



**SEMBRANDO
OPORTUNIDADES**
PROGRAMA NACIONAL DE REDUCCIÓN DE POBREZA EXTREMA

SOCIAL TARGETING INSTRUMENT (*FICHA SOCIAL*)



CONTENT

- Strategic Context in Paraguay and Importance of a Social Targeting Instrument
- Characteristics of the Paraguayan Social Targeting Instrument
- Challenges ahead

BACKGROUND

- Poverty reduction is one of the main development policies for Paraguay (NDP 2030) and for the World (SDGs)
- In Paraguay, poverty is measured based on per-capita income.
 - Extreme Poor = person whose pc-income < cost of a food basket
 - Poor = person whose pc-income < cost of a basic needs basket (food + non-food (education, health, housing, etc))
- Poverty Incidence in Paraguay in 2017:
 - Poverty: 26.4% National (36.2% Rural; 20.2% Urban)
 - Extreme Poverty: 4.4% National (9% Rural; 1.6% Urban)
- Population Shares: Rural 40%, Urban 60%
 - Poverty is mainly a rural problem

IMPORTANCE OF A TARGETING INSTRUMENT

- It facilitates participation in several social programs:
 - Cash transfer for child support
 - Non contributory pension for the elderly
 - Transfer of productive assets
 - Technical assistance and training
- It is a central component of the National Poverty Reduction Program
- It was applied to 1.3 million of people in 355K household (82% rural):
 - 253K people in extreme poverty;
 - 280K people in moderate poverty;
 - 313K people in vulnerability

METHODOLOGY

- The definition of the targeting instrument (*Ficha Social*) were done from the Permanent Household Survey (EPH) of Paraguay for the year 2015.
 - The EPH has 235 questions on several dimensions of living conditions and all sources of income
- Use the observable characteristics of households in the EPH, their assets and their demographic characteristics, to develop a predictive statistical model of monthly per-capita income.
 - It was selected a subset of 60 questions that better predict household per capita income.
- The *Ficha Social* collects information based on the subset of 60 questions
- Data collected in the Ficha Social is used to estimate unobserved per capita income levels and poverty status.

VARIABLES INCLUDED (60 QUESTIONS)

POPULATION

- Relationship
- Marital status
- Sex
- Age

HOUSING

- Type of house
- Nº of rooms
- Type of wall, floor, ceiling
- Water provision
- Electricity
- Sanitation facilities

HEALTH

- Medical insurance
- Disability condition
- Type of disability

EDUCATION

- Language spoken at home
- Last grade approved
- School attendance

WORK

- Occupation Status
- Economic activity
- Occupation category

AGRICULTURAL ACTIVITIES

- Ownership of lots
- Machinery and animals

*** 90% of the Fichas Sociales has GPS coordinates**

POVERTY SORTING

- Based on the predicted monthly per-capita income using the Proxy Means Test (PMT) methodology, we classify households in:
 - Extreme poverty
 - Moderate poverty
 - Vulnerable, not poor
 - Not poor, not vulnerable (middle class)

NARROW SELECTED VARIABLES

N°	Variable	N°	Variable
1	Members of 5 years and less	10	Ratio household members with health insurance
2	Members between 5 and 15 years	11	Bedrooms per person (measured in natural logarithm)
3	Members between 16 and 65 years	12	Water to drink (indicative variable if water to drink is not bottled mineral water)
4	Home has electric oven	13	Type of fuel for kitchen (indicative variable if it is not cooked with wood or charcoal)
5	Home has video dvd	14	Asunción department
6	Home has a telephone	15	Alto Paraná department
7	Home has a car	16	Caaguazú department
8	Home has air conditioning	17	Itapua departament
9	Home has thermo-heating		

EXAMPLE ERROR OF INCLUSION

RURAL AREA

State: Poor not extreme

Characteristics of the adult over 68:

- He lives with his two children under 13 and 16 years old.
- Your house is 2 floors.
- It has a gas station (rents out the gas station and one of its rooms).
- It has a farm, breeding animals (chickens, pigs, cows).
- Bury his garbage in a hole and then burn it.
- He speaks mainly Guarani
- Take the water that comes from SENASA.

