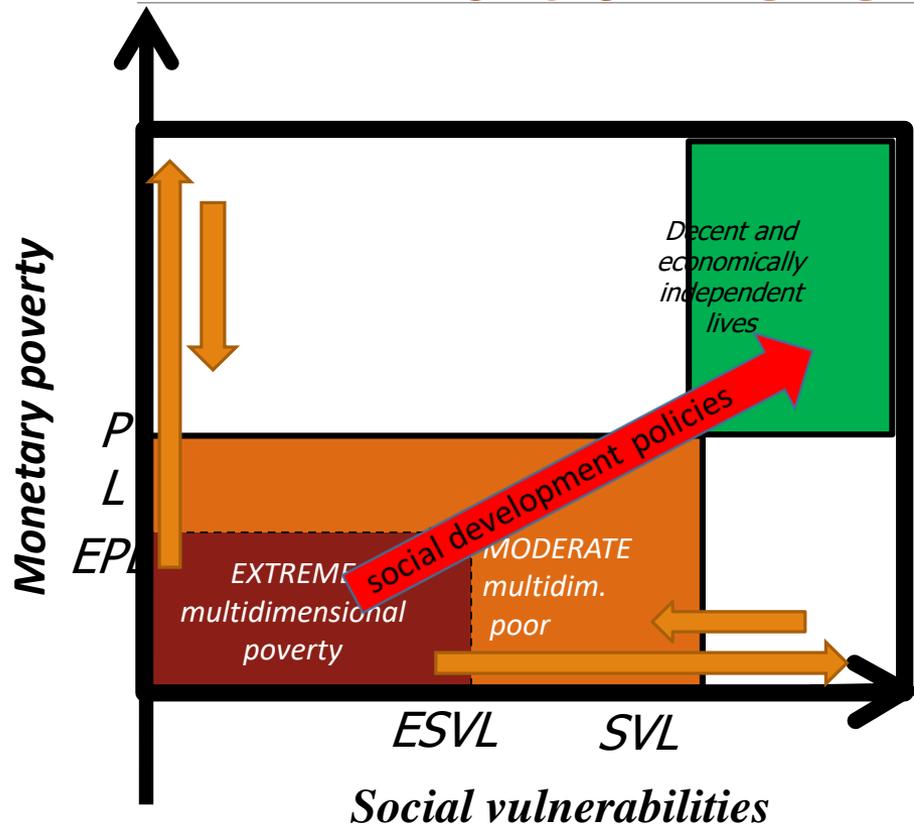




Key Concepts and Practice of Targeting methods

Social Protection Strategy within a framework of addressing multidimensional poverty



- *Social policies aim to protect the poor, prevent poverty, build resilience and build economic empowerment*
- *Equity and Efficiency*

Supporting systems to implement social development interventions

- *Social Registry*
- *Case Management System*

TARGETING is NOT A POLICY, but a TOOL to SUPPORT achieving POLICY GOALS

A good targeting method provides...



Transparency and consistency

- Clear and consistent application of centralized criteria
- Low political interference and manipulation

Maximum inclusion of the desired population

- People who think they are eligible should be able to apply on an on-going basis
- Budget and outreach

Minimum leakage to the “not desired”

- As technically possible to the near poor, errors rather than fraud

Cost-efficiency

- Under 10% of costs at scale

Methods are NEVER perfect



Never 100% accurate

What do these errors cost?

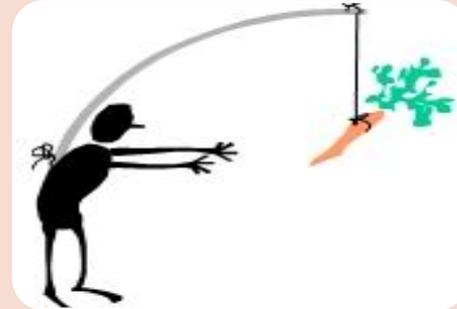
- Efficiency
- Social and political capital
 - Inclusion: Media attention
 - Exclusion: disenfranchisement



What does it take to address them?

A fine balance between the costs of **accuracy and errors** and the goals of targeting.

It has costs (remembering SR)



Intake Registry

Lots of set-up costs,
↳ as programs scale-up

Difficult to measure
b/c of shared staff
and functions

Documents (IDs, proof of status)

Need to go to an
office, spend **time**,
work requirement
in workfare

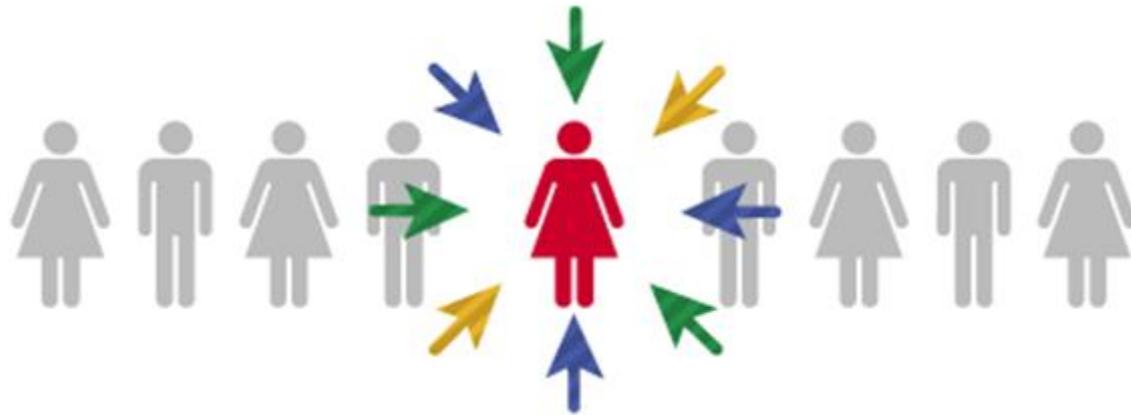
Stigma (public list)

