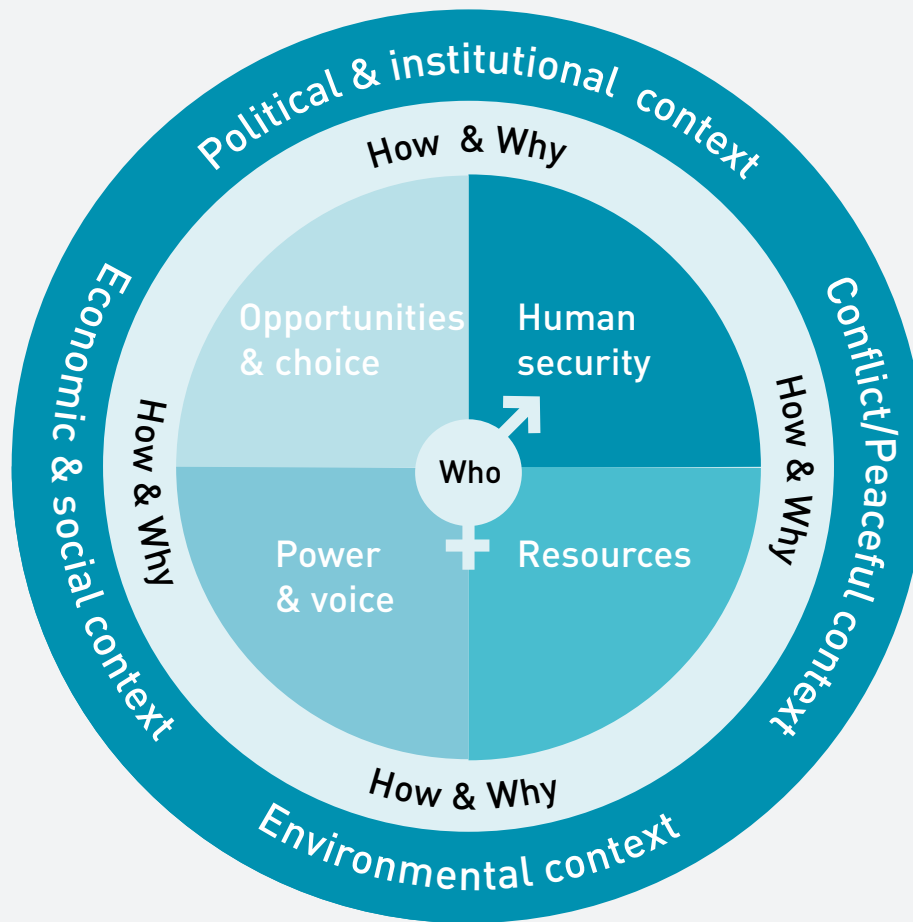




Poverty Toolbox

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



TABLE OF CONTENTS

1. Dimensions of Poverty (summary)

Conceptual framework

2. Dimensions of Poverty Sida's Conceptual Framework

Poverty Analysis

3. Poverty Analysis

4. Guiding Questions

5. Menu of Indicators

6. Report Format

7. Workshop Guide

MDPA in Sida's operations

8. Strategy Management

9. Contribution Management

10. Portfolio Mapping

Swedish development cooperation takes a multidimensional view of poverty; implying that poverty not only means lack of material resources, but also lack of power and voice and respect for human rights, lack of opportunities and choice, and/or lack of human security.

The overall objective of Swedish development cooperation is *“to create preconditions for better living conditions for people living in poverty and under oppression.”* All development cooperation shall contribute to results that benefit people living in poverty and under oppression. Achieving this objective requires understanding who is living in poverty, how that poverty is experienced and the underlying causes.

THE FIVE PERSPECTIVES

Swedish development cooperation takes as its starting point and is characterized by poor people's perspectives on development and the rights perspective, as stated in the policy framework. In addition to these two underlying perspectives, the policy framework adds three thematic perspectives: conflict, gender equality and the environment and climate.

THE 2030 AGENDA

The 2030 Agenda for Sustainable Development raises the bar for reducing poverty by setting *“End poverty in all its forms everywhere”* as one of the Sustainable Development Goals (SDGs) and recognising that poverty is multidimensional. The 2030 Agenda also pledges to *“leave no one behind”* and that *“we will endeavour to reach the furthest behind first.”*

WHO IS POOR AND IN WHAT WAY?

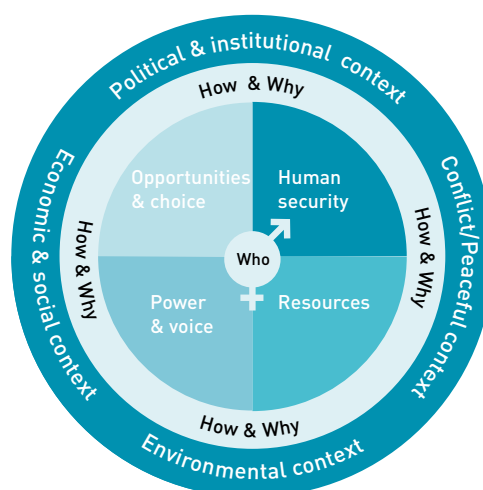
“Poverty deprives people of the freedom to decide over and shape their own lives. It robs them of the opportunity to choose on matters of fundamental importance to themselves. Lack of power and choice and lack of material resources form the essence of poverty.”
[Perspectives on Poverty].

Poverty is complex. Knowledge about this complexity and how it is manifested for different groups of people is fundamental to being able to define effective policy measures and approaches to reduce poverty. Sida's framework emphasizes that who is poor should be at the center of analysis (*who*). It means that the situation, needs, preconditions and priorities of poor women, girls, men and boys are the starting point. Asking who lacks resources, who lacks opportunities, who is insecure and who lacks power, and capturing inequalities between groups in these different dimensions, opens up for understanding how poverty impacts different groups of people in the four dimensions

THE FOUR DIMENSIONS OF POVERTY

Sida identifies four dimensions of poverty:

1. Resources
2. Opportunities and choice
3. Power and voice
4. Human security



The four dimensions (*how*) help identifying the main ways in which poverty manifests itself and how it is experienced by people living in poverty. Multiple causes interplay to push people into a situation of poverty – and, in many cases, to keep them there.

Being poor in terms of **resources** means not having access to or power over resources that can be used to sustain a decent living standard, meet basic needs and improve one's life. Resources can be both material and non-material: a decent income or physical and human capital, such as being educated or have professional skills, being healthy, having agricultural tools or a push cart to transport goods.

Being poor in terms of **opportunities and choice** concerns one's possibilities to develop and/or use the resources to move out of poverty. Access to productive employment, education, health clinics, infrastructure, energy, markets and information affect the choices available and opportunities to escape from poverty.

Being poor through lacking **power and voice** relates to people's ability to articulate their concerns, needs and rights in an informed way, and to take part in decision-making affecting these concerns. Power is a relational concept that allows us to better understand socio-cultural hierarchies and relations of which gender is one. Others include age, caste, class, religion, ethnicity and sexual identity. Reinforcing forms of discrimination based on such socio-cultural relations may increase an individual's poverty in this sense.

Being poor in terms of **human security** means that violence and insecurity are constraints to different groups' and individuals' possibilities to exercise their human rights and to find paths out of poverty.

THE DEVELOPMENT CONTEXT

The outer circle is the explanatory framework for the degree and dimensions of poverty (*why*). The outer circle also contains the main elements of a development analysis that explains opportunities and constraints to change the context for an inclusive and sustainable development as well as for people living in poverty to change their situation.

The **economic and social context** includes the size and growth rate of the economy, the macro economy, fiscal policy, market development, labour market, structure of the economy and exports – use and

dependence on natural resources – education system, health system and demographic developments. The **political and institutional context** refers to the formal and informal political institutions, norms, rule of law and human rights. The **peace and conflict context** refers to factors such as social cohesion, trust, conflict resolution mechanisms, justice, and arms control on the one hand and violence, tensions, grievances and conflicting interests on the other. The **environmental context** includes the need to understand the particular environmental situation, trends and consequences per se in the country of region – e.g. climate change, loss of biodiversity and ecosystems services, pollution, water quality – and the causes and drivers of degradation.

All of the dimensions in the inner circle as well as the development aspects in the outer circle are inter-linked. They cannot be analysed and understood in isolation from each other. How they are analysed and in what order will vary depending on the specific context.

MULTIDIMENSIONAL POVERTY IN AFGHANISTAN

The Multidimensional Poverty Analysis for Afghanistan found that Afghan households in conflict-affected, rural parts of the country are likely to be more severely deprived in several dimensions. Opportunities and choice are constrained as access to basic services such as health and education, and infrastructure is more limited in rural than in urban areas. The conflict mainly takes place in rural areas, and lack of security is therefore more prominent there. If the household in addition lacks resources e.g. has limited or no access to land, and if the head of household has limited or no education, multidimensional deprivation is enhanced even further. Women are discriminated in all aspects of life, and hence deprived in power and voice, which enhances deprivations further in the other dimensions.

Understanding deprivations in the four dimensions as well as the dynamics between the dimensions is hence essential in the assessment of relevant and effective interventions.

Conceptual framework

1 Introduction

The overall objective of the Swedish development cooperation is “*to create preconditions for better living conditions for people living in poverty and under oppression.*” The policy framework for Swedish development cooperation and humanitarian aid states that this objective applies to all development cooperation, regardless of whether it is bilateral, regional, thematic, or channelled through multilateral organisations including EU.¹ All development cooperation shall contribute to results that benefit people living in poverty and under oppression.² Achieving this objective requires understanding who is living in poverty, how that poverty is experienced and the underlying causes.

Swedish development cooperation takes a multidimensional view of poverty; implying that poverty not only means lack of material resources but also lack of power and voice and respect for human rights, lack of opportunities and choice, as stated in the policy framework.³ This document develops these four dimensions of poverty and defines Sida’s understanding of multidimensional poverty. Sida’s earlier policy document, *Perspectives on Poverty (PoP)*,⁴ defines multidimensional poverty as something that:

“...deprives people of the freedom to decide over and shape their own lives. It robs them of the opportunity to choose on matters of fundamental importance to themselves. Lack of power and choice and lack of material resources form the essence of poverty.”⁵

1 Regeringens skrivelse (2016/17:60) *Policyramverk för svenskt utvecklingssamarbete och humanitärt bistånd*, p.54.

2 Regeringens skrivelse (2016/17:60) *Policyramverk för svenskt utvecklingssamarbete och humanitärt bistånd*, p.53.

3 Regeringens skrivelse (2016/17:60) *Policyramverk för svenskt utvecklingssamarbete och humanitärt bistånd*, p.4.

4 Sida (2002) *Perspectives on Poverty (PoP)*.

5 Sida (2002) *Perspectives on Poverty (PoP)*, p.23.

Sida's definition of multidimensional poverty, described in this document, takes *PoP* as a starting point, and updates the understanding based on global developments since 2000.

Living in poverty or near poverty also affects one's exposure to risks and vulnerability for falling into poverty, falling deeper into poverty, or remaining in chronic poverty. Understanding risks and vulnerability is an important component in understanding the multidimensional nature of poverty for women, men, girls and boys and hence is further elaborated on in this document.

2 Points of departure

This section describes Swedish priorities and perspectives, global agreements and the main global developments since 2000.

2.1 THE FIVE PERSPECTIVES

Swedish development cooperation takes as its starting point and is characterized by poor people's perspectives on development and the rights perspective, as stated in the policy framework.⁶ In addition to these two underlying perspectives, the policy framework adds three thematic perspectives: conflict, gender equality, and the environmental and climate perspectives. All five perspectives should be considered in the analysis, planning, implementation and follow-up of Swedish development cooperation. All of the five perspectives are reflected in Sida's definition of multidimensional poverty as described in section 3.

Poor people's perspectives implies that the situation, needs, preconditions, and priorities of poor women, girls, men and boys constitute the starting point for Sida's work on poverty reduction.

“...the situation, needs, preconditions, and priorities of poor women, girls, men and boys constitute the starting point for Sida's work on poverty reduction.”

Hence, knowledge is needed about the situation, needs, preconditions, and priorities of people living in poverty, which in turn emphasises the importance of collecting and analysing information about poverty in multiple dimensions. Many different methods, tools and sources can and should be used for the analysis, such as published research findings, evaluations, field visits as part of program management, reports and information from local organisations, participatory methods like “reality checks” and “stages of progress”, and other.

The rights perspective implies that human rights and democracy are seen as fundamental for development. It includes four principles based on the normative framework of human rights: non-discrimination, participation, transparency and accountability.

6 Regeringens skrivelse (2016/17:60) *Policyramverk för svenskt utvecklingssamarbete och humanitärt bistånd*, p.14.

2.2 THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

The 2030 Agenda for Sustainable Development raises the bar for reducing poverty by setting “End poverty in all its forms everywhere” as one of the Sustainable Development Goals (SDGs) and emphasizing that poverty is multidimensional. The 2030 Agenda also states “leave no one behind” and pledges that “...we will endeavour to reach the furthest behind first.”

“End poverty in all its forms everywhere”

Implementation of the 2030 Agenda necessitates further knowledge about how different groups of people are being affected by development, so that the effects on these groups are taken into account in development policies and development cooperation.

The 2030 Agenda entails a paradigm shift in that the Agenda is universal, which means both that the goals apply to all countries regardless of income level, and that there is an increased emphasis on the importance of working jointly across countries to achieve the goals. All countries are thus developing countries in light of the 2030 Agenda. The 2030 Agenda, though more comprehensive than the earlier Millennium Development Goals (MDGs), is not as ambitious as the Swedish policy framework regarding democracy, human rights and the rule of law. The Agenda takes a holistic view on development. Social, political, economic, and environmental perspectives need to be combined for an inclusive and sustainable development. The 2030 Agenda combines, among other things, economic growth⁷, environmental sustainability and the fight against climate change⁸ with peaceful and inclusive societies and strong, accountable institutions⁹. It also brings different actors – governments, civil society, the private sector, and academia – together to jointly reach the objectives.

7 SDG 8

8 SDGs 6, 7, 11, 12, 13, 14 and 15

9 SDG 16

2.3 DEVELOPMENTS SINCE 2000

There have been a number of important global developments since *PoP* was written in 2002. The impressive reduction in income poverty has continued, and the number of people living in extreme income poverty (below USD 1.90 per day) halved from 1990 to 2012.¹⁰ There has also been important progress in health and education, improving the situation for large groups of people, especially girls. However, there are still many challenges.

Income inequality is not a new phenomena or challenge, but it has gained increased attention since 2000 due on the one hand to new research showing its negative impact on economic growth and poverty reduction and on the other hand to new trends in inequality.

