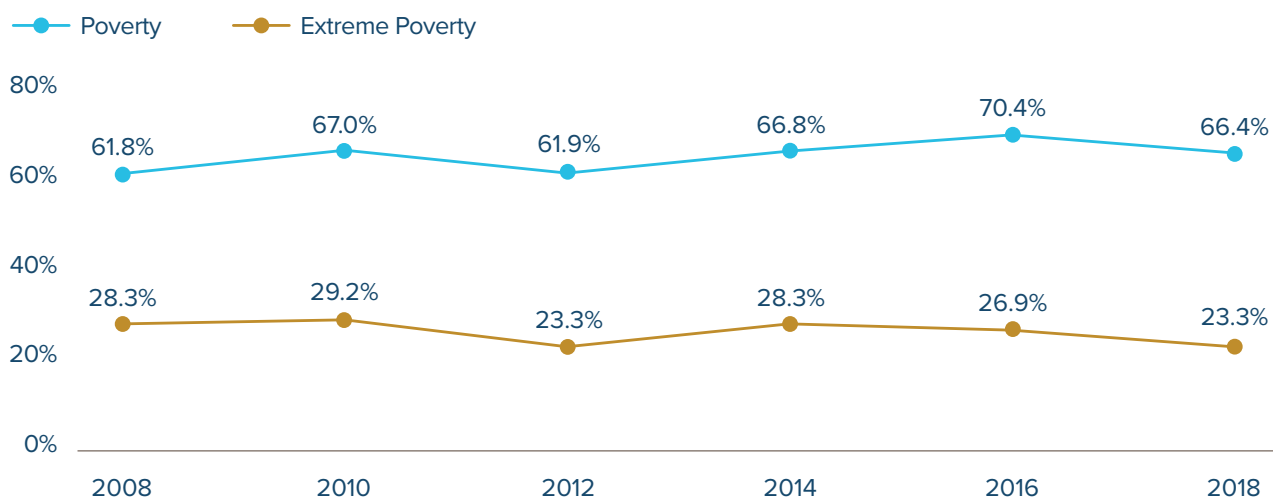
This example from Vietnam shows the importance of using census data to identify household for an adequate targeting. The census could be a national one, or a specific census applied for specific areas or regions. Targeting at the lower level of administrative units and targeting at the household and individual levels for the effective implementation of social protection are key elements for using the MPI into policy (UNDP Bangkok Regional Hub, 2020)

Oaxaca: Use of the MPI to guide public policies and investments at the subnational level

Oaxaca has historically been one of the poorest states in Mexico. It is a state with natural and cultural richness, and young population (the average age is 24 years) which may be an important advantage for the state’s social and economic development (Martínez López, 2019). Despite this, from 2008 — the year when the first measurement with an MPI was conducted in Mexico — to 2016, poverty has increased from 2.3 to 2.8 million people (from 61.8% to 70.4% of population). However, through an MPI lens, multidimensional poverty fell to 2.7 million people in 2018, which represented 66.4% of Oaxaca’s population; this means a decrease of four percentage points compared to 2016 figures, which placed Oaxaca as the state with the highest reduction of poverty in the country during this period (Martínez López, 2019).

According to Edith Yolanda Martínez López, Ministry of Social and Human Development in Oaxaca, this achievement was a result of a strategy with two components: “(1) Political support at the highest level and (2) Planning and targeting public investment and public policies through diagnostics with both a quantitative and qualitative focus on poverty at the state and municipal level” (Martínez López, 2019).

HISTORICAL EVOLUTION OF MULTIDIMENSIONAL POVERTY RATES IN OXACA (%)



Source: Martínez, 2019 based on CONEVAL estimates.

Alejandro Murat Hinojosa became governor of Oaxaca in 2016. Soon after, he established a Technical Committee to fight poverty, integrated by the cabinet members in charge of programs and actions related to each of the six social deprivations measured by the official MPI in Mexico: education, healthcare, social security, food, housing, and basic services in the house. Yolanda Martínez (2019) explains that this led the engagement of the Committee included a range of decisions, from policy application to monitoring and assessment. Also, participation of academia, private sector and civil society was encouraged, a clear sign of the state government's will to fully back measurement. Planning and targeting were based on information coming from both quantitative and qualitative diagnosis. The Mexican MPI was central for the quantitative analysis, which was disaggregated at sub-deprivations level

(e.g., in case of basic services in the house, sub-deprivations are water provision, drainage, electricity, and disposal of stoves with chimney when cooking with charcoal). It was also geographically disaggregated at both state and municipal level, which made it possible to identify 40 municipalities (called 'E-40') — with the greatest numbers and percentages of population in poverty situation. These municipalities were considered top priority for the strategy against poverty (Martínez López, 2019).

Based on the results of the quantitative analysis, qualitative research was conducted in some of the priority municipalities with the highest rates of poverty. As Martínez (2019) stated, this was useful for tracking additional aspects linked to poverty. The government selected the municipality of Santos Reyes Yucuná since it was the poorest municipality of the country, according to the municipality MPI, where 99.9% were poor in 2015. The quantitative diagnosis informed that the most frequent sub-deprivations were drainage, access to food, water provision and disposal of chimney stoves when cooking with charcoal (Martínez López, 2019). Then, the Oaxaca Ministry of Social and Human Development (SEDESOH) conducted qualitative research in collaboration with the Centre for Research and Advanced Studies in Social Anthropology (CIESAS)⁵. The results revealed that poverty in the municipality was mainly due to a shortage of water, exacerbated in dry periods, with negative consequences in agriculture and livestock productivity, which compels people to migrate to large urban centres outside the states; this also bears negatively on children school attendance and achievement (Martínez López, 2019).

These diagnoses provided information used as criteria for sectorial planning and resource allocation. The state government designed an interactive map to locate — even to the street level — the concentrations of population with each sub-deprivation. “The use of this tool by agencies and entities that execute the programs and social actions, promotes an effective use of public resources by focusing attention on the areas with the highest concentration of people who are experiencing some kind of deprivation and directing support to those who really need it” (Martínez López, 2019). Multidimensional extreme poverty was reduced from 97.5% to 41.4% between 2015 and 2020 (before the pandemic), making it one of the largest poverty reductions in any municipalities over this period.

STATE-LEVEL USE OF THE MPI: THE EXAMPLE OF OAXACA 2019

Listen to Alejandro Murat Hinojosa, Governor of Oaxaca, on the use of the MPI for poverty reduction.



⁵ See the study in Spanish: https://www.oaxaca.gob.mx/sedesoh/wp-content/uploads/sites/30/2019/01/estudio_socio_antropologico_yucuna.pdf

CHAPTER 4

Using an MPI for Budget Allocation

The MPI's various methodological features make it an ideal instrument to support a better budget allocation. First, the MPI is disaggregated by territory, social groups and sectors, making it then possible to determine which groups/regions have the highest levels of poverty or the number of poor, so where and who need more support. Second, MPI analysis can determine in which indicator groups lag the most, determined by having a series of deprivations at the same time, so how sectoral ministries or multisectoral policies can respond. Finally, due to the MPI allowing observation of the specific household deprivations, the sector budget can be made more efficient, since the information allows us to know the coordination and logistics required by the ministries to carry out their work and make costs more efficient.

Using an MPI to allocate resources by sector or geographic region

Once a national MPI is developed, it can be a useful tool for allocating resources against poverty. The possibility of breaking down the MPI into multiple indicators, allows users to trace deprivations by sector and geographic location. The resulting outlook is a departing point to set goals for reducing those deprivations that contribute the most to poverty. Using these criteria, it is easier to match budgets in regions and sectors with the most need of support.

While indicators capture the deprivations that define poverty, dimensions are conceptual groupings of indicators useful to communicate the final measure (OPHI, UNDP, 2019). There are two conditions MPI indicators and dimensions must meet to allow an effective budget allocation.

- **Relevance of indicators and dimensions.** It is important to select indicators and dimensions based on solid ground, such as national development plans, legislation, international conventions, theoretical arguments, relevant literature, and inputs from participatory processes and public consultations (OPHI, UNDP, 2019). The initial selection of dimensions and indicators is key during the process of tailoring a national MPI. They must encompass the national priorities of social policy from the beginning, as recurrent changes in indicators could make it difficult to follow the evolution of multidimensional poverty over time (Tiwari, 2019).
- **Geographical disaggregation.** The MPI contributes to the spatial location of deprived groups, facilitating the coordination of public action (at different levels) and subnational resource allocation. Many countries (such as Colombia, Angola, Mozambique, Mexico and Ghana) have added most of the MPI indicators to their census, with exception to complex indicators such as anthropometrics. With this information, it is possible to make a “proxy” MPI useful for budget allocation, as well as poverty mapping, targeting and program and policy design at local levels. Another option, as Tiwari (2019) explain, is: “Increasing the sample size to provide MPI estimates at the second tier of administrative units, such as districts, could help extend the use of MPI in the subnational level targeting and tracking indicators related to the SDG target 1.2, as has been done in Pakistan. This would also support programme targeting and resource allocation at the subnational level. The Government of Pakistan has a plan for regularly measuring and using the MPI for planning, resource allocation, and monitoring and evaluation. Already, based on an MPI calculated in 2015, the 12th Five-Year Plan 2018-2023 prioritizes 67 districts of four provinces where more than 50 percent of people can be considered multidimensionally poor.” A good example of such a progression is Nigeria, which in 2018 disaggregated at the state level, and in 2022 will release data at the local government area level.

MULTIDIMENSIONAL POVERTY MEASURES AS RELEVANT POLICY TOOLS

Poverty measurement is strewn with imperfection. And yet, even understanding limitations such as data quality and coverage, measures of multidimensional poverty have proven to be relevant policy tools. [...] the MPI design often includes participatory exercises and expert consultations, thus catalysing a national conversation about what is poverty. Like any national statistic, the MPI is used to monitor change and show the trend in a phenomenon of public importance. Further, the MPI, with its disaggregation by group and breakdown by indicator, is often used as part of the budget allocation formulae, for example, across subnational regions. The MPI is also used for targeting in two senses: targeting the poorest areas or social groups, and also (using a different dataset), targeting households that are eligible to benefit from certain schemes. [...]

This paper was developed at the *Dimensions of Poverty Conference* and can be found [here](#).

Source: Alkire, S. (2018). *Multidimensional Poverty Measures as Relevant Policy Tools*. OPHI Working Paper No. 118. University of Oxford.

Using an MPI to identify cost-savings from integrated policies

The MPI captures the deprivations experienced by each household or person. This data is fundamental for identifying the poorest people and steering efforts towards those who experience more deprivations at the same time. The use of poverty criteria for budgetary planning is a good method to avoid mismatches between needs and budget allocation, and also helps to prevent overlapping of resources addressed to tackle the same aspect of a deprivation. Because the precise packages of simultaneous deprivations can be observed and measured, the MPI is useful for allocating budgets and advising multiple sectors to target the same households using various programs and strategies, a (OPHI, UNDP, 2019).

Some steps could be helpful to design an integrated and intersectoral public policy (Alkire & Natih, 2021):

- 1. Identify the number and poverty condition of persons or households deprived in each indicator.** The MPI enables one to find the number of deprived people or households and/or individuals by dimension and indicator, which contributes to budgetary planning efficiency. It is also useful to identify who they are and whom among them suffer multiple deprivations at the same time. Many countries have also chosen to map the location of people and households with the most deprivations. Additionally, characterizing groups by attributes such as gender, age, ethnicity, disability status and others, can be highly useful for targeting and policy design.
- 2. Estimate unit costs of reaching new beneficiaries.** Once the population with deprivations is identified and geographically located, it is possible to estimate the necessary investment reach people or households with needs. Geographic location is also relevant to estimate differentiated unit costs, for example in remote rural areas versus in major cities.
- 3. Generate savings through integrated multi-sectorial policies.** Different deprivations can be tackled at the same time through sectorial coordination and integrated programs. This is also useful to avoid duplication of resources and actions, and to generate budget savings. Some countries, such as Costa Rica and Colombia, have designed tools to clarify which institutions have relevant programs and actions with a possible impact in each deprivation.

This process has a great potential to increase budget efficiency, through targeting and improvement of governance. It also promotes multisectoral responsibilities as an incentive for coordinated action between institutions.

It is also important to remember some of the challenges in using the MPI for budget purposes. One element is that the Ministry of Finance is a key actor in budget decisions, yet the MPI is usually housed in a different agency (UNICEF, 2021), so sharing updated information rapidly requires a high degree of coordination. We also need to contemplate that “Multidimensional poverty measures may identify gaps in education, health etc, but do not explain whether these gaps are related to insufficient budget rather than ineffective budget execution, poor quality services, discrimination or social norm-related barriers to access, poor planning etc.” (UNICEF, 2021). Finally, it is important to mention that budget decisions in public policy are in part political decisions, in which many stakeholders are involved. The MPI could help to make better budget decisions, but it will need plenty of encouragement and persuasion from MPI leverage champions, for key stakeholders to use the MPI in a systematic way.

Country examples: Angola, Bhutan, Costa Rica, Mozambique

Angola: Municipal MPI as a tool to improve budget decisions

The first edition of the MPI in Angola was officially launched in 2019, and it was a collaboration between the Angolan National Institute of Statistics (INE), the UNDP and OPHI. This MPI is complementary to the income-based measurement, and includes four dimensions (health, education, quality of housing, and employment) and 11 indicators.

According to Eliana Quintas, Senior Technician of INE Angola, the disaggregation of the MPI at municipal level was a response to the need of the Ministries of Finance and Territory Administration and State Reform (MAT) “to identify the level of poverty of each municipality and group them into technically sound and useful classifications for the distribution of public budget” (Quintas, 2020). To meet this requirement, the INE, with the support of the UNDP, OPHI, and the Ministries of Finance and Territory Administration, developed a proxy called Municipal Multidimensional Poverty Index (M-MPI).

As the main purpose of the M-MPI was to prioritize the budget allocation in the municipalities with the highest rates of poverty, three methods of classification of municipalities were devised, each considering one of the following criteria: 1) levels of multidimensional poverty in quintiles, 2) municipalities with the highest proportion of multidimensionally poor within quintiles, 3) total multidimensional poor population by municipality size according to the number of inhabitants (large, medium-sized and small) (Ceita & Fredborg Larsen, 2020).

The M-MPI results show that 65 of the 164 municipalities in Angola have more than a 90% incidence of poverty (Ceita & Fredborg Larsen, 2020). In addition, the poverty range among municipalities are significant: in the municipality of Luanda (country’s capital city), the MPI is 0.029, while in Curoca, province of Cunene, it reaches 0.753 (Ceita & Fredborg Larsen, 2020).

Bhutan: MPI as a strong criterion for budget allocation

Bhutan was the first country in Asia to adopt an MPI, which they did in 2010, as a complement to their existing consumption and expenditure-based poverty measurement. The Bhutan MPI structure comprises 13 indicators with varying weights, grouped in three dimensions, each with a weight of 1/3: Roads, and land and livestock are additional indicators to the global MPI, relevant for a Bhutan context.