Work effort: benefit
levels, sliding
withdrawals,
periodicity

Crowding out
private transfers or
complementing
them

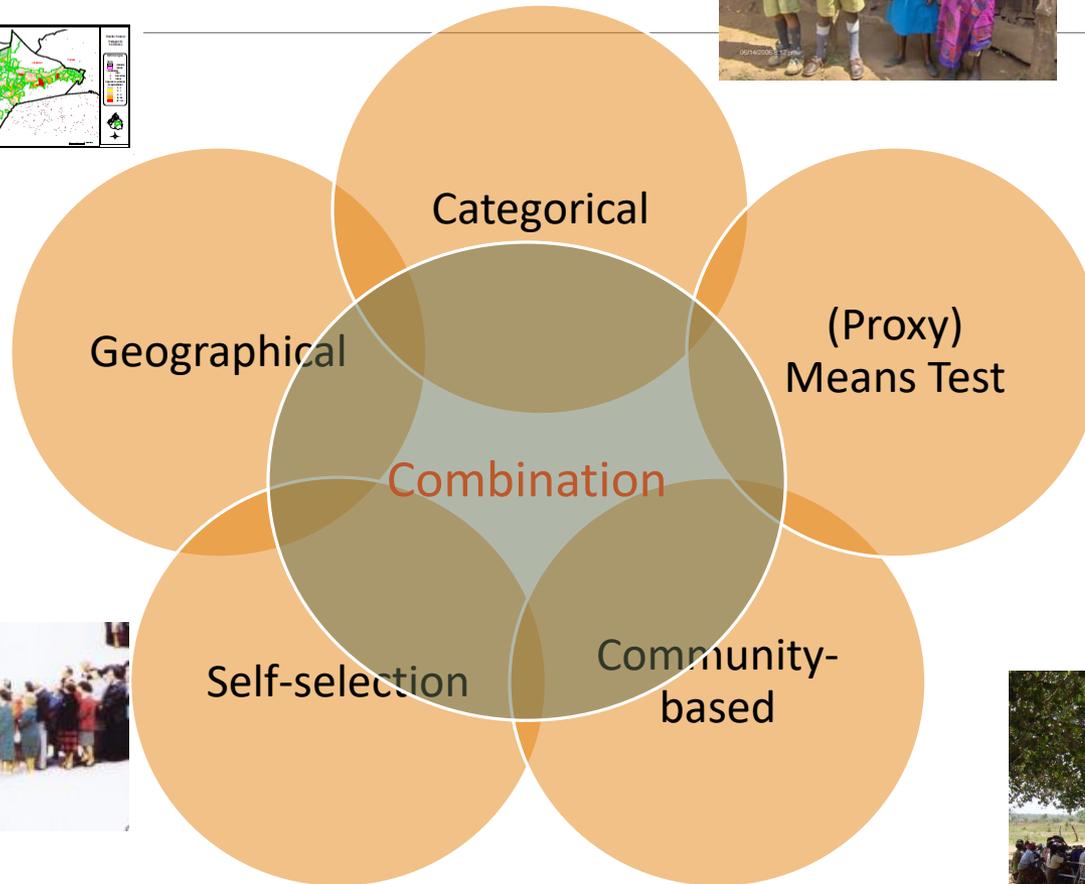
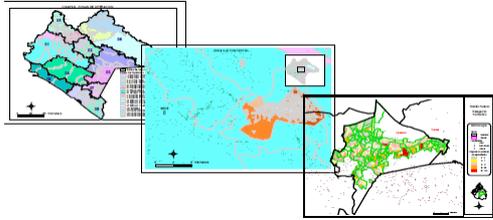
Fertility effects:
quantity and quality
of children

Is a
program
for the
poor a
poor
program?



How to apply eligibility criteria? Methods

Targeting methods

A form titled 'FICHA DE PROTECCIÓN SOCIAL' with a section for 'LOCALIZACIÓN TERRITORIAL'. It contains various input fields for location data, including 'Municipio', 'Código', 'Localidad', 'Número de identificación familiar', 'Fecha de nacimiento del jefe de familia', 'Sexo del jefe de familia', 'Número de identificación personal', 'Fecha de nacimiento', 'Sexo', 'Estado civil', 'Número de identificación personal', 'Fecha de nacimiento', 'Sexo', and 'Estado civil'.

TARGETING DOES NOT MEAN POVERTY TARGETING

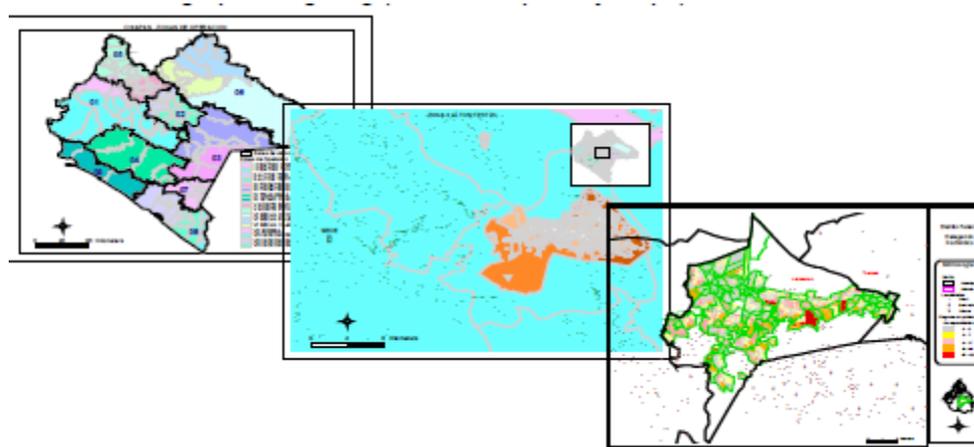


Geographical targeting

When location is an important determinant of poverty

Macro regions

Micro-area



Surveys

Can be important when administrative capacity is low

Often used as a first step: [Panama's Red de Protección Social \(CCT\) Program](#)

Self-targeting through workfare

PROS

- Administratively simple
- Keeps work incentives
- Eliminates concerns about 'shirkers'
- Automatic exit criteria

CONS

- Organizing public works is not administratively simple
- Not applicable for many programs or target groups
- Foregone earnings reduce net benefit

Technical Requirements

- Wage set below going wage for hard, physical labor
- A works program that does high value-added projects

Appropriate Circumstances

- Unemployment; Crisis and chronic poverty settings



Categorical (demographic) targeting

Characteristics that are linked to poverty or vulnerability

- Age: pre-school children and old-age
- Marital status: single parent
- Ethnicity: scheduled castes in India, native American

