

Guidance note

Poverty targeting in IFAD- supported projects



IFAD

Enabling poor rural people to overcome poverty

Why is targeting necessary

Overall economic growth is necessary for poverty reduction, but it is not enough to ensure that the lives of all poor people will be improved. IFAD's experience shows that social and economic inequalities will persist or increase unless focused efforts are made to create opportunities for people who have less, and to modify the unequal power relations that help generate poverty.

IFAD is committed to rural poverty reduction through equitable and inclusive development. There is much diversity among rural poor people in terms of their access to various kinds of assets, including voice and power, and in their livelihood systems and coping strategies.

What does IFAD mean by targeting

The extent to which certain categories of people – particularly those who are poorer and more excluded, and women and men equally – actually benefit from a specific development initiative is a function of a wide variety of factors. It depends on whether the supported activities or investments are of interest to them; on whether they have the time, financial resources, adequate information and knowledge to participate; on existing power relations and levels of social exclusion; and on many other factors. Primarily it depends on the people's choice and ability to participate rather than on the decision of an external entity (such as a project management unit) as to who should participate and who should not. But incentives and enabling measures can favour participation.

IFAD's Targeting Policy defines targeting more broadly as a set of purposefully designed actions and measures that ensure, or at least significantly increase the likelihood, that specific groups of poor people – and women and men equally – will benefit from the development initiatives it supports, while at the same time diminishing the risk that people who are less poor will benefit disproportionately.

Compared to the conventional approach to targeting that uses project-determined eligibility criteria such as income levels, this approach leads to a greater emphasis on self-targeting through the choice of activities and investments appropriate to a specific target group, and proactive measures designed to build the capacity of the target groups to influence decisions and the flow of resources. It places emphasis on efforts to include those who are often excluded (or self-excluded), rather than on the excluding those considered to be ineligible. Such an approach has the advantage of applying not only to area-based development projects but also to national programmes and policy dialogue.

Who is included in IFAD's target group

IFAD's mandate defines its target group as rural people living in poverty and experiencing food insecurity in developing countries. Within this broad group, IFAD strives proactively to reach the extremely poor people (as defined by Millennium Development Goal 1) who have the potential to take advantage of the activities and investments that IFAD typically supports.

IFAD defines its priority target group as the poorest rural people with productive potential, and the organization measures its development effectiveness against the needs of these people. IFAD will work to support not only people who are chronically poor, but also those who are at risk of becoming poor and vulnerable to external shocks.

An important tool for rural poverty reduction is the empowerment of women and men for the purpose of increasing the incomes and food security of poorer people. Depending on the analysis of the causes of poverty and food insecurity in a given context, achieving this goal will require different actions. It will mean enabling poorer people to access productive assets and the means that will enable them to use these assets. These means may include knowledge and information, stronger organizational capacity and influence on decision-making, and investments in infrastructure. IFAD initiatives will focus on that segment of the poor population which can take advantage of the opportunities provided by IFAD partners and instruments because they have access to the necessary labour or other assets.

In some countries, IFAD will work with the poorest and most vulnerable rural people. In others, the poorest people may be beyond the reach of the instruments that IFAD has at its disposal, and they would be more appropriately targeted for emergency or humanitarian support by other agencies with a comparative advantage in this area.

IFAD's target groups will include marginalized groups such as minorities and indigenous peoples, and activities will address their specific needs. Within all identified target groups, IFAD will address gender and age differences, with a special focus on women and youth, to promote equity, effectiveness and impact. Special attention will be given to women who are heads of households and are often particularly disadvantaged.

In some cases it may be necessary to include better-off people, because of economic and market interdependencies or because of the social heterogeneity of local organizations. The better-off may also be included as a strategy to avoid conflict or to engage them as leaders and innovators. In such cases the rationale and justification for such actions should be provided, and risks of excessive benefit capture should be carefully monitored.

Geographically IFAD will continue to focus primarily on areas where poor people are particularly vulnerable as a result of various external factors, and where economic potential exists. The organization will also invest in areas that are less poor overall but where there are significant and identifiable pockets of poverty.

IFAD programmes and projects will employ specific targeting mechanisms to ensure that poorer community members are reached where possible. The main challenge is that projects should be inclusive and should progressively increase the inclusion of poor people, while taking into account that IFAD does not engage in humanitarian, relief or welfare programmes.

