

Revised Operational Guidelines on **Targeting**

ANNEXES



Revised Operational Guidelines on Targeting

Annexes¹

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Abbreviations and acronyms

AWP/B	annual workplan and budget
BSF	Belgian Survival Fund
CCD	community-driven development
COSOP	country strategic opportunities programme
FAO	Food and Agriculture Organization of the United Nations
GALS	Gender Action Learning System
IFAD11	Eleventh Replenishment of IFAD's Resources
IFI	international financial institution
LNOB	leaving no one behind
M&E	monitoring and evaluation
MFI	microfinance institution
PDR	project design report
PGs	priority groups
PIM	programme implementation manual
PLA	participatory learning and action
PMU	project management unit
PRA	participatory rural appraisal
SACCOs	savings and credit cooperatives
SDG	Sustainable Development Goal
SECAP	Social, Environmental and Climate Assessment Procedures
ToC	theory of change
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
VC	value chain
WEAI	Women's Empowerment in Agriculture Index
WFP	World Food Programme

Annex I. The context for the revision of the operational guidelines on targeting

A. Poverty-related Sustainable Development Goal (SDG) targets and indicators

1. Progress towards the achievement of SDG 1 (no poverty) is monitored with the help of a broad set of indicators. These indicators include a revised international extreme poverty line that has now been set at US\$1.25 (indicator 1.1.1), national monetary poverty lines (indicator 1.2.1) and national multidimensional indicators that track changes in all forms of poverty (indicators 1.2.2).² In line with the definition of poverty given in IFAD's 2006 targeting policy and as stated by the World Bank in its *Poverty and Shared Prosperity 2018* report:³ "Poverty encompasses a shortfall in income and consumption, but also low educational achievement, poor health and nutritional outcomes, lack of access to basic services, and hazardous living environment."
2. In addition to the standard indicators that are used to monitor poverty over time, the target groups for SDG 1 also include people who are suffering from different types of vulnerability. SDG target 1.4 states that, by 2030, the world should "ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance". Therefore, not only the poor, but also the vulnerable should have access to a series of economic resources, including new technologies, assets and services, in order to prevent them from falling (back) into poverty.
3. SDG target 1.5 focuses on vulnerability to climate-related extreme events and to other economic, social and environmental shocks and disasters. Building the resilience of the poor and those in vulnerable situations (fragile contexts and disaster-prone areas) to reduce their vulnerability to shocks is of key importance under SDG 1.
4. This brief review of SDG 1 targets underscores the variety of instruments linked to both international and national monetary poverty lines and of multidimensional indicators relevant to the identification and prioritization of the groups of people who are most likely to be left behind - the poorest. It also highlights the need to take other poverty drivers into consideration, such as: (i) intersecting inequalities, including within-household inequities; and (ii) vulnerability to shocks related to climate change, and social, political and economic shocks and crises.

B. IFAD's Strategic Framework and targeting

5. The IFAD Strategic Framework 2016-2025⁴ reiterates IFAD's mandate⁵ and its overarching development goal, which is to invest in rural people in order to enable them to overcome poverty and achieve food security through remunerative, sustainable and resilient livelihoods. The framework also states that IFAD will seek to achieve the following strategic objectives (SOs): (i) increase poor rural people's productive capacities (SO1); (ii) increase poor rural people's benefits from market

² According to the World Bank, national poverty lines are a far more appropriate tool for underpinning policy dialogue and for targeting programmes to reach the poorest. See <http://www.worldbank.org/en/topic/poverty/brief/global-poverty-line-faq>.

³ See World Bank, *Poverty and Shared Prosperity 2018: Piecing together the poverty puzzle* (World Bank, 2018), <http://www.worldbank.org/en/publication/poverty-and-shared-prosperity>.

⁴ See IFAD Strategic Framework 2016-2025 (2016), <https://www.ifad.org/en/web/knowledge/publication/asset/39369820>.

⁵ IFAD's goal is to empower poor rural women and men in developing countries to achieve higher incomes and improved food security. Its mission is to enable poor rural people to overcome poverty. See IFAD (2012), <https://www.ifad.org/en/document-detail/asset/39637383>.

participation (SO2); and (iii) strengthen the environmental sustainability and climate resilience of poor rural people's economic activities (SO3).

6. The Strategic Framework identifies targeting as one of IFAD's five principles of engagement,⁶ which reflect the Fund's core identity and values and cut across the delivery of all its development results. It also states that IFAD "will use a variety of tools to ensure that the largest possible number of poor rural people benefit from emerging economic opportunities, and that those who cannot do so immediately ... are proactively supported in developing the skills and assets to do so in the near future". The Strategic Framework also clearly reflects IFAD's engagement with the 2030 Agenda and its adherence to the guiding principle of leaving no one behind (LNOB), which it demonstrates by reinforcing the message that those without a resource base – extremely poor and marginalized groups – can be supported in developing their skills and assets so that they can benefit from market participation in the future.

