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Sisben III update: Update process generalities, new index and perspectives



1. Update process generalities

- ✓ Why is it necessary to update Sisben III?
- ✓ Sisben III: What are the requirements?
- ✓ Technical committee functions
- ✓ Work Plan

2. Perspectives towards the definition of a new index



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A new Sisben for 2014





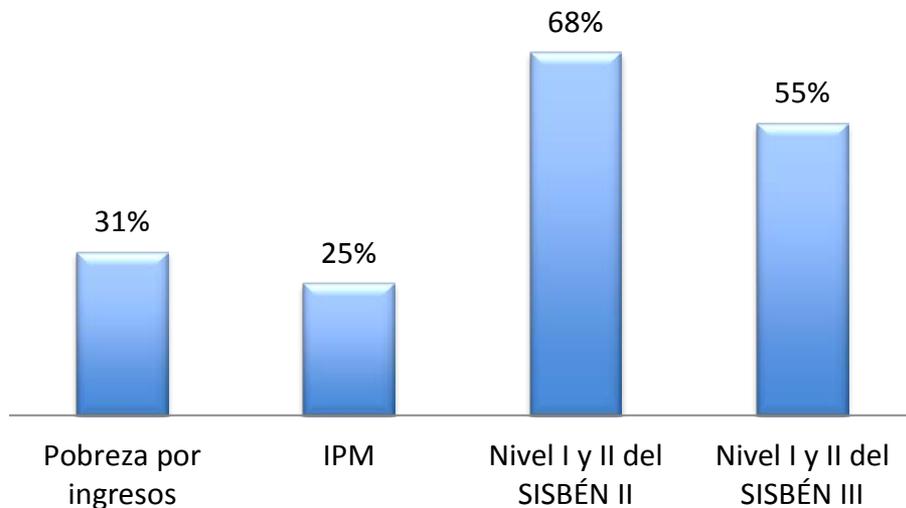
Why is it necessary to update Sisben III?

1. Law 715 of 2001 stipulates that the Social CONPES will define the criteria every 3 years in order to determine, identify and select beneficiaries. (Current 2010 Sisben)
2. The index becomes outdated with time.
3. It is less accurate every time. Inclusion and exclusion errors: “Not all the ones that are there should be there, and many that should be there are not”.



Index is out of date...

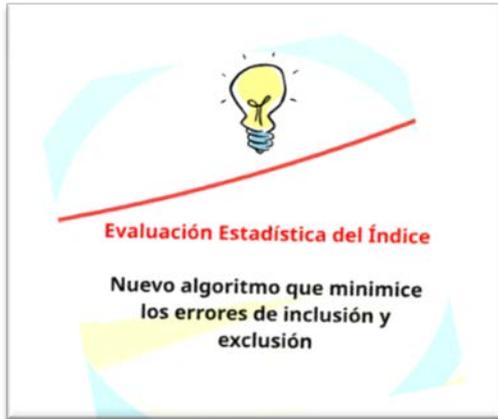
- The source to build the Sisben III index was 2005's Census and since life conditions have changed ever since estimates lose validity.
- Apart from the outdated design, manipulation of variables by the population leads to have a poverty overestimate with the targeting tool.



* Source: GEIH 2013, ECV 2013, Base SISBÉN – feb/14.



Sisben III: What are the requirements?