POVERTY REDUCTION IN BHUTAN

Overall, Bhutan saw a very strong reduction in multidimensional poverty. In 2012, over 12% of Bhutanese were multidimensionally poor; in 2017, that had decreased to 5.8%. Furthermore, the reduction was pro-poor, with the poorer *Dzongkhags* reducing poverty faster in most cases. Similarly, from 2007–2017, the reduction in MPI, as assessed using a more limited variable set, was also extraordinarily fast.

For those countries who are trying to meet the Sustainable Development Goal target of halving MPI by national definitions between 2015 and 2030, Bhutan's example will be encouraging. [...]

To accelerate the reduction of MPI in the next period, the MPI should continue to be used as one input into resource allocation formulae, and monetary and multidimensional poverty measures should be analysed together to frame public policy. Furthermore, the most detailed information on the MPI that is available should be provided to *Dzongkhag* officials, perhaps in local languages, to inform policies in the next period.

Source: National Statistics Bureau of the Royal Government of Bhutan and OPHI. (2017) *Bhutan Multidimensional Poverty index*. Read more [here](#).

The MPI in Bhutan was launched in 2010 and updated in 2012 and 2017 (datasets from 2007 and 2010 allowed an MPI measurement with different variables). In 2012, about 12.7% of population was multidimensionally poor (Tiwari, 2019), but it lowered this rapidly.

From 2013, MPI was used in Bhutan as one of the five criteria for budget allocation, with a weight of 45% in the decision (OPHI, 2015). It is one of the main considerations to allocate annual capital grants across *dzongkhags* or *gewogs* (districts) (Tiwari, 2019). A Resource Allocation Formula (RAF) was introduced for the 10th and 11th Five Year Plan (FYP). For the 11th FYP, the weights for the RAF were: Population, 35%; Geographical Area, 10%; MPI, 45% and

MPI, SDGS AND BUDGET ALLOCATION IN BHUTAN

Bhutan's pursuit of GNH [Gross National Happiness] has enabled a relatively smooth integration of the SDGs into the national development framework, and the five-year plans provide a natural avenue through which to pursue the SDGs. With the FYPs [Five Year Plan] formulated at the central, sectoral, *dzongkhag* (district), *gewog* (block) and Thromde (Municipality) levels, and further translated into annual performance agreement and budgets, the prospects for SDG integration at all levels is high.

A Rapid Integrated Assessment of the 11th FYP (2013-2018) had illustrated that of the 143 relevant SDG targets, 134 were aligned with the indicators of the 11th FYP. Further, the SDGs along with GNH served as a guiding basis in the preparation of the 12th FYP. As such, the 17 National Key Result Areas (NKRA) are closely aligned to the SDGs, with their targets and indicators integrated into the 12th FYP. For the 11th FYP, Bhutan also introduced a Resource Allocation Formula (RAF) to improve their budget decisions. The RAF included the MPI. The weights for the RAF were: Population, 35%; Geographical Area, 10%; MPI, 45% and 10% for the Transport Cost Index.

Source: Royal Government of Bhutan (2021). *Transformations for Sustainable Development in the 21st Century. Bhutan's Second Voluntary National Review Report on the Implementation of the 2030 Agenda for Sustainable Development*. Read more [here](#).

10% for the Transport Cost Index. “Additional measures to root out extreme poverty include the implementation of Rural Economy Advancement Program (REAP) and Targeted Household Poverty Program (THPP) in 2014” (Royal Government of Bhutan, 2018).

Over time, the relevance of MPI as a policy tool for targeting, policy design and resource allocation has increased in the country. The Prime Minister of Bhutan said at the UN General Assembly in 2017: “In Bhutan national MPI is also used as a policy tool and used as a basis to allocate resources across sectors, our districts, and our villages effectively. We have used it to identify people’s needs for infrastructure and social services in the remotest areas” (Tiwari, 2019).

Findings of recent analysis show positive outcomes of MPI’s implementation in Bhutan. Between 2012 and 2017, the national MPI dropped from 12.7% to 5.8%, with reductions in every indicator, being the most significant reductions those in cooking fuel, schooling and sanitation (Alkire & Natih, 2021).

Costa Rica: Institutionalizing the MPI to improve budget allocation

From 1987 to 2016, Costa Rica increased the budget for the social sector more than sevenfold for education, and almost fivefold for both health and public investment for poverty reduction. Despite the remarkable increase in the budget for this purpose, monetary poverty did not decline proportionally in this period (Dimensions, 2017). At that moment, poverty was measured by monetary indicators only, and “social programs lacked technical guidelines or empirical evidence about people’s needs” (Alkire & Natih, 2021). There was also a lack of monitoring and coordination systems for reducing poverty (Dimensions, 2017).

As part of the implementation of the 2015-2018 National Development Plan, the government of Costa Rica established a Commission with representatives from the Presidential Social Council Advisory Team, the Ministry of National Planning and Economic Policy, the Ministry of Finance, the Fund for Social Development and Family Benefits, and the *Horizonte Positivo* association, with the goal of creating an Costa Rica MPI to serve as an official measure for allocating resources and monitoring and evaluating social programs (Dimensions, 2017).

In March 2016, in a meeting with the attendance of the President and ministries of several institutions, the Commission presented a proposal to use the MPI-CR for an efficient budget allocation. The agreement reached at this meeting was “to request all officials and mid-level officials from the social sector ministries and institutions to use the Multidimensional Poverty Index [MPI-CR] as an official diagnostic and monitoring tool for social programs, as well as part of the criteria for allocating resources to the different regions of the country and programs with the largest impact on reducing the index” (Government Council Agreement N°092-16).

In May 2016, the Presidential Directive N°045 stated: “The officials and mid-level officials of social sector ministries and institutions will use the Multidimensional Poverty Index (MPI-CR) as an official measure for allocating resources and for monitoring and evaluation of social programs”.

After the publication of this Directive, the recently created MPI was proven in a pilot project, which consisted in the examination of the 2017 programme budgeting process. The first step was the identification of the indicators with higher rates among households (below it’s next to the indicator name, in parentheses), that were the most likely to contribute to the poverty index (Fernández, 2019). Six out to nineteen indicators were identified as priorities:

1. Low human capital (63%)
2. No health insurance (63%)
3. No Internet access (50%)
4. Roof, floor and outside walls in poor condition (43%)
5. Independent informal employment (28%)
6. School non-attendance (23%)

Proposed by the Ministry of Finance, a Social Management Dashboard was developed to justify public spending to taxpayers using empirical evidence (Dimensions, 2017). It connected each indicator with its related responsible institution and included a traffic light system to monitor the correct use of resources to increase the levels of wellbeing, and the number of beneficiaries that would be reached through these programs. The exercise simulated what would happen if the budget was distributed to various programs to deliver goods and services in order to reduce deprivations: scholarships, school canteens, school transport programs, training programs, housing subsidies, health insurance, among others (OECD, 2021)

The next step was to run a statistical simulation to compare the share of deprivations that would be reduced assuming that the selected governmental programs were oriented by the MPI-CR, against the reduction achieved through the traditional process of planning applied in 2016.

The results of the simulated scenario (considering the MPI-CR) showed a significant decrease in the number and proportion of poor households, compared to 2016 observed data (Fernández Arauz, 2019). There were significant opportunities in Costa Rica to improve the allocation of resources to ensure that the largest investments went to the most in-need areas (Dimensions, 2017).

In 2017 Costa Rica accelerated poverty reduction measured by the MPI, without further increasing the budget (Alkire & Natih, 2021). The incorporation of MPI-CR to policy planning and budget allocation required multi-level coordination of government officials, and collaboration with external stakeholders such as those from academia

TABLE 1. NUMBER OF POOR HOUSEHOLDS: 2016 OBSERVED AND SIMULATED

Region	2016 observed	Simulated 95% confidence interval		Difference 95% confidence interval	
		Lowest	Highest	Lowest	Highest
Costa Rica	306,854	274,844	280,009	26,845	32,010
Central	138,753	129,035	132,148	6,605	9,718
Chorotega	27,390	22,524	24,016	3,374	4,866
Central Pacific	23,247	18,030	19,593	3,654	5,217
Brunca	28,947	23,553	25,472	3,475	5,394
Huetar Caribe	47,286	42,687	44,591	2,695	4,599
Huetar North	41,231	35,634	37,589	3,642	5,597

Source: Fernández, 2019.

TABLE 2. INCIDENCE OF MULTIDIMENSIONAL POVERTY IN HOUSEHOLDS: 2016 OBSERVED AND SIMULATED (PERCENTAGE)

Region	2016 observed	Simulated 95% confidence interval		Difference 95% confidence interval	
		Lowest	Highest	Lowest	Highest
Costa Rica	20.50	18.36	18.71	1.79	2.14
Central	14.92	13.87	14.21	0.71	1.04
Chorotega	23.99	19.73	21.03	2.95	4.26
Central Pacific	25.89	20.08	21.82	4.07	5.81
Brunca	25.39	20.66	22.34	3.05	4.73
Huetar Caribe	35.64	32.17	33.61	2.03	3.47
Huetar North	35.55	30.73	32.41	3.14	4.83

Source: Cited in Fernández, 2019.

and private sector. Education and training of employees has been key for the effective use of the measure in public institutions. “The challenge ahead is to incorporate the MPI-CR into the budget process of every public institution so that it is used in a continuous and decisive way” (Dimensions, 2017).

Mozambique: MPI as a tool for budget allocation and policy monitoring

The concept of poverty and its measurement has evolved over time in Mozambique. The first poverty evaluation was conducted in 1996/97, and it had a solely monetary focus (Moreno, 2018). Later, it shifted from only considering the material dimensions of poverty to a broader concept that considers “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” as was appointed in documents such as the Action Plan for the Reduction of Absolute Poverty (PARPA I), and its successor PARPA II (Moreno, 2018), both issued by government of Mozambique in 2001 and 2006 respectively.

The first evaluation of multidimensional poverty took place in 2014/15, and comprised two multidimensional measurements: one compares poverty over time, and the other takes into consideration the same dimensions as the global MPI, including additional indicators based on the information available in Mozambique (Moreno, 2018).

In the process of selecting dimensions and indicators, three criteria were considered (Moreno, 2018):

1. The relevance of each dimension and indicator for well-being according to relevant literature and experiences of other countries.
2. Information obtained through participative processes conducted by the Directorate of Economic and Financial Studies (DEEF) of Mozambique, in collaboration with the United Nations Development Program (UNDP) and the United Nations Children’s Fund (UNICEF) in 2015, to identify the characteristics of poverty and well-being for Mozambicans.
3. The availability of information in databases of national household surveys, to measure non-monetary aspects of poverty.



FINORIO CASTIGO
SPECIALIST AT THE DIRECTORATE OF ECONOMIC AND FINANCIAL STUDIES OF
MOZAMBIQUE (CITED BY MORENO, 2018)

“The MPI can help with the design of projects that will contribute to the improvement of people’s living conditions, and assessment over time is also useful to monitor programmes’ impact”



17 indicators were identified for the more comprehensive measure, and were grouped in three dimensions: education, health and health determinants, and living standards. Additionally, the historical measure includes six indicators and four dimensions: education, determinants of health, living conditions, and durable goods, with information available from surveys conducted in 1996/97, 2002/03, 2008/09 and 2014/15 (Moreno, 2018).

DEVELOPING AND IMPLEMENTING INTEGRATED POLICIES IN MOZAMBIQUE TO IMPROVE BUDGET DECISIONS

To facilitate the process of developing and implementing integrated policies towards the Agenda 2030, Mozambique adopted the National Framework of SDG Indicators (QNI), which is aligned with Mozambique’s development priorities. It also has established the SDG National Reference Group enabling the different levels of government to work together to integrate the economic, social and environmental dimensions and to strengthen policy coherence.

The public finance development, planning and management tools themselves — the National Development Strategy, the Government’s Five-Year Programme and the Economic and Social Plan — contribute to coherence between medium and long-term policies and annual programming and budgeting.

The Mozambique QNI also contributes to an integrated analysis of programming, since the indicators reflect the multidimensional nature of SDGs. For each of the targets, a responsible agency has been identified, both for achieving and monitoring targets, and in several cases, this responsibility is shared by more than one sector.

“An important aspect is to ensure an adequate territorial distribution of resources, taking into consideration regional development imbalances and correcting existing distortions. Currently, the allocation of resources by provinces follows two criteria, namely population (70%) and multidimensional poverty index (30%), with consumption – 30%, water and sanitation – 30%, health – 20% and education – 20%) 103. The district has as indicators, the population, surface area, district own revenues and the multidimensional poverty index”. For 2019, the budget distribution by region was: 68% central, 13.5% provincial, 17.1% district and 1.4% autarquic. In terms of sectors, the budget was assigned in 2019 to: Education, 38%; Health, 16.7%; Infrastructure, 22.7%; Agricultural and Rural Development, 12.0%; Judicial System, 3.8%; Social Action, 0.5%; Labor and employment, 4.0%. These figures represent Mozambique’s priority regions and sectors and their effort to address the SDGs.

Source: Government of the Republic of Mozambique (2020). *Voluntary National Review of Agenda 2030 for Sustainable Development*. Read more [here](#).

Budget allocation for subnational levels will be one of the uses given to the information obtained with the MPI. According to Vincenzo Salvucci, UNU-WIDER researcher and adviser at the DEEF, “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” (Cited by Moreno, 2018).

Additionally, the MPI is a potential tool for monitoring poverty evolution, and for the assessment of policy effectiveness. The MPI is a key tool, not only to operationalize a broader concept of poverty, but also to evaluate the outcomes of multisectoral efforts to address deprivations.

These examples have shown that many countries are using the MPI to better allocate budgetary resources to have high-impact and cost-efficient allocations to better reduce multidimensional poverty as well as monetary poverty.

CHAPTER 5

Innovating on MPI and Using for Emergencies, Including COVID-19

The information provided by the MPI is not only valuable for framing long-term goals for poverty reduction but is also very useful for coping with emergencies in a timely and efficient manner. When a robust source of information on specific deprivations that a population suffers is available, and furthermore, when it is disaggregated to allow the profiling and location of households and individuals, evidence-based action can be quickly taken to allocate urgent support in a short time. Every phenomenon is different, and MPI has the properties to make it possible to pick up sets of deprivations to outline and analyse different kinds of vulnerabilities, according to specific risk situations. COVID-19, unfortunately, is such an example.

The multidimensional approach became more important than ever in times of COVID-19. Households with multiple deprivations at the same time -lack of water, lack of access to health services, cooking with wood daily “lack of cooking capabilities?” — were dangerously vulnerable during the pandemic. They experienced poverty-related co-morbidities, which made them extra vulnerable. Measuring poverty in a multidimensional way and producing vulnerability indices, has proven to be very useful for producing response plans for emergency and recovery. After discussing environment and private sector innovations, a section below is devoted to COVID-19 innovations of the MPI.

Flexibility of MPI

As seen in previous chapters, MPI’s characteristics make it useful for designing policies, targeting groups with deprivations, allocating budgets and tracking poverty over time. But there is an additional benefit in using a periodically updated and rigorous tool to diagnose vulnerabilities in view of emergent risks. Breaking down indicators helps determine which deprivations could make a population more susceptible to suffer the negative effects of an event, according to the particularities of the circumstance.