C. IFAD11 and the Fund's enhanced business model and targeting strategies

7. IFAD's investments will target the poorest people and the poorest countries by prioritizing interventions in low-income countries and lower-middle-income countries and reaching the chronically poor in upper-middle-income countries. In addition, in its efforts to promote an inclusive and sustainable rural transformation, it must tackle six cross-cutting challenges in rural areas: poverty (SDG 1), hunger (SDG 2), gender inequalities (SDG 5), youth unemployment (SDG 8), climate change (SDG 13) and fragility (all SDGs).
8. As part of its comparative advantage and with a view to promoting an inclusive and sustainable rural transformation, IFAD will continue to work with governments to identify targeted policies and investments for productive activities and to support these investments as part of its new country-based model, through which IFAD will engage more fully in national policy processes and will tailor country programmes to countries' and target groups' specific needs and priorities. To this end, it will employ the best mix of: (i) targeted policies and investments for productive activities that seek a pathway towards inclusion by improving the livelihoods of the rural poor and food-insecure; and (ii) complementary social protection policies and investments that address income poverty, economic shocks and social vulnerability. The expansion of social protection coverage is another target of SDG 1 (target 1.3). While IFAD-supported investments do not contribute directly to the achievement of this target, IFAD needs to take this issue into account, as the expansion of social insurance and social assistance coverage will have an impact on its target groups.
9. Country strategies and projects will incorporate a sharper poverty focus and analysis at the design, implementation, supervision and monitoring and evaluation (M&E) phases to ensure that the targeting strategies that are adopted are appropriate for the different target groups and country contexts.
10. In the Report of the Consultation on the Eleventh Replenishment of IFAD's Resources, it is recalled that IFAD's Strategic Framework also includes victims of natural disasters and conflict among IFAD's target groups and recognizes that the provision of support for these people is an indispensable part of IFAD's role in fostering inclusive transformation and LNOB. The report also states that Management will revise its operational guidelines on targeting to strengthen the focus on young people and will give consideration to the inclusion of persons with disabilities in the Fund's interventions⁷.

⁶ The other four principles are empowerment; gender equality; innovation, learning and scaling up; and partnerships.

⁷ Following the United Nations Convention on the Rights of Persons with Disabilities

11. At the micro level, IFAD's interventions will continue to target the poorest and most vulnerable people, with a strong focus on agriculture-based interventions. The business model places renewed emphasis on the commitment to reach out to the target groups as defined in IFAD's 2006 targeting policy, with a strong emphasis on rural women and rural young people, particularly in relation to the issue of employment generation.

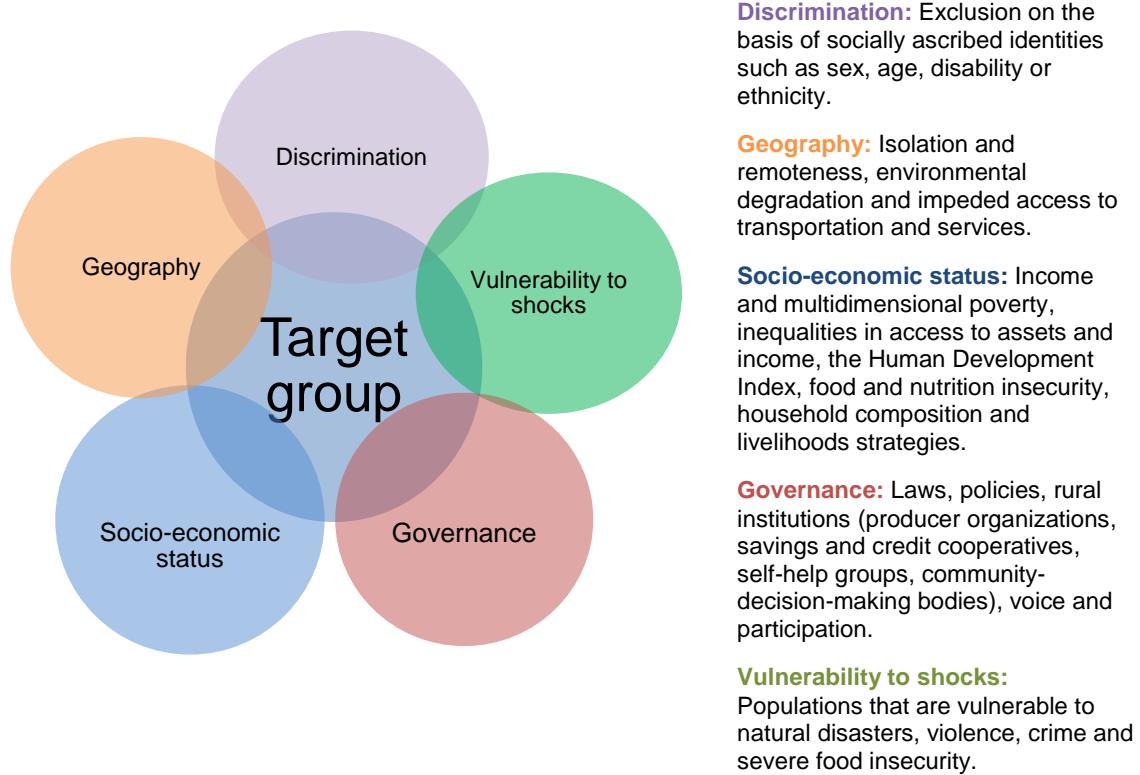
D. IFAD's mainstreaming themes and targeting