Research and experience has shown the costs of inequality, both direct financial costs and social and political costs, including the risk of instability and weak social cohesion. There is now a common understanding that reducing inequality is fundamental to reaching the objectives of economic development and poverty reduction.

With increasing GDP per capita in several countries, not least China and India, and the graduation of a number of countries from low-income to middle-income status, inequality between countries has declined.¹¹ However, at the same time inequalities within countries have increased on average.¹² With an economic development that is lacking inclusiveness, combined with increasing returns to capital compared to wages, we see increasing income inequalities within many countries. In low, middle, and high income countries, there are women, men, girls and boys who have been left behind by development and whose situation has not improved. For example, indigenous people, that make up 5 percent of the global population, but account for about 15 percent of the extreme poor.¹³ There is also an increasing awareness of the many people who are trapped in *chronic poverty*, for whom poverty has become intergenerational.

The last decade has shown a trend of *shrinking democratic space*. For the tenth consecutive year, oppression increased in more countries than those where democratic progress was recorded. In addition, the number of countries recording negative democratic development – 72 countries in total – was the highest during the ten-year period.¹⁴ In 2015, there were serious threats to civic freedoms (freedom of expression, assembly and association) in 96 countries, meaning that six out of seven humans live in countries where these

10 From 37% or 1.95 billion in 1990 to 12.7% and 902 million in 2012. World Bank (2015) *Ending Extreme Poverty and Sharing Prosperity: Progress and Policies*, p.6.

11 World Bank (2016) *Taking on Inequality: Poverty and Shared Prosperity*, p. 10.

12 World Bank (2016) *Taking on Inequality: Poverty and Shared Prosperity*, p. 10.

13 World Bank (2016) *Indigenous Peoples Overview*.

14 Freedom House (2016) *Freedom in the World 2016*.

freedoms are under threat.¹⁵ Freedom of expression is today at its lowest point in over ten years, and only one in seven people live in a country with a free press.¹⁶ Human rights defenders at all areas of the society are particularly targeted and are in many societies living under the constant risk of imprisonment and violence – even death. For female human rights defenders, this often includes sexual violence, and goes beyond their public activities and into their private sphere.

Despite these negative trends, there is a slow but steady decrease in the number of discriminatory legal frameworks. However although a long term perspective shows that change is possible, gender equality remains an unfinished business with slow and uneven progress. While state and non-state actors have acknowledged the importance of *gender equality* and women's and girls' social, economic and political rights and empowerment, this has not been matched by concrete policy implementation and demonstrable changes on the ground. Significant and sometimes growing gender gaps, due to unequal power relations and discrimination, remain across virtually all sectors and regions. Among the continued challenges are women's and girls' lack of economic empowerment and political influence, gender-based violence, denial of sexual and reproductive rights, low quality of education, unproductive jobs and unpaid care work. Growing extremism, conservatism and polarization all over the world has a particularly negative impact on the situation for women and girls.

Environmental degradation, including not least climate change, is increasing, which results in people living in poverty increasingly losing opportunities and being more exposed and vulnerable to environmental and climate change-related risks. Despite significant promising technological and social innovations, we are at the global level already “in the yellow or red” on several dimensions related to planetary boundaries for life on earth, including biodiversity, climate change, and nutrient overload.

The last decade has also seen *an increase in conflicts and insecurity* in many parts of the world. It is particularly marked in the Middle East, North African and South Asia regions, but other regions have also experienced deterioration. Insecurity is linked to political and economic instability, increased levels of violent extremism, and climate change. An increasing share of the world's people living in poverty is found in conflict-affected areas. By 2030, over 60 percent of people living in extreme poverty are expected to live in fragile states and conflict-affected areas, according to OECD/DAC.¹⁷ Insecurity is a concern even in peacetime. While sexual and gender-based violence is a key threat in conflict, there is a global recognition today that the most dangerous

15 CIVICUS (2015) *State of Civil Society Report*.

16 Freedom House (2015) *Freedom of the Press 2015*.

17 OECD (2016) *States of Fragility Understanding Violence*, p.20.

place for a woman or a girl is the household. Every third woman has experienced violence from a partner. This constant exposure and threat has severe impact on individual women and on their families and society at large in terms of suffering, oppression and reduced opportunities.

Furthermore, *humanitarian needs* due to crises have increased in recent years. The number of people targeted for humanitarian assistance in the yearly humanitarian appeals has doubled since 2012.¹⁸ Continued and intensified conflicts have brought the number of people displaced globally by violence and persecution to 65 million, nearly 1 percent of the world's population.¹⁹ 60 percent of those forced to flee are internally displaced.²⁰ The average years of displacement has now reached 17.²¹ In addition, disasters caused by natural hazards, such as drought, disrupt the lives and livelihoods of millions of people yearly. Poverty and vulnerability to crises are inextricably linked. People in humanitarian crises, which are affected by conflict and natural disasters, are particularly vulnerable. In 2012, 76 percent of people living in extreme poverty – below USD1.90 per day– were living in countries that were either politically fragile, environmentally vulnerable or both.²²

The *technological developments* since 2000, through innovative interventions but also the spread of internet and mobile technology and services, have brought a range of opportunities to people living in poverty. Increasing digitalisation is connecting people with new markets, making previously risky financial transactions secure through digital financial solutions, encouraging innovative entrepreneurship, and creating opportunities for increased transparency, accountability and participation. However, there are also challenges, especially relating to privacy and safety. Digital media literacy may have direct implications for human rights and equality, both between and within communities and societies, not least due to gender differences.

Finally, *demographic developments*, such as the persistent high population growth rates in many developing countries and changing age distribution, have important implications. There is possibly a growing “age poverty” in certain countries in Europe, while in many other countries, particularly in Sub-Saharan Africa, we see increasing numbers of youths who live in poverty due to high population growth and unemployment or underemployment. In combination with economic growth that is not sufficient to absorb the

18 Office for the Coordination of Humanitarian Affairs (2011) *Launch of Humanitarian Appeals 2011*. Office for the Coordination of Humanitarian Affairs (2016) *Global Humanitarian Overview 2017*.

19 United Nations High Commissioner for Refugees (2015) *Global trends forced displacement in 2015*, p.2.

20 United Nations High Commissioner for Refugees (2015) *Global trends forced displacement in 2015*, p.2.

21 United Nations High Commissioner for Refugees (2004) ‘*Protracted Refugee Situations*’, *Executive Committee of the High Commissioner’s Programme, Standing Committee, 30th Meeting*, p.2.

22 Development Initiatives (2016) *Global Humanitarian Assistance Report 2016*, p.6.

increasing work force and an agriculture sector that is underdeveloped in most countries, this leads to *urbanisation* and *migration*. The largest share of people living in poverty still lives in rural areas; however, *urban poverty* is increasing and brings with it different conditions.

In summary, with the exception of digitalisation, there are few completely new issues since 2000. However, the development described above has reasserted or further emphasised the importance of several issues in relation to poverty reduction, confirming the four dimensions of poverty defined in the policy framework:

1. Resources;
2. Opportunities and choice;
3. Power and voice;
4. Human security.

Compared to the definition of dimensions of poverty in *PoP*, human security is added as a fourth dimension of poverty, recognizing the impact of conflict and violence for people living in poverty. As is highlighted above, a majority of the people living in poverty are expected to live in fragile states and/or conflict contexts in the near future. There is a strong relationship between poverty and conflict.

Developments since 2000 also show that, to understand the complexities of poverty and reduction of poverty, we need to pay more attention to inequalities, the chronically poor, climate vulnerabilities, urbanisation and urban poverty, demographic developments and digitalisation. Furthermore, as humanitarian needs, conflicts, and vulnerability to climate and conflict changes increases, it is important to strengthen linkages between long-term development cooperation and humanitarian assistance in analysis, planning and implementation.

3 The dimensions of poverty, and vulnerability

This section describes the multidimensional poverty model, including the four dimensions of poverty and the relationship between poverty and vulnerability. The model is a conceptual framework to be referred to and used in Sida's different processes. The model also provides a structure for multidimensional poverty analysis.²³

3.1 WHO IS POOR AND IN WHAT WAY?

The model below illustrates the four dimensions of poverty.



According to this model and in line with the policy framework, poverty is not only about the lack of material resources but also other poverty dimensions such as the lack of power and voice. Hence, according to Sida's definition, a person living in poverty is resource-poor and poor in one or several of the other dimensions.

The underlying understanding is that poverty is complex. Knowledge about this complexity and how it is manifested for different groups of people is fundamental to being able to define effective policy measures and approaches to reduce poverty. The four dimensions assist in identifying the main ways in which poverty manifests itself and how it is experienced by people living in poverty. The four dimensions also help identify groups of people living in poverty.

All the poverty dimensions are interlinked. In most cases, multiple deprivations interplay to push people into poverty – and to keep them there. For

²³ Separate guidelines for multidimensional poverty analysis are being developed in 2017.

example, being poor in terms of resources often implies being poor in terms of opportunities, choice, power and voice, and vice versa. Being poor in terms of human security can mean poverty in terms of opportunities, that is, the possibility people have to develop and use their resources so as to move out of poverty. Being poor in one dimension can also aggravate poverty in another dimension. Conversely, improvements in one dimension can reduce poverty in another dimension.

The model emphasises that *who* is poor should be at the centre of analysis. It means that the situation, needs, preconditions, and priorities of poor women, men, girls and boys are the starting point, as implied by poor people's perspectives. In the model, the word *who* has the gender symbols to emphasise the importance of gender in the understanding of who is poor and in what way they are poor. Asking *who* lacks resources, *who* lacks opportunities, *who* is insecure and *who* lacks power, and capturing inequalities between groups in these different dimensions, opens up for understanding how poverty impacts different groups of people in the four dimensions. This model also supports that people living in poverty can be agents of change.

The answer to the question "who is poor in the different dimensions" will vary according to gender, age, sexual identity, ethnicity, religion, indigeness, disability and other social variables. Gender dimensions always matter, but gender intersects with other social variables and must therefore be analysed in relation to those variables. When several layers of discrimination and deprivation coincide, poverty normally deepens. It is also important to take into account geography, the urban/rural divide, migrants and forcibly displaced people and people affected by conflict and natural disasters.

Examples of questions to ask:

- Who lacks sufficient *income*, access to land or credit? Who controls and benefits from these resources? Who does not?
- Who lacks *power and voice* at work, at home, in the community, in the society?
- Who lacks *power* over their own bodies?
- Who lacks the *opportunity* to express themselves freely and exercise the right to vote?
- Who lacks *control of the agenda for decision-making*? Where? In the household, in the community, in the parliament?
- Who lacks *opportunities and choices* to productive employment, to get an education, access health services, or access financial services?
- Who *lives in insecurity* or suffers from violence? Where? In the household, at work, on the street?

3.2 POVERTY AND VULNERABILITY

Living in or near poverty affects a person's vulnerability to different types of risks that can push them into poverty, deeper into poverty or permanently into poverty. The link between poverty and vulnerability is not linear but complex and dynamic. It depends on how people are poor in all its dimensions, their capacity, resources and opportunities and their ability to manage risks, and how these affect their exposure to risks. In this sense, understanding risks and vulnerability is an important component of understanding the multidimensional nature of poverty among women, men, girls and boys.

When people are poor in multiple dimensions, there is an increased likelihood that they will not have, or have access to, the resources and opportunities needed to manage risks and maintain their well-being when exposed to shocks. Furthermore, different risks may have a more or less severe impact on people living in poverty. For example, people living in poverty can be exposed to floods and droughts. When a flood hits, they might lose their belongings or have to make choices with detrimental long-term effects, such as withdrawing children from school, cutting down trees, selling off cattle or reducing health care expenditures. People living in poverty are in many cases also exposed to risks due to unpredictable income, poor access to health services, etc. However, people living in poverty may be less exposed to other types of risk. For instance, subsistence farmers may be less exposed to economic and market shocks since they are only distantly connected to larger markets.

This complex relationship between poverty and vulnerability means that we need to understand in what dimensions women, men, girls and boys are poor, their exposure to risks, and how their poverty affects their capacity to cope with risks.

3.3 THE FOUR DIMENSIONS OF POVERTY

Resources

Resources

Being poor in terms of *resources* means not possessing and/or having access to or power over resources that can be used to sustain a decent living standard, meet basic needs and improve one's life. Resources can be both material and non-material: a decent income or physical and human capital, such as being educated or have professional skills, being healthy, having agricultural tools or a push cart to transport goods in towns. Resources can also be access to natural resources and ecosystem services, such as land, clean air and water, goods and services from forests, livestock and fish. It can also be having time and a social network, formal or informal. What resources a person needs and has access to or power over is context-specific and depends on variables like gender, age, etc. Resources are interlinked with the three other dimensions. For example, professional skills are linked to opportunity to find employment, access to capital and land could be linked to power and voice, and health can be related to interpersonal violence in the household.

Opportunities and choice

Opportunities & choice

Being poor in terms of *opportunities and choice* concerns one's possibilities to develop and/or use resources to move out of poverty. The lack of opportunities and choice is both a consequence of poverty in the other three dimensions and a consequence of a disabling context, such as the lack of access to education, health clinics, infrastructure, energy, markets and information. Lacking resources, power and voice and living in insecurity negatively affect the choices available and opportunities to escape from poverty.

Power and voice

Power & voice

Being poor through lacking *power and voice* relates to people's ability to articulate their concerns, needs and rights in an informed way and to take part in decision-making affecting these concerns. This applies to decision-making in the private sphere and participation in public life and engagement with public institutions. It is important to fully understand the channels that women and men, girls and boys have access to – and which channels they may be excluded from. Power is a relational concept that allows us to better understand socio-cultural hierarchies and relations of age, caste, class, religion, ethnicity, sexual identity, and not least gender. Reinforcing forms of discrimination based on such socio-cultural relations may increase an

individual's poverty in this sense. The lack of power and voice therefore deprives people of the freedom to take part in private and/or public decision-making that is of fundamental importance to them.

Human security



Human
security

Being poor in terms of *human security* means that violence and insecurity are constraints to different individuals' and groups' possibilities to exercise their human rights and to find paths out of poverty. Conflict and insecurity are often volatile and rapidly changing, and a person's security can differ radically depending on gender, ethnicity, age, identity or in which region one lives. Generally people already experiencing poverty or deprivation in other dimensions are worst affected by conflict and insecurity. Besides the obvious harm and trauma that insecurity and violence cause, it also has other severe effects that deprive the lives of women, men, girls and boys. Living in insecurity can make parents stop sending their children to school; it can make farmers unable to harvest their crops or sell them in the market. Insecurity can cause people to die from curable diseases because the hospital is not safe or perceived as not safe. Violence and conflict makes people refugees, or they force people to stay home; for a girl or a woman, home can be the most dangerous place. Being poor in terms of security often contributes to increased poverty in other dimensions of poverty.