Climate change is another phenomenon that demands a fast and effective response from governments. Many of its consequences are not predictable but have catastrophic dimensions. We have observed them as sea-level rising, and an increase in air pollution, floods, droughts, and fires all around the world. The MPI can play an important role both in preventing the negative effects of this kind of emergency and in increasing the response capabilities when they take place. Disaggregated MPI and climate data can also be overlaid and jointly analyzed.

Populations in poverty frequently live in risk areas and in unsafe housing conditions and therefore suffer from these events more severely. Indicators can be included to promote the preventive use of the MPI, which could include forestalling settlements in risk or environmentally inadequate areas, and ensuring that the quality of construction materials are resistant and appropriate to local conditions. El Salvador and Chile exemplify this: In Chile, MPI includes indicators related to both housing material conditions and environmental pollution issues.

Multidimensional Poverty and COVID-19 Risk Factors: A Rapid Overview of Interlinked Deprivations across 5.8 billion people



Find out about the analysis of vulnerabilities to COVID-19 that Alkire, et. al. conducted with the available information of MPI in 2020. You can download this source [here](#). COVID-19 briefings for Africa and Latin America are available [here](#).

DEVELOPING AND IMPLEMENTING INTEGRATED POLICIES IN MOZAMBIQUE TO IMPROVE BUDGET DECISIONS

The three components (and associated subcomponents) we propose are shown in the table below, which links the components we have designed, respecting the conceptual, computational, data requirements associated with the AF methodology and normative principles, with the components of ENR that are addressed in the widely recognized frameworks presented above. As previously mentioned, the components have been defined in such a way that we can reasonably assume that being deprived in these components would reflect more ‘unfreedom’ for most people. [...]

TABLE 3. DIMENSIONS OF ENR THAT MIGHT BE INTEGRATED INTO AN MPI

Components	Subcomponents	Brief outline
Livelihood	This component mostly refers to the means of subsistence provided by ENR to people.	
	Material aspects	Refers to the qualitative and quantitative aspects of direct subsistence provided by nature (such as crop food, for instance) and indirect subsistence (such as incomes coming from the sale of ENR on a market)
	Institutional	Relates to the ways access to the means of subsistence provided by nature
	Skills	Relates to the cognitive and practical knowledge people have to sustainably manage and benefit from ENR.
Environmental health	This component addresses the factors in the environment that can adversely affect human health.	
	Household (Indoor)	How the members of the household are affected by the ENR-related health problems.
	Workplace	Issues related to ambient factors affecting the worker within the working environment.
	Ambient (Outdoor)	Close environment of the household's habitation
Vulnerability to environmental hazards	This component addresses the extent to which the unit of identification is exposed, sensitive and adaptive to a hazardous event.	
	Exposure	Likelihood of a system (e.g. a community) experiencing particular conditions (Smit and Wandel, 2006).
	Coping Capacity	Extent to which a human or natural system can absorb impacts without suffering long-term harm or some significant state change. (Adger et Winkels, 2014)
	Adaptive Capacity	Ability of a system to evolve in order to accommodate environmental hazards or policy change and to expand the range of variability with which it can cope. (<i>ibid.</i>)

It is important to emphasise that the three ENR components proposed here are only one particular way of framing the ENR-related linkages with poverty. Other potentially relevant aspects of the ENR-poverty relationship have been proposed that are worth considering further, such as the importance of ENR in conceptions of poverty, including the cultural and spiritual elements of ENR. Schleicher et al. (2016) have drawn attention to cultural aspects, including the “sense of place, belonging and rootedness” that are linked to specific features of the ENR.

Read more [here](#).

Source: *Incorporating Environmental and Natural Resources within Analyses of Multidimensional Poverty*, Thiry, G., et. al. (2018), p.g.21-22.

El Salvador includes the dimension of “habitat quality” which encompasses these indicators: lack of public spaces for recreation, incidence of crime and felonies, restrictions due to insecurity, and exposure to environmental harm and hazards. Afghanistan’s ‘shock’ dimension includes indicators for income shocks, production shocks, and security shocks.

The global MPI already considers some indicators linked to the environment, such as lack of access to clean cooking fuel, safe water and sanitation (UNDP, 2011), nevertheless, new proposals have emerged to incorporate Environmental and Natural Resources (ENR) more broadly into the global and national MPIs, including vulnerabilities to environmental hazards. An example is exposed in the paper *Incorporating Environmental and Natural Resources within Analyses of Multidimensional Poverty*, Alkire, et. al. (2018).

In terms of the reactive response, when a catastrophe occurs, and it is necessary to minimize the human consequences and promote the conditions for the resilience of communities, the MPI is a key tool to target those who are the most affected and allocate support immediately.

Every context demands a different prioritization of the aspects linked to poverty. This is why it is important to keep in mind the flexibility of the MPI to add new dimensions and indicators to reflect diverse national priorities which range from environmental issues to violence, to empowerment or informal work (OPHI, UNDP, 2019). This does not imply changing the MPI parameters and methodology very often, since we need the MPI to be consistent in time to track poverty properly. The flexibility of the MPI is about including pertinent dimensions, capturing information with innovative methods, using the MPI for new purposes, while keeping in mind the importance of having an indicator which is consistent in time, limiting significant changes to once per decade.

In terms of the reactive response, when a catastrophe occurs the MPI is a key tool to target those who are the most affected and allocate support immediately.

Every context demands a different prioritization approach of the aspects linked to poverty. This is why it is important to keep in mind the flexibility of the MPI to add new dimensions.

New data and innovations

Even though national MPIs are designed considering their own policy priorities, reality keeps changing, and new aspects linked to poverty can emerge or gain relevance. Also, new research can provide evidence of important factors associated with poverty that have been previously overlooked, or not considered thoroughly enough to merit effective political action. “The MPI can be a useful tool for innovation in the design of new policies and programs to reduce deprivations in specific indicators. For example, El Salvador has included innovative dimensions, such as natural disasters or violence in their MPI’s” (OPHI, UNDP, 2019).

The implementation of these innovations would be especially challenging when the sources of data for the calculation of MPI do not include modules or questions to measure the new dimensions, such as ENR aspects or violence. In this case, adjustments to the data collection instruments would be required.

For instance, OPHI, UNDP(2019) advises about the convenience of having ENR data integrated to the MPI for the analysis of relationships with poverty variables. They mention five technical requirements for the integration of ENR data within a national MPI, including “(1) geo-referenced in ways that can be merged with the relevant aspects of the household’s activities, (2) available at a high-enough resolution, (3) relevant to most if not the entire population under study, (4) reflect deprivations that were actually experienced in the same period as the poverty data, and (5) be accurate at the household level or at the level at which they are merged with the household data (if the

merging is done by a larger geographic area)”. Nevertheless, they also stress that “not all ENR-related aspects can be included in the MPI. They may reflect probabilities of future deprivation (such as climate change) or might not meet the five conditions above” (OPHI, UNDP, 2019). For these cases, they recommend the use of mapping techniques to identify possible relations between environmental phenomena and MPI levels.

There is still a huge ground for research and new proposals for MPI innovation. The MPPN promotes the dialogue and exchange of ideas among countries, to inspire expansion of the MPIs’ potential to reflect the relevant aspects of poverty in national contexts and ensure it is an efficient tool for action.

“MPIs are also being tailored to specific contexts and needs – which, for example, led to a series of Child MPIs, including a recently released one for China, supported by UNICEF. The approach could be extended to other groups. The forthcoming MPI report by UNDP and OPHI moves towards this direction by shedding new light on disparities in the experience of multidimensional poverty across ethnic groups and gender” (Xu H. , 2021)

Costa Rica: An innovative example of using the MPI in the private sector

In general, when it is suggested that the MPI be used more, the emphasis is usually on public policy: governments can use this valuable tool to make better policy decisions. However, interest in the MPI should be broader. Society as a whole should participate in poverty reduction strategies. The more participants and partners there are, the faster we can see poverty reductions in countries.

Costa Rica is a good example of this. After launching its MPI in 2015, the *Asociación Horizonte Positivo*, together with OPHI, launched the Business Multidimensional Poverty Index (bMPI) in 2017. The bMPI is a private initiative that aims to be applied to company workers and their households, so that the company could understand the situation of poverty of its workers in a multidimensional way, rather than considering income only.

If the owners and managers of private firms knew how many of their workers, with whom they live and closely depend, are in poverty according to the national MPI, they would have valuable information for supporting them to move out of poverty. If this were done in most companies, it would be possible for private sector energies to effectively complement government work. This might be one of the most promising uses of the MPI (bMPI) in countries.

“To date, 32,905 Costa Rican households have participated in the programme, representing 2% of the total number of households, which comprises 112,785 people. The multidimensional poverty level of the workers from the 68 companies that have participated in the bMPI has been around 14% during the 2017-2021 period” (Fernández Arauz, 2019) To analyse further the effect of bMPI on poverty, in 2017 the bMPI was applied to 3,468 households and updated in 2019. Between 2018 and 2019 additional 1,363 household were added. The overall effect of applying the bMPI and allowing companies to help workers was that the overall poverty rate decreased from 12.6% to 8.4% during these years (Fernández, 2022). “A detailed analysis of the factors that led to the reduction of multidimensional poverty highlights the implementation of strategies aimed at improving the education and training of employees, such as education, scholarships, courses, or donating technological equipment. This has substantially compensated for the lack of a good level of education among the adult population and has made it possible to eliminate this gap in 43% of the households” (Fernández, 2022).

Apart from this support, firms also engaged in campaigns about labour rights, workshops on employability skills for family members, as well as workshops on entrepreneurship, finance, and female empowerment on business. All this has been possible for measuring poverty within firms, a new and important use of the MPI⁶.

COVID-19 responses

The COVID-19 pandemic has challenged global society in many ways, including the search for effective measures to prevent its spread, the capabilities of health systems, and the policies to maintain economic stability of households. As tends to happen with these kinds of emergencies, the effects have been worse for populations with previous vulnerabilities, which increase their susceptibility to the disease or its social or economic impacts. Some countries have leveraged the availability of their national MPIs to diagnose, target and take timely action seeking a reduction of the negative consequences for those populations that are more greatly affected.

“The COVID-19 pandemic has revealed that we are falling short on our commitment to leave no one behind. How we respond can either exacerbate inequalities or set us on a path to a more just world. The 2021 MPI (and national MPIs) offers insights that can help policymakers address gaps through evidence-based actions that put the most vulnerable people at the heart of recovery planning” (UNDP, 2021). Many countries have already carried

USING MPI DURING THE COVID-19 PANDEMIC

Listen to Sabina Alkire on the use of MPI to face COVID-19 pandemic.



MPI AND THE RESPONSE TO COVID-19 IN COLOMBIA

In 2011 Colombian government launched their national MPI, and since then this has been used as a strong tool for poverty targeting, resource allocation and policy results tracking. With the emergence of the COVID-19 pandemic, in March 2020, the Decree 417 was appointed to declare Economic, Social and Ecological Emergency in the country. Within this framework, it was constructed a Vulnerability Index including information of the MPI. The Index was also mapped at blocks level. This data was cross checked with administrative records to allocate government support. The Vulnerability Index “is defined in terms of the risk of the persons who live in each block to the virus due to the existence of intergenerational households, previous morbidities, and critical overcrowding. This highly sensitive information is extremely useful for mayors for targeting public health programs” (Oviedo, J.D., 2020).

Read more about it [here](#).

Source: Juan Daniel Oviedo’s intervention in the MPPN conference call for the Americas 7th April 2020 “Using the MPI as a tool for crafting government responses to the COVID-19 pandemic”.

⁶ To understand further the importance of bMPI in Costa Rica, read: <https://mppn.org/bmpi-supporting-the-private-sector-to-achieve-the-eradication-of-multidimensional-poverty-in-costa-rica>



AZUSA KUBOTA
BHUTAN'S UNDP RESIDENT REPRESENTATIVE

“We in UNDP Bhutan share the belief with the Royal Government that good, quality and timely data is a foundation of inclusive policy and programme responses. We have continued to use the rich disaggregated national MPI data in our country programming and wider policy work. In fact, we have gone beyond the use of national MPI to delve deeper into sectoral vulnerabilities. In partnership with OPHI in 2020, we designed a Multidimensional Vulnerability Index to better understand the socio-economic impact of the COVID pandemic on people working in the tourism and related sectors. Such analysis helped Bhutan design targeted interventions for vulnerable people, particularly women working in entertainment and unemployed tourist guides. This complements the Government’s strong efforts in using the MPI data for national planning, targeted poverty reduction programs, and most importantly resource allocation.”



out innovative strategies to face the effects of the COVID-19 pandemic using MPIs, drawing on the three kinds of uses proposed in this Handbook: targeting, budget allocation and tracking poverty. The *Dimensions* magazine (Number 10, August 2020) of the MPPN gathers some remarkable experiences. For instance, in terms of targeting, Chile used the MPI to build house profiles regarding poverty and vulnerability. Colombia and Bhutan developed original census-based vulnerability indexes to profile the population that would suffer the greatest impacts in both countries this tool was used for allocating support (Abu-Ismael, K/et.al., 2020).

Other countries that faced lack of information, devised ingenious mechanisms to collect or estimate MPI data, or to get additional data related to the effects of COVID-19. This is the case for South Africa, which conducted rapid online data surveys that built upon telephone and computer-aided surveys. Arab Countries ran simulations to get MPI projections of households’ deprivations under different scenarios of COVID-19 impact (Abu-Ismael, K/et.al., 2020).

In Mexico, estimations were conducted to forecast the impacts of COVID-19 on the MPI, and a platform was also developed to visualize the behavior of the pandemic over time at the municipal level (Abu-Ismael, K/et.al., 2020).

MULTIDIMENSIONAL VULNERABILITY INDEX FOR FIGHT AGAINST COVID-19 HONDURAS

The government of Honduras launched a Multidimensional Vulnerability Index (MVI), which is an adaptation of the MPI, to provide electronic vouchers for food, medicines and biosafety equipment targeted to independent workers and self-employed persons hit hardest by the COVID-19 pandemic. The MVI measures who is most vulnerable to the impacts of COVID-19 according to a number of overlapping variables. It is one of the first tools in the world to identify individuals eligible for receiving support using a multidimensional approach. Approximately 260,000 people received a Single electronic Voucher redeemable in selected establishments around the country for food, medicines and biosafety equipment.

DOMINICAN REPUBLIC'S RESPONSE TO COVID-19 USING THE MPI

In 2020, the Dominican Republic conducted a study using the MPI-DR to simulate the effects the COVID-19 pandemic could have on multidimensional poverty through six specific deprivation scenarios: 1) access to health services in the event of illness, 2) health insurance, 3) access to food, 4) school attendance or dropout, 5) family support and 6) informality. According to the study, the MPI-DR (updated in 2019) was the “perfect mechanism” for analyzing the possible effects of emergency COVID measures on multi-dimensional poverty in the country.

The principal assumption of the study is that the pandemic would create deprivations in a population which had previously not suffered from them, and subject it to simulations which would assume three possible levels of effect: low (25%), moderate (50%), and severe (75%). By analyzing specific deprivations separately, the study is able to more aptly predict where the Dominican Republic could become more multidimensionally poor: for example, to identify the impact on intensity of poverty with regards to disrupted schooling, the simulation deprives population that had previously been attending school of sufficient and appropriate technology/internet. On the baseline (before depriving the population), insufficient attendance incidence was at 9%; upon depriving the sample and running the simulation, this number would increase to 13.2% in a moderate case and 17.9% in a severe case. This would increase MPI value from 0.073 to 0.077. In the case of access to medical care, the predicted change was starker: from 0.073 to 0.094. By using MPI-DR, policymakers in the Dominican Republic had a more concrete vision of where the pandemic would hit hardest, and what needs to be addressed through policy.