12. IFAD is also mainstreaming four thematic areas throughout its operations, namely, climate change, gender, nutrition and youth. These themes are at the core of some of the targets of the 2030 Agenda, such as SDG 2 (zero hunger), SDG 4 (quality education), SDG 5 (gender equality), SDG 8 (decent work and economic growth) and SDG 13 (climate action), which include specific targets relating to young people. Progress in these areas will also indirectly contribute to the achievement of SDG 1.
13. The implementation of the targeting policy has been identified as one of the key entry points for the application of mainstreaming principles, as it can be used to incorporate a strong focus on women's inclusion while ensuring that IFAD continues to focus on the poorest, the poor and marginalized peoples (including ethnic minorities). The guidelines have been updated to include youth as a target group and provide for differentiated targeting strategies for men, women and persons with disabilities (IFAD11 commitments).
14. Targeting is a point of convergence for multidisciplinary teams working on drafting country strategic opportunities programmes (COSOPs) and/or on a specific project's design. Design teams are expected to align their conceptual work with the targeting policy and the operational guidelines in order to better identify and characterize project beneficiaries, together with their livelihoods and needs, and in order to be equipped to put forward cross-cutting policy responses that support the mainstreaming of the four themes.

E. SDG implications for IFAD's targeting approach

15. Thus, progress towards the fulfilment of the 2030 Agenda and the achievement of the SDG targets relating to extreme poverty, poverty and vulnerability is being monitored with the help of a variety of instruments, including both international and national poverty lines and multidimensional indices. The targets also focus on vulnerability to poverty and its drivers, including climate change, natural disasters and social, political and economic shocks and crises. Under IFAD's new country-based model, national indicators should be preferred over international poverty lines – even those for which an effort has been made to adjust for the level of development of a given country – as inputs to inform the targeting of both geographic areas and groups of people as well as targeting design, monitoring, supervision and evaluation. Depending on data availability, both monetary and multidimensional poverty indicators should be used, together with poverty, livelihood and vulnerability analyses. In addition, a comprehensive assessment of the level of socio-economic vulnerability of the target groups, with priorities varying according to the country context and the results of a situational analysis in the light of the mainstreaming themes, are a necessary foundation for targeting strategies. Ideally, these analyses should be included in the Social, Environmental and Climate Assessment Procedures (SECAP) background study, but specific research projects and studies can also be used to inform results-based COSOPs and/or specific project designs.
16. Target groups will be subject to different types of inequalities stemming from such factors as income inequality, cultural norms, values and practices which can lead to exclusion, discrimination and the demeaning of certain groups. The sources of exclusion or inequality can be grouped into five categories, as illustrated in figure 1.

Figure 1
Framework for the analysis of the multiple dimensions of poverty and marginalization



Source: "Leaving no one behind: A UNSDG operational guide for UN country teams (interim draft)," United Nations Sustainable Development Group, March 2019.