PROS

- Administratively simple
- Low cost

CONS

- Weak correlation with poverty



Technical Requirements

- Good civil registry

Appropriate Circumstances

- When targeting specific vulnerabilities (malnutrition)



Community-based targeting

Uses a group of community members or leaders (whose functions are not related to the program)

They must identify those most in need according to program criteria (often OVC, elderly, hh w/o able-bodied adult)

Good results



Community meeting SCT Zambia



Community-based targeting

PROS

Good information

Low(on the books) administrative cost

Local monitoring may reduce disincentives

Technical Requirements

- Intensive outreach to decision-makers
- Cohesive, well-defined communities

Appropriate Circumstances

- Low administrative capacity
- Strong community structures, political economy
- Low benefit that must be finely targeted

CONS

Unknown effects on roles of local actors

Costly for the community

May reinforce existing power structures or patterns of exclusion

May generate conflict and divisiveness

Local definitions may vary

Cost to
communities
Scalability

Combination of methods is becoming standard practice

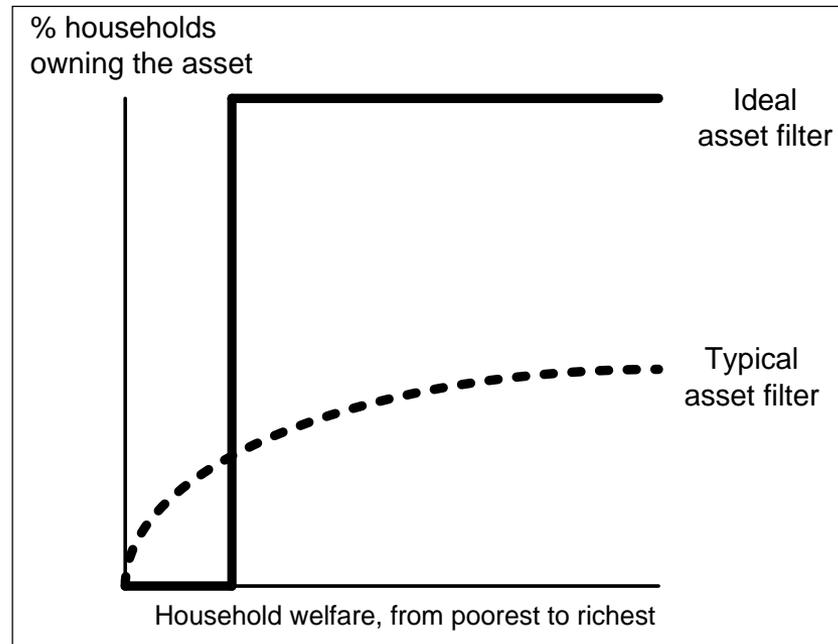
- 1/ in the WBG portfolio out 155 SSN programs Geographic was used in 40 cases, Age based is used in 46 cases, and PMT was used in 33 only (and in 31 in combination with community based targeting), and CBT in 20+31 cases
- 2/ evaluations and assessments based on MIS and process audits are used to improve the performance.

	Individual Assessment					Categorical				Self-selection			
	CBT+MT	CBT+PMT	CBT	MT	PMT	Age: Children	Age: Elderly	Geography	Other	Community bidding	Consump.	Work	Other
CCT	0	8	1	1	8	13	0	7	3	2	0	0	1
PW	0	7	9	0	7	1	0	18	5	1	0	1	21
UCT	1	14	8	12	13	11	11	8	13	3	3	0	1
UIT	0	2	2	2	5	8	2	7	2	1	6	4	0
total	1	31	20	15	33	33	13	40	23	7	9	5	23

Source: "Operationalizing targeting", 2015, survey of SPJ GP TTLs/PADs, 155 programs (MT- Means testing, CBT- community based targeting).

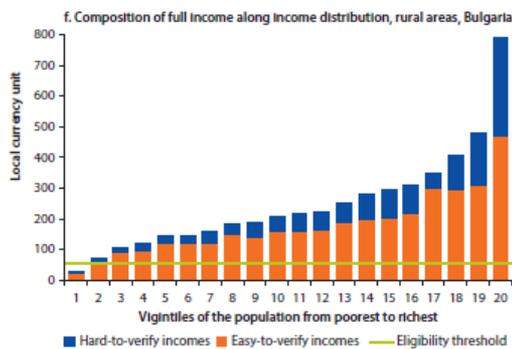
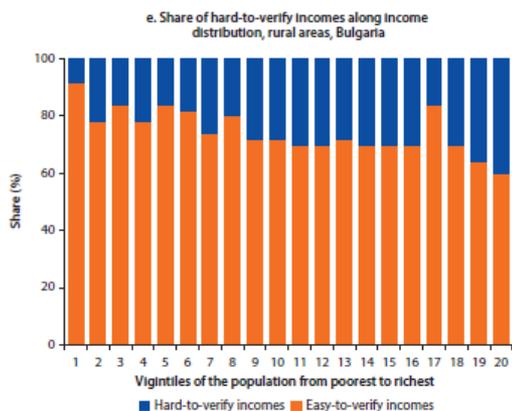
WELLBEING MEASUREMENTS

Ideal estimation case

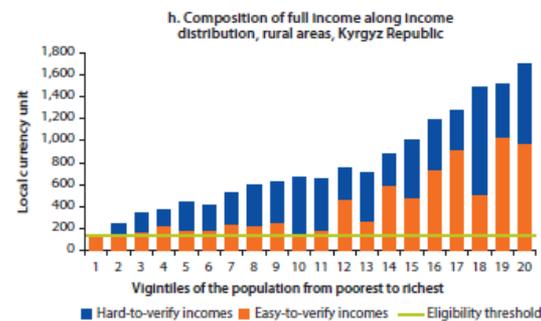
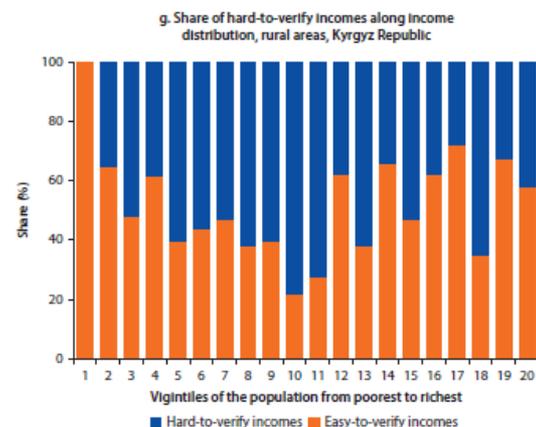