4 The development context

To understand the causes of poverty, the opportunities to move out of poverty, and the main risks that could aggravate poverty, it is important to understand the context in which a person lives.

Sida analyses the development context along four areas:

1. The economic and social context;
2. The political and institutional context;
3. Conflict/Peaceful context;
4. The environmental context;



In the model, the development context has been added as an outer circle. The outer circle has several functions. Firstly, it is the explanatory framework for the degree and dimensions of poverty (*why*). Secondly, it also contains the main elements of a development analysis that explains opportunities and constraints for inclusive and sustainable development, for resilience to risks as well as for people living in poverty to change their situation. Thirdly, it provides an understanding of poverty at a structural level.

A gender perspective permeates all these aspects. Different social divides, such as gender, age, sexual identity, disability, ethnicity and indigenouness, go across all dimensions and need to be consistently taken into account to understand who is poor, how and why. It is also important to take into account

geography, urban/rural divides, forcibly displaced people, and people affected by conflict and natural disasters.

All the dimensions in the inner circle and the development aspects in the outer circle are interlinked. They cannot be analysed and understood in isolation from each other.

Risks need to be taken into account, and the analysis should include the vulnerability and resilience of society to economic shocks, climate changes and tensions and conflict, among other things.

Economic and social context includes the size and growth rate of the economy, the macroeconomy, fiscal policy, market development, labour market, structure of the economy – use and dependence on natural resources – education system, health system, and demographic developments – age distribution and divides, ethnic differences, gender gaps and dynamics. Economic incentive structures (taxes, fees, subsidies, payment for ecosystem services), allocation of financial flows, and accounting methods and reporting – all play a key role for determining whether or not the economy is socially inclusive and environmentally sustainable.

The large majority of Sweden's partner countries are small economies with low per capita incomes and large investment and social spending needs. The size of the economy, the growth rate, the structure of the economy as well as resource distribution and use directly affect women, men, girls and boys living in poverty in terms of employment opportunities, access to and quality of social services, and infrastructure. Macroeconomic instability directly and indirectly affects the conditions for economic development and the resources and opportunities of people living in poverty through e.g. inflation. Fiscal policy determines social spending on environmental investments and other spending directly affecting opportunities and choice. The structure and productivity of the economy and the functioning of the labour market affect opportunities for productive employment. School and health systems, and access to electricity and clean water are directly related to the resources, opportunities and choices of poor women, men, girls and boys.

The *political and institutional* context refers to formal and informal political institutions, norms, the rule of law, and human rights. The roots of poverty can often be traced to unequal power relations. The possibilities for poor women, men, girls and boys to participate in and influence the public debate are therefore important and depend on freedom of expression, association, and assembly. The rights perspective means that human rights and democracy are fundamental for development. Holding elites and public officials accountable for their decisions, priorities and policies as well as faults or omissions are important parts of empowerment and voice. Corruption – a manifestation of unequal power and an abuse of power, trust or position for improper gain – undermines the state's capability as service provider and duty

bearer and therefore affects all dimensions of development. Corruption further increases inequalities in power, voice, resources, opportunities, choice and human security. Politics in many ways influence and determine the choices available in the social and economic spheres of society, including access to and control over natural resources. Furthermore, socio-cultural norms construct the relation between different social groups, particularly the relationship between women and men as broad categories, defining their roles and position in society. These are also very clearly linked to dimensions of culture and religion, which as social systems are constantly changing and evolving, impacting and being impacted upon by the overall context.

The peace and conflict context refers to factors such as social cohesion, trust, conflict resolution mechanisms, justice, and arms control on the one hand and violence, tensions, grievances and conflicting interests on the other. Furthermore, it is important to consider how the larger internal and external security picture affects poverty. People living in poverty are generally more vulnerable to conflict and violence. In addition, conflicts and insecurity can reduce access to education, health and markets as well as participation in societal decision-making and reduce the access to markets.

Environmental context includes, firstly, the need to understand the particular environmental situation, trends and consequences per se in the country or region – e.g. climate change, loss of biodiversity and ecosystem services, pollution, water quality – and the causes and drivers of degradation. This includes unpacking whether the root cause is local/national (e.g. a city's waste management), regional (e.g. overexploitation and degradation of joint water resources) and/or global (e.g. climate change) as well as understanding the linkages between the levels²⁴. Secondly, it includes understanding the use of and dependency on natural resources and ecosystem services for livelihoods and economic growth, focusing on households living in poverty from household level to the macroeconomic level. Thirdly, it includes identifying risks and vulnerability, as people living in poverty tend to be vulnerable to environmental risks and degradation, such as droughts, floods, land degradation, overgrazing, health problems due to agro-chemical exposure, etc.

24 For example, local wildlife poaching takes place locally but may be driven by international market demand; local fishermen and/or international fishing fleets may be overfishing etc.

5 Analysis of multidimensional poverty in the strategy process

The main operative purpose of multidimensional poverty analysis is to ensure the continued relevance of Sida's contribution portfolio given how poverty is manifested and experienced, who is poor, in what dimensions, the underlying causes of poverty, risks and vulnerability.

We recommend doing a comprehensive multidimensional poverty analysis at one point in the strategy process and then regularly revisiting this analysis.

There are two particularly strategic opportunities in the strategy process for a more comprehensive multidimensional poverty analysis:

- As part of the mid-term review and in-depth strategy report. The purpose is to make a more comprehensive assessment of the relevance of the portfolio than in the annual follow up, and to be forward looking and provide input for future strategies and support.
- At the end of the strategy and before the Ministry for Foreign Affairs gives instructions for the next strategy to Sida. The purpose is to provide input to the coming strategy.

Revisiting the analysis can be done in different ways. Two stages of the strategy process offer particular opportunities for revisiting:

- In the operationalization of the strategy. The purpose is to support the development of theories of change to ensure a portfolio of relevance to the strategy support areas and to reducing poverty in multiple dimensions.
- As part of the annual follow up of the strategy – possibly in relation to the strategy report. The purpose is to review the earlier analysis and theories of change, assessing the continued relevance of the portfolio for the results areas and given the changes in the poverty and development context.

Poverty Analysis

The purpose of a multidimensional poverty analysis (MDPA) is to contribute to a shared and deeper understanding of multidimensional poverty, better knowledge about how Sida's operations affect people living in poverty and better operational decisions that reflect the perspective of people living in poverty.

KEY PRINCIPLES

1. **Flexible:** The process for analyzing and integrating multidimensional poverty should be adapted to meet the specific needs and resources of the team. The poverty toolbox includes a variety of tools, templates and resources to be used and adapted to these needs.
2. **Shared learning:** One of the key objectives is to achieve a shared understanding of multidimensional poverty. The process should be owned and led by the operational team and should focus on identifying clear conclusions.
3. **Iterative:** The analysis requires multiple discussions that will eventually result in key conclusions. The analysis and conclusions should be revisited on a regular basis.
4. **Existing knowledge:** The MDPA compiles and incorporates existing studies, reports and data. A multidimensional perspective will require identifying and synthesising information from multiple sources. The process should be synchronised with and supportive of national analytical processes when possible.

WHEN TO CONDUCT A MDPA

It is recommended to conduct a more comprehensive analysis at one point in the strategy process and then regularly revisit the conclusions. The timing of the MDPA should be planned to 1) increase the strategic impact of Swedish development cooperation and 2) strengthen local analytical capacity to the extent possible. There are a number of opportunities for a more comprehensive analysis:

- **Mid-term review.** The purpose is to make a more comprehensive assessment of the relevance of the portfolio than in the annual follow up, and to make an outlook to future strategies and support (and ideally as an input into the Swedish government's instructions for the next strategy).
- **End of the strategy** and before the instructions for the next strategy have been presented by the Ministry for Foreign Affairs. The purpose is to guide the focus of the coming strategy.
- **Major changes in the context.** If the context changes drastically (eg. civil war, humanitarian catastrophe, major change in the political landscape) consider conducting a full MDPA.

HOW TO CONDUCT A MDPA

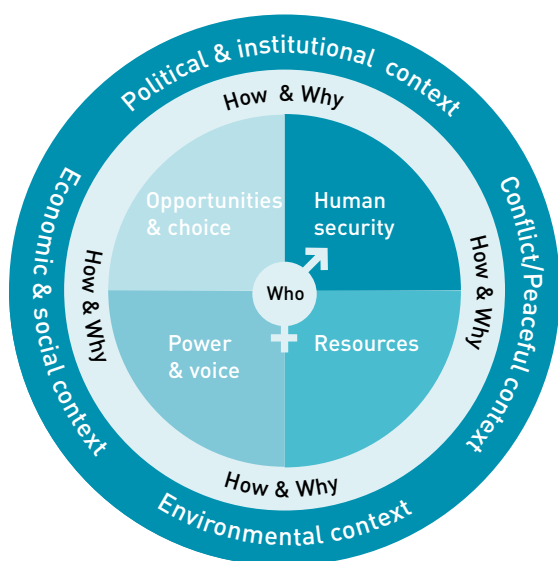
Experience has shown that collecting and analysing data as a team is more likely to lead to a deeper, common understanding of poverty. Following the initial analysis, it is crucial to revisit the analysis and agree on some selected, prioritised conclusions. The more focused the conclusions the greater the chance that they will influence decision making (both at the strategy level and contribution level). The following steps are recommended:

1. **Plan:** a) discuss the conceptual model; b) gather basic data and get an overview of the poverty in the four dimensions as well as the development context; c) agree on a purpose and focus of the analysis; d) identify what data is available and what is missing; e) decide who will do what, when and the report format ([see Report Format](#)). ([see Workshop guide, workshop 1](#))
2. **Collect data:** a) gather and review the data ([see Guiding Questions and Menu of Indicators](#)); b) summarize and consolidate the data in the report.
3. **Analyse:** a) review and discuss the summarized data together; b) document and discuss findings with the team. ([see Workshop guide, workshop 2](#))
4. **Conclude:** a) revisit findings and agree on key conclusions. ([see Workshop guide, workshop 3](#))



DIFFERENT APPROACHES TO MDPA

The MDPA process can be adapted to reflect the knowledge of the team about poverty in the specific context and the needs of the team the process for analysis. The process can start from: 1) **who** is poor (example from Zambia); 2) **how**, in what dimensions, people are poor (examples from Kosovo, Mali and Afghanistan); or 3) **why**, the underlying structural, institutional and development reasons to poverty (examples from Uganda and Myanmar).



The aim of this brief is to provide guiding questions for interpreting the different dimensions of poverty and to facilitate analytical application. The questions are neither compulsory nor comprehensive in nature, but aim to provide guidance when conducting a multidimensional poverty analysis.

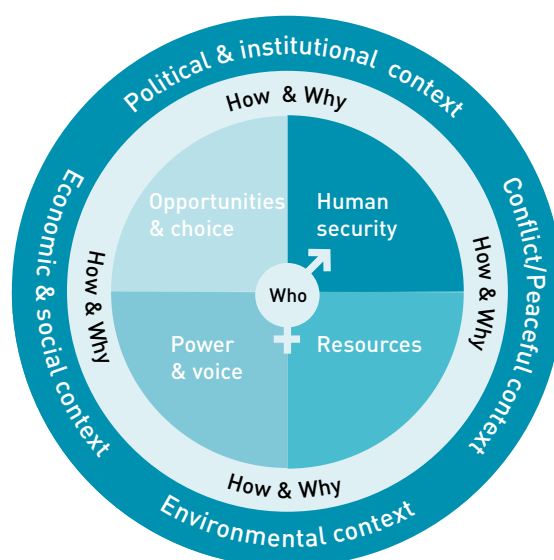
The guiding questions should be used together with the [report structure](#) and the [indicator guide](#). The questions need to be contextualized for each country and only a sub-set of these questions is likely to be relevant to a particular country at a certain point of time, and additional questions will likely arise following the revealed focus of the analysis.

The questions can also be used as a guide when reviewing already existing poverty analyses in relation to the four dimensions and the context analysis. It is then important to ask: What dimensions of poverty were not covered? Any groups left out? What has happened since last time? Have the identified risks materialized and in that case with which effect? Did anything happen that we did not anticipate and with which effect?

The questions can be applied in the analysis of poverty at different levels: national, sub-national, analysing poverty and vulnerability of specific groups, etc. Note that this also include gender analysis which should – to the extent possible – be taken into account for each question. For further guidance on gender mainstreaming in overall development analytics, we refer to [Gender Toolbox](#).

When answering the questions using indicators and other sources of information, it is generally advisable to benchmark against similar countries (in the region, or at a similar (or desired) per capita income level), as well as look into trends – within the country and in relation to other countries.

Throughout the study, it is also important to identify data and knowledge gaps, as the lack of information does not imply a problem does not exist. This can relate to a specific thematic area, but also specific groups, such as displaced people, that are often missing in the official data. Addressing these knowledge and data gaps may even come out as a recommendation from the analysis.



1. THE FOUR DIMENSIONS OF POVERTY

The guiding questions can be used to map poverty in the different dimensions. This section is hence foremost descriptive. However, for further knowledge of dynamics and interlinkages it is also important to analyse and seek to explain how poverty in the different dimensions are related to each other. For example, how does deprivations in power and voice and/or human security affect a certain group's resources and opportunities and choice and vice versa. These explanatory "why" questions can either be addressed here or in the next section, depending on the chosen report structure.

The purpose of this section is to find the profile, or profiles, of the poor and vulnerable, i.e. those living in poverty or at the verge of falling into poverty. What are the characteristics of the women, men, girls and boys living in poverty in each dimension (demographic characteristics, location, education background, type of economic activities formal/informal etc)? Who are vulnerable populations at risk of being poor or become poorer? Are there geographical areas and groups, including displaced populations, that are more affected by shocks or particularly vulnerable to risks? Applying a gender perspective is important. To the extent possible, analyse how factors such as sex, age, gender identity and gender expressions, sexual orientation, disability, ethnicity and religion and other beliefs affect people living in poverty. You may choose to focus on a particular group (or groups) and identify the characteristics of this groups with the help of the four dimensions, or you may want to focus on a particular dimension and identify the groups that is particularly poor in that dimension.

THE FOUR DIMENSIONS OF POVERTY:

Being poor in terms of **resources** means not having access to or power over resources that can be used to sustain a decent living standard and improve one's life. Resources can be both material and non-material – e.g. a decent income, capital, being educated or trained, professional skills, being healthy.

Being poor in terms of **opportunities and choice** concerns what possibility you have to develop and/or use your resources so as to move out of poverty. Access to e.g. social services, to infrastructure, to capital, to land, or to natural resources affects the opportunities and choices.