The Targeting Strategy

IFAD's Policy on Targeting defines the basic steps in designing and implementing a targeting strategy as

- gender-sensitive poverty and livelihoods analysis in design, at start-up and during implementation
- identification and implementation of a targeting strategy
- monitoring and evaluation of targeting performance

Gender-sensitive poverty and livelihoods analysis

The necessary premise for the design and implementation of any targeting strategy is the identification and characterization of target groups through a gender-sensitive poverty and livelihood analysis that uses available data, fills information gaps as needed and always incorporates the views of poor women and men and their organizations.

Understanding poverty processes and the livelihood systems of the poor – giving attention to gender differences – is the essential precondition for effective targeting. Analysis should be undertaken initially during programme or project design. It should capture the diversity among poor people in terms of what they have and what they do, what makes them poor and how they move in and out of poverty. Such an analysis is more significant when it is the result of listening to poor people themselves and when it

Poverty and livelihoods analysis

A poverty and livelihoods analysis conducted during the design of an IFAD-supported project in the Andes began with a review of secondary data. This was followed by area-level meetings with various stakeholders that captured local livelihood strategies, including patterns of seasonal and permanent migration. Poor rural families in search of labour opportunities, available land and markets have high levels of mobility. The meetings made it clear that mobility and migration are fundamental strategies for coping with poverty, particularly for rural youth.

Meetings at the community level included farmers' groups and other actors such as health workers and group promoters. More limited focus groups and informal meetings on the street or among neighbouring households captured the livelihood strategies of segments of the population that are normally excluded from organized

groups or are unable to participate actively in formal meetings. They include women, youth and landless farmers. Andean rural communities have a large number of single, poorly educated or monolingual young mothers who are unwed or have been abandoned by their partners.

After conducting field visits, the team worked to tailor project activities to the specific needs and livelihoods of the target groups, including the most vulnerable groups. Activities targeted to youth included

- developing networks between migrant and local youth for the establishment of new productive ventures
- providing technical assistance to improve mobility and build the employability of poor migrant youths
- providing training for young monolingual women in the areas of functional literacy, health education and building self-esteem

incorporates their perceptions of poverty and vulnerability, always taking gender, ethnic and age differences into account. The analysis is necessary for a first identification of the target groups and of the activities and services that will be most relevant to different categories of target groups. It also serves to identify the factors that can enable certain groups of poor people, and women as compared to men, to participate in and benefit from a specific programme or project, as well as the factors that can prevent them from participating and benefiting from activities. These factors will also be taken into account in designing a targeting strategy.

Initial poverty and livelihoods analysis will generally use a combination of available information from secondary sources, discussions with rural women and men, the participatory rural appraisal methodology, and semi-structured interviews and focus group discussions with key informants.

Identifying and implementing targeting measures

The targeting strategy of a programme or project is defined by the combination of measures put in place to enable the identified target groups to participate and benefit from project activities and resources. The strategy needs to be flexible to accommodate any necessary adjustments in targeting that arise from periodic updates of the poverty and livelihoods analysis, and feedback from monitoring activities.

A targeting strategy will include either all or some of the following measures and methods.

Geographic targeting – This is based on poverty data or proxy indicators to identify, for area-based programmes or projects, geographic areas with high concentrations of poor people

Self-targeting measures – These ensure that goods and services offered by a programme or project respond to the priorities, financial and labour capacity and livelihood strategies of the identified targeted groups, but are less likely to be attractive to the less poor.

Targeting in an irrigation project

The targeting strategy of an irrigation project in Southern Africa was redesigned to ensure the inclusion of poor and vulnerable people. Very poor households rarely own land included in irrigation schemes. They also may be excluded because they are unable to contribute labour for construction, rehabilitation and maintenance activities. Alternatively, it may be difficult for them to cultivate their plots, or they may lack money to pay membership fees and plot fees and buy agricultural inputs.

To overcome these constraints, the project introduced a range of mini-scale, relatively low-cost irrigation systems with low entry barriers (members' fees and labour contribution). The project's design was broadened

to include activities of interest to poorer households, including those without access to irrigable land. Such activities included rainwater harvesting for agricultural purposes and a labour-based public works programme. The targeting strategy ensured attention to providing opportunities for the participation of poorer households, particularly women, and for their representation in key project-related decision-making bodies.