Hard & Easy to Verify Income

Bulgaria



Kyrgyz Republic



Means Testing (MT)

Target group	Households with low levels of income and assets (means)
Indicator of well-being	Income, per capita or per adult equivalent Asset ownership or value (wealth)
Eligibility criteria?	<ul style="list-style-type: none">• Based on a representative household survey with information on income and assets• Eligibility threshold = income cut-off that separate the target group (poor) from the rest• Administrative vs economic income: not all types of income sources may be included, but the large majority are• Issues: income under-reporting in the survey, informal income• Assets: used to filter-out asset-rich households• Pilot before going to scale
Appropriate conditions	<ul style="list-style-type: none">• Incomes, expenditures, wealth are formal, monetized and well-documented;• Benefits are high• OECD

Proxy-means testing

Target group	Households with low consumption levels
Indicator well-being	Consumption, per capita or per adult equivalent
Eligibility criteria?	<ul style="list-style-type: none">• Based on a representative household survey with information on consumption and household characteristics• Consumption is estimated based on observable household characteristics correlated with poverty, based on representative household survey• Most frequent technique: regression model on log consumption• Variables used to estimate consumption include: location, housing quality, assets/durables, education, occupation and income, and a variety of others (disability, health, etc.)• The regression model is used to estimate a household score• The score is compared to a threshold, determined to separate the predicted poorest x% of the population from the rest
Appropriate conditions	<ul style="list-style-type: none">• high degree of informality, seasonality, or in-kind earnings;• chronic poor are the target group;• benefits will be granted for long periods of time

Hybrid-Means Testing (HMT)

Target group	Households with low levels of means: income & assets
Indicator of well-being	Income, per capita or per adult equivalent Asset ownership or value (wealth)
Eligibility criteria?	<ul style="list-style-type: none">• Based on a representative household survey with information on income and assets• Administrative income = formal income sources + <i>estimated</i> informal income• Eligibility threshold is the administrative income cut-off that separates the target group from the rest• Assets: used to filter-out asset-rich households• Pilot before going to scale
Appropriate conditions	<ul style="list-style-type: none">• More than half of income in formal sector, good asset or business registries;• Benefits are moderate to high• Central and Eastern Europe, Central Asia, Brazil



ADMINISTRATIVE COST AND GOOD
IMPLEMENTATION MATTERS

Administrative Infrastructure Supports program implementation

Frontline units close to beneficiaries

Country	Number of administrative-territorial tiers, and total population	Subnational tiers involved in program administration	
		Regional level	Local level
Albania	2 tiers, 3.6 million	12 Regional Service Administrations	385 offices;
Armenia	2 tiers, 3.2 million	11 Departments	55 Centers
Bulgaria	2 tiers, 7.2 million	28 Regional Directorates	272 Directorates
Kyrgyz Republic	3 tiers, 5.2 million	7 oblast Departments	40 rayon Departments; 477 rural local governments
Lithuania	2 tiers, 3.5 million	No role	60 Departments; 550 wards
Romania	2 tiers, 21.5 million	42 Directorates of Social Assistance	3,176 local governments
Uzbekistan	3 tiers, 25 million	12 Oblast Departments	382 rayon Departments; 12,000 mahalla committees

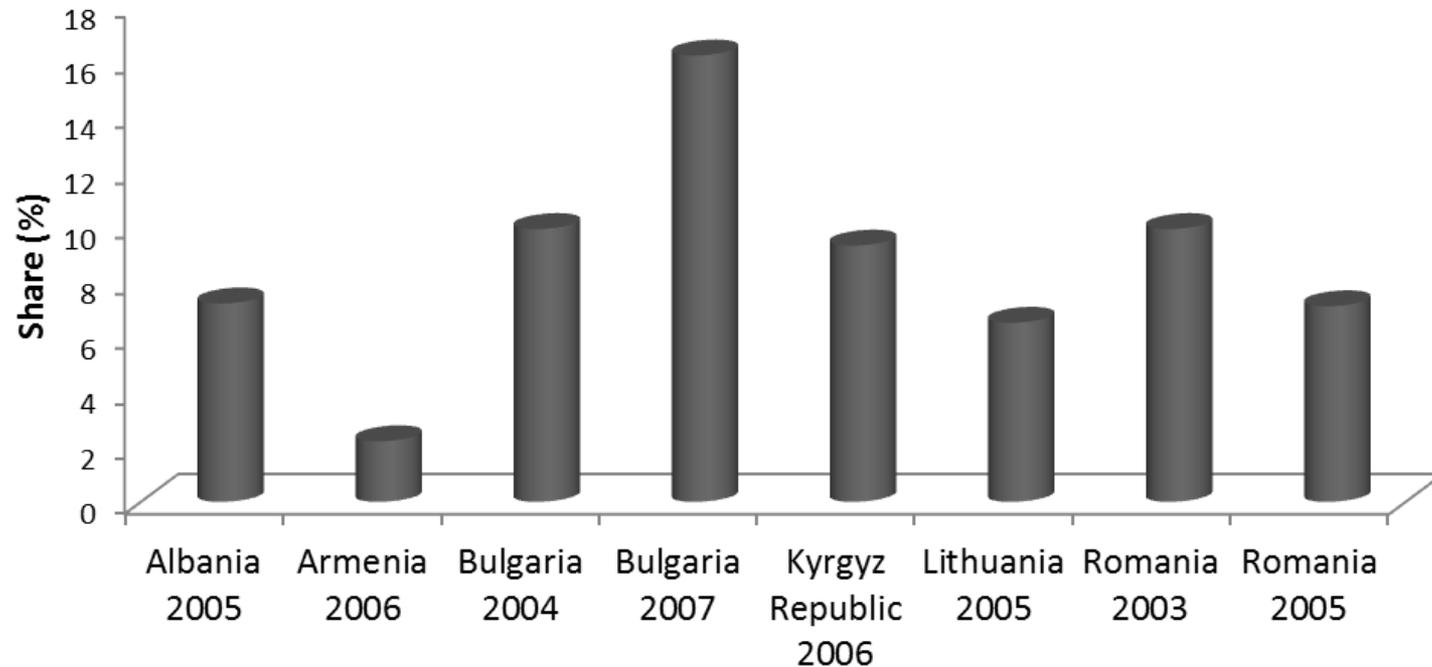
Administrative infrastructure

- Continued and dynamic registration
- The composition of assistance units, declared information, and some assets are **verified** – including through home visits & via cross-checks
- Frequent recertification and mandatory updates of documents (quarterly or annually)
- Sometimes additional conditions (community works)