Source: [*COVID-19 and multidimensional poverty in the Dominican Republic, a simulation of the effect of the pandemic on multidimensional poverty.*](#)

Regarding the SDGs in the COVID-19 context, Hernández-Licona and Pinilla-Roncancio (2020) suggest that in 2020 it was especially important to place strategic focus on SDGs, and that the multidimensional approach is an appropriate starting point for poverty analysis, working towards the 2030 agenda. The main reasons are: 1) the multidimensional perspective allows the analysis of groups and regions that could suffer the most severe consequences of COVID-19; 2) as it considers interactions among different dimensions, the Alkire-Foster method makes it possible to “confront the ever present challenges encountered whenever there are multiple goals in public policy”; 3) the progress achieved in past years by countries in poverty reduction and human and economic development will be lost; and 4) focus on SDG 1.2.2 of multidimensional poverty reduction would help to prioritize resources to address an indicator which “encompasses a variety of objectives and goals at once” (Hernández-Licona & Pinilla-Roncancio, 2020).

THE SOUTH AFRICAN COVID-19 VULNERABILITY INDEX

As most countries, COVID-19 hit hard in South Africa at the beginning of 2020. To understand better this phenomenon and to anticipate COVID-19 effects on the population, Statistics South Africa created a COVID-19 (multidimensional) Vulnerability Index (SACVI), using the Alkire-Foster approach, using the 2011 Census. The SACVI has four dimensions -Population, Household Services, Household Composition, Health- and eight indicators: Employment status and no private vehicle; Access to media; Access to water; Access to sanitation; Overcrowding; Multigeneration households; Elderly; Use of Chronic Medication.

“According to the SACVI, 40% of the population in South Africa is vulnerable to COVID-19. Those who are vulnerable are deprived in at least 27.1% of the weighted indicators. The major contributors to vulnerability in South Africa are sanitation and multigenerational households. The strength of the SACVI lies in its decomposability to low levels of geography, resulting from the use of the Census 2011 data” (Maluleke, 2022).

To help with the COVID-19 vaccine rollout, Statistics South Africa updated the SACVI and gave more weight to the Elderly, Overcrowding, Multigeneration households and the Use of Chronic medication. The SACVI can be estimated to small areas, since it used the census. This information has been vital to support COVID-19 vaccine strategies. (Maluleke, 2022)

Source: [*The South African COVID-19 Vulnerability Index*](#).

CHAPTER 6

Understanding the Political Context

But how did the policy entrepreneurs working in the many countries mentioned thus far gain political traction to be able to create change? Chapters 6-9 are about strategies to improve policy engagement amongst key stakeholders, like academics, civil society, members of the national statistical offices, members of international agencies — UNDP and OPHI among others — working on poverty. These strategies can help stakeholders to ensure that national MPIs are used for policy making, and hopefully help to be more effective in encouraging and convincing key policymakers at the national and subnational level. Using MPI for policy is about political will and leadership, thus we need to have broad political strategies to improve policy engagement of key people and institutions within the country. Besides the technical elements, we need the “human touch”. We begin by understanding political context.

Analyzing the country-specific political context and gaining trust

Policymakers and politicians tend to be genuinely interested in enhancing citizens’ wellbeing, in improving people’s lives. It is a tough job, but in most countries, we can find professional policymakers who produce good results. Nevertheless, aside from people’s wellbeing, policymakers and politicians make decisions that implicitly weight this against a set of other strong incentives: elections, promotions, careers, individual aspirations, press, pressure from civil society, and competing institutions, amongst many others. Considering that these incentives vary depending on the perspective of different stakeholders, there is no such thing as ‘general interest’, not even when referring to poverty reduction. This diversity of interests shapes the politicized, rather than technocratic, nature of policy making, often generating a tradeoff between technical viability and political viability of a specific policy reform.

It is also an environment that is heavily regulated by norms, rules, and formal and informal processes. It seems rigid at times, hard to change, sometimes dominated by actors that already have a set understanding of an issue and simply won’t question their own way of thinking, let alone adopt a new understanding of an already conceived problem. Still, it is an environment that reacts to socioeconomic conditions – power, geography, demographics, economics, government stability – and these conditions, in turn, force policymakers to create policy outcomes, or stop them from making changes. These socio-economic conditions may push for quick decisions or short-term benefits. They also dictate the urgency to react and create windows of opportunity for evidence to be presented and used.

Although policymakers have very little control over an ever-changing complex environment, understanding its complexity is a first step towards any policy-related endeavor, including the use of a national MPI as policy tool. If policymakers understand this environment better, they can be strategic in pursuing their objectives. In this specific case, it is important to analyze these socioeconomic conditions with a particular focus on how the political system interacts with poverty goals and public policy.

According to OXFAM (Mayne, 2018), understanding the political system revolves around understanding four key dimensions:

- *What needs to change:* In most cases, using a national MPI as a policy tool requires an adjustment to the government’s social development strategy and in the policymaking process in general. Analytical tools such as [problem-and-solution trees](#) can be done to identify specifically which aspects of the strategy needs to change when addressing poverty and/or what the potential uses of the MPI are, considering each specific context. The problem-and-solution trees also help to envision possible consequences, causes of, and solutions to poverty

related problems - unequal income distribution, cultural beliefs and attitudes, institutional practices, among many others. If we would like the MPI to be used for policy, it is essential to identify what needs to change in the public domain for this to happen.

- *Who has the power to achieve change:* Using a national MPI to guide policy is only possible with the support of high-level stakeholders — president, prime minister, ministers or parliament. This implies that understanding the power relations amongst stakeholders is crucial to drive for change, as much as it is for identifying who needs to be brought on board to use the MPI and what specific policy applications might be viable at a specific time. A power analysis of those actors involved in fighting poverty must be conducted: high-level government officials, statisticians, civil servants, NGOs, international organizations, civil society, academics, people living in poverty, media, etc. It is important to assess what kind of power dynamics are at play between these groups, who has what kind of power to support the use of the MPI, who and what influences them, and who could support or block any specific application of the MPI. The power analysis informs what specific applications of the MPI are feasible; it helps identify whose concerns must be incorporated into the decision-making process and the narrative that may be needed to persuade each stakeholder. A deeper power analysis could also look into informal and invisible power.

TOOL #1: Conduct your own power analysis using the worksheet available in [Annex 1](#)

- *Understanding and monitoring wider contextual trends:* Contextual factors tend to obstruct or facilitate the desired change. Research into wider trends helps understand the concerns policymakers may be facing, and hence the opportunities to frame the MPI as a valuable tool. These wider contextual trends may be political: whether the government is powerful enough to be able to convince others; whether it is the beginning or the end of the political cycle; the government's socio-economic priorities, etc. In terms of poverty trends, it is important to see overall trends as well as changes in the different dimensions – both are possible using the MPI.
- *How to achieve change:* It's important to identify what type, mix, timing, and sequencing of tactics could contribute to achieving the desired change. Analyzing how to achieve change may require building insider strategies such as building relationships and engaging in dialogue. It also requires identifying the windows of opportunity available to place the MPI on the public agenda, and also finding political windows during which action will bear fruit.

Understanding the context can help potential MPI champions when approaching policymakers, especially if they come from a more technical background. It is important to learn and listen to relevant stakeholders to fully understand the political, cultural, and institutional context. They might shed light on how the statistical office is run, or who holds power within the development ministry, for example. For an MPI to be effective, it must resonate with a country's national institutional context and be a country-led exercise. Policy engagement starts with acknowledging that it is the country, the government and parliament, who will use the MPI to set and/or achieve specific policy goals, and therefore they are the ones who should own the measure.

An MPI entrepreneur (champion) must listen to the needs, ambitions, challenges, ideas, and innovations of different stakeholders involved along the whole policy cycle in order to mobilize them towards a specific policy goal. Being able to have various conversations with policy makers from different institutions related to the multiple dimensions and indicators of the national MPI and listening to the perspectives from relevant non-governmental actors such as the private sector, academia, NGOs, civil society and people living in poverty, is also a way to build trust.

The more trust we build, the better the odds of having a stronger ownership of the MPI within the country and of a stronger policy outcome using the national MPI. This trust could be built through official MPI meetings with key stakeholders from various backgrounds: policy makers, academia, civil society, parliament⁷. It is also true that trust blooms through informal meetings. Having conversations over local food in a relaxed atmosphere is one of the best ways to understand a society and to build trust about almost anything; the MPI is not an exception. A policy entrepreneur is someone who builds trust, not someone who imposes their views.

Understanding systems

Defining the purpose of the measurement also relates to understanding the political arena where policymakers engage and discuss poverty. This arena may be dominated by institutions or senior officials, with heavy bureaucratic processes that are embedded in the system. It's important to research how policy decisions are taken under these structures- the steps and the people involved in addressing poverty from any angle, in order to engage properly with stakeholders. It may also be important to recognize the set of values, customs, and rules that civil servants must follow when seeking support for using the MPI to guide policy. Engaging with every institution whose work addresses poverty may not be what's best.

It's important to identify exactly which institutions, and which venues, are key for the decision-making process first.

As mentioned before, civil servants and policy makers tend to respond to emerging needs. When a problem arises, they will look for a solution in the policy stream. Hence it may be useful to identify the institutions and teams that address poverty within the government and research in detail how the decision-making process takes place. Who is involved? Who makes the calls? Additionally, one must keep in mind that policymaker's commitment with the measure may vary at different stages in their careers.

Aligning incentives

Evidence is never used impartially. Ideally, for any measure to be used it must be aligned with the policymaker's incentives. Aligning the MPI to the political incentives of stakeholders, is perhaps one of the most important things to do. This by no means implies changing the MPI to please a politician but focuses on showing stakeholders how this robust technical tool could benefit them in the short or long run.

These incentives vary according to the position of different individuals within the system. Many policymakers will probably be looking for evidence to strengthen their own agendas or weaken those of their political opponents. Understanding and aligning these incentives is key for the MPI to succeed.

⁷ The 2019 OPHI handbook, Chapter 2, already mentions the importance of stakeholder engagement.

POLITICAL INCENTIVES TO USE THE MPI IN PUEBLA, MEXICO

One interesting example of linking the MPI to incentives is what happened in Puebla. Between 2012 and 2014 poverty in Puebla increased and placed the state on the third place of highest poverty in the country. The Governor of the state of Puebla didn't want his state to fall behind in terms of poverty for various reasons, one of them is that he wanted to compete for the Presidency in the next elections. The governor specifically asked his Ministry of Finance to only accept social projects which reduced multidimensional poverty. This decision was communicated to all social ministers who together designed a budget strategy for poverty reduction for 2014-2018. They achieved the fastest poverty reduction in the country during that period.

Newly elected officials tend to want big ideas and ambitious projects. Still, once they begin governing, they quickly realize their need for a clear prioritization path. The MPI offers just that, a measurement with an ambitious goal that can be disaggregated into smaller components. Using a national MPI links this tool with the incentives of new governments. Governments who are not new may have different incentives to use the MPI. The MPI may be useful to monitor the progress made towards decreasing poverty under their mandate. Being internationally appraised, the MPI can also boost credibility in the ongoing government's social development policy results. Additionally, developing an MPI can send an important international signal of commitment to the 2030 Agenda: End Poverty

Politicians about to leave their posts due to the electoral cycle may need an MPI to validate their government's previous social policy work as they seek reelection. Being able to coherently claim a reduction in poverty is a great incentive, if this actually happened. Politics is all about incentives and we need to understand this if we would like to have better arguments for our MPI.

Since governments will always be influenced by voters, the MPI must also appeal to the public interest at large. The public holds the government accountable. The MPI is therefore a chance for governments to prove credible results, which they may be thanked for later through their citizens' ballots. Furthermore, the MPI could open opportunities for collaboration with other sectors of society, such as the private sector or NGOs. Costa Rica is a good example, where the private sector, up to the firm level, has been working, together with SOPHIA, a sister OPHI institution, to apply the MPI, so each firm could work to reduce poverty among their workers⁸, as it was shown in Chapter 5.

Tool #2: Understand your audience using the worksheet available in [Annex 2](#)

⁸ <https://innovation.ox.ac.uk/about/social-enterprises/social-venture-case-studies/fighting-poverty-sophia-spinout-international-development>

CHAPTER 7

Being Strategic

Timing and windows of opportunity

Understanding a country's socioeconomic conditions, the stakeholders involved, and the overall context may not be enough to properly advance a policy application of the MPI. A window of opportunity needs to arise in order to efficiently engage policymakers. Policy windows are opportunities for actions in given initiatives that we can promote — and these windows present themselves for only short periods of time. We need to remember that policymakers are attending a wide variety of concerns at a time — their attention changes rapidly as the political agenda evolves to fit emerging concerns. Still, a window may arise at any given moment to place the use of the MPI in the policy agenda. This will likely occur because of change in the political stream, such as a change of administration, a shift in the seat distribution in the legislature, a national crisis, or a change in public opinion. It opens because a new problem captures the attention of government officials, or we keep trying to find one.

The political events that lead to the opening of a window of opportunity don't specify in detail the ideal solution, rather it's more like the political forces (legislators, academics, bureaucrats, NGOs, the government) finding their chances to push their positions and proposals as solutions to the pressing concern. The advocates with more detailed and structured proposals would therefore have a better chance of addressing their solutions. In a way, the MPI's policy applications must be perceived as potential solutions floating around in the policy stream, near the government, waiting to become attached to a problem. Once in the stream, the MPI can be picked up on by a politician when an issue is pressing, or if the government is looking for a slogan for their administration and begins casting their net into the policy stream for proposals, the MPI can be adopted.

When we are able to generate a window of opportunity, it's important to be clear about the different potential policy applications of the MPI. At a technical level, the MPI must be a robust and detailed measure, so that it can be easily perceived as a solution to some pressing concerns: social policy coordination, lack of available data, lack of monitoring tools, etc. At a political level, discussions with relevant stakeholders must already be on their way, seeking to gain support and legitimacy so that when the window of opportunity opens, the potential policy applications of the MPI are already backed by important actors. We need to bear in mind, as said before, that the MPI should be a robust one; however, without the engagement and political will from key stakeholders, the technical solution will not get very far. Without a clear window of opportunity, the engagement by key politicians will not advance far either.

“

MACARENA ALVARADO

HEAD OF SOCIAL OBSERVATORY DIVISION, MINISTRY OF SOCIAL DEVELOPMENT, CHILE

“Chile was decreasing income poverty, but there were multiple issues that weren't being addressed through income. Economic growth was happening, and we were on good development terms, but people were still facing lags and deprivations- multidimensional poverty methodology came at a time when we needed policy guidance.”