Being poor through lack of **power and voice** relates to the ability of people to articulate their concerns, needs and rights in an informed way, and to take part in decision-making that relate to these concerns. Power is a relational concept that allows us to better understand socio-cultural hierarchies and relations of which gender is one, others include age, caste, class, religion, ethnicity and sexual identity. Reinforcing forms of discrimination based on such socio-cultural relations may increase an individual's poverty in this sense.

Being poor in terms of **human security** implies that violence and insecurity are constraints to different groups' and individuals' possibilities to exercise their human rights and to find paths out of poverty.

1.1 Resources

Resources

Being poor in terms of *resources* means not possessing and/or having access to or power and voice over resources that can be used to sustain a decent living standard, meet basic needs and improve one's life. Resources can be both material and non-material: a decent income or physical and human capital, such as being educated or have professional skills, being healthy, having agricultural tools or a push cart to transport goods in towns.

Please also view the [menu of indicators](#).



SUB-DIMENSIONS: MATERIAL AND NON-MATERIAL RESOURCES	GUIDING QUESTIONS (EXAMPLES)
• Income levels • Capital • Remittances • Land • Livestock • Natural resources /ecosystem services • Other material resources • Education levels • Health status • Social capital	• What are the current levels and trends with regard to income poverty? • Are the income levels sufficiently high to bring workers and their families out of poverty? If not, is it a question of productivity or lack of employment (self or wage employment)? • What are the main economic activities and/or sources of income? Besides income from work, what other sources of income are available for individuals/households (e.g. remittances, government transfers, rents) • Who owns and controls land? • What access/rights do people have to key natural resources and/or ecosystem services (land, water, seeds, etc.)? • What material resources do individuals/households possess – dwellings, radio, cattle, mobile phones, etc.? • Do adults have sufficient skills to be productively employed (e.g. adult literacy rate, primary and secondary completion rates, technical skills and skills gaps)? • Are people physically and mentally able to work and in good health (including sexual and reproductive health)? Do some people meet different health challenges because of e.g. discrimination and stigma? Are there differences in exposure to different health hazards (environmental/pollution; Sexually Transmitted Infections etc.) • What is the nutrition status of different population groups (in particular children under 5)? • Which are the main risks or shocks that specific groups are exposed to related to resources at individual, group or local community levels (livestock diseases, sickness, collapse of income, disruption of remittances, drought, floods, conflict, displacement etc.)? • What capacities do people, groups and the local community have to prepare, mitigate or prevent negative impact of these shocks? How do they adapt or transform to reduce the exposure to shocks in relation to resources?

1.2 Opportunities and choice

Being poor in terms of *opportunities and choice* concerns one's possibilities to develop and/or use resources to move out of poverty. The lack of opportunities and choice is both a consequence of poverty in the other three dimensions and a consequence of a disabling context, such as the lack of access to education, health clinics, infrastructure, energy, markets and information.

Please also view the [menu of indicators](#).



SUB-DIMENSIONS	GUIDING QUESTIONS (EXAMPLES)
• Access to and opportunities for productive employment • Access to education • Access to health care • Access to water and sanitation • Access to infrastructure (roads, electricity, ICT etc.) • Access to markets • Access to financial services • Access to decent homes	• Is productive and decent employment available for all? What is the unemployment and underemployment rate? Working poor? Are there any differences based on i.e. age, sex or other factors, such as location etc.? • Is education (primary, secondary, tertiary) accessible and affordable for all groups in the society? What is the quality of the education? • Is health care accessible and affordable in all parts of the country? Are there any differences based on sex, age, gender identity and gender expressions, sexual orientation, disability, ethnicity and religion or other beliefs? Access to sexual and reproductive health? • Are people able to access necessary ecosystem services (water and sanitation, joint forest areas, grazing land, and fishing rights etc.)? • Are all people able to access necessary infrastructure (roads, electricity, ITC etc.)? • Are all people/households able to access financial services (such as loans, insurances, and savings products) through formal, semi-formal, or informal institutions? • What are the trends within the above-mentioned areas, and how does the country in question differ from other countries? • Which are the main risks or shocks that specific groups are exposed to related to opportunities and choices at individual, group or local community-level? How do conflict, displacement, drought, floods etc. affect people's access to healthcare, education and employment etc.? • What capacities do people, different groups and local communities have to prepare, mitigate or prevent negative impact of these shocks? How do they adapt or transform to reduce exposure to shocks in relation to opportunities & choice?

1.3 Power and voice

Power
& voice

Being poor through lacking *power and voice* relates to people's ability to articulate their concerns, needs and human rights in an informed way and to take part in decision-making affecting

these concerns. This applies to decision-making in the private sphere and participation in public life and engagement with public institutions. Reinforcing forms of discrimination based on such socio-cultural relations may increase an individual's poverty in this sense. The lack of power and voice deprives people of the freedom to take part in private and/or public decision-making that is of fundamental importance to them.



Please also view the [menu of indicators](#).

SUB-DIMENSIONS	GUIDING QUESTIONS (EXAMPLES)
• Ability and opportunity to claim and enjoy human rights • Discrimination, formal and informal • Access to justice • Access to power • Ability and opportunities for voice	• Whose human rights are not respected/ violated? What rights? • Which groups are subject to formal discrimination (i.e on the grounds of sex, age, gender identity and gender expressions, sexual orientation, disability, ethnicity and religion or other beliefs, other)? What groups are being discriminated de facto? In social, political, legal and economic (e.g. job market, land tenure) contexts, and in relation to what issues (health, education, environment/natural resources etc.)? • What intersecting forms of discrimination exist? How do intersecting forms of discrimination overlap and reinforce each other? • Are people empowered to utilise and demand reform of state and non-state justice institutions? Are these institutions available and accessible for all? • What access to power and voice do different groups have? • Who exercises power within the household? Who is marginalised and discriminated in this regard? What kind of power and voice? Power over their own body, power in the household, power to influence the working place, within traditional structures, voice to vote, decision-making over joint natural resources and information/ decision-making on environmental hazards etc. • Who and what groups are represented in formal decision-making forums at all levels: sub-national and national level? Which citizens and groups are not represented? • Who controls the agenda for decision-making? • What are the possibilities for social mobility - beyond economic terms (health/education status, influence and aspirations)? • What are the trends within the above-mentioned areas, and how does the country in question differ from other countries? • Which are the main risks or shocks that the specific groups are exposed to in relation to power and voice at individual, different group or local community levels (political turmoil, electoral fraud, coup etc.)? • What capacities do people, groups and local communities have to prepare, mitigate or prevent negative impact of these shocks? How do they adapt or transform to reduce exposure to shocks to express their voice?

1.4 Human Security



Being poor in terms of *human security* means that violence and insecurity are constraints to different individuals' and groups' possibilities to exercise their human rights and to find paths out of

poverty. Generally, people already living in poverty or deprivation in other dimensions are worst affected by conflict and insecurity. Besides the obvious harm and trauma that insecurity and violence cause, it also has other severe effects that deprive the lives of women, men, girls and boys. Being poor in terms of security often contributes to increased poverty in other dimensions of poverty.



Please also view the [menu of indicators](#).

SUB-DIMENSIONS	GUIDING QUESTIONS (EXAMPLES)
• Vulnerabilities to tensions, conflict and violence • Physical and sexual safety and violence	• Are there any ongoing, recent or risk for armed conflict and/or tensions in the area that results in violence and/or potentially could develop into armed conflict? What implications does this have on people's lives (depending on group belonging or in which region one lives)? Have people been displaced? • How prevalent is violence in society at large and among different groups, and what are the underlying reasons (power structures; competition around economic and/or natural resources; etc)? How are different groups (gender, age, gender identity and gender expressions, sexual orientation, disability, ethnicity and religion or other beliefs etc.) affected? • What is the prevalence of sexual and gender-based violence in the country? • What is people's perception of safety in their community¹? • To what extent is violence (or risk of being subject to it) limiting people's choices and possibilities to exercise their human rights, including livelihood opportunities? and access to natural resources? • What kind of vulnerability, capacities and resilience stand out for individuals, different groups and local community e.g. in relation to conflict and human insecurity?

¹ For instance, a perception based survey can be used, for instance Afrobarometer or Latinobarometer etc.

2. THE DEVELOPMENT CONTEXT

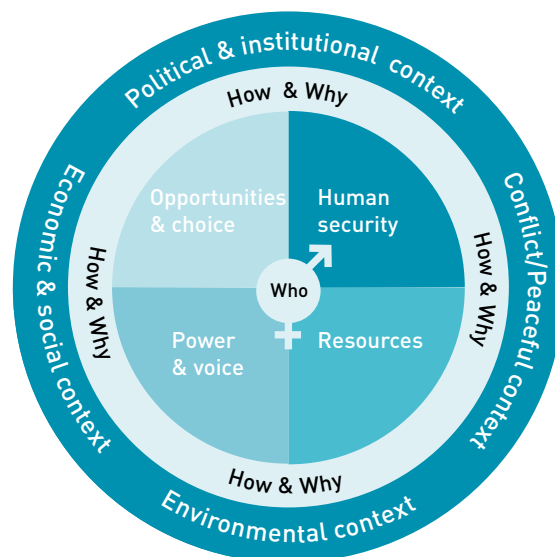
To understand and explain the causes of poverty, the opportunities to move out of poverty, and the main risks that could aggravate poverty, it is important to understand the context in which a person live. Sida analyses the development context along four areas: (i) The political and institutional context; (ii) The social and economic context; (iii) The environmental context; and (iv) The peace and conflict context. In all contexts and especially in fragile states, it is important to identify which risk factors that exist in the specific country, probability of those risks and possible impact.

It is at this stage important to use available tools and methodologies to go from a descriptive approach to an analytical, explanatory and diagnostic approach, seeking to understand the underlying, country-specific determinants. These tools and methodologies are numerous but a starting point is to benchmark levels and trends of the indicator in question (i) in relation to other countries, and (ii) in relation to the rest of the dimensions of poverty during different time periods. If the indicator for a potential determinant has changed during a certain time period but not the indicator for poverty, the potential determinant is unlikely the answer.

The guiding questions assist in understanding the country context from different angles. To get a wider understanding it is important to analyse and seek to explain the dynamics between the contexts. For example, how and why developments and risks in the political context affects the economic development and/or how conflict/security related developments affect politics and the economic development. In addition, and as already mentioned in the first section, each dimension of poverty can itself be part of the underlying context and hence be an explanatory determinant for another dimension of poverty.

2.1 Political and Institutional Context

The *political and institutional context* refers to formal and informal political institutions, norms, relations of power, the rule of law, and human rights. The roots of poverty can often be traced to unequal power relations.



Examples of questions to ask:

- What challenges does the political system have in relation to poor people? Is the integrity and democratic quality of the electoral process at national and sub-national levels guaranteed? What political institutions are in the driving seat of the development/poverty reduction agenda? What is their capacity to fulfil their agenda?
- Which groups are politically represented at different levels of the state apparatus? Who exercises power in the public domain (locally and nationally)? Which groups are not represented?
- Is the national legal framework consistent with international human rights norms and standards and does it ban discrimination in all its forms?
- Is rule of law upheld throughout the justice system?
- Are there functioning mechanisms for accountability between duty bearers and right holders?
- Are there adequate and demonstrably effective mechanisms to control corruption including commitments on high transparency standards as well as essential checks and balances through media and civil society free from oppression? What implications does corruption (if applicable) have on people living in poverty? What are the incentives for rent-seeking behaviour in both the public and private sectors?
- What is the role of informal institutions, power structures, and norms? For Example, is there a parallel traditional law that is dominant in (certain parts) of the country?
- What is the role of religious institutions in the country for different groupings?

- What is the situation/recent developments regarding the right to freedom of expression, including the right to information, and the right to freedom of association and assembly?
- What are the existing mechanisms and capacity within national institutions and society at large for protection of support to victims of conflict and violence and conflict resolution at different levels?
- Which are the main risks or shocks? (conflict, drought, displacement etc.) How do they interrelate and how do they impact on the different dimensions of poverty? What are the capacities at national and local institutions to prepare, mitigate or prevent negative impact of shocks and to adapt and transform to reduce the exposure of shocks?

2.2 Social and Economic Context

Social and economic context includes the size and growth rate of the economy, the macroeconomy, fiscal policy, market development, labour market, structure of the economy – use and dependence on natural resources – education system, health system, and demographic developments – age distribution and divides, ethnic differences, gender gaps and dynamics. Economic incentive structures (taxes, fees, subsidies, payment for ecosystem services), allocation of financial flows, and accounting methods and reporting – all play a key role for determining whether or not the economy is socially inclusive and environmentally sustainable. The size of the economy, the growth rate, the structure of the economy as well as resource distribution and use directly affect women, men, girls and boys living in poverty in terms of employment opportunities, access to and quality of social services, and infrastructure.

Examples of questions to ask:

- What is the structure of the economy and exports?
 - Main sectors (agriculture, industry manufacturing, extractive industries), services etc.)?
 - Main export and import goods and services, and main trading partners?
 - Is the economy predominantly formal or informal?
 - What is the relative contribution of private versus public investment? How large are government expenditures as a share of GDP?
- What are the levels and trends of growth in the country and how are they related to the performance on poverty? Is the economy growing sufficiently fast to contribute to increased income per capita, i.e. over and above the estimated growth of the population?
- Is growth low overall, or is it the case that growth is not inclusive enough?¹ What is the role of average welfare gains vis-a-vis distributional changes in reducing poverty? For example, is high growth combined with highly regressive fiscal policy and highly unequal provision of public goods and services; is there narrow-based growth in a resource rich low-income country?
- Who is, and who is not, benefitting from growth? What is the distribution of growth, by sector, spatial patterns, gender, ethnicity, etc.? What are the nature of and opportunities for the middle class, or is growth and employment mainly driven by the elite?
- What is the role of labor vs. non-labor income in explaining poverty reduction and changes in inequality?
- What is the structure of the labour market (sectoral, age, any segregation etc.)?
- What are the opportunities and challenges for productive employment? Who are likely to experience upward or downward mobility? What are the determinants of mobility?
- What are the key challenges for private sector development and aggregated growth?
 - Which constraints appear binding (a broad approach is necessary, including health, infrastructure, governance, fiscal issues, trade, natural resources, etc)? What are the signs that these constraints are binding, for this particular country? What are the incentives (positive and negative) for promoting a green economy?
 - Which constraints are especially binding for people living in poverty, and for growth to be more inclusive?
 - Overview of government supported social security programmes. What is the role of social networks and informal safety nets?
 - Is the economy in balance without excessive rates of inflation, trade deficits, and/or other imbalances that may trigger acute economic crises?
- What is the fiscal situation?
 - Is the government able to finance its budget, including social spending and infrastructure investment?
 - What does the expenditure pattern look like? Reasonable levels when compared to other countries and in relation to the identified binding constraints? What is the level of debt and the associated expenditure for interest payments?