Administrative costs:

Despite the programs' complexity, admin costs are low to moderate

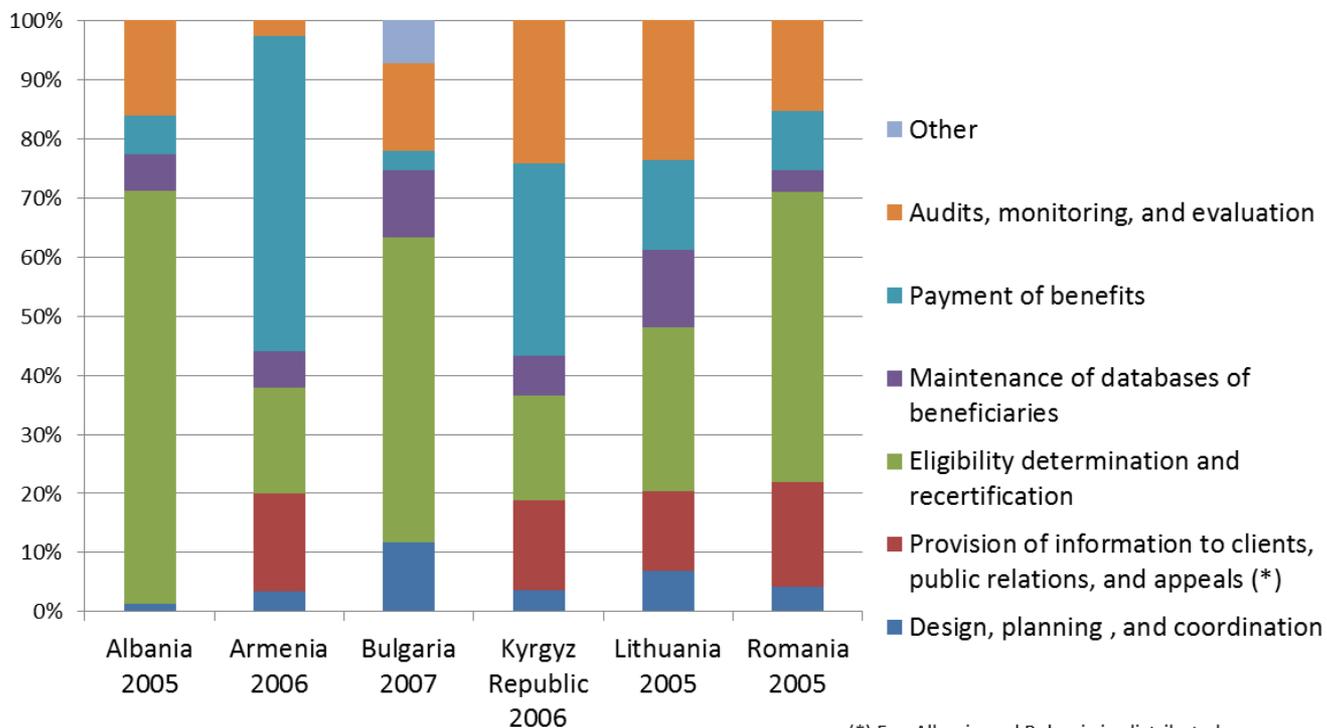
Administrative cost as share of total program cost



The cost of assessing eligibility

(determination and recertification) has the highest share

Structure of Administrative Cost



(*) For Albania and Bulgaria is distributed across other functions (mainly eligibility determination)