17. An important issue that is of concern to IFAD staff and that has important implications for the application of the guiding principle of LNOB has to do with the potential ability of extremely poor people to take advantage of improved access to assets and opportunities – a concept that is often abbreviated to references to the “active or productive poor” in some IFAD policy documents. As noted above, IFAD’s Strategic Framework clearly states that IFAD will proactively support the most deprived people in the acquisition of skills and assets that will enable them to engage in market-based economic opportunities in the future.
18. Recent evaluations of social cash transfer programmes⁸ and graduation models,⁹ both of which focus on the extremely poor, indicate that these types of interventions have had a positive impact. These findings simultaneously lay to rest two myths: (i) cash transfers generate dependency; and (ii) extremely poor people do not engage in sustainable productive activities that would allow them to accumulate assets and increase their income on an ongoing basis.
19. In addition to the ethical call to action made in the 2030 Agenda to leave no one behind, with which IFAD has engaged, there is evidence that it is possible to partner with social cash transfer programmes or graduation model interventions to reach two objectives: first and most importantly, to ensure that IFAD interventions reach and benefit the extremely poor in a sustainable manner by taking advantage of targeting synergies; and, second, to improve the targeting performance of IFAD interventions through partnerships as envisaged in the 2008 targeting policy.

⁸ See Davis et al., *From Evidence to Action: The Story of Cash Transfers and Impact Evaluation in Sub-Saharan Africa* (Oxford University Press, 2006), <http://www.fao.org/3/a-i5157e.pdf>.

⁹ See Banerjee et al. “A multifaceted program causes lasting progress for the very poor: Evidence from six countries”, *Science*, vol. 348, Issue No. 6236 (2015), <https://science.sciencemag.org/content/348/6236/1260799>.

Annex II. IFAD's targeting principles

1. The 2006 targeting policy put forward nine guiding principles that are updated in this subsection.¹⁰ The updated principles, which are aligned with the 2030 Agenda and its guiding principle of LNOB, as well as with IFAD's more recent policy documents, including its IFAD11 commitments, are as follows:
2. **Target the poorest, the poor and the vulnerable rural peoples.** IFAD targets the poorest both at the macro and micro levels. At the micro level, it will make use of robust poverty analyses based on country-specific monetary and multidimensional poverty indicators (SDG target 1.2), along with participatory livelihood analyses, to assess these groups' access to different types of resources.
3. **Support those with fewer skills and assets.** IFAD will proactively support those with fewer skills and assets so that they can benefit from emerging economic opportunities in the near future. In some cases, these groups may be beyond the reach of the instruments that IFAD has at its disposal and may be more appropriately targeted for emergency or humanitarian support by other agencies with a comparative advantage in that area.
4. **Include people who face multiple forms of deprivation and are more likely to be left behind.** IFAD's target groups include those who face multiple, mutually reinforcing sources of deprivation and inequality associated with the five factors involved in the effort to leave no one behind: socio-economic status, geography, discrimination, vulnerability to shocks, and governance (see figure 1 in annex I). Examples of groups that are often marginalized are **women, youth, indigenous populations, pastoralists and ethnic minorities, persons with disabilities, internally displaced people, refugees, and people living in fragile contexts due to climate change, environmental degradation or conflict**. These groups tend to have less access to assets and opportunities or are more likely to lose access to their assets and their sources of livelihood due to causes whose scope goes beyond monetary poverty. Robust poverty and livelihood assessments are needed to inform targeting processes, which should include specific analyses centring on these groups.
5. **Mainstream gender, youth, nutrition, environmental sustainability and climate issues in the operationalization of the targeting process at the country programme and project levels.** The targeting process is the entry point for the mainstreaming of IFAD's cross-cutting themes.
6. **Recognize the dynamic nature of poverty and the importance of tackling vulnerability.** The targeting process and approaches should take the dynamic nature of poverty into account, particularly in fragile contexts associated with climate-related hazards, environmental degradation and/or conflict. Mechanisms allowing for shock-responsive targeting measures should be in place, including early warning systems and triggering mechanisms for scaling-up interventions.
7. **Align targeting with government poverty reduction policies and strategies.** In keeping with its new country-based model, IFAD interventions must be aligned with and contribute to government policies on relevant areas of intervention. A rigorous review of policies related to rural poverty eradication, the agriculture sector and rural development, food security and nutrition, social protection and disaster risk management should be undertaken, along with a thorough review of policies focusing on such target groups as women, youth, indigenous populations, ethnic minorities and persons with disabilities. These reviews should inform consultations on the country programme and project design. In addition, IFAD

¹⁰ For a detailed comparison between the current principles and the preceding ones, see table A1 in annex I.

projects will use government targeting tools and will then analyse and improve them based on the IFAD targeting approach at the local level.