Statistics



Technology



Users



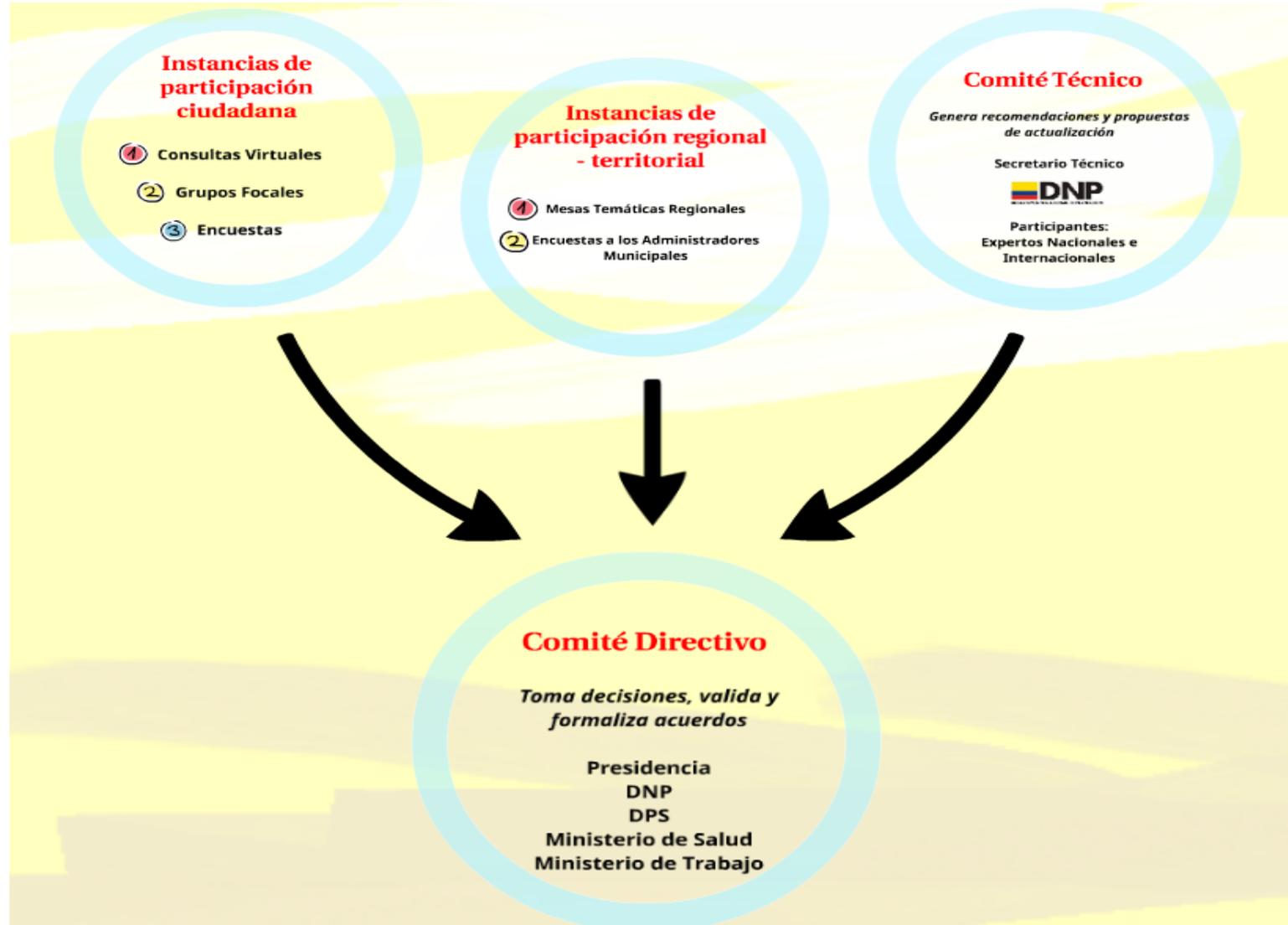
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This time, during the update process, user entities, territories and beneficiaries will be involved





Areas for Sisben III update





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Institutional Committee



Presidencia de la República



DNP
DEPARTAMENTO NACIONAL DE PLANEACIÓN



DPS
DEPARTAMENTO PARA LA PROSPERIDAD SOCIAL



MinSalud
Ministerio de Salud y Protección Social



MinTrabajo
República de Colombia

Prosperidad para todos

Other entities that could be considered necessary



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Additional to the DNP team (SS, DDT, DDS), the proposal of the technical committee is....