”

Many times, it will be important to find windows of opportunity with various stakeholders. Sometimes, the window opens suddenly. The 2030 Agenda has opened a significant opportunity window for MPIs. Target 1.2 is about reducing 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 (United Nations, 2015). This target implies that all countries should have their own way to measure multidimensional poverty. Aiming to meet the 2030 Agenda, the number of countries that have adopted the MPI as an official poverty measurement is on the rise. It's important to take advantage of this current opening in the policy window (which may be stronger or weaker in certain countries) and seek to actively engage policymakers in charge of implementing the 2030 Agenda in their respective countries to move from measurement to policy action.

COVID-19 has been a tragedy in many ways, but it is also a window of opportunity to use good evidence to understand the problem of how poverty increased and get clear on the overlapping vulnerabilities, and build back better. The MPI showed during 2020 and 2021 that it is a crucial tool to make visible the vulnerabilities of different groups against COVID-19, to target better, and to guide an efficient recovery, as shown in Chapter 5.

After understanding the political environment, the stakeholders involved, what needs to change, and the importance of taking advantage of a window of opportunity, an important question needs to be answered: What pressing concern could an MPI possibly solve in *my* country? And, more importantly if we would like to have policy engagement and full awareness from key policymakers, what political gains would local policy makers get if we, together, use the MPI to orient poverty reduction policies? The following sections are about strategies to open windows of opportunity and be effective in engaging key stakeholders in using the MPI.

Opening windows of opportunity

It is key to be active about finding chances to engage stakeholders into using the national MPI.

It is important to introduce the MPI interests in the broad public agenda and influence various stakeholders to collaborate with their solution: “the first step to introduce a topic into the agenda is the intention of doing it” (Jones, 2008). Policy entrepreneurs — MPI leverage champions — will be pushing their proposals constantly and waiting patiently to act when favorable circumstances align (Kingdon, 1984).

UNDP: TAKING THE OPPORTUNITY FOR A COLLECTIVE MPI WORKSHOP IN PAKISTAN

In 2011 Colombian government launched their national MPI, and since then this has been used as a strong tool for poverty targeting, resource allocation and policy results tracking. With the emergence of the COVID-19 pandemic, in March 2020, the Decree 417 was appointed to declare Economic, Social and Ecological Emergency in the country. Within this framework, it was constructed a Vulnerability Index including information of the MPI. The Index was also mapped at blocks level. This data was cross checked with administrative records to allocate government support. The Vulnerability Index “is defined in terms of the risk of the persons who live in each block to the virus due to the existence of intergenerational households, previous morbidities, and critical overcrowding. This highly sensitive information is extremely useful for mayors for targeting public health programs” (Oviedo, J.D., 2020).

To learn more about this project, click [here](#).

Source: UNDP Pakistan, Transforming ideas into action – Understanding the Multi-Dimensional Poverty Index, 2018.

In countries with weak institutional capacities and political instability, policymaking tends to be highly politicised, with limited capacity for facilitating dialogue among stakeholders. Therefore, policy entrepreneurs should be capable of navigating these challenging political processes to gradually advance the agenda towards using the national MPI to orient policy.

When searching for a window of opportunity to promote the use of the MPI, it is necessary to consider the political cycles that are involved. For example, during election time, it would be advisable to promote discussions about the policy applications of the MPI among the candidates, hoping for their endorsement and commitment to reduce multidimensional poverty.

Both in Panama and Mexico, for example, presidential candidates and political parties have used the national MPIs for their campaigns and their government proposals. In the 2019 presidential election in Panama, not only did various political parties include the MPI as part of their objectives, but the candidates also made specific commitments to work for the children, and they promised to reduce child poverty measured in a multidimensional way⁹.

The beginnings of new government are precious windows of opportunity to convince stakeholders, eager to hear new ideas, about the use of MPI. For example, during the transition of government in 2012 in Mexico, it was possible to engage the new social development and finance teams about the importance of using the MPI for setting social goals in the National Development Plan. It took many hours of dialogue to present the main features and advantages of the MPI, and the new officials were able to generate a strategy using various elements of the MPI. This was possible even though the MPI was generated in previous governments.

Persuasion and knowledge brokering

Negotiating a policy application of the national MPI in the political arena requires lots of persuasion. Policy entrepreneurs must be capable of convincing other stakeholders to support their initiatives. However, in order to persuade someone, they must have the ability to express their ideas in a clear, authentic, coherent, and credible way. An MPI leverage champion must be capable of translating the technical knowledge and expertise to a language that is understandable for a broad audience. With words and actions, they must persuade others and gain their support. Therefore, it is important to have a policy entrepreneur with both technical and communication skills.

It is rather common to see technical people convincing other technical people using technical language. It is understandable that technical people would like to talk about the statistical proprieties and technical characteristics of the MPI, but this language does not ring the bell for politicians. The technical understanding should be translated into the language of the audience. Successful politicians do this all the time; policy entrepreneurs from all backgrounds should be able to do it as well. By doing so, it is more likely that the message will have a deeper A key element of persuasion is reaching people that do not always belong to our knowledge sphere. We need to go beyond this. To do this as the policy entrepreneur, the MPI leverage champion should use her skills to completely understand both the MPI methodology and the policy process. Her role is to translate knowledge between all the stakeholders

⁹ We can see examples of politicians in Panama talking about the MPI during the presidential campaigns in 2019: <http://elvenezolano.com.pa/candidatos-la-presidencia-se-comprometen-trabajar-por-la-ninez-y-la-adolescencia-panamena>
<https://www.laestrella.com.pa/nacional/politica/190416/ana-gomez-quiere-matilde-rescatar>
<https://www.panamenistas.org/images/contenido/documentos/PLAN-DE-GOBIERNO-BLACION-ABRIL-2019-C2-min.pdf>

“

PALI LEHOHLA**FORMER STATISTICIAN GENERAL OF STATISTICS SOUTH AFRICA, SOUTH AFRICA****“The technical arguments are solid; the political skills are needed”**

”

and to add value for the end user. Thus, besides being an MPI technical expert, the MPI leverage champion must learn all about her key stakeholders, their interests, necessities, political position, strengths, ambitions and even weaknesses.

To advocate for using MPI for policy, we must act as knowledge brokers (Kingdon, 1984). These are facilitators and linkage agents between decision makers and technicians. Knowledge brokering is about building a bridge between the technical language and the language of policymakers. Decision makers are usually dealing with political issues. Policymakers tend to be occupied with a wide range of issues: poverty, inequality, famine, obesity, elections, promotions, etc. Their agendas tend to be dictated by political factors and cycles. Technicians on the other hand, tend to be focused on designing and programming rigorous tools, such as the MPI. Their tools and results do not automatically convince politicians and policymakers on their valuable use. In fact, policymakers are sometimes unwilling to engage with technicians since they seem to speak quite a different language. Knowledge brokering builds bridges between a technical idea and its implementation in public policy; knowledge brokering is about developing, transferring, and translating knowledge to make it easier for access and use (Goldman, 2021).

Brokering involves foreseeing others' actions, preparing for different outcomes, sharing knowledge, and managing information in the relationship with stakeholders. It is important since, with this technique, it will be easier to identify the tweaks that must be done to the narrative to persuade different actors. When brokering and advocating for the multidimensional poverty measure, we need to convince the population of its value, and one way of doing this is using a narrative that fits the collective interest and attaining as much support as possible. See the box in page 72 for the main characteristics of knowledge brokers.

An MPI leverage champion must be able to communicate between the academia, politics, and media; she needs knowledge brokering skills. This requires facilitating knowledge-based networks and processes. Policy entrepreneurs act as facilitators and linkage agents, managing contexts and facilitating relationships, they stimulate interaction, trust, and commitment (Goldman, 2021). To do so, the MPI champion must come across as trustworthy and relatable. Knowledge brokers must be able to restructure, rephrase and repackage the message to relate with the audience. With regards to the multidimensional poverty measure, we are not changing facts according to the audience, we are only adjusting the narrative for them. Nevertheless, the challenge is how to successfully craft these narrative adjustments. Speaking the truth and making everyone feel heard is essential; however, it's also important to align everyone's incentives through discourse to achieve the best results.

SKILLS AND CHARACTERISTICS OF A GOOD KNOWLEDGE BROKER

Case study research on the use of evidence in African policy revealed that knowledge brokers played a critically important role as facilitators and linkage agents, capacity builders, and knowledge managers. This research, conducted by Goldman, et al revealed the necessary skills a knowledge broker must-have.

As facilitators and linkage agents:

- Professional experience in the sector/thematic area to be credible and for trust building
- In-depth knowledge of the external and internal context (key stakeholders and power dynamics)
- The ability to facilitate a multi-stakeholder process
- The capacity to establish and nurture relationships

As capacity builders:

- Knowledge of organizational change processes
- Understanding of policy processes and cycles
- Training and coaching skills

As knowledge managers:

- Experience in using tools such as situation analysis to design and support processes
- Ability to generate or collate evidence
- Research skills
- Critical thinking
- Ability to communicate- write effective reports, translate research and evaluation reports
- Political savviness, humility and the ability to understand and relate to individuals

Source: The Importance of Knowledge Brokering for Evidence Use in Africa.

Credibility is just as important as the capacity to solve the issues at hand. When seen as trustworthy, policy entrepreneurs could have more assets to convince other stakeholders, since they will be perceived as having authority to decide and will face less questioning. An effective entrepreneur must defend his policy with narratives and believe in the virtues of the scientific method.

Effective knowledge brokers do it all: they understand internal and external contexts, they harness opportunities and mitigate risks and barriers, they build strong relationships, they understand policy needs and promote demand for evidence, they facilitate multistakeholder processes, and they analyze information and communicate it properly (Goldman, 2021).

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Room to negotiate and flexibility are also important characteristics of a good policy entrepreneur. They must be able to engage all stakeholders and find ways to keep them satisfied with the processes and outputs of the MPI.

In the Seychelles, for example the engagement with the Multidimensional Poverty Peer Network (MPPN) helped Marie-Josée Bonne — then-Principal Secretary at the Ministry of Family Affairs — and her team to introduce the MPI into the public agenda by first learning themselves about poverty measurement and making international contacts. However, those were not the only factors that contributed to developing the national MPI. Marie-Josée was instrumental in recruiting like-minded individuals to form a delegation for the high-level MPPN meetings. In these meetings, countries willing to develop, implement and use MPIs get together to exchange ideas, challenges, and solutions. They later formed a “pressure” group that eventually convinced the government authorities to implement the MPI. Seychelles officially launched its MPI in 2020, and the institutional processes they followed are a great example for many countries.

For effective persuasion, the policy entrepreneur practices walking in other people's shoes, using her knowledge brokering skills. This is not only a good recommendation for everyday understanding and communication, but it is also key for understanding the needs and concerns of others. We could be convinced that a sound MPI, developed with the best data bases, could be a great device to clearly show the situation of poor and vulnerable people in our country. We can be convinced we need this information to help reduce poverty. This is what we think, but it

OBTAINING POLITICAL BUY-IN

Listen to Marie-Josée Bonne, former Principal Secretary of Family Affairs in Seychelles, on engaging national stakeholders and obtaining their buy-in.

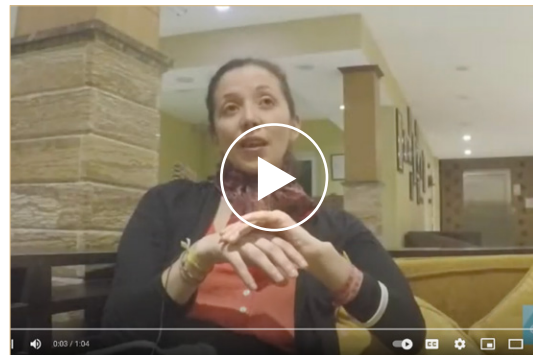


may not necessarily resonate with some politicians. For example, they may think that having a measurement that shows the true dimension of poverty in the country may backfire against them: everyone would know the harsh reality of the country, and this could be bad news from a political point of view. If we understand that, sometimes, an MPI could be unwelcome by certain policymakers, then the way we approach these particular policymakers should differ. We can restructure our message to say, for example, that an MPI would be able to show that even though overall poverty has increased, the MPI has the advantage of showing potential reductions in various deprivations, or it could show that one of the components, incidence or intensity, was reduced. This way of showing results is sometimes politically better than only showing the level of poverty or measuring poverty with only one dimension.

INTRODUCING A POVERTY MEASURE

(VIDEO IN SPANISH WITH ENGLISH SUBTITLES)

Listen to Macarena Alvarado, Head of Social Observatory Division, Ministry of Social Development of Chile, on framing the benefits of a new poverty measure.



THE MULTIDIMENSIONAL POVERTY PEER NETWORK (MPPN)

In 2013, OPHI, together with the governments of Colombia and Mexico, thought it might be a good idea to have a network of senior officials, representing countries and international institutions, interested in multidimensional poverty. A space where they could meet, exchange ideas, share advancements and challenges, and encourage each other in their efforts to measure and tackle multidimensional poverty. The Multidimensional Poverty Peer Network (MPPN) was launched in 2013 at the University of Oxford (Magdalen College). In its first meeting, around 16 countries and 5 international institutions, got together to collectively talk about multidimensional poverty. Professor Amartya Sen and then-President Juan Manuel Santos from Colombia were present as well, encouraging countries to engage in developing national MPIs to better understand local poverty (<https://mppn.org/launch-of-the-multidimensional-poverty-peer-network-oxford-2013>)

Today, the MPPN network is made up of more than 60 countries and approximately 20 international institutions. It holds regular teleconferences, side events at both the UN Statistical Commission and the UN General Assembly, and a high-level annual MPPN meeting. It also has a website that acts as a repository of information about national MPIs and produces a magazine, Dimensions, in both English and Spanish that documents country experiences in developing the measures and using them in policymaking.

The MPPN is a place where policy entrepreneurs can help engage with ministers, directors of statistics offices, and even presidents and prime ministers across countries about the importance of MPI.

If you're interested in more information, please send an email to mppn@geh.ox.ac.uk or visit us at <https://mppn.org>

For effective persuasion, the policy entrepreneur practices walking in other people's shoes, using her knowledge brokering skills. This is not only a good recommendation for everyday understanding and communication, but it is also key for understanding the needs and concerns of others. *We* could be convinced that a sound MPI, developed with the best data bases, could be a great device to clearly show the situation of poor and vulnerable people in our country. *We* can be convinced we *need* this information to help reduce poverty. This is what we think, but it may not necessarily resonate with some politicians. For example, *they* may think that having a measurement that shows the true dimension of poverty in the country may backfire against them: everyone would know the harsh reality of the country, and this could be bad news from a political point of view. If we understand that, sometimes, an MPI could be unwelcome by certain policymakers, then the way we approach these particular policymakers should differ. We can restructure our message to say, for example, that an MPI would be able to show that even though overall poverty has increased, the MPI has the advantage of showing potential reductions in various deprivations, or it could show that one of the components, incidence or intensity, was reduced. This way of showing results is sometimes politically better than only showing the level of poverty or measuring poverty with only one dimension.

Networking Skills

An important part of the brokering process — especially in the case of the MPI, due to its multidimensional approach — is building bridges between different disciplines and different kinds of stakeholders. Knowledge brokering seeks to add value for multiple users of information through various types of dialogue and coproduction of insights in new contexts. It uses a wide range of methods to promote knowledge sharing and understanding across disciplines, professional occupations, and organizations (Head, 2015).