¹ In a country where growth is generally low across most sectors and regions, a greater focus on the constraints to aggregate growth would be justified. Conversely, in a country where growth is respectable but poorly shared, a greater focus on distribution and factors influencing outcomes for specific groups, sectors, regions etc., in addition to the constraints to more broad-based growth, would be merited.

- How is the education system organised and resourced and does it reflect current and future skills needs?
- How is the health provision organised and resourced? Private and/or public?
- How does migration and remittances influence development dynamics in the country?
- Review the demographic trends in the country.
 - What should we expect in the coming 20 years (migration, urban/rural, age dependence)?
- Which are the main risks or shocks that the society is exposed to (such as conflict, drought, displacement etc.)? How do they interrelate? What impact do/would they have on the different dimensions of poverty?
- What capacities do the society/local community have to absorb shocks? How do the society adapt to reduce the exposure to shocks or transform to reduce the impact of the shock?

2.3 Environmental Context

Environmental context includes, firstly, the need to understand the environmental situation, trends and consequences per se in the country or region and the causes and drivers of degradation. Secondly, it includes understanding the use of and dependency on natural resources and ecosystem services for livelihoods and economic growth, focusing on the women, men, girls and boys living in poverty from individual/household level to the macroeconomic level. Thirdly, it includes identifying risks and vulnerability, as people living in poverty tend to be vulnerable to environmental risks and degradation, such as droughts, floods, land degradation, overgrazing, health problems due to agro-chemical exposure, etc.

Examples of questions to ask:

- What are the main environmental resources in the country?
 - Who controls these assets?
- Are there resource-based opportunities for growth, such as resource efficiency, carbon markets, eco-tourism etc.?
- What are the main environmental challenges and risks? Are people subject to environmental hazards? Do they cause a threat to economic activity and growth? Urban-rural differences, any other differences? Which ecosystem services are most critical for people living in poverty?
- Overview of the countries and different groups key risks and exposure to climate change and other environmental degradation? Do people/households lose assets and sell assets in order to cope?

Do children drop out from school to help? Are production systems/supply chains disrupted, sometimes for years? What are the key health risks and other risks related to climate and other environmental challenges for different groups?

- What are the social dimensions of sustainability related to environmental risks? Examples: resource access and use rights, inclusion and agency, inequitable impacts of pollution (e.g., environmental, justice), corruption/lack of transparency and accountability in environmental management. Throughout, there may be issues specific to indigenous peoples.
- If available, what are the costs from environmental externalities (% of GDP) from degradation and depletion of the environment and of natural resources? How do they compare to other countries and how are they connected to the economic structure of the country (high dependence on heavy industry or natural resource extraction?)?
- Is the country saving enough? Measure sustainability at the macro level: does the annual change in total wealth (gross savings adjusted for depreciation of physical capital, investments in education, depletion of natural resources, and population growth) per capita show wealth depletion?
- What are the fiscal dimensions of sustainability related to environmental risks? Examples: (a) rents from natural resources; (b) expenditures on subsidies (e.g., energy); (c) market-based instruments (taxes, PES, trading schemes) addressing acute environmental and/or climate change; or (d) long-term fiscal impacts of natural disasters.
- What is the level of preparedness and effective coping strategies for shocks of the country at large, including for different regions and groups? Are there displaced populations in the country?
- Is the current legal frameworks, regulations, and institutions sufficiently strong to cope with challenges and risks for a sustainable management of environment and natural resources?

2.4 Peace and conflict context

The *peace and conflict context* refers to factors such as social cohesion, trust, conflict resolution mechanisms, justice, and arms control on the one hand and violence, tensions, grievances (real and perceived) and conflicting interests on the other. An ongoing – or a possible outbreak of – armed conflict will have consequences for people's possibilities to escape poverty. People already living in poverty are generally more vulnerable to conflict and violence. It is important to consider how local, national, regional and

global patterns of violence, conflict and fragility influence the different dimensions of poverty for different groups. Conflicts and insecurity can for example reduce access to education, health and markets as well as participation in societal decision-making. It is important to keep in mind that development in itself can be a conflict-ridden process.

Examples of questions to ask:

- Are there any ongoing or recent armed conflicts and/or tensions in the area that potentially could develop into armed conflict? Who are the main actors?
- What underlying causes and stress factors for a peaceful development (poor governance, discrimination, lack of opportunities, intercommunal tensions etc.) are or may result in tensions and conflict in the country?
- Conflict related gender based violence?
- How is the situation for women, peace and security in the country (prevention and negotiation)? Has the country an action plan for Resolution 1325 on Women, Peace and Security, Security Council Resolution 1325?
- How has the levels of organized crime and violence developed recently?
- How has the displacement situation (if applicable) developed over the past year and how is it expected to evolve over time?
- Are there indications that group-based inequalities result in cleavages creating current or emerging patterns of violence and fragility? Do regional imbalances, existing or constructed ethnic, economic and social divisions increasingly cause violence?
- Has the economic structure of the country been shaped by conflict and fragility? What are the possibilities that patterns of growth can both drive conflict and / or help manage conflict?
- Is there rising competition over primary commodities with implications for conflict and power dynamics? How has conflict and fragility shaped the institutional management and regulation of natural resource extraction and in what ways can economic governance arrangements be strengthened?
- Are macro-economic vulnerabilities (fiscal, prices) threatening socio-political stability? Are capital inflows, FDI, and aid flows mitigating economic risks or increasing/shifting risk? Is there acute or emerging resource scarcity (e.g. land, water, fertile soil, fuel, etc.) leading to population movements and environmental pressures?
- Are existing institutions able to function with some degree of autonomy from political economy interests or protection from elite capture?
- What are the links between environmental/climate and conflicts? Competition/conflict around natural resources? Is there a high dependence on primary commodities exports? Natural resources (minerals/oil, illegal wildlife trade/poaching, forest products etc.), as source of income for conflict groups? Climate change aggravating tensions and vulnerability?

This note gather some of the indicators that are helpful when conducting a multi-dimensional poverty analysis (MDPA). It is a living document where more examples of useful indicators are added continuously. Please note that some of the listed links in this document refers to indexes with several relevant indicators.

While using this document, it is important to point out that:

- This is a guide with links to find typical cross-country indicators for each dimension. Many useful and relevant indicators can be found elsewhere too.
- The relevant indicators will depend on the country specific context, the depth of the study, and any particular focus the study may have chosen. The indicators in this guide are not compulsory to use.
- In addition, it is important to also seek data on people living in poverty and to use information from qualitative studies, including perceptions studies. Further guidance is given in relevant thematic toolboxes, thematic briefs and thematic network sites: links.
- The indicators listed in this document are sorted following the structure of the MDPA. However, the same indicator can be relevant to use under several sections, depending on the specific problems in the country or how the report is eventually structured.
- This menu covers cross-country data, which is useful to benchmark a country's progress against other countries. However, more detailed, country-specific data should be used to complement this picture. This data can be gathered from the statistical offices in the country or from country-specific studies by different organization (World Bank, IMF, OECD, UNDP and other UN entities and humanitarian organisations, etc).
- It is important to further explore disaggregated data availability since it is key in understanding the perspective of people living in poverty and inter-sectionalities. If available, data that is disaggregated by sex, age, geographical location (rural/

urban), migratory status, disability, and other relevant levels of disaggregation should be used. As a minimum, if available, sex- and age disaggregated data should be used across all dimensions of the multidimensional poverty analysis.

- Since this is a living document, work in progress, suggestions of new indicators are most welcome.



1. POVERTY OVERVIEW AND INEQUALITY

- [World Development Indicators: World Bank](#) (Link to the overall databank)
 - [Poverty headcount ratio at; \\$1.90 a day \(2011 PPP\) \(% of population\)](#), [\\$3.10 a day \(2011 PPP\) \(% of population\)](#), [national poverty lines \(% of population\)](#)
 - [Rural/Urban poverty gap at national poverty lines \(% of total and rural population\)](#)
 - [Poverty gap at; \\$1.90 a day \(2011 PPP\) \(%\)](#), [\\$3.10 a day \(2011 PPP\) \(%\)](#), [national poverty lines \(%\)](#)
- [Multidimensional Poverty Index \(MPI\)](#)
- Human Development Report: [Human Development Index Rank](#)
 - [Share of population living in multidimensional poverty](#)
 - [Contribution to deprivation in different dimensions](#)
 - [Palma ratio](#)
 - [Gender Inequality Index Rank](#)
- [GINI index \(World Bank estimate\)](#)

2. THE FOUR DIMENSIONS OF POVERTY

2.1 Resources

Resources

- | | |
|-----------------|--|
| • Income levels | • Natural resources/ecosystem services |
| • Capital | • Other material resources |
| • Remittances | • Education levels |
| • Land | • Health status |
| • Livestock | • Social capital |

Income

- [GDP per capita \(current, constant, etc.\)](#)
- [GDP per capita growth](#)
- [Income share held by; lowest 10%, lowest 20%, second 20%, third 20%, fourth 20%, highest 20%, highest 10%](#)
- [Survey mean consumption or income per capita; bottom 40% of population, total population \(2005 PPP \\$ per day\)](#)
- [Annualized average growth rate in per capita real survey mean consumption or income; bottom 40% of population \(%\), total population \(%\)](#)

Remittances and Government Benefits

- [Personal remittances, received \(% of GDP\)](#)
- [Share of unemployed receiving regular periodic social security unemployment benefits by schemes and sex \(%\)](#)
- [Adequacy of social security programs \(% of total welfare of beneficiary households\)](#)
 - [social insurance programs](#)
 - [social protection and labor programs](#)
 - [social safety net programs](#)
 - [unemployment benefits and ALMP](#)
- [Benefits incidence in poorest quintile \(%\)](#):
 - [Benefits incidence in poorest quintile \(%\) \(All labor market\)](#)
 - [All Social Assistance](#)
 - [All Social Insurance](#)
 - [All Social Protection and Labor](#)

Health, including sexual and reproductive health

- [Life expectancy at birth, total, female, men \(years\)](#)
- [Mortality caused by road traffic injury \(per 100,000 people\)](#)
- [Maternal mortality ratio \(modeled estimate, per 100,000 live births\)](#)
- [Mortality rate; under-5 \(per 1,000 live births\), infant \(per 1,000 live births\)](#)

- [Prevalence of undernourishment \(% of population\)](#)
- [Prevalence of underweight, weight for age \(% of children under 5\); total, female, male](#)
- [Prevalence of wasting, weight for height \(% of children under 5\); total, female, male](#)
- [Prevalence of severe wasting, weight for height \(% of children under 5\); total, female, male](#)
- [Prevalence of overweight, weight for height \(% of children under 5\); total, female, male](#)
- [Prevalence of stunting, height for age \(% of children under 5\); total, female, male](#)
- [Prevalence of HIV, \(% of population ages 15-49, children ages 0-14\); total, female, male](#)
- [Incidence of HIV \(% of uninfected population ages 15-49\)](#)
- [Incidence of malaria \(per 1,000 population at risk\)](#)
- [Incidence of tuberculosis \(per 100,000 people\)](#)
- [Prevalence of anaemia; among children \(% of children under 5\), among women of reproductive age \(% of women ages 15-49\)](#)
- [Deaths due to poor water, sanitation and hygiene](#)
- [Deaths due to indoor/outdoor air pollution](#)
- [Adolescent fertility rate \(births per 1,000 women ages 15-19\)](#)
- [Fertility rate, total \(births per woman\)](#)
- [Wanted fertility rate \(births per woman\)](#)
- [Birth rate, crude \(per 1,000 people\)](#)
- [Contraceptive prevalence, any methods \(% of women ages 15-49\)](#)
- [Percentage of girls and women aged 15-49 years who have undergone FGM/C](#)

Education

- [Literacy rate, population 15+ years 15-24 years, total, female, male \(%\)](#)
- [Literacy rate, youth \(ages 15-24\), gender parity index \(GPI\)](#)
- [Mean years of schooling, total, female, men](#)
- [Primary completion rate, total, female, men \(% of relevant age group\)](#)
- [Population with at least secondary education, female/male ratio \(Ratio of female to male rates\)](#)
- [School enrolment, primary and secondary \(gross\), gender parity index \(GPI\)](#)
- [Learning outcomes](#)

Capital and Natural Resources

- [Land rights \(female/male\)](#)
- [Agricultural machinery, tractors per 100 sq. km of arable land](#)
- [Cereal yield \(kg per hectare\)](#)
- [Livestock densities](#)
- [Adjusted net savings, including particulate emission damage \(% of GNI\)](#)

- [Population living on degraded land](#)
- [Population affected by natural disasters](#)
- [Natural resource depletion](#)
- [Droughts, floods, extreme temperatures \(% of population, average 1990-2009\)](#)
- [Plant species \(higher\), threatened](#)
- [Mammal species, threatened](#)
- [Fish species, threatened](#)
- [Bird species, threatened](#)
- [Total natural resources rents \(% of GDP\)](#)
- [Forest rents \(% of GDP\)](#)

2.2 Opportunities and Choice



- | | |
|---|---|
| • Access to and opportunities for productive employment | • Access to infrastructure (roads, electricity, ICT etc.) |
| • Access to education | • Access to markets |
| • Access to health care | • Access to financial services |
| • Access to water and sanitation | • Access to decent homes |

Employment

- [Labor force participation rate for ages 15-24 and 15+, total/female/male \(%\) \(modeled ILO estimate\)](#)
- [Ratio of female to male labor force participation rate \(%\) \(modeled ILO estimate\)](#)
- [Employment in agriculture/industry/services \(% of total, female, male employment\)](#)
- [Employment in private sector \(female/male\)](#)
- [Public employment by sectors and sub-sectors of national accounts \(Thousands\)](#)
- [Employment to population ratio, ages 15-24 and 15+, total/female/male \(%\) \(modeled ILO estimate or national estimate\)](#)
- [Wage and salaried workers, total/female/male \(% of total/female/male employment\)](#)
- [Firms with female participation in ownership \(% of firms\)](#)
- [Firms with female top manager \(% of firms\)](#)
- [Employers, total/female/male \(% of total/female/male employment\)](#)
- [Female share of employment in senior and middle management \(%\)](#)
- [Informal employment, total/female/male \(% of total non-agricultural employment\)](#)
- [Unemployment; total/female/male \(% of total labor force\) \(modeled ILO estimate or national estimate\)](#)
- [Unemployment with advanced education, total/female/male \(% of total/female/male labor force with advanced education\)](#)