8. **Reach the poorest through either direct or indirect targeting.** There will be cases in which people who are better off may need to be included in IFAD interventions because of economic and market interdependencies, the need to engage them as leaders and innovators and/or the need to avoid conflict. In such cases, the rationale and a justification should be provided. Furthermore, projects will need to clearly demonstrate, based on their theory of change, how the poorest will benefit from interventions targeting those who are relatively better off. Indicators for monitoring the benefits reaching the poorest will have been included in the logframe.
9. **Test innovative targeting approaches.** Efforts should be made to pilot, assess, document and share learning on successful approaches to targeting the groups most likely to be left behind.
10. **Strengthen existing partnerships and establish new ones.** Efforts should be made to identify and work with like-minded partners at all levels, such as the Cooperative for Assistance and Relief Everywhere, BRAC and the World Food Programme (WFP), to develop a shared understanding of both the dynamics of rural poverty in different contexts and successful targeting approaches. The focus should be on building innovative and complementary partnerships to reach target groups that IFAD cannot reach with the instruments at its disposal.
11. **A consultative and participatory approach to targeting.** IFAD's targeting approach is not only about targeting tools; it also includes a series of measures and procedures to incentivize the participation of the poorest and other target groups. This process should involve participatory consultations with all stakeholders, including potential beneficiaries, and it should be conducted in a way that will make them feel trustful and safe enough to openly express their views and concerns. Feedback mechanisms should be in place during implementation in order to promote transparency, inclusiveness and consensus-building.
12. **Empowerment and capacity development** are key IFAD principles of engagement and the cornerstones for its approach to targeting. IFAD will help to enhance the ability of its target groups to access the productive resources, goods and services that they require in order to increase their earnings and quality of life while at the same time participating meaningfully in decision-making processes that will have an influence on their livelihoods.

Annex III. Overview of IFAD priority groups

1. IFAD's comparative advantage in working with **women, indigenous peoples, youth and persons with disabilities** underpins its core mission of targeting and empowering the poorest and most vulnerable rural people. This is supported by its targeting and people-centred approach, which also takes into account the differentiated and context-specific conditions of poor rural people.
2. Poverty-reducing structural transformation has often been accompanied by an agricultural and rural development process that leads to rural transformation. The latter process is characterized by increases in agricultural productivity and marketable surpluses, along with the diversification of production patterns and livelihoods. However, despite all the benefits to be derived from rural transformation, it may also have negative effects, including the exclusion of sectors of the population whose initial asset base does not allow them to benefit from this dynamic process.
3. As one of IFAD's principles of engagement, targeting design and approaches play a major role in ensuring the inclusiveness of both rural and structural transformation. IFAD target groups reflect the intersecting inequalities that make the pathway out of poverty particularly steep for socially excluded and disadvantaged groups such as the indigenous population, ethnic minorities, women, youth and persons with disabilities. Evidence shows that women, indigenous peoples, youth and persons with disabilities are much more vulnerable to the five dimensions of marginalization that are identified in the LNOB framework, namely, socio-economic status, discrimination, geography, governance, and vulnerability to shocks.
4. **Gender, ethnicity, age and disability** are factors that feed into prevailing determinants of people's social identities. A person's social identity, as based on social norms, forges his or her ability to claim access to assets and decision-making positions. Unequal power relations along the lines of sex, age, ethnicity and disability can be critical drivers of social, economic and political exclusion and the underlying causes of extreme poverty, food insecurity and malnutrition. People living at the crossroads of multiple intersecting inequalities tend to be overrepresented among the poorest strata. The root causes of exclusion are often found in historical and political patterns that influence inclusion and exclusion dynamics at different institutional levels, starting within the household and the community and then moving on up to the broader policy level. If not properly informed by priority-group considerations, agricultural policies and interventions may also reinforce existing inequalities by channeling investments into areas or crops that are thought to contribute to growth but that have limited positive spillover effects on women, youth and indigenous peoples. A reliance on market forces may unwittingly foster land and resource concentration, which often undermines the asset positions and livelihoods of women, indigenous peoples and youth.
5. **Rural women** are identified as a key target group in IFAD's 2006 targeting policy, which recommends that there be a special focus on women within all identified target groups. Conducting gender-sensitive poverty and livelihood analyses that incorporate the distinctive views of poor women and men is one of the pillars of IFAD's targeting approach. Households headed by women, including widows and abandoned and single mothers, have traditionally been singled out as a particularly vulnerable group under IFAD-supported projects. This is because, in many contexts, these women tend to live in extreme poverty, have few job skills and have to cope with excessive workloads, time poverty and limited mobility.
6. Women are major players in the agriculture sector, in household food and nutrition security, and in natural resource management. They work along the value chain – in their own enterprises, in family activities and as employees – and undertake a

wide range of activities, often using their own knowledge systems. But they often work in marginal capacities as family workers, without pay or with very low incomes, and are stereotyped into low-value activities – unless this is addressed in project interventions. They also engage in a mix of non-farm activities to diversify their livelihood options and are responsible for doing the majority of household tasks.¹¹ Women tend to experience multiple forms of marginalization in terms of access to and control over critical resources (land, credit, technologies etc.); access to income, food and benefits; a low level of well-being and exposure to domestic violence; excessive workloads, as they are called upon to carry out both reproductive and productive activities; and very limited participation in decision-making at different institutional levels.

