

THE PRIME MINISTER

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No. 1614/QĐ-TTg

Hanoi, September 15, 2015

DECISION

Approving a master scheme “To change the method of poverty measurement from one-dimensional to multi-dimensional approach for the 2016-2020 period”^(*)

Pursuant to the December 25, 2001 Law on Organization of the Government;
Pursuant to the National Assembly’s Resolution No. 76/2014/QH13 of June 24, 2014, on stepping up the realization of the sustainable poverty reduction goal by 2020;
At the proposal of the Minister of Labor, War Invalids and Social Affairs,

DECIDES:

Article 1. To approve a master scheme “To change the method of poverty measurement from one-dimensional to multi-dimensional approach for the 2016-2020 period” with the following principal contents:

I. REQUIREMENTS

1. The scheme must be elaborated based on scientific grounds and suitable to the country’s socio-economic development level and capacity to mobilize and balance internal resources in each period.
2. It can identify beneficiaries of poverty reduction and social security policies; and socio-economic development programs and policies of the whole country and of specific regions and sectors.
3. It can step-by-step ensure the minimum living standards for the people and their access to basic social services.
4. It must be in line with common trend of the world and domestic living standards can be compared with those of the world and the region.

II. CONTENTS

1. Setting poverty measurement criteria for the 2016-2020 period
 - a/ Income-based criteria
 - The income-based minimum living standard means an income level that can cover the most essential needs of each person to live, including food and foodstuff and non-food and -foodstuff consumption demand suitable to the country’s socio-economic conditions in each period.
 - The income-based poverty line means an income level below which the income of a household may be regarded as a poor household’s income. The income-based poverty line shall

^(*) *Công Báo Nos 1007-1008 (27/9/2015)*

be used to determine the country's income-based poverty scale and beneficiaries of the support policies (called policy-beneficiary poverty line).

- The income-based average living standard means the income level at which a person has reached the society's average living condition, including food and foodstuff and non-food and -foodstuff consumption demand suitable to the country's socio-economic conditions in each period.

b/ Level of destitute access to basic social services

- Basic social services include five services, namely healthcare, education, housing, safe water and sanitation, and information access;

- Indicators measuring the level of destitution include the following 10 indicators: (1) years of schooling; (2) child school attendance; (3) access to medical services; (4) health insurance; (5) housing quality; (6) average per-capita housing area; (7) daily water sources; (8) type of flush toilet/latrine; (9) access to telecommunication services; and (10) assets for information technology access.

- Multi-dimensional deprivation threshold means a level of deprivation a household deprived at a level higher than which shall be regarded as being deprived of basic social services, by one-third or more of the indicators.

2. Setting the poverty line for the 2016-2020 period

Setting the poverty line for the 2016-2020 period in the direction of combining income-based poverty line and the level of deprivation of access to basic social services; building the minimum living standard to gradually ensure social security for all people with the immediate application of the policy-beneficiary poverty line to classify poor households suitable to the budget-balancing capacity, specifically as follows:

- A poor household means a household having a monthly per-capita income equivalent to or lower than the policy-beneficiary poverty line or having a monthly per-capita income higher than the policy-beneficiary poverty line but lower than the minimum living standard and deprived in one-third or more of the total indicators of deprivation of access to basic social services.

- A near-poor household means a household having a monthly per-capita income higher than the policy-beneficiary poverty line but lower than the minimum living standard and deprived in less than one-third of the total indicators of deprivation of access to basic social services.

- A household without full access to basic social services means a household having a monthly per-capita income higher than the minimum living standard and deprived in less than one-third of the total indicators of deprivation of access to basic social services.

- A household living below the average standard means a household having a monthly per-capita income lower than the average living standard but higher than the minimum living standard.

III. ORGANIZATION OF IMPLEMENTATION OF THE SCHEME

1. Ministries and central sectors

a/ The Ministry of Labor, War Invalids and Social Affairs shall:

- Act as a standing body to assist the Prime Minister in organizing the implementation of the scheme.

- Coordinate with the Ministry of Planning and Investment and related ministries and sectors in elaborating such criteria as the minimum living standard, policy-beneficiary poverty line and average living standard (in terms of income); the household poverty line, criteria of

near-poor households and households without full access to basic social services, which shall be submitted to the Prime Minister for promulgation for use as grounds for implementing the poverty reduction and social security policies in the 2016-2020 period.