- [Unemployment with basic education, total/female/male \(% of total/female/male labor force with basic education\)](#)
- [Unemployment with intermediate education, total/female/male \(% of total/female/male labor force with intermediate education\)](#)
- [Unemployment, youth total/female/male \(% of total/female/male labor force ages 15-24\) \(modeled ILO estimate\)](#)
- [Vulnerable employment, total/female/male \(% of total/female/male employment\)](#)
- [Working poor/Underemployment \(total/female/male\)](#)
- [Average working hours of children, study and work and working only, ages 7-14 \(hours per week\); total, female, male](#)
- [Child employment in agriculture/manufacturing/services \(% of economically active children ages 7-14\); total, female, male](#)
- [Children in employment, self-employed \(% of children in employment, ages 7-14\); total, female, male](#)
- [Children in employment, study and work, work only \(% of children in employment, ages 7-14\); total, female, male](#)
- [Children in employment, unpaid family workers \(% of children in employment, ages 7-14\); total, female, male](#)
- [Children in employment, wage workers \(% of children in employment, ages 7-14\); total, female, male](#)
- [Emigration rate of tertiary educated \(% of total tertiary educated population\)](#)
- [International migrant stock \(% of population\)](#)

Access to Finance and Markets

- World Bank: Access to financial institution services (by age, gender, etc):
- [Global FinDev Database](#)
- [Account at a financial institution, total/female/male \(% age 15+\) \[ts\]](#)
- [Account at a financial institution, income, poorest 40% total/female/male \(% ages 15+\) \[ts\]](#)
- [Account at a financial institution, income, richest 60% total/female/male \(% ages 15+\) \[ts\]](#)

Access to Health Care

- [Nurses and midwives \(per 1,000 people\)](#)
- [Physicians \(per 1,000 people\)](#)
- [Births attended by skilled health staff \(% of total\)](#)
- [Share of women receiving antenatal care](#)
- [Pregnant women receiving prenatal care \(%\)](#)
- [Hospital beds \(per 1,000 people\)](#)

- [Immunization, DPT \(% of children ages 12-23 months\)](#)
- [Immunization, measles \(% of children ages 12-23 months\)](#)

Access to Water and sanitation

- Little Green Data Book, for instance the following indicators
 - [Internal freshwater resources per capital](#)
 - [Access to improved water source \(% of total population\), rural/urban](#)
 - [Access to improved sanitation \(% of total population\), rural/urban](#)

Access to Infrastructure

- [Access to electricity; total, rural, urban \(% of rural population\)](#)
- [Value lost due to electrical outages \(% of sales\)](#)
- [Fixed broadband subscriptions \(per 100 people\)](#)
- [ICT goods/service exports \(% of total goods exports\)](#)
- [Individuals using the Internet \(% of population\)](#)
- [Mobile cellular subscriptions \(per 100 people\)](#)
- [Mobile account, total/female/male \(% age 15+\) \[w2\]](#)
- [Mobile account, income, poorest 40%, richest 60% \(% ages 15+\) \[w2\]](#)
- [Logistics performance index: Overall \(1=low to 5=high\)](#)
- [Logistics performance index: Quality of trade and transport-related infrastructure \(1=low to 5=high\)](#)
- [Quality of port infrastructure, WEF \(1=extremely underdeveloped to 7=well developed and efficient by international standards\)](#)
- [Agricultural irrigated land \(% of total agricultural land\)](#)
- [Improved sanitation facilities; total/rural/urban \(% of population with access\)](#)
- [Improved water source; total/rural/urban \(% of population with access\)](#)

Technology

- [Research and development expenditure \(% of GDP\)](#)
- [Computer, communications and other services \(% of commercial service exports/imports\)](#)

Access to Social/Job Security

- [Coverage of social insurance programs, safety net programs, unemployment benefits and ALMP in poorest, 2nd, 3rd, 4th, richest quintile \(% of population,](#)
- [Share of unemployed receiving regular periodic social security unemployment benefits by schemes and sex \(%\)](#)

2.3 Power and voice

Power
& voice

- | | |
|---|---------------------------------------|
| • Ability and opportunity to claim and enjoy human rights | • Access to justice |
| • Discrimination, formal and informal | • Access to power |
| | • Ability and opportunities for voice |

Indexes with several relevant indicators:

- [World Justice Project \(WJP\) Rule of Law Index](#)
- [Varieties of Democracy Index](#)
- [Minimum set of gender indicators](#) (UN Gender Statistics)¹
- [Corruption preception index for 2017](#)
- [Strength of legal rights index \(0=weak to 12=strong\)](#)
- [Worldwide Governance Indicators](#)
- [Global Gender Gap Index Rank](#)
- [Gender Inequality Index](#)
- [The Kids Rights Index](#) (Child rights, protection, health, education etc.)
- [Realization of Children's Rights Index](#) (grade between 0 and 10 that shows the level of realization of Children's Rights in a country)
- [Disability statistics](#) (Washington Group on Disability Statistics (WG) is a UN city group established under the United Nations Statistical Commission)

Indicators:

- [Share of seats in parliament \(% held by women\)](#)
- [Legislation exists on domestic violence \(1=yes; 0=no\)](#)
- [Percentage of women aged 20 to 24 years who were first married or in union before ages 15h](#)
- [Women who were first married before age 18 \(% of women aged 20-24\)](#)
- [Female genital mutilation/cutting prevalence \(%\)](#)
- [Percentage of girls who have undergone FGM/C \(as reported by their mothers, by place of residence and household wealth quintile\)](#)
- [Percentage of girls and women aged 15-49 years who have undergone FGM/C \(by place of residence and household wealth quintile\)](#)
- [Birth registration \(proportion of children under 5 years of age\)](#)

¹ Qualitative and quantitative indicators addressing relevant issues related to gender equality and/or women's and girl's empowerment (health, education, employment etc.).

- [Percentage of women of reproductive age \(15-49 years\) who are sexually active and who have their need for family planning satisfied with modern method](#)
- [Violence against women \(intimate or nonintimate\)](#)
- [Children age 2-14 years who has experienced any violent discipline \(psychological aggression and/or physical punishment\) in the past month %](#)

Perception surveys:

- [Perception survey \(Afrobarometer and Latinobarometro etc.\)](#)

2.4 Human security



- Vulnerabilities to tensions, conflict and violence
- Physical and sexual safety and violence

Indexes with several relevant indicators:

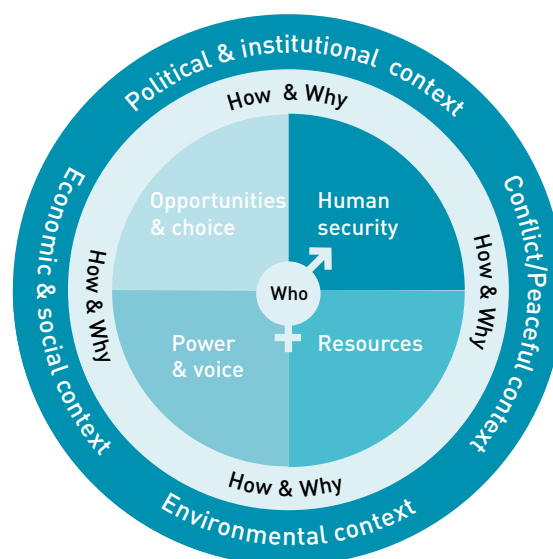
- [Worldwide Governance Indicators](#)
 - Political Stability and Absence of Violence
- [Inform Risk Index](#)
- [The Social Cohesion and Reconciliation \(SCORE\) Index](#)

Indicators:

- [Battle-related deaths \(number of people\)](#)
- [Homicide rates per 100,000 people](#)
- [Internally displaced persons \(number, high estimate, low estimate\)](#)
- [Prevalence of food insecurity](#)
- [Losses due to theft, robbery, vandalism, and arson \(% sales\)](#)
- [Proportion of women subjected to physical and/or sexual violence in the last 12 months \(% of women age 15-49\)](#)
- [Percentage of girls who have undergone FGM/C \(as reported by their mothers, by place of residence and household wealth quintile\)](#)
- [Percentage of girls and women aged 15-49 years who have undergone FGM/C \(by place of residence and household wealth quintile\)](#)

Perception surveys etc.:

- [Perception survey \(Afrobarometer and Latinobarometro etc.\)](#)



3. THE DEVELOPMENT CONTEXT

3.1 Political and Institutional Context

Indexes with several relevant indicators:

- [Varieties of Democracy index](#)
- [World Justice Project \(WJP\) Rule of Law Index](#)
- [UNOHCHR Universal Human Rights Index](#)
- [Worldwide Governance Indicators \(Government Efficiency, Control of Corruption, Voice and Accountability, Regulatory Quality, Rule of Law, Political Stability and Absence of Violence\)](#)
- [Global Competitiveness Index \(mostly WEF Executive Opinion Survey; pillars and sub-indicators\):](#)
 - Institutions Pillar
- [The World Bank's Public Expenditure and Financial Accountability diagnostic \(PEFA\)](#)
- [Open Budget Index by the International Budget Partnership](#)
- [Rule of Law Index by the World Justice Project](#)
- [Global Gender Gap Index Rank](#)
- [Gender Inequality Index](#)

Indicators:

- [CPIA property rights and rule-based governance rating \(1=low to 6=high\)](#)
- [CPIA public sector management and institutions cluster average \(1=low to 6=high\)](#)
- [CPIA quality of public administration rating \(1=low to 6=high\)](#)
- [CPIA transparency, accountability, and corruption in the public sector rating \(1=low to 6=high\)](#)
- [Freedom House Rating](#)
- [Informal payments to public officials \(% of firms\)](#)
- [Public credit registry coverage \(% of adults\)](#)
- [CPIA gender equality rating \(1=low to 6=high\)](#)

- [Proportion of seats held by women in national parliaments \(%\)](#)
- [Law mandates equal remuneration for females and males for work of equal value \(1=yes; 0=no\)](#)
- [Law mandates non-discrimination based on gender in hiring \(1=yes; 0=no\)](#)
- [Law mandates paid or unpaid maternity leave \(1=yes; 0=no\)](#)
- [Law prohibits or invalidates child or early marriage \(1=yes; 0=no\)](#)
- [Mothers are guaranteed an equivalent position after maternity leave \(1=yes; 0=no\)](#)
- [Non-discrimination clause mentions gender in the constitution \(1=yes; 0=no\)](#)
- [Nonpregnant and non-nursing women can do the same jobs as men \(1=yes; 0=no\)](#)

3.2 Economic and Social context

Indexes with several relevant indicators:

- [Global Competitiveness Index, 150+ indicators, Country Profiles, etc](#)

Indicators:

Overall economic indicators

- [GDP \(constant 2010 US\\$, annual %\)](#)
- [GDP per capita \(current LCU, current USD, constant 2010 US\\$, constant PPP, annual % growth, constant 2010 US\\$\)](#)
- [Trade: Observatory of Economic Complexity - Export and Import data by country](#)
- [Agriculture/Industry/Manufacturing/Services, value added \(% of GDP, annual % growth, constant 2010 US\\$\)](#)
- [International tourism, receipts \(% of total exports\)](#)
- [Current account balance \(% of GDP\)](#)
- [Exports of goods and services \(% of GDP\), annual % growth, constant 2010 US\\$\)](#)
- [Goods exports/imports \(BoP, current US\\$\)](#)
- [Service exports/imports \(BoP, current US\\$\)](#)
- [Gross savings \(% of GDP\)](#)
- [Gross domestic savings \(% of GDP\)](#)
- [Gross fixed capital formation, total/private sector \(% of GDP\) \("Investments"\)](#)
- [Household final consumption expenditure \(annual % growth\)](#)
- [Imports of goods and services \(% of GDP\)](#)
- [Imports of goods and services \(annual % growth\)](#)
- [External debt stocks \(% of GNI\)](#)
- [Central government debt, total \(% of GDP\)](#)
- [Foreign direct investment, net inflows/outflows \(% of GDP\)](#)
- [Inflation, consumer prices \(annual %\)](#)
- [Real effective exchange rate index \(2010 = 100\)](#)

- [Domestic credit to private sector \(% of GDP\)](#)
- [Bank nonperforming loans to total gross loans \(%\)](#)
- [Borrowers from commercial banks \(per 1,000 adults\)](#)
- [Deposit interest rate \(%\)](#)
- [Real interest rate \(%\)](#)
- [Adjusted net savings, including particulate emission damage \(% of GNI\)](#)
- [Lending interest rate \(%\)](#)
- [Risk premium on lending \(lending rate minus treasury bill rate, %\)](#)
- [Interest rate spread \(lending rate minus deposit rate, %\)](#)
- [CPIA debt policy rating \(1=low to 6=high\)](#)
- [CPIA macroeconomic management rating \(1=low to 6=high\)](#)
- [CPIA economic management cluster average \(1=low to 6=high\)](#)
- [CPIA financial sector rating \(1=low to 6=high\)](#)
- [CPIA structural policies cluster average \(1=low to 6=high\)](#)
- [CPIA trade rating \(1=low to 6=high\)](#)

Population Dynamics

- [Urban/rural population](#)
- [Population living in slums \(% of urban population\)](#)
- [Urban population growth](#)
- [Population growth](#)
- [Age dependency ratio \(% of working-age population\)](#)
- [Population density](#)
- [Population density \(people per sq. km of land area\)](#)
- [Population in the largest city \(% of urban population\)](#)
- [Population in urban agglomerations of more than 1 million \(% of total population\)](#)
- [Adolescent fertility rate \(births per 1,000 women ages 15-19\)](#)
- [Birth rate, crude \(per 1,000 people\)](#)

Fiscal indicators

- [Revenue, excluding grants \(% of GDP\)](#)
- [Grants and other revenue \(% of revenue\)](#)
- [Net ODA received \(% of GNI\) and received per capita \(current US\\$\)](#)
- [Tax revenue \(% of GDP\)](#)
- [Taxes on exports \(% of tax revenue\)](#)
- [Taxes on goods and services \(% of revenue\)](#)
- [Taxes on income, profits and capital gains \(% of revenue, % of total taxes\)](#)
- [Taxes on international trade \(% of revenue\)](#)
- [Expense \(% of GDP\)](#)
- [Subsidies and other transfers \(% of expense\)](#)

- [General government final consumption expenditure \(% of GDP\)](#)
- [Interest payments on external debt \(% of GNI\)](#)
- [Compensation of employees \(% of expense\)](#)
- [Expenditure on education as % of total government expenditure \(%\)](#)
- [Expenditure on primary, secondary, tertiary as % of government expenditure on education \(%\)](#)
- [Government expenditure on education, total, per student primary/secondary \(% of GDP per capita\)](#)
- [Health expenditure per capita \(current US\\$\)](#)
- [Health expenditure, total/public/private \(% of GDP, % of government expenditure, % of total health expenditure\)](#)
- [Out-of-pocket expenditure \(% of total expenditure on health\)](#)
- [CPIA efficiency of revenue mobilization rating \(1=low to 6=high\)](#)
- [CPIA equity of public resource use rating \(1=low to 6=high\)](#)
- [CPIA fiscal policy rating \(1=low to 6=high\)](#)
- [CPIA quality of budgetary and financial management rating \(1=low to 6=high\)](#)

Social indicators

- [CPIA building human resources rating \(1=low to 6=high\)](#)
- [Children out of school, total/female/male \(% of total/female/male primary school age\)](#)
- [Net enrolment rate, primary/secondary, both sexes \(%\)](#)
- [Primary completion rate, total/female/male \(% of relevant age group\)](#)
- [Pre-primary education, duration \(years\)](#)
- [Pupil-teacher ratio in pre-primary/primary/lower secondary/upper secondary/secondary/tertiary education \(headcount basis\)](#)
- [School enrolment, primary, secondary, tertiary \(gross\), gender parity index \(GPI\), female, male \(% gross/net\)](#)
- [Completeness of birth registration \(%\); total/rural/urban](#)
- [CPIA policies for social inclusion/equity cluster average \(1=low to 6=high\)](#)
- [CPIA social protection rating \(1=low to 6=high\)](#)

Private Sector Environment

- [CPIA business regulatory environment rating \(1=low to 6=high\)](#)
- [Global Competitiveness Index \(mostly WEF Executive Opinion Survey; All pillars and sub-indicators\)](#): i.g. Overall GCI, Institutions Pillar, Infrastructure and Connectivity Pillar,

Macroeconomic Context Pillar, Health Pillar, Education and Skills Pillar etc.