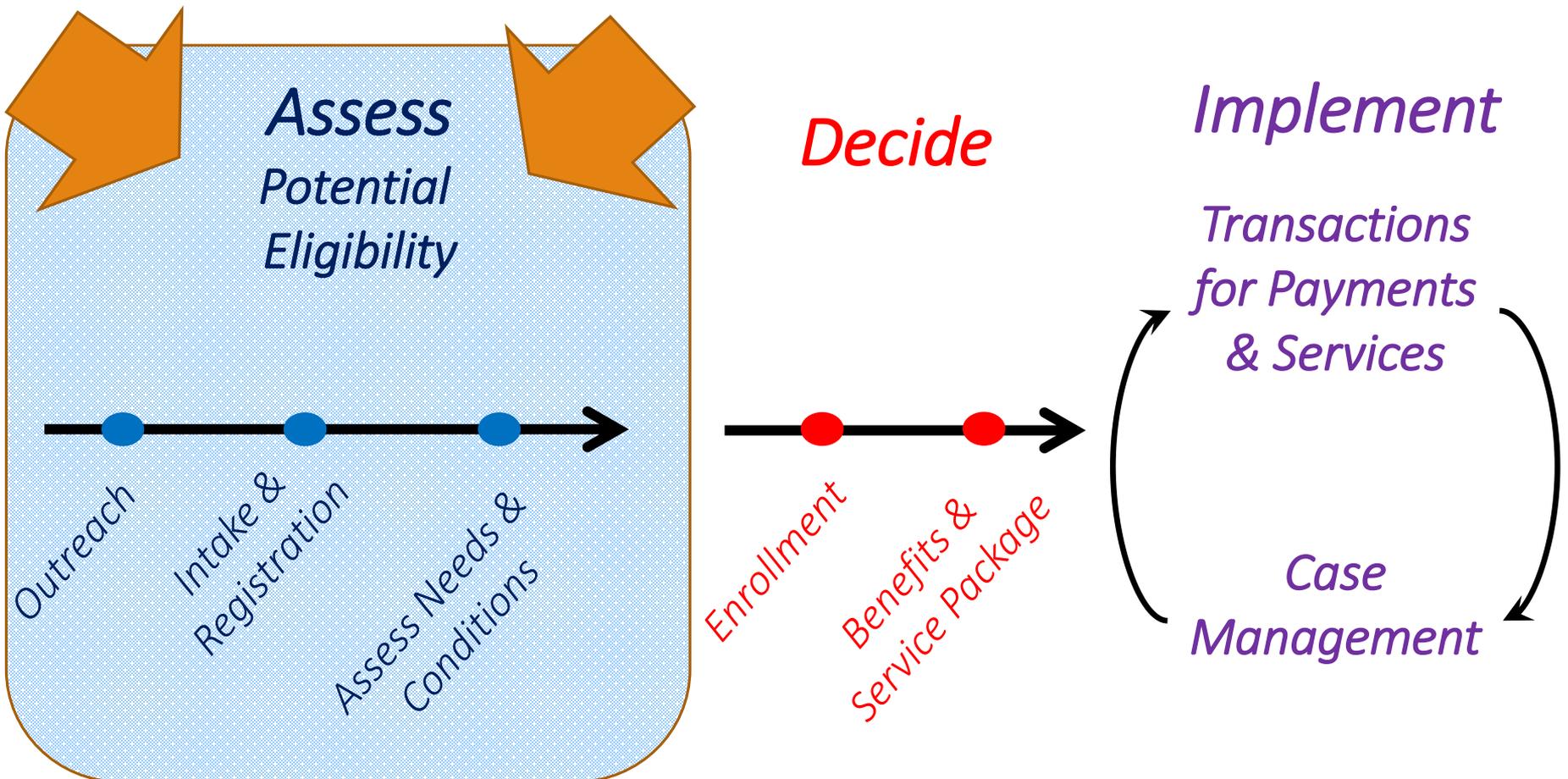
Implementation

Despite the method, implementation matters a LOT for optimizing targeting outcomes

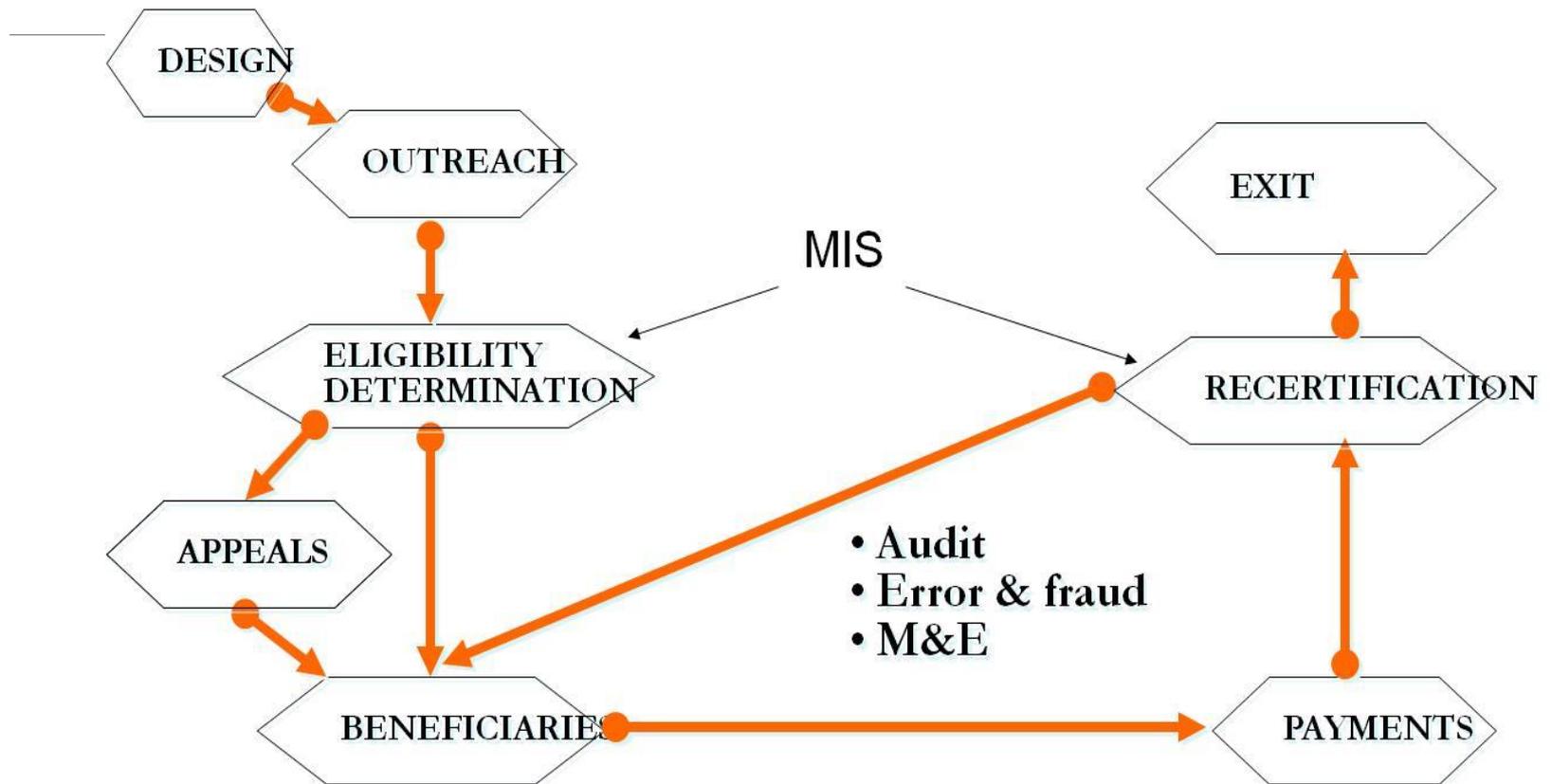
Moving from population to beneficiary is not simple.

