Poverty halted its downward trend in 2018. Official poverty rates show that the percentage of people in poverty changed from 26.9 percent in 2017 to 27.0 percent in 2018. Both urban and rural areas experienced this trend. For instance, in urban areas poverty incidence rose by 0.2 percentage points from 24.2 percent to 24.4 percent between 2017 and 2018 while poverty in rural areas increased slightly 0.1 percentage points, from 36.0 percent to 36.1 percent respectively. These movements might be driven by a reduction in the occupation rates, particularly in rural areas, and an increase in the unemployment and the inactivity rates. The real estate, commerce, transport and agricultural sectors reduced the number jobs during the last year. Meanwhile, extreme poverty decreased 0.2 percentage points in 2018 to 7.2 percent, because of a reduction in extreme poverty in urban areas. At the same time, overall prices increased mainly due to non-food items.

Inequality measured by the official Gini index rises from 50.8 in 2017 to 51.7 in 2018, reversing for the first time a negative trend started in 2010. Urban areas explained this increment while rural areas continued their negative trend.

On the other hand, the evolution of the shared prosperity in Colombia reflects the pro-poor growth in recent years. Between 2012 and 2017, the bottom 40 percent of Colombia's income distribution had income growth of 3.5 percent, compared to the 1.1 percent growth in average income per capita.
**POVERTY DATA AND METHODOLOGY**

Colombia's official poverty numbers are based on income, published once per year, and have been reported since 2002 except for 2006 and 2007, transition years for moving between the two surveys used to compute income (the former Encuesta Continua de Hogares and the Gran Encuesta Integrada de Hogares, used since 2008). The World Bank (WB) also uses income to estimate international poverty but the difference with the official aggregate is that the WB does not include domestic servants as members of the household. Additionally, the WB adjusts the per-capita income for people living in rural areas using an adjustment factor of 1.15. Regarding the poverty lines, the official methodology draws these thresholds from the consumption aggregate adjusted by spatial differences. The National Income and Expenditures Survey (ENIG) conducted in 2006–2007 was used to draw the official extreme poverty line, which reflects a minimum threshold of 2090 Kcal per person per day and includes 39 food products in urban areas, and 2,049 Kcal per person per day and 42 products in rural areas. The moderate poverty line uses an exogenous Orshansky coefficient of 2.4 (LAC Orshansky coefficient mean) and 1.74 for urban and rural areas, respectively. Poverty lines are updated across time using a CPI for low-income households by department. The official extreme and moderate poverty lines in 2011 PPP are $2.50 and $5.40, respectively.

**HARMONIZATION**

The numbers presented in the brief are based on the regional data harmonization effort known as the Socio-economic Database for Latin America and the Caribbean (SEDLAC) - a joint effort of the World Bank and CEDLAS from the National University of La Plata (Argentina). SEDLAC includes 18 countries and more than 300 household surveys since the 80s. Several Caribbean countries have not been included in the SEDLAC project due to lack of data. Since an income-based welfare aggregate is widely used in the region for official poverty estimates, income-based microdata is used for the Global Monitoring Database (GMD) and Global Poverty Monitoring. SEDLAC covers demographics, income, employment, and education. Terms of use of the data adhere to agreements with the original data producers.