- [World bank Doing business Indicators \(All\)](#)
 - [Ease of doing business index \(1=most business-friendly regulations\) \(i.g. Starting a Business, Dealing with Construction Permits, Getting Electricity, Registering Property etc.\)](#)
- Selection of business constraint indicators:
 - [Strength of legal rights index \(0=weak to 12=strong\)](#)
 - [Number of visits or required meetings with tax officials](#)
 - [Power outages in firms in a typical month \(number\)](#)
 - [Procedures to register property \(number\)](#)
 - [Profit tax \(% of commercial profits\)](#)
 - [Start-up procedures to register a business; total, female, male \(number\)](#)
 - [Time required to start a business; total, female, male \(days\)](#)
 - [Time required to enforce a contract \(days\)](#)
 - [Time required to get electricity \(days\)](#)
 - [Time required to register property \(days\)](#)
 - [Time to prepare and pay taxes \(hours\)](#)
 - [Time spent dealing with the requirements of government regulations \(% of senior management time\)](#)
 - [Time to export \(days\), border compliance, documentary compliance](#)
 - [Total tax rate \(% of commercial profits\)](#)
 - [New business density \(new registrations per 1,000 people ages 15-64\)](#)
 - [Bribery incidence \(% of firms experiencing at least one bribe payment request\)](#)
 - [Firms expected to give gifts in meetings with tax officials \(% of firms\)](#)
 - [Burden of customs procedure, WEF \(1=extremely inefficient to 7=extremely efficient\)](#)
 - [Cost of business start-up procedures; total/female/male \(% of GNI per capita\)](#)
 - [Cost to export; \(US\\$ per container\), border compliance \(US\\$\), documentary compliance \(US\\$\)](#)

3.3 Environmental context

Indexes with several relevant indicators:

- [Notre Dame GAIN Index rank](#)
Climate change adaptation index (a country's economic readiness, governance readiness and social readiness and a country's exposure, sensitivity and capacity to adapt to the negative effects of climate change) (0-100, higher is better)

- [Environmental Performance Index](#) (Agriculture, Air Quality, Biodiversity and Habitat, Climate and Energy, Forests, Fisheries, Health Impacts, Water Resources, and Water and Sanitation) (0-100 scale, 100=best performing)
- [Little Green Data Book](#) (agriculture, forestry, biodiversity, energy, emission and pollution, and water and sanitation)

Indicators:

- [Deforestation and Biodiversity](#) (annual deforestation % of change)
- [CPIA policy and institutions for environmental sustainability rating](#) (1=low to 6=high)
- [Disaster risk reduction progress score](#) (1-5 scale; 5=best)
- [Electric power consumption](#) (kWh per capita)
- [Electricity production from coal, oil, gas, coal, hydroelectric, natural gas, nuclear sources and renewable sources](#) (% of total and kWh)
- [Energy use](#) (kg of oil equivalent per capita, per \$1,000 GDP (constant 2011 PPP))
- [Renewable electricity output](#) (% of total electricity output)
- [Renewable energy consumption](#) (% of total final energy consumption)
- [Fossil fuel subsidies](#) (IEA Database)
- [Fossil fuel energy consumption](#) (% of total)
- [CO2 emissions](#) (kg per 2010 US\$ of GDP, metric tons per capita)
- [CO2 intensity](#) (kg per kg of oil equivalent energy use)
- [Total greenhouse gas emissions](#) (kt of CO2 equivalent)
- [Marine protected areas](#) (% of territorial waters)
- [Terrestrial protected areas](#) (% of total land area)
- [Population in urban agglomerations of more than 1 million](#) (% of total population)
- [PM2.5 air pollution, mean annual exposure](#) (micrograms per cubic meter)
- [PM2.5 air pollution, population exposed to levels exceeding WHO guideline value](#) (% of total)
- [Annual freshwater withdrawals, total](#) (% of internal resources)
- [Population living in areas where elevation is below 5 meters](#) (% of total population)
- [Rural/Urban population living in areas where elevation is below 5 meters](#) (% of total population)

- [Land area where elevation is below 5 meters](#) (% of total land area)
- [Rural/Urban land area where elevation is below 5 meters](#) (% of total land area, sq. km)

Useful analytical tools

- [WAVES – Wealth Academy of ecosystems services](#)
- [PEER-Public Environment explanations](#)
- [CPEIR: climate public expenditures and institutional review](#)

3.4 Security/Peaceful context

Indexes with several relevant indicators/other sources:

- [Worldwide Governance Indicators](#)
 - Political Stability and Absence of Violence
- [Inform Risk Index](#)
- [Global Peace Index](#)
- Annual assessment in the OECD/DAC [States of fragility](#)
- [Uppsala Conflict Database](#)
- [Annual Global Terrorism Index rating](#)
- [Land-mine and cluster munition monitor](#)
- Arms Trade Treaty
- [Stockholm International Peace Research Institute \(SIPRI\) Arms Transfers Database](#)

Indicators:

- [Battle-related deaths](#) (number of people)
- [Homicide rates per 100,000 people](#) (gender, age)
- [Battle-related deaths](#) (number of people)
- [Internally displaced persons](#)
- [Violence against women](#) (Intimate or nonintimate)
- [Children age 2-14 years who has experienced any violent discipline](#) (psychological aggression and/or physical punishment) in the past month %
- [Military expenditure](#) (% of GDP)
- [Military expenditure](#) (% of central government expenditure)
- [Armed forces personnel](#) (% of total labor force)
- [Refugee population by country or territory of asylum](#)
- [Refugee population by country or territory of origin](#)
- [Legislation exists on domestic violence](#) (1=yes; 0=no)

The MDPA can be structured in different ways, depending on the needs of the team. Three alternative formats are presented below. Further guidance on the standard sections is included below.

There are three alternative formats depending on the analytical process, starting either from the inner circle to the outer circle or from the outer to the inner. The output can be presented as a standard report or even in the form of a presentation with bullet points.

Each section is guided by a “standard section” or “guiding questions”.

Report Format A (starting from who) (eg. Zambia):

Executive summary: Summary of main conclusions (standard section I)

1. Background and approach (standard section 1.)
2. Who is resource poor? (standard section 2.)
 - 2.1. Income poverty and inequality
 - 2.2. Multidimensional Poverty Index (MPI)
3. How are they poor in the four dimensions? (guiding questions)
4. The development context: What are the underlying causes? (guiding questions)

Report Format B (starting from how) (eg. Kosovo, Mali, Afghanistan):

Executive summary: Summary of main conclusions (standard section I)

1. Background and approach (standard section 1.)
2. Overview of main poverty indicators (standard section 2.)
3. Inner circle: The four dimensions of multi-dimensional poverty (guiding questions)
4. Who is poor and in what way? (conclusions from 2 and 3 plus group perspective)
5. Outer circle: The development context (guiding questions)

Report Format C (starting from why) (eg. Uganda and Myanmar):

Executive summary: Summary of main conclusions (standard section I)

1. Background and approach (standard section 1.)
2. Overview of main poverty indicators (standard section 2.)
3. Outer circle: The development context (guiding questions)
4. Inner circle: The four dimensions of multi-dimensional poverty (guiding questions)
5. Who is poor and in what way? (conclusions from 2, 3 and 4 plus groups perspective)

STANDARD REPORT SECTIONS

1. Executive summary

Summarises the main conclusions regarding:

- Who, which groups, are poor and vulnerable
- What the main deprivations are for these groups and more generally in the context, using the four dimensions, and sub-dimensions, of poverty.
- What the main underlying reasons.

Prioritise among these conclusions and recommend some of importance to consider (act on) in the Swedish development cooperation.

2. Background and approach

This section should include:

- Purpose of the analysis, including how it will be used.
- Stage in the strategy process.
- The MDPA approach (see description below):
 - o A brief description of the model for multidimensional poverty as an explanation of the structure of the analysis.
- Mention limitations e.g. data shortages.
- Highlight focus areas/issues/groups.

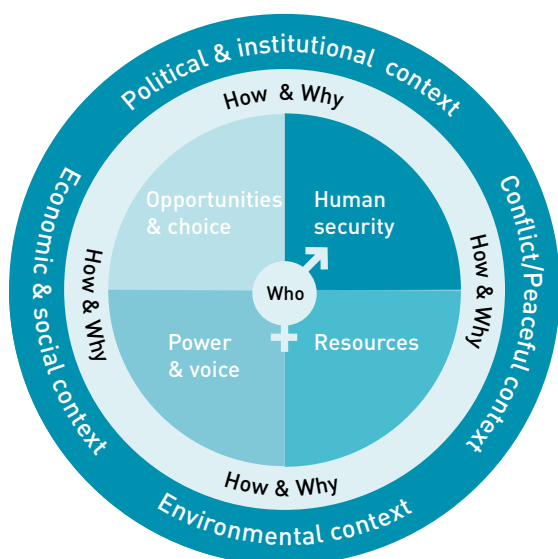
The MDPA approach:

The analysis applies the multidimensional poverty analysis (MDPA) model (see figure below). The model illustrates the four dimensions of poverty in the middle and ensures a focus on identifying the main deprivations (how), in what dimensions one is poor, as well as who is poor in which dimensions and linking it to institutional, structural and developmental causes to poverty (why – the outer circle).

To put who at the centre implies that the situation, needs, preconditions, and priorities of poor women, girls, men and boys constitutes the starting point as implied by poor people's perspectives.

In the model, the development context has been added as an outer circle. The outer circle has several functions. Firstly, it is the explanatory framework for the degree and dimensions of poverty (why). What are the institutional, structural and development causes to poverty? Secondly, it also contains the main elements of a development analysis that explains opportunities and constraints both for an inclusive and sustainable development as well as for people living in poverty to change their situation. Thirdly, it provides an understanding of poverty at a structural level.

All the dimensions in the inner circle as well as the development aspects in the outer circle of the model are interlinked. Different social divides, such as gender, age, sexual identity, disability, goes across all the dimensions and should be consistently considered to understand who is poor, how and why.



Furthermore, risks related both to the vulnerability of people and the resilience of the development processes, need to be considered to support an analysis of vulnerability and resilience of the society and of different groups to e.g. economic shocks, climate changes as well as tensions and conflict.

THE FOUR DIMENSIONS OF POVERTY:

Being poor in terms of **resources** means not having access to or power over resources that can be used to sustain a decent living standard and improve one's life. Resources can be both material and non-material – e.g. a decent income, capital, being educated or trained, professional skills, being healthy.

Being poor in terms of **opportunities and choice** concerns what possibility you have to develop and/or use your resources so as to move out of poverty. Access to e.g. social services, to infrastructure, to capital, to land, or to natural resources affects the opportunities and choices.

Being poor through lack of **power and voice** relates to the ability of people to articulate their concerns, needs and rights in an informed way, and to take part in decision-making that relate to these concerns. Power is a relational concept that allows us to better understand socio-cultural hierarchies and relations of which gender is one, others include age, caste, class, religion, ethnicity and sexual identity. Reinforcing forms of discrimination based on such socio-cultural relations may increase an individual's poverty in this sense.

Being poor in terms of **human security** implies that violence and insecurity are constraints to different groups' and individuals' possibilities to exercise their human rights and to find paths out of poverty.

3. Overview of main poverty indicators; Who is resource poor?

This section provides an overview of the main poverty indicators. The current situation as well as recent trends about both monetary and non-monetary poverty indicators.

The same sources can be used for an analysis of who is resource poor? You then need to break each of the indicators down as far as available statistics allows on:

- Gender
- Age
- Geography
- Minority groups (ethnic, religious, indigenous, disabled, sexual identity)
- Refugee status (Internally Displaced Persons (IDPs))
- Urban – rural
- Source of income (agriculture, services, manufacturing, employer/employee)
- Etc.

The purpose is to see patterns and conclude on e.g. regions in the country with higher resource poverty, age groups that are particularly resource poor, differences in poverty between urban and rural areas etc.

It is important to include refugee groups, migrants and forcibly displaced people and people affected by conflict and natural disasters in this analysis.

MPI is often broken down on sub-regions and groups and the World Bank is doing more of analysis with geographical break down of income poverty.

Sources:

- Povcalnet <http://iresearch.worldbank.org/PovcalNet/povOnDemand.aspx>
- Human Development Report (HDR): <http://hdr.undp.org/en/countries>
- Multidimensional Poverty Index <http://www.ophi.org.uk/multidimensional-poverty-index/>

See also menu of indicators (link).

Differences between poverty trends of monetary poverty and non-monetary poverty, for example the Multidimensional Poverty Index (MPI), should be highlighted and briefly discussed.

The statistics should be segregated on gender and differences highlighted, where possible.

