

PROGRESS ON APPLICATION OF MULTIDIMENSIONAL POVERTY APPROACH IN VIET NAM

*Viet Nam's Report to High-Level MPPN Meeting
Cartagena, June 1-3, 2015*

PROGRESS

- ❖ Vietnam National Assembly promulgated Resolution 76/2014/QH13 on June 24, 2014, requesting the Government of Vietnam to develop the new poverty line following the MDP approach in order to cover the minimum living standard and basic social services;
- ❖ The Government of Vietnam has started the development of a Master Plan for shifting from singular-dimensional poverty to MDP approach for application for 2016-2020, which is expected to be submitted for approval in June 2015
- ❖ Pilots on MDP measurement, listing, targeting, and policy design in 04 districts of Ho Chi Minh City.
- ❖ Organization of various consultations with ministries, agencies, and localities.

Objectives of MDP approach in Viet Nam

- To measure and monitor changes in poverty and improvement in people's access to basic social services;
- To identify, categorize, and prioritize beneficiaries of the government's support assistance policies;
- To provide inputs for policy designs and solution formulations which are tailored to different geographical areas in order to reduce deprivations in accessing basic social services.

Development of a MDP measure

- 05 Dimensions of deprivation consist of health care, education, housing, clean water and sanitation, and information
- 10 indicators are selected to measure deprivation in basic needs
- The MDP cut-off is identified as one third of the total deprivation

According to the 2012 Viet Nam Household Living Standard Survey: among all households, 3.78% deprived at least $\frac{1}{2}$ of the total deprivation, 17.14% deprived from $\frac{1}{3}$ to below $\frac{1}{2}$ of the total deprivation, and 22.74% deprived from $\frac{1}{5}$ to below $\frac{1}{3}$ of the total deprivation.)

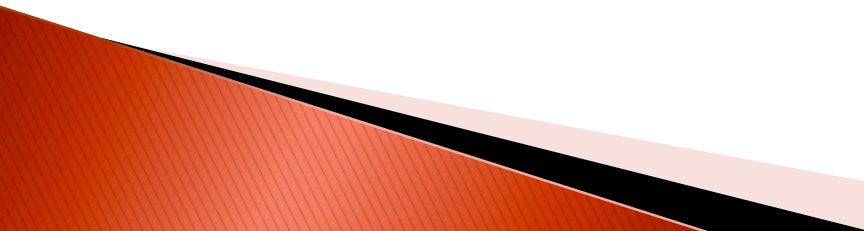
Identification of poverty lines for 2016-2020

- ▶ **Poor household:** A household is considered poor if (i) its average monthly income per capita is equal to or lower than the policy income poverty line; or (ii) its average monthly income per capita is equal to or lower than the minimum living standard and higher than the policy income poverty line and deprived at least 1/3 of the total deprivation in basic needs.
- ▶ **Near poor household:** A household is considered near poor if its average monthly income per capita is (i) equal to or lower than the minimum living standard and (ii) higher than the policy income poverty line and (iii) deprived at less than 1/3 of the total deprivation in basic needs;
- ▶ **Vulnerable household:** A household is considered vulnerable if (i) its average monthly income per capita is higher than the minimum living standard, and (ii) deprived at least 1/3 of the total deprivation in basic needs;

DESIGN OF RELEVANT SUPPORTS TO HOUSEHOLD GROUPS

- **Poor households:** direct supports will be prioritized for this group as well as their members to improve access to basic social services and income.
- **Near-poor households:** similar supports as those to poor households will be applied for this group, but with a lower level of prioritization.
- **Vulnerable households:** many types of solutions can be used to support this group, including but not limited to: (i) reinforcement of policies in prioritized or most-deprived sectors and regions, (ii) strengthening of communication, advocacy, and awareness raising for policy makers, civil society, community, households, etc. to improve access to (social) services; (iii) improvement of infrastructure for providing quality and accessible basic social services; and (iv) expansion of universal social assistance and supports.
- **Other households:** who are not MDP poor and having the monthly income per capita higher than the minimum living standard will benefit from overall macro and socio-economic development policies.

MDP PILOT IN HOCHIMINH CITY

- ▶ Hochiminh City's MDP Pilot has been implemented consistently and in harmony with the MDP process and methodology used at the central level and localized to be relevant with HCMC's specific context.
 - ▶ The identification of poor and near poor households involves both permanent and **migrant** households.
 - ▶ Period 2016-2020: The MDP approach will be officially applied in the city's Poverty Reduction Program
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▶ **Many thanks for your attention!**