7. IFAD has accumulated a notable degree of experience with regard to gender targeting by experimenting with different context-specific tools and approaches and disseminating knowledge on the topic. One of the key lessons that IFAD has learned is that targeting and empowering women invariably requires engaging with men. In working with a relational approach to gender, it is important to do away with discriminatory norms, avoid gendered conflicts and ensure more equitable and sustainable benefits.
8. **Indigenous peoples and ethnic minorities** tend to be overrepresented among poor and disadvantaged societal groups, and they are often marginalized. They represent 15 per cent of the world's poor and a significant proportion of poor rural people in many countries. Their food security and livelihoods depend on access to local ecosystems, which are already under pressure from precarious land entitlements and are being further challenged by the new demands of a growing population or by business encroachments on natural resources. Climate change, too, alters the productivity of land and impacts many species.
9. Self-identified indigenous peoples are estimated to number over 370 million, or about 5 per cent of the world's overall population. An estimated 70 per cent live in Asia and the Pacific. In Latin America alone there are more than 826 different indigenous peoples (and another 200 are estimated to be living in voluntary isolation), each with a distinct language and culture. One quarter of the Latin American population is made up of Afrodescendants. These people make up a distinct group that is experiencing severe human rights violations and rampant poverty.

Box 1
Afrodescendants

Around 200 million people who identify themselves as being of African descent live in the Americas. Whether as descendants of the victims of the transatlantic slave trade or as more recent migrants, they constitute one of the poorest and most marginalized groups. Like other excluded groups, Afrodescendants face cumulative disadvantages, unequal opportunities and a lack of respect and recognition, all of which leads to differentiated social and economic outcomes. For instance, Afrodescendent households fare, on average, worse than white ones, and Afrodescendent households headed by women fare worse than those headed by men. Some Afrodescendent groups – such as the Palenque in Colombia, the Garifuna in Central America and the quilombolas in Brazil – have characteristics that align with those of the indigenous population, especially in terms of their historical connection to particular territories, their distinctive political and decision-making institutions, and their demands for the protection of communal land tenure systems.

10. According to IFAD's Policy on Engagement with Indigenous Peoples (2009), the working definition of indigenous peoples is based on the following criteria:
 - Priority in time with respect to occupation and use of a specific territory;

¹¹ See IFAD's how-to-do note on poverty targeting, gender equality and empowerment during project design: gender, targeting and social inclusion (2017).

- The voluntary perpetuation of cultural distinctiveness, which may include aspects of language, social organization, religion and spiritual values, modes of production, laws and institutions;
 - Self-identification, as well as recognition by other groups, or by state authorities, as a distinct collectivity; and
 - An experience of subjugation, marginalization, dispossession, exclusion or discrimination.
11. The policy document also states that community-driven development (CCD) approaches are particularly well suited to working with indigenous peoples because they have a more holistic perspective in which ecosystems and social and economic systems are intertwined.
 12. **Rural youth** are an increasingly important target group for IFAD. Globally, young women and men under 30 make up almost two thirds of the population in developing countries, and those between the ages of 15 and 24 account for one fifth. Because they have limited access to education and opportunities in remote rural areas and due to the excessive fragmentation of land ownership, both rural boys and rural girls generally suffer from a lack of critical assets and are exposed to the risks and insecurity of extremely poor working conditions. However, the term "youth" is typically understood as referring exclusively to young men, despite the important differences in asset bases (both current and expected) and livelihood options of young women and men in many locations. Young women usually have fewer ways of earning a living than young men. They are more exposed than their male counterparts to gender-specific disadvantages in the labour market, including gender-based violence, lower wages and labour exploitation, and to the possibility of having more restricted access to nutritious food within the household. Young rural girls are indeed one of the poorest segments of the rural population and are therefore deserving of adequate targeted support. The needs of indigenous young men and women also require special consideration given that they are disproportionately exposed to the risks associated with early marriage, seclusion, food insecurity during reproductive and nursing years, special vulnerability and discriminatory practices. The differentiated approach to targeting young men and young woman should be grounded in a solid understanding of what drives their specific aspirations.
 13. Finally, it is important to note that value chain employment may be the preferred option for youth (see also annex VII) in many deprived rural areas. This is because many young people prefer to act as service providers rather than to work directly in agriculture. Unlike their parents, they generally aspire to move out of farming. For those who still want to be involved in agriculture, the jobs to which they aspire are knowledge-intensive and "modern" forms of employment. Youth-specific capacities, skills and aspirations should always be considered when designing a value chain intervention.
 14. **Persons with disabilities** face numerous barriers to their full inclusion and participation in the life of their communities. These barriers include discrimination and stigma; the inaccessibility of many physical and virtual environments; a lack of access to assistive technology; a lack of access to essential services and rehabilitation; and a lack of support for an independent life, including limited access to the labour market and sources of earned income. In addition, rates of poverty around the world are significantly higher in households that include a disabled person. Disability is a cross-cutting issue in the SDG agenda, as stated in the United Nations flagship report on disability.
 15. Recommendations concerning means of providing support for persons with disabilities within the context of the SDGs include the compilation of disaggregated information on poverty and food security indicators for persons with disabilities and