Margaret Grosh



World Bank

Andrés Escobar



Independent

Jaime Alfredo Bonet



Banco de la República (Regional Expert)

Carmen Elisa Flórez



Independent

Héctor Zárate



UN - Academy

Fernando Medina



CEPAL



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What are the technical committee functions?





Technical Committee Functions

1. Support technical analysis results from Sisben III index technical evaluation and its technological component.
2. Assess the competencies evaluation process, the institutional arrangement to implement the targeting tool in the territories and its application on behalf of the social programs.
3. Propose analysis exercises that help evaluate and update of the targeting instrument.



Technical Committee Functions

4. Generate recommendations on: i) variables to include in the calculations of the new targeting index. ii) Methodology to be used to calculate the new index and iii) index implementation in the territories and their application made by social programs.



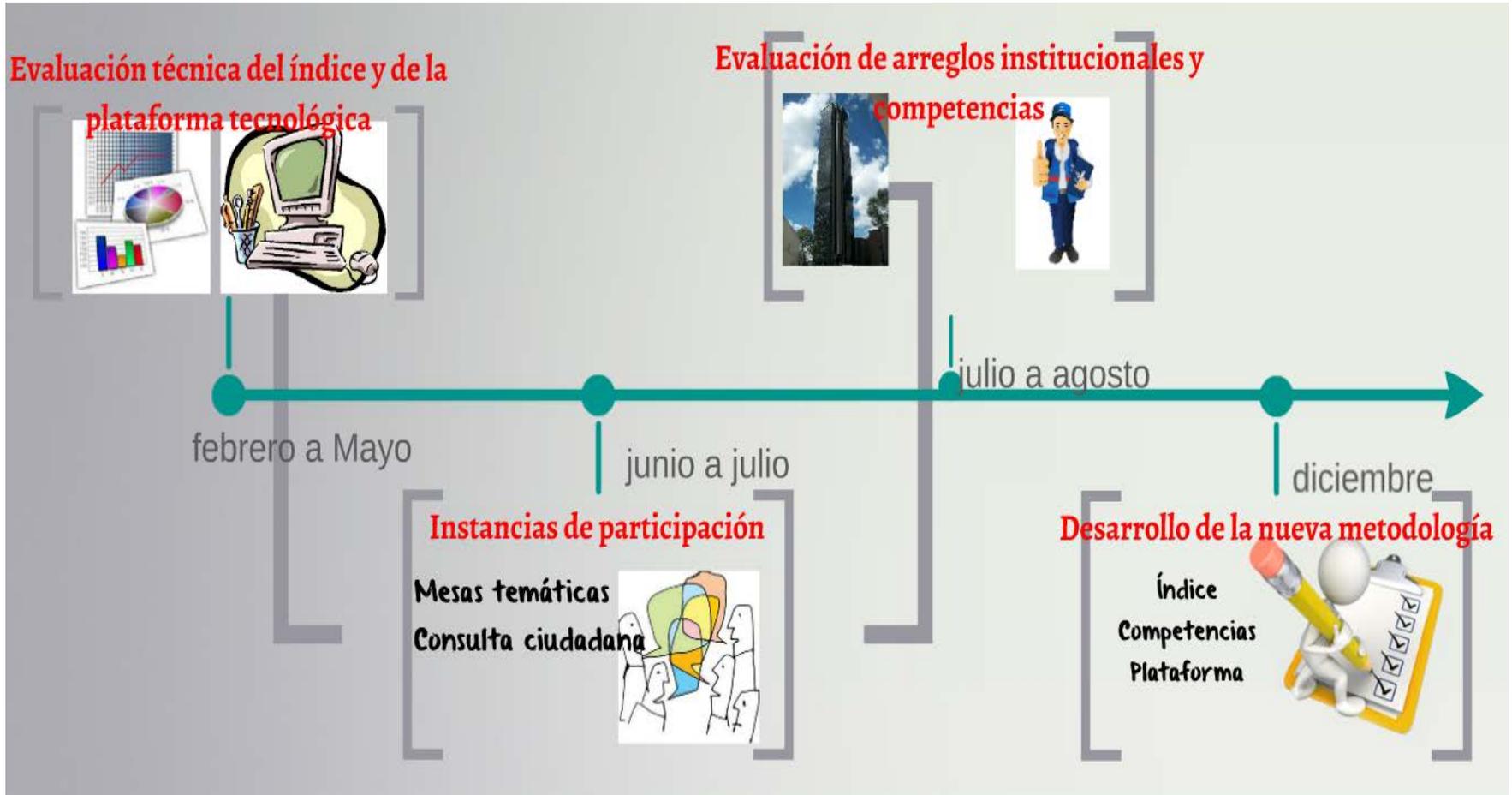
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What is 2014's working plan?