The public works programme, through which farmers work for 20 days to create or rehabilitate a community asset in return for maize seed and fertilizer, has been a particularly successful self-targeting tool. It enables poorer farmers to work for the farm inputs that they otherwise would be unable to afford.

Enabling measures – These include measures that create and sustain a policy and operational environment favourable to poverty targeting among partners and stakeholders, such as policy dialogue, awareness-raising and capacity-building.

Fostering an enabling environment

A community-driven project in the Andes demonstrates that clarity and transparency in decision-making procedures for the selection of beneficiaries are essential for promoting the participation of groups that are usually excluded by more powerful groups. The project calls for public competitions in which farmers' groups present their business proposals and compete for funding.

The clear and transparent "rules of the game" ensure social control and instil confidence and motivation in vulnerable groups who may believe that "development projects are only for the better-off". When vulnerable people see that the project's selection committees are formed by independent members and that all procedures

and transactions are legal and public, they gain the confidence they need to participate.

To ensure that funds are managed transparently and responsibly, organizations are required to make their expense reports public after receiving funds for a period of six months. The participation of poor and vulnerable people is further strengthened by provision of technical support to farmers, particularly poor illiterate women, to help them formulate their proposals in simple formats. Overall, these measures have contributed strongly to creating an enabling environment for people who are normally excluded from project and community activities, and to overcoming the traditional system based on patronage and welfarism.

Empowering and capacity-building measures These include focused capacity- and confidence-building measures to empower people who traditionally have less voice and power, and to encourage them to participate more actively in planning, decision-making and programme and project activities.

Empowering the poor

A programme in a tribal area in India demonstrates that a strong focus on pro-poor institution building is a key factor in achieving targeting objectives. During the first three years the programme places particular emphasis on information and communication activities. Posters and pamphlets highlighting the programme's aims and activities have been disseminated throughout the project area, even in remote villages. Digital films have been prepared, and traditional theatre groups, working in collaboration with local NGOs, have spread the programme's message. Self-help groups have been formed and trained. They have provided arenas for discussions of local

development issues, and they have fostered women's collective action.

Significant efforts have been made to strengthen the role of the *gram sabha* (village assembly) as the primary seat of community decision-making, and to create various project-related committees. Empowerment measures have been adopted to instil confidence into poor rural people and empower them to articulate their views and take part in collective decision-making. The programme's innovative feature is that it provides a forum, time and space for developing the capacities of the poorest people and empowering them. The self-help groups, the village assembly and the committees are, in fact, schools for training in leadership and collective decision-making.

Direct targeting This includes eligibility criteria, to be developed and applied with the participation of the community when services or resources are to be channelled to specific individuals or households.

Community-based targeting

A project in West Africa includes a fund for demand-led microprojects. Community-based organizations (CBOs) select eligible recipients and allocate resources. Among the basic target group categories, women who are heads of households, poor unemployed youth, landless people and households whose livelihoods depend mainly on labour-intensive public works were identified as the poorest. A capacity-building component was redesigned during implementation to further strengthen the pro-poor and gender focus of the CBOs.

The first step in the procedure for deciding on microprojects was the facilitation by the CBOs of an initial process of discussion and prioritization of projects. Then committees were appointed to prepare lists of beneficiaries. An assembly of the CBOs then

decided on the types of projects and participating beneficiaries, according to established selection criteria.

An important prerequisite of this procedure is that the assembly should be open to everyone and that all decisions should be made by vote. To ensure that the designated beneficiaries meet established eligibility criteria, community mobilizers visit each of the selected households. If targeting errors are detected, the list is discussed and voted again.

Community mobilizers also play a key role in facilitating public discussion and the decision-making process. The project seems to have effectively targeted the poor, and the process has been transparent overall. There is general agreement that the targeted beneficiaries are the poorest people. The project has also contributed to pro-poor institutional development, actively involving the CBOs in defining and implementing eligibility criteria.

Monitoring targeting performance

During programme or project implementation, attention should be given constantly to who is actually participating and benefiting, who is not, and why, according to socio-economic category, sex, age and ethnicity where relevant. The aim, which is based on learning from experience, is to identify and implement more effective ways to reach and benefit the 'hard to reach', including women as well as men.