- General population
 - Budget implications, coordination, administration and transparency
- To reach the desired population
 - Have adequate budget, develop a monitoring and information system, determine a targeting method; design an information and outreach strategy, ensure low cost for potential beneficiaries

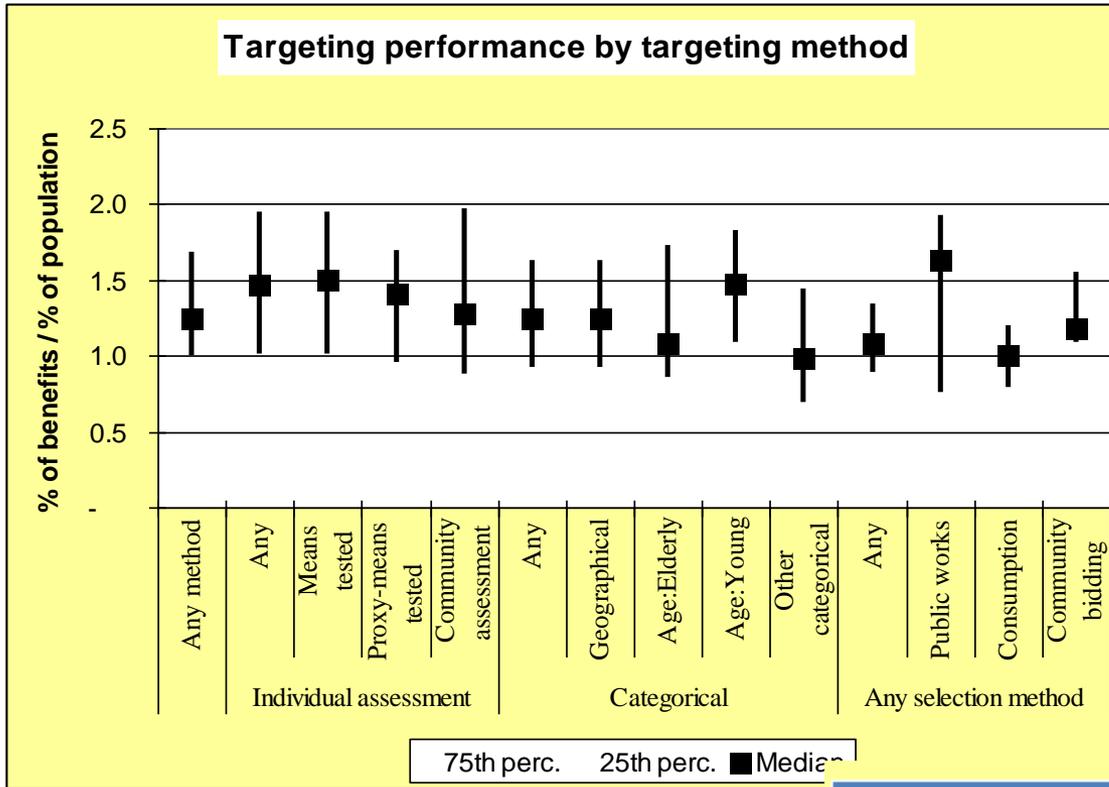
Delivery chain of any program: Outreach, intake and registration, and assessment of needs and conditions to determine potential eligibility for Social Programs



Implementation: key points to remember



No single method is best



Huge variation within method according to implementation

Handa et al., CBT 2010

Coady, Grosh and Hoddinott, 2004

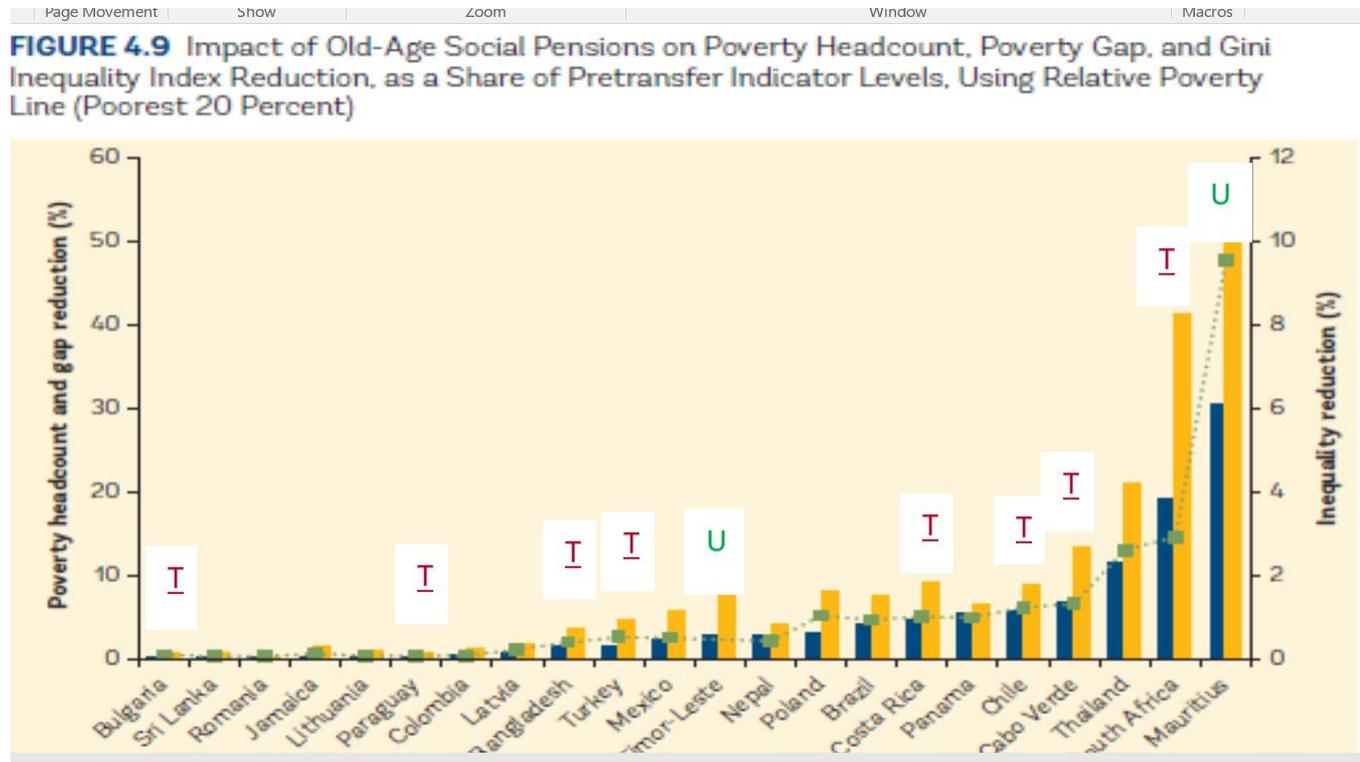
Results on Targeting Performance and Comparison with CGH Results

CGH Study	All Programs	CT Programs Only
Mean score	1.22	1.80
This Study	Full Sample	Eligible Sample Only
Kenya	3.68	2.72
Malawi	1.29	3.67
Mozambique	2.13	1.73

Which method performs best?