the adoption of measures to address their employment opportunity gap. The measures that are envisioned include employment quotas in the public sector and, in some cases, the private sector, laws against discrimination in the workplace and the mainstreaming of disability inclusion in entrepreneurship development training and microfinance systems. However, there is no specific recommendation concerning agriculture-related interventions, despite the fact that, in many rural areas, not only are people more exposed to accidents that can leave them disabled, but persons with disabilities may also be excluded from agricultural activities in some contexts, which can lead to their exclusion from the community and from the opportunity to earn a living. For this reason, persons with disabilities in rural areas are more exposed to hunger and poor nutrition than others.

Measures to facilitate the inclusion of persons with disabilities in IFAD projects can have a major effect in fighting the multiple drivers of deprivation that they face. The starting point would be to understand the different needs and capacities of persons with disabilities and the different barriers that they face, as well as those that are specific to persons with different kinds of disabilities, since persons with disabilities are a highly heterogeneous group. Being aware of this heterogeneity is critical for effective targeting.

16. The prioritization of these target groups requires dedicated poverty and livelihood analyses and specific measures to ensure that their participation in IFAD projects is not hindered by social, economic, cultural or psychological barriers to their inclusion. IFAD's targeting approach, based on self-targeting, enabling measures, empowerment and capacity-building, is particularly well suited to tackling these intersecting inequalities and deprivations and to facilitating the inclusion of those most likely to be left behind.

Annex IV. Minimum standards for targeting IFAD priority groups (programme cycle)

A. COSOP

1. Conduct a situation analysis

The analysis carried out at the COSOP stage covers:

- (i) The institutional and policy framework related to the different priority groups (PGs), including a review of existing policies, strategic plans, actors and potential partners;
- (ii) Poverty and food insecurity, including drivers and geography, with disaggregation along the social axis.

2. Demonstrate alignment with country definitions and relevant policies

Particularly with regard to youth, indigenous peoples, ethnic minority groups and persons with disabilities.

3. Consult with key national stakeholders representing the interests of PGs

- (i) The Ministry of Gender Affairs, national disability councils and similar bodies, national agencies/commissions that address indigenous peoples' issues;
- (ii) Local civil society organizations (CSOs) such as women's organizations, national and subnational indigenous peoples' organizations (also linked to the Indigenous Peoples' Forum at IFAD), organizations working for the rights of persons with disabilities;
- (iii) In line with the IFAD Policy on Engagement with Indigenous Peoples, IFAD will proactively engage with indigenous peoples' representatives throughout the project cycle.

4. Analyse and disaggregate PGs in the country

- (i) **Main rural youth groupings (e.g. young people not in education, employment or training)**, disaggregated by age, sex, ethnicity and education level), with attention to specific challenges and opportunities related to livelihoods and access to assets, skills and services;
- (ii) **Main groups of indigenous peoples** and their livelihood challenges and opportunities (drawing on data disaggregated by ethnic group and geographic location whenever such data are available);
- (iii) **Rural women**, with attention to age, ethnicity, disability status, social status, household composition, specific livelihood constraints and opportunities;
- (iv) **Persons with disabilities**, including their numbers (disaggregated by sex, age and ethnicity), geographic locations and the distribution of types of disabilities;
- (v) **Target group matrix**, including youth, women, indigenous peoples and persons with disabilities;
- (vi) Information on **poverty, food security and livelihoods**, disaggregated by targeted priority group.

5. **Describe how IFAD will target PGs**

- (i) **Tailor the targeting strategy** to the identified PGs by building on lessons from previous projects and replicating successful approaches;
- (ii) **Describe the targeting strategy**, approaches, proposed activities and partnership arrangements;
- (iii) **Include attention to PGs in the selection of geographic areas.** In some cases, the presence of indigenous peoples and youth should be considered as a high-priority criterion for geographic targeting.