Brokering relationships involves networking and negotiating to convince relevant stakeholders of the instrument or policy solution you propose (Kingdon, 1984). When meeting with stakeholders, it's extremely important to create a safe and trusting environment to build relationships. All stakeholders need to feel comfortable asking questions, sharing their concerns and challenges, and seeking advice. When engaging with policymakers, language should be intuitive and practical; it is important to avoid purely technical jargon or controversial political conversations, as we need long-term networks.

Using a national MPI as a policy tool requires involving a wide and divergent group of actors who may engage in the process in several ways throughout the policy cycle. This includes all government institutions related to the dimensions and indicators of the MPI, as well as those involved in data collection, budgeting, poverty reduction, and planning, from technical teams and bureaucrats to top level politicians. This may also include non-government stakeholders, such as the private sector, NGOs, academia, media, activists and, of course, the protagonists: people living in multidimensional poverty, who can favor sustainability of efforts beyond government changes. To get them on board, it will be necessary to approach and engage them according to their positions and interests. The following table summarizes possible stakeholder engagements; the emphasis should change according to the policy use we would like to achieve.

TABLE 4. POSSIBLE STAKEHOLDER ENGAGEMENTS (FROM HOW TO BUILD A NATIONAL MULTIDIMENSIONAL POVERTY INDEX HANDBOOK)

Stakeholder	How to engage with them	How they could support the MPI	Advantages
President, prime minister, vice president	<p>Personal discussions and presentations with trusted advisors, people they trust. Underline the idea that current public policy could reduce poverty in the short run using MPI (this is not the case with income poverty).</p> <p>The MPI is a good tool to coordinate social policies between ministries and keep them accountable, and it's also an easy entry point to the SDGs.</p>	<p>More visibility to the indicator. They could easily place it in the public agenda. The MPI is a good tool to coordinate social policies between ministries and it's an easy entry point to the SDGs.</p>	<p>Powerful and meaningful impact.</p>
Ministers, vice ministers	<p>Presenting other countries' experiences. One-on-one discussions. Each minister could have political wins if they are able to reduce deprivations through their ministries work.</p> <p>Invitation to the Multidimensional Poverty Network (MPPN), where they could meet their peers doing their MPI.</p>	<p>Institutionalize the MPI into existing processes. Share information and potential policies with other ministers.</p>	<p>Maintain support throughout the process.</p>
National institute of statistics	<p>Through workshops and seminars, MPI could become a key indicator for them.</p>	<p>Providing independent, accurate and regular estimations of the MPI.</p>	<p>Guarantee technical and methodological rigor to the MPI datasets and estimates. Assure they are transparent and replicable.</p>
Civil servants	<p>Workshops, consultations, and presentations. Invitation to the Multidimensional Poverty Network (MPPN), where they could meet their overseas peers doing their MPI.</p>	<p>They are the ones that perform the calculations and make the process happen. They also ensure continuity when governments change.</p>	<p>Key for the long-term sustainability of the MPI. They survive changes in governments. They are key users of the MPI figures.</p>
Subnational levels of government	<p>They should be briefed to know what the MPI is and how it can be useful for policy. The disaggregated findings need to be shared proactively with them.</p> <p>MPI disaggregates by states and municipalities with census data, encourage them to pay attention to their MPI figures in each state. Politically, this is important for them.</p>	<p>Give recommendations on how to interpret the MPI and how to use it very concretely. Set up prizes, and national analyses, to recognise best performers.</p>	<p>They are the main users of the measure and an important audience for discussion of MPI indicators and deprivation thresholds.</p>
Congress or parliament	<p>Grounded in a shared concern for poverty that spans political platforms.</p> <p>Congress could push for an MPI.</p>	<p>They could make law to ensure MPI continuity beyond the limits of a certain administration, and to protect funding for data collection.</p>	<p>Strategic ally for the assurance of a permanent MPI.</p>
Academics	<p>Open and on-going discussions.</p> <p>MPI is an interesting field for academics. MPI is at the frontier of poverty measurement in academia.</p>	<p>Academics teach the next generation of political leaders, technical advisors, and statisticians. Their students and them research the country or region, uncovering policy-relevant pathways out of poverty. Academics could also help with the transparency process of MPI. They could replicate the figure to show the transparency of the measurement process.</p>	<p>Their endorsement of the MPI adds local credibility and legitimacy to the measurement. They can also analyse the MPI to see what has reduced it strongly and how to sustain change.</p>
Opinion leaders	<p>Share findings with key opinion leaders working with each relevant group and engage them in productive debates.</p> <p>They influence governments to adopt and reduce MPI.</p>	<p>Communicate ideas to a mass audience and gain support. They shape ideas and build a common understanding of the purpose and usefulness of the MPI.</p>	<p>A crucial link with the population, as well as with philanthropists and other actors.</p>

Stakeholder	How to engage with them	How they could support the MPI	Advantages
The non-profit, civil society sector	<p>Personal discussions and presentations with trusted advisors, people they trust. Underline the idea that current public policy could reduce poverty in the short run using MPI (this is not the case with income poverty).</p> <p>The MPI is a good tool to coordinate social policies between ministries and keep them accountable, and it's also an easy entry point to the SDGs.</p>	<p>More visibility to the indicator. They could easily place it in the public agenda. The MPI is a good tool to coordinate social policies between ministries and it's an easy entry point to the SDGs.</p>	<p>Powerful and meaningful impact.</p>
Poor people and their communities	<p>Meetings, workshops, and seminars. Also, personal approaches with key people or movements.</p> <p>MPI could be a good accountability tool.</p>	<p>Government often seeks advice of the civil society. They know poor people's realities, so they give legitimacy to the MPI. Civil society monitor governments in democracies.</p>	<p>They are already fighting disadvantages and, hence, have insights relevant to developing a national MPI.</p>
Media	<p>Ground reality checks, which include focus group discussions and small surveys in different communities. Communicate using infographics, visuals and materials translated into local languages.</p>	<p>They could help identify issues and introduce changes to the proposed national MPI. They can use the MPI for bottom-up actions, or show how current policies could be made more effective.</p>	<p>Direct participatory work to shape the structure for the national MPI Empower the people and gain long-term support.</p>
Private sector	<p>Building alliance, promoting joint research and shared responsibility.</p>	<p>Continuous dialogue between the government and the private sector. Do concrete activities with fast visible metrics.</p>	<p>Strong ally in the fight against multidimensional poverty.</p>
International Agencies/Donors	<p>Meetings, workshops, and seminars. International conventions. Ongoing dialogue and collaboration. Engage in contexts of disaster or humanitarian emergency.</p>	<p>Valuable support for the development of the national MPI and MPI-based policies; may support via funds, communication products, or expertise.</p>	<p>Credibility and support, including on the international stage, insights from other countries.</p>

Source: How to Build a Multidimensional Poverty Index (2019), OPHI/UNDP

By understanding ideas, motives, and concerns of others in their local policy context and responding effectively, entrepreneurs could maximize their contacts and deliver better outputs (Mintrom, 2009).

A policy entrepreneur for multidimensional poverty measurement may also be responsible for creating more space for the voices and demands of poor people. In the absence of good access to the policy making process, marginalised and vulnerable groups risk having policies that would benefit them being given limited weight and attention. If policies are to have widespread support, legitimation processes should not be confined to small groups within parliament and government ministries, but should instead include all stakeholders, including potential beneficiaries and the general public (Bird, 2014).

Attitude and Empowerment

Politics is about power, about the capacity that someone has to make others act in a particular way.

When developing a multidimensional poverty measure or enabling the MPI to be used in policy, it is important to convince other people so they can act in favor of positioning the indicator in a sustainable way. A proactive attitude is necessary to persuade new stakeholders, to empower them and empower yourself, so people can do something in a different way from what has been traditionally done. An MPI champion, when working as a knowledge broker, ideally should use narratives and symbols to persuade other stakeholders rationally or emotionally. There are two

sequential steps that must be followed. First, it is important to identify who will help position the multidimensional poverty measure as a policy tool in the national agenda, as shown in the previous chapter. Second, once identified, it is necessary to develop a narrative to engage them in supporting the cause. For this step, it's necessary to know the stakeholder's interests and align with their incentives.

MPI leverage champions should also have the attitude and skills to help empower key stakeholders, all while being politically savvy, acting with humility, and having the ability to understand and relate to individuals from diverse professional backgrounds (Goldman, 2021). For example, in the MPI technical team there may be “natural” champions with the necessary communication skills, attitude, and capacity to persuade decision makers. Another possibility would be to hire a communications consultant, teaching members of the technical team to become savvier policy entrepreneurs, while immediately improving the team's messaging. Finally, a policy entrepreneur should be able to detect a potential ally within government or congress. For example, in Mexico, technicians partnered with congressional representatives from opposition parties, because the former were keen to measure poverty in a multidimensional way and willing to create an independent institution to measure it, as shown in the box below.

ACADEMICS AND CONGRESS IN MEXICO

The Mexican government launched in 2003 its first (income) poverty measurement. However, at that time, the majority congress representatives were from a different political party than the President and they were not convinced about this poverty indicator, since it was estimated by the executive which, according to Congress, was not reliable. At the same time, they thought that the country needed a methodology including elements beyond income.

For this reason, two discussions on poverty took place in Mexico simultaneously around 2004. One was the need to have an independent agency to measure poverty in the country, due to the mistrust on government to do this on its own. The other one was the need to measure poverty in a multidimensional way. These discussions were led both by academics and by few congress representatives.

Since academics were not a powerful group to persuade many about these two discussions, they partnered with Congress from opposition parties. These new partners increased their power for the MPI purpose. At the end of 2014, Congress launched the General Law of Social Development, creating an independent institution to measure poverty with a multidimensional approach.

CHAPTER 8

Creating a Narrative

Storytelling

When aiming to convince policymakers to use the MPI to orient policy, it's important to design a simple, easy to understand, and, most importantly, true narrative. Framed properly, the narrative should convince policymakers about the importance of addressing poverty through social policy and present the Multidimensional Poverty Index as a solution to some of the most pressing concerns (that it indeed addresses). Sharing this narrative we also learn from others' responses, hearing their insights or ideas, and also benefitting from their corrections. So it helps to clarify where and why the MPI can be used in policy.

Here's a list of simple messages the narrative could try to convey. The selection of the messages to be incorporated in the narrative should be aligned to the country-specific purpose of the national MPI in the first place, and the *need* the policymaker, which can be fulfilled with an MPI.

TABLE 5. KEY MESSAGES FOR POLITICAL SUPPORT

Key messages for political support

1. The MPI is important to set institutional goals and coordinate social policy strategies, because poverty reduces when ministries reach their associated goals.
2. Budget decisions could be more efficient if MPIs are used because it is possible to see where each dollar is most valuable to reduce poverty.
3. The MPI can measure the impact of different social and economic programs on poverty, making it very useful for budget decisions.
4. We can find who the poorest people are by measuring how many deprivations they have, using the MPI. This makes the MPI crucial for targeting resources and services across the country to the poorest households, to leave no one behind.
5. The MPI is a useful management tool to track and meet nationally defined poverty reduction goals by ministries – so everyone knows what to do to end poverty.
6. Making the MPI an official poverty measurement can be an important tool for accountability, and for SDG reporting.
7. The MPI is important as an advocacy tool for various groups such as children, women and people with disabilities, because it can highlight how their situations differ from other populations.
8. The MPI can be useful to report advances in the Agenda 2030, since the national MPI is part of the SDGs and their dimensions cover other goals. We use the national MPI to report in the Voluntary National Reports to the UN and report it as SDG indicator 1.2.2.

Source: some elements taken from *How to Build a Multidimensional Poverty Index* (2019), OPHI/UNDP.

Upon selecting a simple message, it's important to build a narrative around it — make it personal and easy to relate to. To do so, the first component the narrative should address is the need to use the MPI to effectively address the different dimensions affecting people's lives in a variety of ways. The narrative must explain the urgency of adopting policies that address poverty in a multidimensional way. Using practical examples from other countries is a powerful tool for explaining the importance of using the MPI to address poverty in a multidimensional way. For this, the MPPN is great platform to connect with policymakers from all over the world with real-life experience using the MPI for policy.

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PALI LEHOHLA**FORMER STATISTICIAN GENERAL OF STATISTICS SOUTH AFRICA, SOUTH AFRICA**

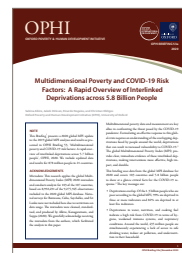
“Poverty counts, poverty matters, and every country position paper says that poverty is a challenge. Poverty, inequality, and unemployment are priorities. When it comes to understanding and diagnosing it- MPIs are the doctor; they identify what to prescribe. They focus the mind on what constitutes policy.”

”

The narrative, secondly, should frame an MPI as a powerful enough measure to orient policies that grasp all, or at least some, of the dimensions of poverty. The narrative should present the MPI as a solution that addresses the need for more precise information and disaggregation on poverty. In short, MPI as a pivotally important index capable of coordinating efforts and achieving results.

Although convincing policymakers about the importance of understanding and addressing poverty as multidimensional is crucial, there might still be a lack of comprehension about how exactly an MPI could be used in practice. To solve these doubts and create a greater understanding, it's proved helpful to narrate the process through one or more other countries' real experience. The closer the similarities are between the country that have succeeded in using the MPI to orient policies and the one seeking to apply it, the easier it will be for the policymaker to relate and identify with the type of benefits that come with using an MPI.

Global MPI. Real lives, beyond the numbers



The Global MPI assesses the nature and intensity of poverty at the individual level, but who are these people?

Read about the lives of some people who were poor according to the Global MPI. These stories go beyond numbers; this is the way poverty is lived through the eyes of those in poverty. These case studies can help explain the MPI in an intuitive way by relating it to real people.

Access to webpage: [Life Stories](#)

Tool #3: Practice elaborating simple messages using the worksheet available in [Annex 3](#)

What creating a narrative of a similar country does is allow the listening policymaker to identify ongoing problems, relate to them in his own national context, and perceive the MPI as a solution that has been proved efficient. On the contrary, bombarding policymakers with evidence, data, numbers, tables or equations could lead to them feeling overwhelmed by the immensity of the problem at hand, without a clear understanding of how the MPI works.

A good narrative serves as a brokering tool: it helps bridge the academic expert's technical rigor with the real implementation of the indicator being used to aid in the fight against poverty (Head, 2015). For all policymakers to properly comprehend the measurement, particular focus must be placed on communicating clearly with simple messaging, simple language, and a clearly defined communication strategy.

Communication tools and strategies

Adopting and using a national MPI represents a paradigm shift, therefore it is highly recommended to have a communication strategy that explains the importance and benefits of addressing poverty in a multidimensional way. Many countries have considered this for the stages of designing and launch of the MPI, and it is equally important to consider it for policy uses of the MPI.

It is common that governments invest in relatively good communication tools to launch their MPIs, but they frequently neglect to develop a good strategy for the actual use of the MPI for public policy. Stakeholders need to be reminded not only that the MPI is a good measure in and of itself, but also the purposes of having one. Thus, the communication efforts on MPI need to go beyond its launch.