Instruments for monitoring targeting performance will form an integral part of every targeting strategy. Poverty is dynamic: people can move in and out of poverty, and those who are particularly disadvantaged are often less visible. They may be missed in initial analyses. Poverty assessments will be repeated during the life of a programme or project so that targeting adjustments can be made.

The assessment of targeting performance should be a normal part of the participatory monitoring and evaluation of a project. Participatory rural appraisal tools such as wealth ranking and social mapping can provide useful insight into targeting performance. For example, the wealth ranking of the overall population of a community can be compared with that of participants in specific programme or project activities. If the proportion of participants who are less poor is considerably larger than the proportion of the less poor in the overall population, it is evident that poverty targeting has not been effective. Such findings from participatory rural appraisals should be validated through focus group discussions with field staff such as extension workers or group promoters who are in direct contact with the population. It is important for them to reflect on who is included or excluded or self-excluded from development activities, and why. In addition to information disaggregated by sex, some information should be available on the socio-economic characteristics of participants such as trainees or loan recipients in various activities. Where feasible and affordable, survey-based assessments can provide further information on the socio-economic profile of project participants. Such surveys may use indicators like those contained in IFAD's Household Asset Index (http://www.ifad.org/operations/rims/guide/e/part1_e.pdf), adding others relevant to the specific context.

Monitoring targeting and inclusion in a national extension and research programme

In West Africa IFAD cofinances a national programme to reform agricultural research and extension services to benefit small farmers. Producer organizations at all levels are the primary actors and the channel through which benefits and services reach small farmers. The programme invests heavily in strengthening producer organizations by improving their membership base, their organizational and policy dialogue capacity, and above all their ability to represent and include poorer people.

To monitor the targeting performance of the project, wealth-ranking exercises were conducted in each village to determine the

poverty level and characteristics of various subgroups. Three distinct groups were identified on the basis of their capacity to meet their basic food and livelihoods needs. The groups are the less poor, the middle-poor, and the poorest. The poorest group includes people who are food-insecure and have few or no assets. Representatives for each group were interviewed in each village. According to the case study, only a small proportion of the poorest group was excluded from producer organizations, and that was mainly because the selection criteria and procedures were not appropriate to the conditions of the poorest. The poorest were not able to meet requirements such as land ownership, labour capacity and private financial contribution.

Targeting in a rural finance project

During the design mission for a rural finance project in Central America, the design team proposed to formulate eligibility criteria according to the characteristics of poor rural people's housing. An analysis of housing conditions based on the poverty map and national poverty assessment, and direct observation and consultation with local beneficiaries, led to the definition of three housing typologies. They represented three socio-economic categories: the very poor, the poor and the non-poor. The typologies were used to develop a housing index, which was discussed with credit union representatives

and tested in various communities across the country.

The choice of housing characteristics as a key poverty indicator was the result of a number of considerations. The adoption of standard income or assets-based definitions of poverty as criteria for eliminating or selecting microfinance clients is notoriously difficult to enforce and monitor. Costly and invasive investigations are required to obtain information on income and assets. Instead, eligibility criteria based on visual indicators of poverty such as housing characteristics allow field officers to identify poor and very poor people rapidly and effectively. The data collected is fairly reliable and forms a basis for tracking household progress over time.

This guidance note is drawn largely from the IFAD Policy on Targeting approved by the Executive Board in September 2006 (www.ifad.org/pub/policy/target/targeting_e.pdf), and from field experience in targeting and case studies undertaken in the context of IFAD's Innovation Mainstreaming Initiative, which is co-funded by the United Kingdom Department for International Development (DFID).

Contact

Annina Lubbock
Senior Technical Advisor
Gender and Poverty Targeting
Technical Advisory Division
IFAD
Via Paolo di Dono, 44
00142 Rome, Italy
E-mail: a.lubbock@ifad.org



International Fund for
Agricultural Development
Via Paolo di Dono, 44
00142 Rome, Italy
Telephone: +39 06 54591
Facsimile: +39 06 5043463
E-mail: ifad@ifad.org
www.ifad.org
www.ruralpovertyportal.org

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