None

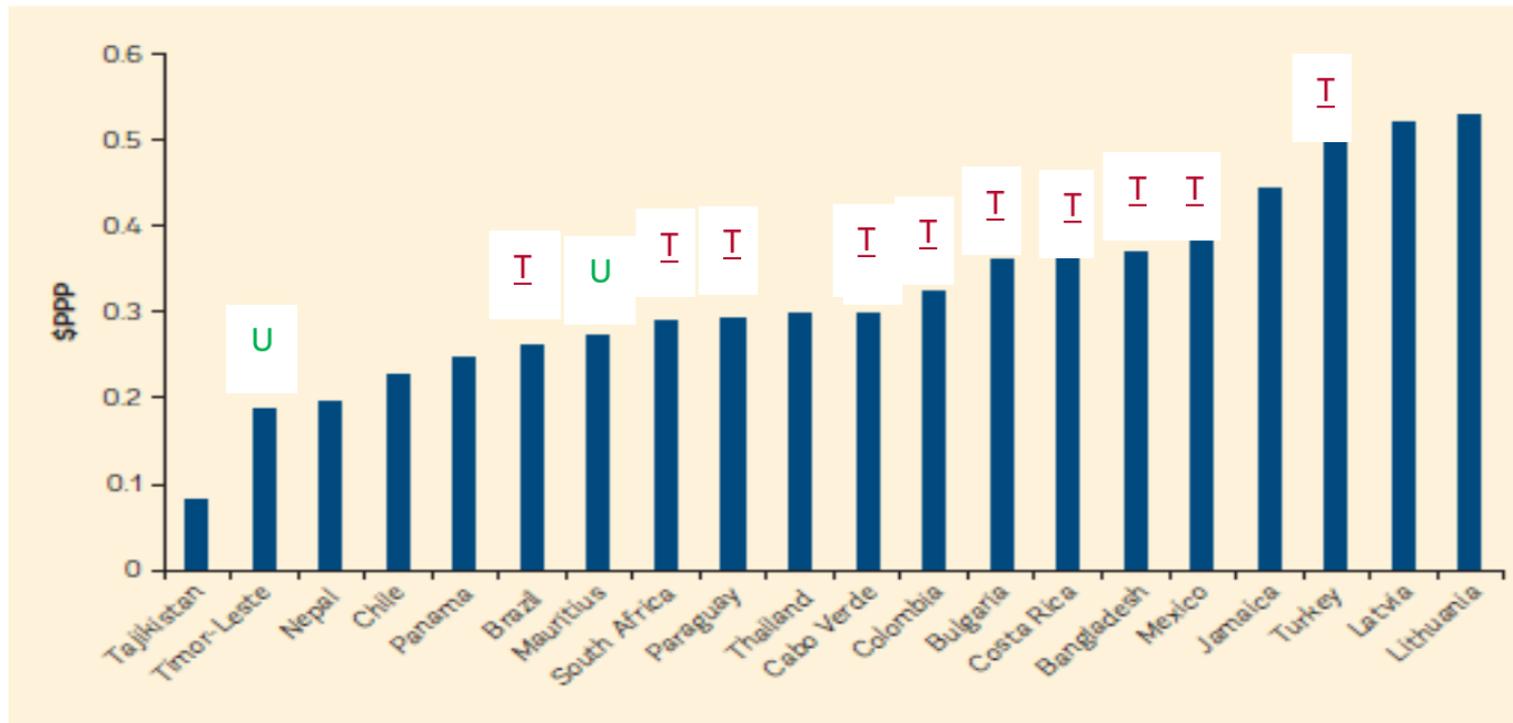
Example of social pensions:



T- means tested, U – universal, other – pension tested

But clear differences in efficiency

FIGURE 4.10 Benefit-Cost Ratio of Old-Age Social Pensions





Combining methods may improve accuracy

Often a first step is geographical targeting

Then collect some information at the household-level

Triangulate from several sources:

- Respondent
- Community
- Administrative records at local and central level
- Grievance and redress mechanisms

No matter which combination, implementation is key.



Summary

Implementation matters

- Lowering barriers to participation
 - Effective dissemination of information about the program
 - Minimize visits and waiting for application
 - Minimize documentation required, free-of-charge provision of documents attesting eligibility
 - Introduction of one-stop or one-window system; Single application for multiple benefits
- Lowering errors
 - Combine multiple targeting methods
 - Cross-check the information provided by applicants against other public databases;
 - Perform home-visits to assess the means of the households and Frequent re-certification
- Improving program administration
 - MIS, Staff training, Coordination,....



Conclusion

- ✓ Combining methods may improve accuracy
 - Often a first step is geographical targeting
 - Then collect some information at the household-level
 - Triangulate from several sources:
 - Respondent
 - Community
 - Administrative records at local and central level
 - Grievance and redress mechanisms
- No matter which combination, implementation is key.



Conclusion

Determination of eligibility is complex

No single method dominates

Combination of methods can work but attention is needed on the implementation arrangements

- Implementation arrangements have much in common across all methods:
 - Verification strategies – home visit versus computerized cross-checks of databases
 - Outreach, re-certification, quality control, system design, staffing, etc.

More information



➤ www.worldbank.org/safetynets

- Enrollment in the Safety Net, How-to Note
- Grosh, del Ninno, Tesliuc & Ouerghi, “From Protection to Promotion: The Design and Implementation of Effective Safety Nets”, Chapter 4
- Tesliuc, Pop, Grosh & Yemtsov, “Income Support for the Poorest: A review of experience in Eastern Europe and Central Asia”
- Governance and service delivery, in SSN working papers series



Thank you!



Source: Bolsa Família
municipal manager manual