It is important to ensure continuity of the measure in the long term (reducing poverty requires policies with a long-term vision, not only for the current administration). Thus, it is relevant to engage and convince all the actors on all the different stages of the policy cycle, since this implies doing things in a different way than they may be used to (changes, naturally, bring resistance, especially at the technocratic level, so high-level leadership is still important).

Tool #4: Practice elaborating key messages for different stakeholders using the worksheet available in [Annex 4](#)

An effective communication strategy is all about the valuable use of the MPI for public policy. It's about how the MPI monitors poverty in the country and within sub-national regions, about how we can see what happens across all deprivations, about how the government's work is contributing (or not) towards poverty reduction, about how each ministry's programs are linked to the MPI, and about how the government and parliament are using the MPI to improve public policies, including budgeting.

JOHN HAMMOCK AND COMMUNICATING THE MPI



John Hammock, OPHI Co-Founder and a “natural” at convincing others, reminds us to keep in mind three important areas when implementing an MPI: (1) an MPI needs a champion; (2) there is the need to permanently support the Statistical office, especially with an assigned budget, and (3) the country needs a good communication strategy for the MPI policy use. As we have mentioned before, one of the most important characteristics of an MPI champion is their capacity to communicate the importance of the MPI for policy use to all relevant stakeholders.

POWERFUL MPI MESSAGES FROM UNDP

The COVID-19 pandemic increased the importance of the MPIs for many reasons: We are able to detect vulnerable households; we could target better these groups; we should make sure, through MPIs, that we will build back better. Given this, the UNDP published in 2021 a document which is visually very clear about how to communicate properly the importance of MPI for COVID-19 responses. Besides that, it gives country examples about different dimensions of poverty, how people were affected by COVID-19 or related problems, and how people are coping with this.

It is worth looking [here](#) at this very important UNDP document.

Source: Multidimensional Poverty and COVID-19: Understanding different facets of poverty will help us build forward better, with equity, UNDP, 2021.

It is true that we will need different types of tools and communication channels for efficient communication with a diverse range of stakeholders. Although, we should never forget that perhaps one of the best communication tools is to have a one-on-one conversation with each stakeholder, perhaps in an office, perhaps on a bench, perhaps over lunch, and just talk about the different aspects of the potential use of the MPI. For example, with the Minister of Finance, we can talk about how the MPI can help with the budget decisions for an effective evidence-based budget process. With the legislature, we can talk about how the MPI can be useful for them to monitor the budget they've approved for housing improvements for the poor. With the President, we could elaborate on the use of MPI for tracking changes; for example, even if overall poverty increased recently, some deprivations were reduced due to successful public policy in those specific areas. Successfully communicating the importance of using MPI for policy is all about having a consistent measurement, but adapting its message to different interests and backgrounds.

Engaging the media and civil society

The media, and civil society in general, are perhaps the most important allies for the continuity and use of the MPI across governments. If things go wrong, they might also turn into its worst foes. Communicating with them about the potential uses of the MPI is a must. One must also start engaging with the media, making sure they fully understand the methodology, interpretation, limitations, and policy implications. It would be a very good practice to organize one or two-day workshops with the media to explain the motivations behind using and pushing MPI for policy, the people and institutions who were consulted to design the MPI, how to accurately report its various results, and how it can be used to measure the success of government policy.

The same holds for the civil society organizations. It is important to hold workshops for civil society representatives so they can get all the information on the MPI, see the connections with their work and support the MPI for policy, including accountability. Since there are usually so many organizations, sometimes more than one workshop is required. Building trust and credibility are the main objectives here, as during the whole MPI process.

A TOOLKIT FOR STRENGTHENING PARTNERSHIPS: UNDP AND CIVIL SOCIETY ORGANIZATIONS

Civil Society Organization (CSOs) may be one of the most important partners for government and international organizations. For this reason, UNDP launched a Toolkit for strengthening partnerships with CSOs. This important document was aimed to prepared UNDP country offices with tools and information to build effective partnerships with CSOs for diverse purposes, especially for UNDP to be more effective on the ground, with the help of local partners.

“CSOs play an increasingly influential role in setting and implementing development agendas throughout the world. Many have been in the forefront of advocating principles of social justice and equity. UNDP actively encourages all its offices to engage with a wide range of organizations and associations whose goals, values and development philosophies accord with its own”.

These lessons may be also taken by policy entrepreneurs when engaging key stakeholders to use national MPIs for policy, such as accountability or budgeting

Source: *Toolkit for Strengthening Partnerships* (UNDP, 2006).

Communicating, convincing, and approaching all stakeholders takes time, but it is time well spent; it can potentially be a sound long-term investment. It could also open possibilities for alliances and partnerships for poverty reduction. The more stakeholders we engage around the use MPI, the better for the consolidation of this important measurement tool later on. In some country contexts Civil Society Organizations (CSOs) could be part of steering committees for specific uses of the MPI, such as budget decisions or targeting process for social policy.

Seeing the MPI from others' perspectives, creating a narrative, sharing it with many different actors, and listening to their insights, ideas, criticisms and unclarity is a dynamic two-way process. They learn more about MPI; and policy entrepreneurs in turn learn more from them about what the most useful applications of MPI might be. A key basis of all communication, of course, is trust in the integrity of those sharing a narrative. Policy entrepreneurs do not distort the MPI to 'sell' it or please others – as the next chapter discusses.

CHAPTER 9

The importance of institutionalization: Relationships and trust

Convincing few key stakeholders to use the MPI for a policy is a major achievement, however, convincing institutions to do this in a systematic way is even more important. Ideally, we need to use the MPI not only once, but in a systematic way for as many years as possible, and this is only possible by institutionalizing MPI processes within each of its policy uses.

The importance of coalitions

Aside from having a solid narrative and communication strategy, it is important to build a network of stakeholders and political agreements through specific coalitions. Institutional MPI coalitions — committees, for example — will contribute with knowledge and will to improve not only the legitimacy of the use of the index, but to increase the chances of the MPI to be used in policy. By having more allies from different backgrounds, the MPI will have more credibility and more potential uses.

To advance on this regard, it is important first to identify with whom to form coalitions. These coalitions may be put together by MPI champions within government, for example, by the president or the minister of finance, if the principal MPI use messaging is about efficient budget. It is necessary that allies share common beliefs and will benefit from the MPI. There are several ways to convince someone of the benefits they could reap; aligning incentives is a great way to achieve this.

There are two types of possible coalitions. In an ‘insider’ coalition, policy makers persuade other stakeholders by developing relations, providing evidence, lobbying and dialogue. These coalitions also include building relationships with expert or influential voices to support policy. On the other hand, there are ‘outsider’ coalitions, which can apply pressure on policy makers, via public mobilization, high profile media, and working with strategical allies.

As described before, support from different stakeholders increases the legitimization and policy use of the MPI. A legitimate MPI is extremely important, since it is more probable that the information it provides will be used. One way of ensuring broad legitimization of a new policy is to increase the participation of relevant national stakeholders (government, implementing agencies, parliament and civil society organisations etc.) in the policy design through institutional coalitions.

In Chile, there are several coalitions that provided legitimization to the MPI and its utilization. The Chilean government works closely with international organizations that validate their processes, data, and results. As already mentioned in the handbook produced by OPHI and UNDP in 2019, a crisis developed in 2012 when the validity of the data on poverty was called into question, triggering a need to review the existing measures. The president at the time, Sebastian Piñera, brought together a panel of experts from various organizations and political backgrounds to participate in the Presidential

BUILDING RELATIONSHIPS

Listen to Dr. Risenga Maluleke, Statistician General of Statistics South Africa, talk about the challenges of building relationships with relevant MPI stakeholders.



Advisory Commission of Experts to Update the Poverty and Extreme Poverty Lines, whose mission was to brief the president on all aspects of measuring poverty and extreme poverty and to offer proposals on the matter. This was a useful coalition to bring trust back into the poverty figures.

Support from relevant national stakeholders ensures broad legitimization. When developing an MPI in South Africa, public servants from the statistics bureau attended OPHI's summer schools. When they came back, they had the technical knowledge required to develop the measurement. However, they quickly faced a lack of political will on behalf of two important stakeholders: executives at the Statistics Department and the National Planning Commission. Politicians did not fully comprehend the utility of the South African MPI, and it was still very new. Over time, statisticians continued patiently communicating the importance of the MPI in South Africa to local politicians, involving them in MPPN and innovating on new uses of MPI. This communication strategy, engaging key stakeholders, drew on the importance of connecting solid arguments with demonstrating policy salience, and highlighting the importance of accountability and transparency¹⁰.

Mexico offers another example of how developing a credible poverty indicator requires consulting a wide range of experts, including local authorities, national academic experts, and international academic experts. While developing the first poverty indicator, the Social Development Ministry organized an international symposium (April 2001) titled: "Poverty: Concepts and Methodologies". By the end of the seminar an important agreement was reached: the Social Development Ministry would put together a steering committee with the objective of developing the official methodology and use the results for social policy accountability. Some years later, another institutional coalition was created in Mexico to support the multidimensional poverty indicator: all political parties voted in 2014 to have a Law of Social Development requesting a multidimensional poverty measurement. It also created an independent institution, CONEVAL, where independent academics, together with government and Congress were able to develop an MPI and launch it in December 2009.

As mentioned earlier, Seychelles is a good example on developing consultation and coalitions in an institutionalized way. The first political discussions about an MPI were held at the National Poverty Consensus Forum (Poverty Forum). This was the first institutional vehicle to start talking about multidimensional poverty. The Poverty Forum, chaired by the President, included the main ministries, departments and agencies, and non-governmental organizations. The fact that there was political agreement and engagement about the importance of poverty reduction and to measure

Brief on Institutionalizing the Mexican MPI



In the early 2000s, Mexico launched a process of institution-building for its social development policy and the formulation of an official poverty measure, which led to the

creation of the National Council for the Evaluation of Social Development Policy (CONEVAL) and the establishment of the first official multidimensional poverty measure in the world.

Today, CONEVAL generates official multidimensional poverty estimates with representative data every two years at the state level and every five at the municipal level.

Access to Brief: [OPHI Briefing 44](#)

¹⁰ Interview with Pali Lehola, former Statistician General in South Africa.

poverty in a multidimensional way, made it possible for the technical people to carry on working towards an MPI. For this reason, Seychelles set up an MPI Technical Committee, to take further technical agreements about the main features of of the MPI.

As valuable as consultations are, it is important to recognize that the government may sometimes be poorly equipped to identify the sources of exclusion and may have low levels of motivation to overcome them. Decision makers may ignore these groups because the groups themselves rarely form a powerful constituency and cannot demand their inclusion. Participatory policy making may therefore fail to open public space but may instead act to reflect and reinforce key axes of power (Bird, 2014). As an MPI leverage champion, one must break with these exclusions and try to incorporate all relevant stakeholders into the coalitions, insofar as this is feasible.

Set an Institutional MPI Process

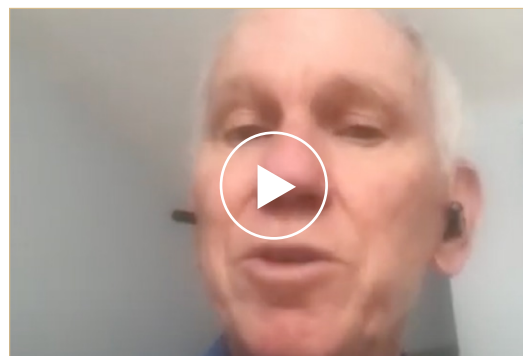
A multidimensional poverty measure is only relevant for policy use if it is produced by a reliable source, with reliable data, using a solid and transparent methodology, and having a frequent updates. However, producing that information is not as simple as it seems. It is important to ensure, for instance, that the data will be produced for a long time, with a well-planned periodicity. The public and the main political stakeholders should clearly know that there will also be transparency in the way poverty figures are estimated. It is necessary as well that poverty figures are estimated with a methodology that does not change every year, which would lose the comparability of the MPI figures through time. The MPI should be measured without substantive methodological changes for a sustained period of time – usually at least a decade. These elements maximize the possibility of the MPI being used in policy in a sustainable way.

Institutionalization is the process through which the rules of the game are set, and the actions that lead to legal regulations and agencies that preserve those rules. There is a wide range of possible actions that could be done to institutionalize a Multidimensional Poverty Index, which can vary from country to country. Legal norms such as laws, regulations, or official guidelines are set for the most important MPI processes; institutions are established, and collaboration agreements are signed.

For example, the technical committees for the development of an MPI could be set up through a Memorandum of Understanding between various official and private institutions. A law or a ministerial regulation could be signed in parliament about the starting process of an MPI. Official guidelines could be issued to set up the measuring process – they could even be made public, to further institutionalize

FIVE KEY INGREDIENTS FOR MPI USE IN PUBLIC POLICY

Listen to John Hammock, OPHI Co-Founder, talk about five key ingredients needed for the MPI to be used in public policy- these include institutionalizing the measurement.



the process. For example, in the Mexican case, official guidelines about how to measure poverty were signed by CONEVAL and the government, and further specified how the MPI should track poverty and deprivations by ministry, including the need to publish the statistical files so anyone could replicate the MPI estimations. The institutionalization of the measurement protects the MPI from political mishandlings, since governments — or any other institution or person — will not easily be able to manipulate the estimations, stop their production, or even ignore the measurement.

According to Goldman (2021) institutionalising systems for evidence use requires: recruiting staff with soft skills as well as technical skills, strengthening anticipation of demand for evidence while developing the capacity to respond quickly through analyzing existing data, widening the involvement of stakeholders in the evidence process, systematize feedback to practitioners and policy makers from users, establish systems to better manage knowledge, and create more effective learning cultures which encourage the use of evidence.

The institutionalization of the MPI also necessitates defining which institution will be the custodian of the measurement. If a statistical office is reliable then it should house the MPI, but the MPI could also come from a planning commission or ministry. In this case, it is common that the planning commission — or similar institution — will be the one responsible for policy use of the MPI. Depending on the institutional arrangement of each country, the suitable agency may take many forms, but it is essential that the selected one is technically sound and has credibility. In a few cases, countries create an independent unit to measure poverty. Any arrangement would be fine, as long as it brings stability and credibility for the MPI, and it could create a solid governance of the indicator.

Institutionalization of the MPI also means using MPI for setting poverty goals in national development plans or social strategies and using this indicator as one of the key results indicators of the country. In practice, various countries have used different institutional approaches for their MPI process. Mexico set up its MPI through the General Law of Social Development launched by Congress in 2005, which created an independent institution — CONEVAL — to measure poverty and the mandatory use of the MPI for all state agencies. Panama released a Cabinet Decree, Nr. 63, in which the MPI-Panama was established as the official instrument for multidimensional poverty measurement. The key stakeholders of the process were the Vice President and the Minister of Social Development. In Honduras, the President launched two Executive Decrees for the MPI process and institutionalization. Costa Rica and Colombia were able to link the national MPI to their national development plans. In the case of Colombia, the President announced a new National Development Plan where poverty reduction was at the centre of the strategy; Costa Rica developed its *“Puente al Desarrollo”* (Bridge to Development), a poverty reduction strategy linked to the national plan.