EXAMPLE URBAN AREA EXCLUSION ERROR

State: No Poor vulnerable

Characteristics of the adult over 70 years old:

- Live alone (since he does not have dependents).
- In Asunción (it has an important weight in the algorithm),
- It does not cook (it also affects you in the algorithm negatively).

COMPLEMENTARY METHODOLOGY

- **Preparation of a protocol to correct errors of inclusion and exclusion of urban and rural PMT.**
- **Application of the methodology developed to reclassify the states of poverty when necessary.**

METHODOLOGY TO CORRECT EXCLUSION ERRORS

1. Materials of the dwellings of the database (roof, wall, floor) vs. photographs of them
 - It is observed if the construction is not precarious or if its materials are in good condition
2. Observation of photograph of the older adult, to observe his/her the physical condition; i.e. whether or not has a visible physical disability
3. Verification in the database if the household does not have the majority of the basic durable goods (radio, television, refrigerator, washing machine, etc.).
4. Section Employment of the database, it is verified if the older adult:
 - Still works: if this is the case, the type of work he does is verified, verifying if he does occasional and precarious work
 - No longer works: declared reason? (advanced age, illness, or some physical or mental impairment). It is verified if previously he carried out occasional and precarious jobs..
5. Verification in the database if the elderly does not have any type of medical insurance.
6. Composition of the home, in the database it is verified:verifica:
 - Existence of children under 5 years of age, or between 5 and 15 years old and whether or not they are students
 - If the majority does not work or does occasional and precarious work.
7. It is verified in the database if any member of the household has any physical or mental impairment. mental.
8. The observations of the registrars about the elderly and their way of life are reviewed in the database.

RESULTS OF THE RECLASSIFICATION OF THE STATE OF POVERTY

Base of Adultos Mayores Families

Classification	Algorithm		After Applied Verification Protocol	
	Poor	43,564	45.8	55,461
Not poor	52,316	54	39,562	42.6
None	154	0.2	3	0
Total	95,034	100	95,026	100

People

Classification	Algorithm		After Applied Verification Protocol	
	Poor	148,236	51.3	170,033
Not poor	140,627	48.7	118,981	41,2
None	164	0.1	3	0
Total	289,027	100	289,017	100

CHALLENGES AHEAD

PRECISION:

**REVIEW ESTIMATION METHODS,
INCLUDE SATELLITE INFORMATION,
USE OTHER SOURCES OF ADMINISTRATIVE
RECORDS, ETC**

COST EFFECTIVENESS:

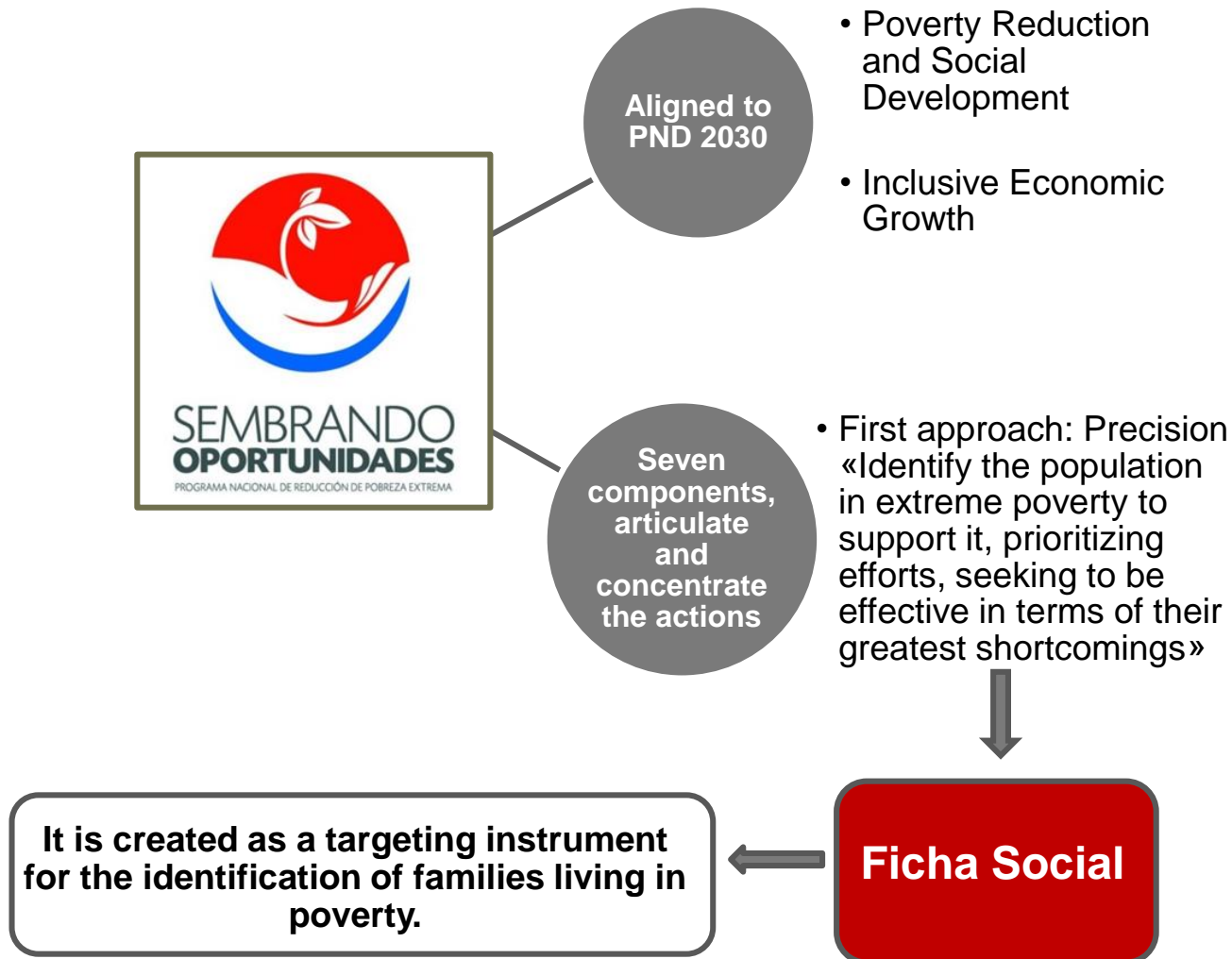
**REVIEW ESTIMATION METHODS,
INCLUDE SATELLITE INFORMATION,
USE OTHER SOURCES OF ADMINISTRATIVE
RECORDS, ETC**

**BETTER INTEGRATION OF ELEGIBILITY
CRITERIA AND ALGORITHM SELECTION**

**FEEDBACK WITH STATISTICS OF LIVING
CONDITIONS**

Thank you!

STRATEGIC VISION



VERSIONS OF THE FICHA SOCIAL

First version

- Made by STP and UTGS
- Chapters: housing, socio-demographic data, education, health, employment and 9 agricultural chapters
- Printed Ficha Social