Poverty and inequality overview	Year	Year	Year
Poverty headcount ratio at national poverty line ¹			
Poverty headcount ratio at international poverty line at \$1.90 ²			
Multidimensional Poverty Index headcount: Contribution to deprivation - Health - Education - Living standards			
Human Development Index (rank)			
HDI (value) - Life expectancy at birth - Mean years of education - GNI/capita			
Gini coefficient			
Palma ratio			
Gender Inequality Index			

¹ WB data (<http://data.worldbank.org/indicator/SI.POV.NAHC?locations=ML>)

² As well as relevant higher thresholds of \$2.50 and/or \$5.00.

This brief provides guidance to workshops when conducting a MDPA. Workshops are useful to support shared learning about poverty within the team. This ensures that all team members' competence and knowledge is effectively used and that the team can better act on the conclusions.

THE FOUR KEY PRINCIPLES FOR MDPA:

1. **Flexible:** The process for analysing and integrating multidimensional poverty should be adapted to meet the specific needs and resources of the team.
2. **Shared learning:** One of the key objectives is to achieve a shared understanding of multidimensional poverty. The process should be owned and led by the operational team and should focus on identifying clear conclusions.
3. **Iterative:** The analysis requires multiple discussions that will eventually result in key conclusions to act on in the strategy process and contribution management.
4. **Existing knowledge:** The MDPA compiles and incorporates existing studies, reports and data as well as build on existing knowledge and experiences within the team. The process should be synchronised with and supportive of national analytical processes when possible.

This guide provides support for conducting the following three workshops: 1) Introduction and plan; 2) Analyse the information; 3) Conclude and act. The number and content of the workshops should be adapted to the specific needs of the team.

WORKSHOP GUIDANCE

This sections provides some guidance on the purpose of the workshops, participants, workshop organisation, suggestions for use of the tools and examples from actual workshops.

Workshop 1: Introduction and plan

Purpose:

1. To introduce the MDPA model.
2. To get an overview of poverty in the context.
3. To provide input to planning the MDPA process.

Approximate time needed:

- 3 hours to one full day.

Recommended participants:

- The full team including all program managers and officers, development analyst and head of section/team.
- Could invite external partners to contribute to the overview of the context.

Recommended organisation and existing material

Start with a presentation of the MDPA model. Presentation material is available in Poverty Toolbox. It is good to include time to discuss and reflect around the model to ensure that all participants have a good basic understanding of it. Discussion exercises could include reflections about the context focusing on who is living in poverty and using the four dimensions in the model as well as the four context parts.

- Who is poor? Gender, age, ethnic structures, geography, urban/rural, etc.
- What are the main deprivations for different groups? Use the four dimensions?
- What are the main underlying causes? Use the context parts.

And/or you can reflect on the model using a selection of contributions.

- Who will experience change as a result of this contribution? Which groups living in poverty will be affected and in what time perspective (short, medium, long)?
- How will they be affected – in what dimensions?
- What underlying causes are targeted by the contribution?

Follow up with a discussion about the context. The purpose is to get an overview of the situation as regards poverty and development and from there be able to plan for the MDPA process.

- Which issues seems to be of particular importance (dimensions and/or context)?
- Which groups living in poverty stand out?
- Knowledge gaps?
- What should be the focus for the continued MDPA process and should we have our starting point in who, how or why. See Report format standard sections?

Prepare a presentation of the basic poverty data. See the table in section 2 in the standard sections: Report format standard sections.

The Indicator guide and the Guiding questions can also be useful, but should not be the focus of the discussion during workshop 1 since they will be in focus during workshop 2. The purpose is to see the main issues and to discuss and prioritise for the continued process, but not to do the full analysis.

You can also add global trends on poverty to see your context in a broader perspective. Presentation material, including context presentation available in Poverty Toolbox.

Workshop 2: Analyse

Purpose:

1. To review the information and data gathered.
2. To identify information gaps.
3. To review the focus of the MDPA – new/other issues that have come up?
4. To jointly identify main draft finding of the data and information.

Approximate time needed:

- 2 hours to one full day.

Recommended participants:

- The full team with all program managers and officers, development analyst and head of section/team.
- Could invite external partners to contribute.

Recommended organisation and existing material

Start by presenting the information and data already gathered. **This is what we now know!** You can use the model to structure and present the information. This can be done by the development analyst or by team members depending on how the process has been structured. See example from Kosovo in Poverty Toolbox.

Identify information gaps and note them. Avoid spending too much time discussing the gaps. Get the team involved in looking at connections and interlinkages. Use the Guiding questions to assist in the analysis.

Depending on whether you have started in who, how or why; you can use the following questions:

- **Who:** Which groups have been identified as poor? How are they poor? Are there striking differences in deprivations between different groups? What can we see as the main underlying contextual causes?
- **How:** Which main deprivations have been identified, using the four dimensions and sub-dimensions? Who, which groups, suffer particularly from/in these deprivations? What are the main underlying contextual causes?
- **Why:** Which main development and poverty challenges have been identified in the context? What does it imply in terms of deprivations in the different dimensions and sub-dimensions? Who, which groups, suffer particularly from/in these deprivations?

If you have come relatively far in your analysis, and have identified one or some key deprivations that you would like to analyse in-depth, you can use a “problem tree approach”. See Kosovo problem tree in Poverty Toolbox.

Start by identifying the core problem(s). Continue with discussing the direct and indirect causes to the problem using the model (context and dimensions) as well as the effects (dimensions) and for who.

Workshop 3: Conclusions

Purpose:

1. To agree on, and prioritise, the main conclusions from the analysis regarding who is poor, what the main deprivations are for these groups as well as the main underlying causes.

Approximate time needed:

- 2 hours to one full day.

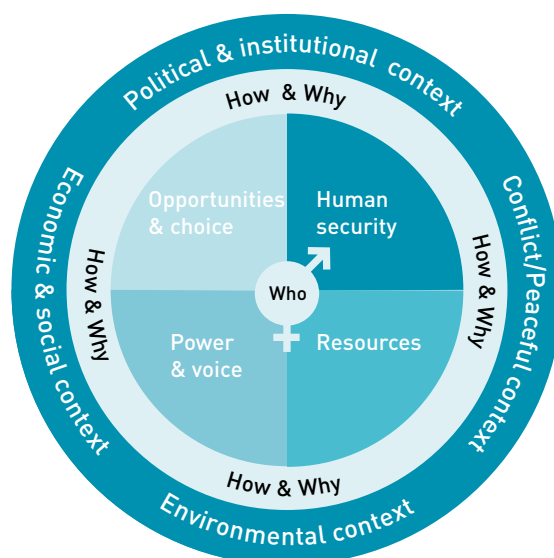
Recommended participants:

- The full team with all program managers and officers, development analyst and head of section/team.

Recommended organisation and existing material

Start by presenting the main finding so far. As a team, go through the findings one after the other. Are they clear to everybody in the team? Does the data support these findings?

Following the initial discussion, the purpose is to agree on a set of key conclusions. These conclusions should be precise enough to serve as an input into future operational decisions while still reflecting the complexity of the specific context. This balancing act often requires prioritizing between different findings and/or aggregating findings to a high level.



MDPA in Sida's operations

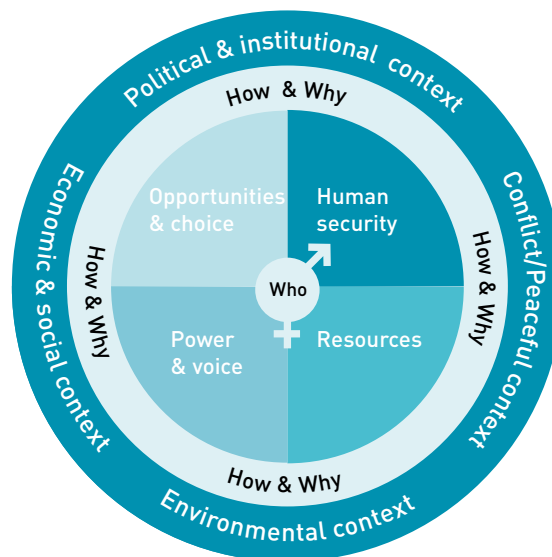
The overall purpose of the multidimensional poverty analysis is to ensure that Sida's operations are more relevant for people living in poverty. This means that the conclusions from the MDPA should be integrated into the various operational decisions related to design and implementation of the strategy.

Operational decision making requires consideration of various political priorities and contextual information. Key conclusions from the poverty analysis and assessment should also be included as a factor in decision making. Decision factors include:

- Conclusions of the poverty analysis and assessment of Sida's operations.
- Swedish priorities and comparative advantages.
- Current strategy.
- Other donors.
- National priorities.

Operationalisation is one of the important opportunities to manage the portfolio and to integrate conclusions about multidimensional poverty. Another important opportunity is when the yearly **Strategy Reports** are being prepared. Operational teams have an opportunity to reflect on the progress towards the strategy goals and to assess the relevance of their portfolio.

The **in-depth strategy reports**, which usually occurs after the halfway point of the strategy period, is a particularly important moment to reflect on the relevance of the portfolio in terms of people living in poverty and can serve as a basis for **development of strategy proposal**.



The following questions should be considered when assessing the relevance of the portfolio:

The short-term: To what extent is there a need to further strengthen the focus of the portfolio on reduction of poverty? To what extent is there room and need to adjust within the contributions: target groups, partners, areas addressed? Which target groups, partners, areas, approaches should be prioritized given the conclusions?

The medium-term: To what extent is there room and need to adjust the composition of the portfolio under the current strategy? Which themes/sectors/partners should be prioritized given the conclusions?

The long-term: To what extent is there a need to adjust the focus (thematic/sectoral, partners, target groups) of the Swedish support during the next strategy period? New areas/themes/sectors? New partners and/or target groups? Which themes/sectors/partners should be prioritized given the conclusions?

The multi-dimensional approach to poverty provide a framework to assess 1) how development outcomes for Sida's target groups – women, men, girls and boys living in poverty – are affected by the contribution and in what dimensions these groups experience poverty (resources, power and voice, opportunities and choice, and human security) and which underlying causes of poverty the contribution addresses and 2) how it can be further strengthened.

All contributions shall contribute to changes that benefit people living in poverty. This means that the assessment should always consider how the contribution and the cooperation partner will improve the situation for women and men, girls and boys, living in poverty, directly or indirectly with the special needs, conditions and priorities for people living in poverty as point of departure.

Understanding who is poor, in what way, and the underlying causes of poverty and vulnerability, is usually part of the strategy process. If such an analysis has been done, make the link between the MDPA and the specific contribution and refer to it in the assessment. You should not repeat the analysis but you can relate the main conclusions to the contribution.

How will the contribution improve the situation for people living in poverty?

- Which groups living in poverty are affected by the contribution? Will the contribution affect these groups in the short-term, the medium-term or the long-term?

Does the contribution expect to improve the situation for people living in poverty in the short-term (through

direct interventions), in the medium-term (such as service delivery, infrastructure improvement) or in the long-term (through e.g. institutional changes)? Is the approach reasonable given the understanding of poverty and vulnerability in the specific context (ref. MDPA) and the composition of the strategy portfolio?

- In what dimensions (resources, power and voice, opportunities and choice, and human security) will the contribution affect people living in poverty?

Is the contribution likely to address one or several of the four dimensions?

- What underlying causes of poverty and vulnerability does the contribution address? What constraints and opportunities are considered in the design of the contribution?

Multiple causes (economic and social, political and institutional, conflict, environmental), including risks to shocks interplay to push people into a situation of poverty and to keep them there. Knowledge about these causes and risks how they are manifested for different groups of people is fundamental to be able to define effective policy measures and approaches to reduce poverty and vulnerability.

What are the main risks that the contribution does not benefit people living in poverty?

- Are there risks related to not reaching specific groups targeted by the contribution?
- Are there risks related to changes in the context and the constraints and opportunities addressed by the contribution affecting poor people?
- Are there risks related to the capacity of the cooperation partner to address the situation of people living in poverty and vulnerability?

Mapping the portfolio can provide insights into the relevance and effectiveness of a portfolio. It is a useful exercise for a team to understand how the portfolio affects the situation of people living in poverty. The exercise is a way of assessing and visualising the portfolio in terms of its' poverty focus and gaining new insights into the composition of the portfolio.

An understanding of the situation of people living in poverty is useful for this exercise, which can serve as an important input into operational decision making. The steps below assume that the team has already conducted a poverty analysis. However, if this is not the case it might be necessary to begin the workshop with a review of some basic poverty data from the specific context.

A mapping exercise can be held as one or as a series of workshops. It is recommended that the whole team participate to contribute to a shared understanding of links between the portfolio and the poverty analysis. Experience shows that it is worthwhile taking sufficient time to conduct this exercise and ideally to conduct the mapping over the course of two sessions.

The mapping exercise can be divided up into the following main steps:

1. **Revisit the conclusions of the poverty analysis:** Which groups are living in poverty and in which dimensions? What are the underlying causes of poverty in the context?
2. **Mapping exercise:** Depending on the size of the team this step can be done together or you can divide up into smaller sub groups. If you divide up into smaller groups, it is preferable that you have some degree of familiarity with each other's contribution (i.e. same sector). The overall purpose of the step is to assess each contribution and map the results together per one or more of the following criteria:
 - a. Which dimensions of poverty are addressed (usually reflected in the expected outputs and outcomes) by the contribution?
 - b. Which causes of poverty are addressed by the contribution?
 - c. Which groups living in poverty are addressed by the contribution?
 - d. In what time perspective does the contribution expect to contribute to results for people living in poverty (short term, medium term, long term)?

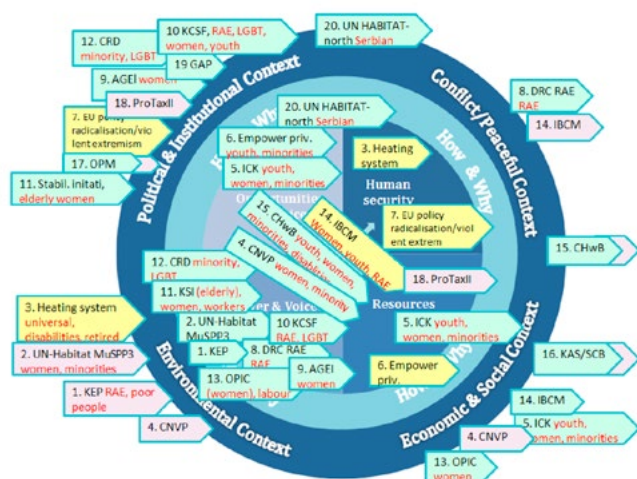


3. **Visualizing the mapping:** Consider visualizing the results of the mapping exercise to better see patterns (see examples below).
4. **Discuss the findings:** Does the mapping surprise you? Did any patterns or trends emerge that you did not expect?

Example from Social Unit:



Example from Kosovo:



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