Another element of institutionalisation is to set clear the main purpose of the MPI. This should be articulated from the development of the measure and written into the reports, as this will guide other choices and considerations for the measure. In the case of Costa Rica, the purpose of the MPI has been *“All heads and officials of ministries and institutions of the social public sector to use the Multidimensional Poverty Index as an official tool for measuring poverty, guiding the allocation of resources and monitoring and evaluating social programs”*.

Another important institutionalization element is to build credibility on the MPI, which implies protecting the methodology from abrupt changes. It is not good for credibility to make sudden changes in the MPI structure.

If there are going to be changes, it is important to give advanced warning and compute estimations for both structures during the transition. For example, in the Mexican case, the official MPI methodology includes a clause saying that the structure of the measure should not change for ten years. Before it changed the MPI in 2020, CONEVAL took care to announce it in 2018. Finally, a crucial institutional element is to be transparent about the MPI figures. The MPI trends, like all poverty trends, are always very politically sensitive; for this reason, it is always key to keep up the trust in the MPI figures by making the data bases available to everyone as well as the computing programme, so any person could replicate the estimations.

Coordinating processes

Together with the political will of the president or prime minister for the development and use of the MPI, it is important to complement this effort with institutionalized coordination between various stakeholders. Setting up an MPI only for tracking poverty changes or using it for other policy actions requires the coordination of various stakeholders. Otherwise, the MPI cannot last long in active use.

As suggested before, including MPI use in regulations can help the tool to be used even across governments. But this should also be accompanied by solid structures where the processes do not depend on individuals. Individuals could change, but institutional coordinating structures should endure.

Colombia is a good example of coordination within the government for poverty reduction which started in 2011 and was continued by the subsequent government. *La Mesa de Equidad*, or Equity Roundtable, is a high-level committee chaired by the President of Colombia, where ministries and agencies agree on programs, policies, and actions to reduce poverty and inequality. This roundtable uses the MPI as an important monitoring tool for all agencies. The Equity Roundtable not only includes the social ministry, but also includes economic ministries and planning commissions. The MPI is not only a measurement tool, it is also a coordination tool for more effective public policy.

“The Equity Roundtable coordinates and agrees with the areas and agencies of the national government on plans and projects aimed at reducing poverty in the country through the design and implementation of the Poverty Reduction Roadmap. The implementation of the Equity Roundtable was included as part of the strategic actions of the National Development Plan, and it was institutionalized through a decree that ensures it functions” (Roa-Clavijo, 2021).

Interview Alert!

The Equity Roundtable: a space for coordination to reduce poverty in Colombia

16 June 2021

By Felipe Roa-Clavijo, OPHI Researcher and Global Policy Network Lead.

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Read an interview with Laura Pabón, who leads the Directorate of Social Development in the National Planning Department in Colombia and participates in Technical Secretariat of the Equity Roundtable that brings together ten government entities to follow up on poverty reduction and other social indicators.

Access to interview: [The Equity Roundtable: a space for coordination to reduce poverty in Colombia](#)

This decree (*Departamento Administrativo para la Prosperidad Social, 1111*) was issued in 2020 and it includes the Equity Table in the fight against poverty and inequality, sets the objectives, goals of the Table and makes it clear which agencies are part of it, as well as the Technical Table. This is a good example of how countries could institutionalize coordination for the sustainability of the MPI use in public policy.

It is important to underline that coordination incentives are greater with an MPI than with a multidimensional system that uses a dashboard, even if it includes the same dimensions. A dashboard dilutes the fact that the ministries of education, health, and social development, for example, are contributing to the reduction of poverty in the country. The aggregate MPI brings it all together and enhances the coordination of efforts and goals.

Conclusions

Measuring poverty is a challenge. It implies not only combining theoretical and field observation elements to understand its conceptualization, but also, a myriad of technical challenges both in methodology and in data generation. Undertaking significant measurement itself also relies on generating political consensus between many actors.

For those who have generated a robust multidimensional poverty measurement in their country, the work was surely titanic, and they should feel proud of this achievement. But without underestimating this effort, the truth is that the measurement has a limited scope if it is not used constantly in public policy decisions. The urgency of reducing poverty, especially due to increases brought upon by COVID-19, forces us not only to generate innovative programs and strategies for measurements, but necessitates using poverty measurements for policy.

This handbook seeks to support countries, policymakers, academics, civil society, and all those interested in reducing poverty, to move from metrics to policy. The Multidimensional Poverty Indicator (MPI) has several advantages that make it an ideal candidate to guide public policy actions in the fight against poverty, complementing monetary poverty strategies. Because the MPI includes social needs, basic capabilities, social rights — depending on the focus of each national MPI — in the areas of health, education, housing, security, employment, etc., this indicator is directly linked with the policy actions of governments. The MPI can also be disaggregated by populations and geographically, which means that it can detect those left behind. These properties allow the MPI to be used for tracking poverty, for budgeting and targeting, for designing programs and for emergencies, such as COVID-19.

Going from metric to policy is important, but it has never been easy. Using a technical indicator to generate changes in public policy requires the work and conviction of many people. Although the political will of a leader, such as the president or the prime minister, is a relevant element for the MPI to be used, the participation of people in various areas of government — on the national or state level — is also required in practice, including in the Parliament.

That is why the transition from metrics to the use of MPI in policy requires a lot of conviction from various stakeholders and countries need people to be able to cross this bridge. This handbook is focused on supporting MPI champions or policy entrepreneurs, who are those people who not only have the technical capacity to understand the particularities of the MPI, but also have the political nose and the ability to explain to diverse groups the advantages of using this important tool. For this reason, the handbook shows they are important elements that can help us to engage key stakeholders in the use of the MPI in public policy. Knowing the political, social, and economic context of the country is an essential element to know how to get the main messages across. Understanding who the key stakeholders are, understanding their points of view, their ideas and their incentives is part of the knowledge necessary to generate trust and achieve their participation. Those who practice the art of convincing also know that looking for windows of opportunity permanently is an indisputable strategy to generate conviction. The "elevator pitch" is just one of the mechanisms used to dialogue with stakeholders. Sometimes we also need to wait for the best opportunities. The start of a new government will always be a window of opportunity to convey the importance of the MPI and its advantages in public policy.

The Handbook also shows that in the midst of this engagement process, a good narrative must take a central role. The MPI is a technical instrument, but we must move away a little from this language and generate narratives that help us to reach many stakeholders. The bridge of conviction passes through moving from a very technical language to a more appealing one for the majority of the stakeholders who are relevant in this process. Moving from metrics

to policy use implies a good and effective communication to broad audiences. The Handbook also underlines that the institutionalization of the MPI processes is an important element to make a more robust and sustainable policy use of this tool. When it is certain what stakeholders should do to use the MPI for a budget process, for example, then the institutionalization is in place and is less important the turnover of individuals.

The fact that there are now around three dozen countries with national MPIs and various countries have used it for public policy, means that efforts to bridge both the technical and engagement parts have been successful. Bhutan, Costa Rica, Mozambique, Pakistan, Angola, Colombia and the state of Oaxaca in Mexico, among other governments, have used the MPI for budgeting or targeting, with important achievements. Panama, Ghana, Nepal and Mexico have been able to track progress of poverty for policy purposes. Iraq, South Africa, Colombia, the Arab countries, Bhutan and Honduras are some of the countries which used the MPI to learn more about COVID-19 and to set up adequate policy responses. COVID-19 showed that the MPI is a precious tool to detect vulnerable populations, to shed light for recovery and, ultimately, to *build forward better*.

These are important achievements, but we need more. The pandemic that hit the world in 2020 increased both monetary and multidimensional poverty in most countries and thus the world is not on track to achieve the SDGs. The world needs countries and international institutions with new and better strategies against poverty and the rest of the SDGs. We hope this Handbook can contribute to put us back in this direction.

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Annexes

ANNEX 1

Tool for Conducting a Power Analysis

Source: [Power Analysis Briefing: Review of Tools and Methods by Tiberghien \(2012\)](#)

Grab a sheet of paper and follow the steps to elaborate your own power analysis map.

1

List all stakeholders

Identify groups, organizations, and individuals concerned with poverty. These may include:

- Vulnerable stakeholders
- Powerful stakeholders
- Implementing stakeholders
- Knowledgeable stakeholders
- Other affected stakeholders

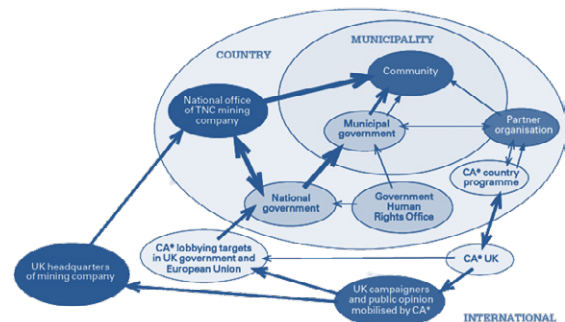
When drafting this list, think about stakeholders across different dimensions of power:

- *Level*: national, district, local
- *Form*: visible, hidden, invisible
- *Space*: invited, closed, create

2

Map stakeholders

Using the list of stakeholders, place the most important decision-makers in the centre of the space you will use to draw the map. Then, start adding other stakeholders with influence in your map. You may use circles of different sizes to reflect their relative importance. Use links or arrows to reflect the relationships between stakeholders, specify the direction of influence (one-way, two-way)

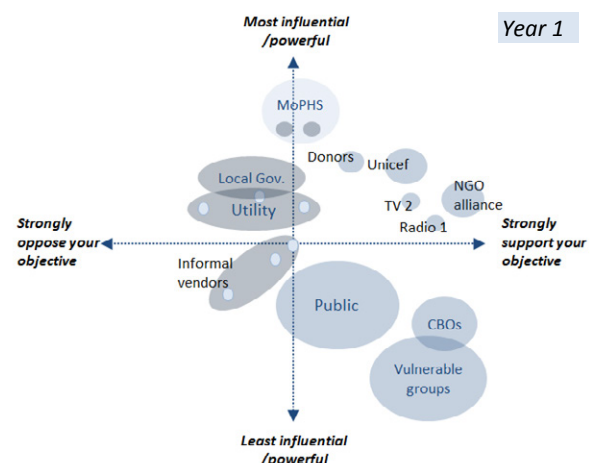


3

Categorize stakeholders

Having mapped all stakeholders, the final stage is to identify them as likely allies, enemies, or (yet) uncommitted stakeholders.

Additionally, one can map all actors across a two-axis chart. The x-axis representing the support for the poverty measurement and the y-axis representing the influence/power of the stakeholder. The more supportive, the further on the right hand-side. The more powerful and influential, the higher on the map.



ANNEX 2

Tool for Understanding your Audience

Make a list of your country's main poverty stakeholders. For each relevant stakeholder, fill out the rest of the table by answering the question in each column.

Stakeholder	What's in it for them? (Incentives)	How could they support the MPI?	How can I engage with them?

ANNEX 3

Tool for Elaborating a Simple Message

Imagine you come across each of the following stakeholders. You've got 60 seconds to convince them on the importance of implementing an MPI.

Fill out this sheet with your simple message to each of them.

Remember, each message should be tailored to the specific stakeholder. It must frame the MPI as solving a particular problem *they* face. It should also include the value you offer, and your goal. Keep it short.

1. Opposition party congress member:

2. Treasury/Finance Minister:

3. State Governor: :

4. University dean:

5. Social Development Minister:

ANNEX 4

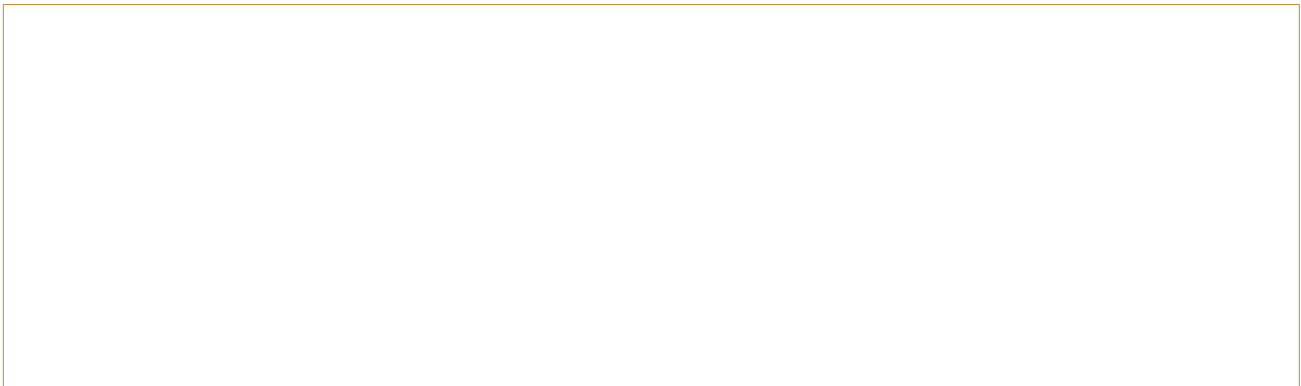
Tool for Elaborating Key Messages for Different Stakeholders

There's new MPI estimates. The MPI was done by an independent governmental agency for whom you work for. You were an active team member in the technical elaboration of the measurement, you know your estimations are technically robust.

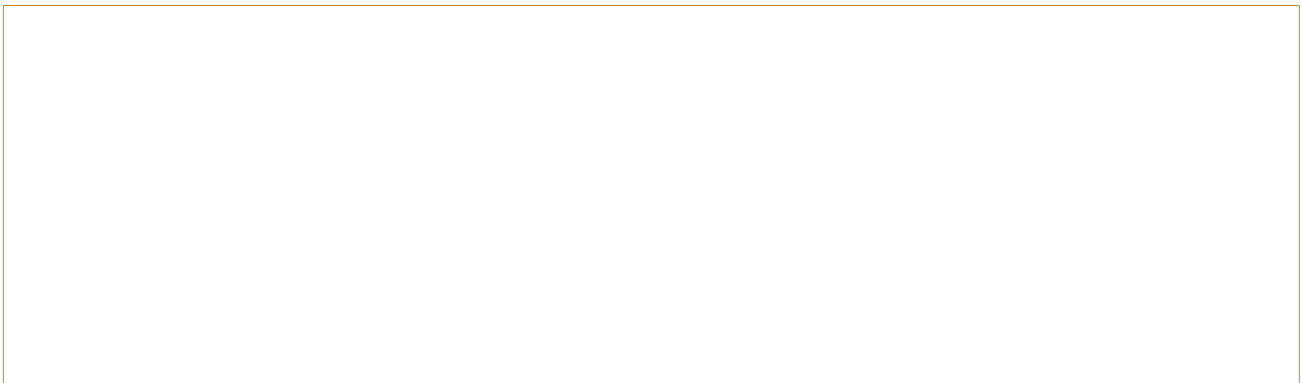
Let's imagine the results show an overall increase in multidimensional poverty. Within the index, two poverty dimensions increased during the period: access to education and access to basic housing services. Another two poverty dimensions decreased during the same period: access to health care and food security.

You'll be in two separate meetings to present the results. One will be with the President's Office and another with a Congressperson from the opposition party. Prepare your key messages for each of these stakeholders. Would you use a different communication strategy for each meeting? Make sure to frame your message accordingly.

Key messages for the President's Office



Key messages for a Congressperson in the Opposition Party





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