- Elaborate plans and devise methods and tools to guide the localities in organizing investigation and identification of beneficiaries of period-beginning, mid-period and period-end policies (on a biennial basis).

- Summarize and report to the National Assembly and Government the rate of poor and near-poor households subject to period-beginning, mid-period and period-end multi-dimensional measurement of the whole country and provinces and cities.

- Develop a database to manage poor and near-poor households in the whole country in the 2016-2020 period.

b/ The Ministry of Planning and Investment shall:

- Supplement the dimensional data collection system and multi-dimensional poverty index (MPI) in the household living standard survey so as to monitor and evaluate the multi-dimensional poverty status of the country and localities.

- Based on the results of the annual household living standard survey, the General Statistics Office of Vietnam shall make public the common poverty rate (with the updated consumer price index - CPI), the rate of households deprived in access to basic social services, and multi-dimensional poverty index (MPI) to lay grounds for making orientations for regional economic and sectoral development policies as well as poverty reduction and social security policies.

- Add multi-dimensional poverty measurement indices to the set of criteria for household living standard survey in order to better reflect the people's poverty aspects, especially indices reflecting results and impacts.

c/ The Ministry of Finance shall assume the prime responsibility for, and coordinate with the Ministry of Labor, War Invalids and Social Affairs in, balancing resources for implementing the poverty reduction policies when changing the method of poverty measurement to the multi-dimensional approach.

d/ The Ministry of Public Health shall:

- Study and implement solutions to improve the people's access to medical examination and treatment services, increase health insurance coverage and improve the quality of medical examination and treatment services;

- Coordinate with the Ministry of Planning and Investment in studying, adding and updating the indicator measuring the health service access.

dd/ The Ministry of Education and Training shall:

- Study and implement solutions to increase the schooling rate of children going to school at the appropriate age at each educational level, reduce the rate of drop-outs; and increase adult literacy rate;

- Coordinate with the Ministry of Planning and Investment in adding and updating the indicator measuring the educational service access.

e/ The Ministry of Agriculture and Rural Development shall:

- Study and implement solutions to increase the rate of people with access to safe water and hygienic toilets in rural areas;

- Coordinate with the Ministry of Planning and Investment in adding and updating the indicator measuring the rural sanitation and safe water service access.

g/ The Ministry of Construction shall:

- Study and implement solutions to improve poor and near-poor households' access to housing and increase the rate of people having quality houses of prescribed area;

- Coordinate with the Ministry of Planning and Investment in adding and updating the indicator measuring the housing service access.

h/ The Ministry of Information and Communications shall:

- Study and implement solutions to increase the people's information access;

- Coordinate with the Ministry of Planning and Investment in adding and updating the indicator measuring the information access.

i/ The Committee for Ethnic Minority Affairs shall coordinate with the Ministry of Labor, War Invalids and Social Affairs and related ministries in working out solutions to sustainably reduce poverty for ethnic minority people;

k/ Related ministries and sectors shall base themselves on the level of deprivation of access to basic social services of the whole country and each locality to propose to the Government and the Prime Minister solutions in specific and regular programs and policies so as to improve the people's access to basic social services, especially regions with low access rate.

2. Provincial-level People's Committees shall:

- Disseminate the purpose and significance of the change of the method of poverty measurement from one-dimensional to multi-dimensional approach to raise the awareness of authorities, sectors and people;

- Direct investigation to identify and classify beneficiaries of annual poverty reduction policies;

- Direct the development of a database for management of poor and near-poor households in the 2016-2020 period in the localities;

- Study and apply solutions to improve local people's access to basic social services;

- Based on their practical conditions and capacity, provinces and centrally-run cities may add dimensions/indices of deprivation; adjust the threshold of measurement of deprivation indices, fully apply the multi-dimensional poverty measurement approach, raise the income-based poverty line to be higher than the nation's standard on the condition that they shall balance their own local budgets in accordance with law to support poor and near-poor subjects in their localities after the standard adjustment and raising.

3. Funds for implementation

Funds for the implementation of the scheme shall be incorporated in the regular expenditure estimates of ministries, sectors, central agencies and localities as assigned under the Law on the State Budget.

Article 2. This Decision takes effect on the date of its signing.

Article 3. Ministries, heads of ministerial-level and government-attached agencies, and chairpersons of provincial-level People's Committees shall implement this Decision.-

Prime Minister
NGUYEN TAN DUNG