2014 General Working Plan





The committee will meet on a monthly basis every second Tuesday of the month to talk about the following topics, this can be used as an example to begin the design of the index:

Nu..	Date	Topics
1	April 7	Committee instalation, work plan presentation and Sisben III index preliminary evaluation
2	May 13	Effect analysis of the variables by dimension in Sisben III index that determine exclusion and inclusion errors
		Sisben III information quality analysis: Poverty indicator estimates based on comparing surveys answered in the households. <i>Who should the targeting tool identify?: objective analysis and entrance criteria for the main social programs.</i>
3	June 10	<i>Introducing proposals for participations instances (regional tables)</i>
		<i>Characterization of the population's life conditions and the analysis of correlations between poverty indicators</i>
		<i>Proposal for the discussion of variables to be included in the new model</i>
4	July 8	Introduction of Sisben's evaluation of the technological component
5	August 12	Introduction of the competence evaluation and institutional arrangements (including the regional table's conclusions)
6	September 9	Analysis of the results of the calculation of the index with different statistical methods (Fuzzy sets, prinqual, discriminant function analysis, multidimensional axiomatic indexes etc.



Work plan (2)

The committee will meet on a monthly basis every second Tuesday of the month to talk about the following topics :

Nu.	Date	Topics
7	October 14	Analysis of the results of the calculation of the index with different statistical methods (continued)
8	November 11	Presentation to discuss results of Sisben's new index with the selected methodology and associated developments (technological component)
9	December 9	Presentation of definite results with adjustments proposed by the committee and steps to follow (pilot test and update process for database information)



1. Generalities of the update process

Why is it necessary to update Sisben?

What are the requirements?

Functions of the technical committee

Work plan

2. Perspectives towards the definition of a new index



What are the steps to follow or questions to answer to design the new index? (1)

- ❖ In case an indicator does not exist:
 - ✓ What did not work? What were the main failures during the implementation process, information management and in general the whole institutional arrangement?
 - ✓ What failed in the statistics methodology that was used?
- ❖ If an indicator does not exist the starting point is to answer the following questions:
 - ✓ Who would you like to find or identify in the index?
 - ✓ What is the target population you wish to “target”?
 - ✓ What are the social programs that deliver targeted subsidies after?



What are the steps to follow or questions to answer to design the new index? (3)

When answering these questions, the reference criterion must be identified to measure the efficiency of the tool (inclusion and exclusion errors), for example the case of Colombia:

- ✓ Is the reference indicator poverty by income or multidimensional poverty or both??
- ✓ Given the criterion, what are the life conditions of the population and which are the variables that discriminate between poor and not poor? What are the variables that better predict income? (in case you have this variable as a reference criterion)



What are the steps to follow or questions to answer to design the new index? (4)

- ✓ Which of these are observable while having a low cost and can be validated by administrative registries?

Finally, a clear conceptual framework and a set of identified variables, the following mathematical and statistical methodologies must be tested in order to estimate the index that allows the identification of potential beneficiaries in social programs:

- ✓ Analysis of main components
- ✓ Discriminating analysis
- ✓ Axiomatic multidimensional poverty indexes
- ✓ Fuzzy sets....among others...



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Thank you



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