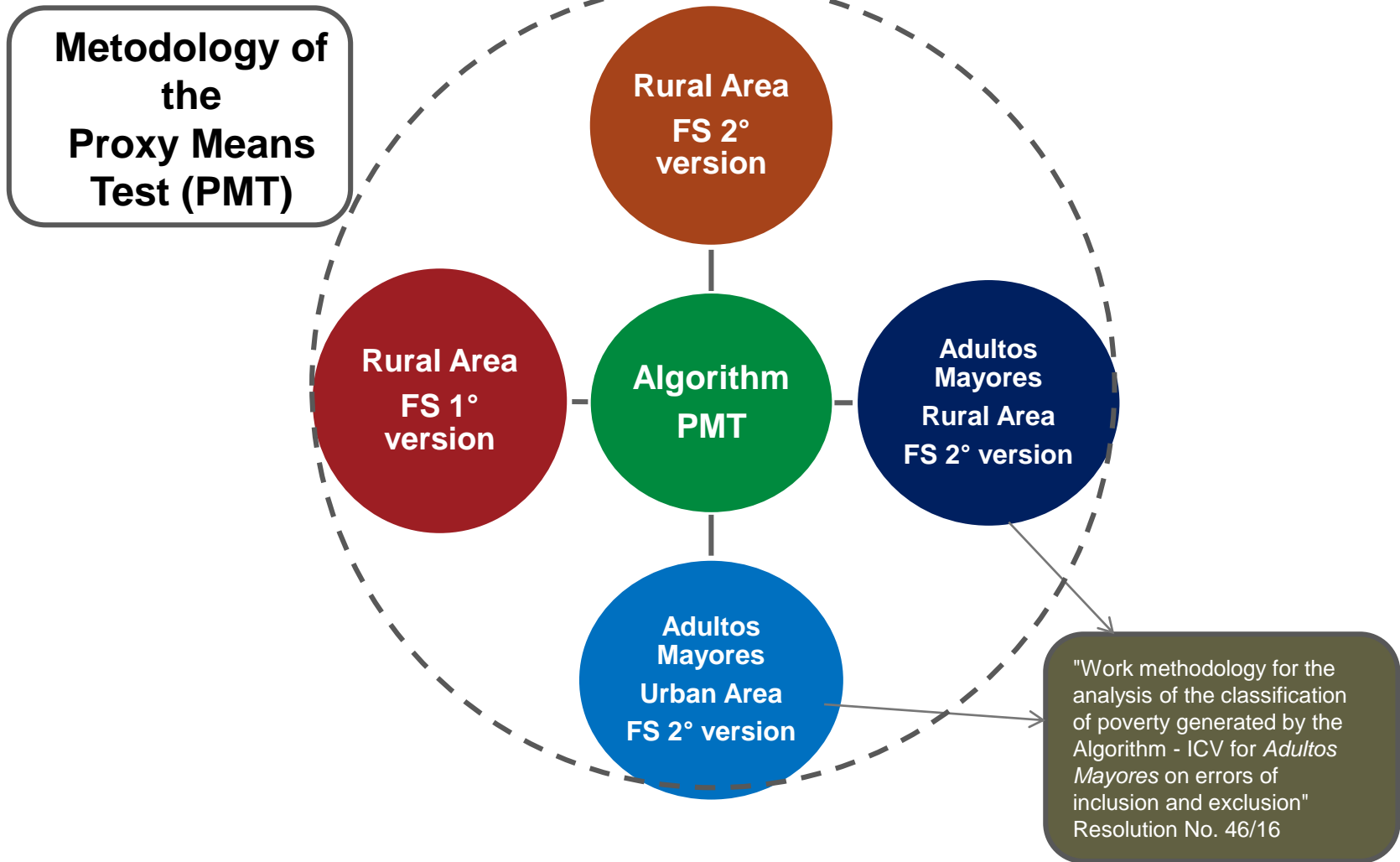
Second version

- Asistencia técnica del Banco Mundial
- Preguntas extraídas del cuestionario de la EPH
- Capítulos: vivienda, datos sociodemográficos, educación, empleo, salud y agropecuario.
- Ficha Social impresa.

Second extended version

- Inclusion of two questions about disability
- SENADIS request
- Ficha Social in tablet

CLASSIFICATION OF THE STATE OF POVERTY



LIMITATIONS OF PMT FOR ADULTOS MAYORES

- **The Ministry of Finance identified critical factors in the review of results:**
 - Very low level of eligibility
 - Evidence of potential targeting errors (exclusion)
 - Impossibility of treatment of special universes due to inadequacy of the Social Record: Elderly adults in a situation of severe dependence; street residents and residents in elderly care facilities (nursing homes)
 - Unification of the urban area (households of the Metropolitan Area of Asunción and those of the rest of the country). But the per capita values of the basic food and non-food basket is different for the metropolitan area and for the rest of the country.