B. Design

6. **Analyse and disaggregate PGs in the project area**

As part of the poverty and livelihood analysis, the profile of PGs in the area is disaggregated by age, sex, ethnicity and disability status. The analysis is carried out by a targeting and PG expert by:

- **Reviewing** available data and secondary sources;
- **Consulting and organizing focus group discussions** with PGs in the project area with the help of participatory rural appraisal/participatory learning and action (PRA/PLA) tools.

7. **The analysis should cover:**

- (i) **Women.** The gender gap in access to assets, services, decision-making and workload distribution; intra-household poverty, including attention to nutrition and food security; key livelihoods and gendered roles and priorities in farming systems and targeted value chains; discriminatory social norms; and the specific poverty situation of adolescent girls, pregnant and lactating women, indigenous women and women heads of household;
- (ii) **Rural youth.** Access to assets (e.g. infrastructure and machinery), land, water, markets and services (e.g. credit, and extension services); local stakeholders and partners; knowledge, education and skills, including indigenous knowledge, literacy and numeracy; dreams and aspirations; and outmigration patterns;
- (iii) **Indigenous peoples.** Sociocultural and land tenure assessment; customary laws and informal rules on land ownership; community stakeholders, land users and an assessment of who has the right to give or withhold informed consent, where applicable; institutions and governance systems; types of livelihoods; local perceptions of poverty and well-being; and consequences of the proposed project that may result in a change in the status of lands, territories and/or resources;
- (iv) **Persons with disabilities.** Barriers to participation in the labour market, to self-employment and to participation in rural institutions that are integral to economic and social life; existence of employment quotas in both the public and private sectors; types of livelihoods, disaggregated by type of disability; mapping of hazardous and accident-prone rural activities; and stigma and discrimination.

8. **Include the analysis of PGs in the SECAP, the strategic context/rationale and the poverty analysis**

The SECAP review should be in compliance with the IFAD Policy on Engagement with Indigenous Peoples. When impacting indigenous peoples, the borrower must seek free, prior and informed consent from the communities concerned, document the stakeholder engagement and consultation process, and prepare an **indigenous peoples plan**.

9. Single out PGs as specific target segments and set targets and quotas for specific groups

- (i) **Single out PGs as target segments**, with attention to subgroups experiencing overlapping forms of deprivation (e.g. adolescent girls, indigenous women and youth);
- (ii) **Set feasible and realistic targets and quotas** for each specific group. Quotas are established based on the actual number of PGs living in the project area, the type of investment and lessons from previous projects. Quotas should be realistic but also ambitious enough to challenge the status quo.

Example 1

Disaggregating target groups, with attention to PGs

Under the **Hinterland Environmentally Sustainable Agricultural Development Project** (2016-2022) in Guyana, the target group includes 6,000 poor households.

- At least 15 per cent of these households (900 households) are woman-headed households.
- At least 75 per cent of the project beneficiaries are from Amerindian tribes.
- At least 30 per cent are in the 15-35 age group.
- At least 50 per cent of the project beneficiaries are women.

10. Develop a strategy for targeting the different PGs with concrete objectives, activities, adequate approaches and targets

The targeting strategy should be feasible, context-specific and culturally embedded.

- (i) **Eligibility criteria** should be used to target services and resources (e.g. matching grants). They should be based on clear and easily identifiable social characteristics and be endorsed by the relevant communities. Steps should also be taken to ensure that:
 - **Age-based criteria** are used to capture the differences between the various age groups within the youth population (e.g. 14-25 and 25-35);
 - **Employment status and different levels of education** are considered as eligibility conditions for youth targeting;
 - **Self-identification** is used as the main criterion in targeting indigenous peoples;
 - **Female headship** is used as an eligibility criterion in areas where it is a clear marker of poverty.
- (ii) **Establish the inclusion of PGs as a condition for access to project resources.** This should be a requirement in business plans developed by value chain actors and producer organizations for access to a project's matching grant schemes. When feasible, the participation of PGs may also be required as a condition for group formation and organizational development.

Example 2

Encouraging the inclusion of young rural women and persons with disabilities in rural organizations

Rural organizations in El Salvador have traditionally been dominated by adult males. Under the **Rural Development and Modernization Project** for the Eastern Region of El Salvador, in order for rural organizations to be eligible for project funding, they must show that at least 15 per cent of their membership is made up of young people between the ages of 14 and 24 and that half of those young people are female. Girls are also encouraged to take part in the project's training and capacity-building activities with a view to taking up leadership and management roles.

The **Agricultural Value Chain Support Project** in Senegal encourages the young men who are active in the football clubs found in every rural village to create economic interest groups. Their chances of qualifying for project assistance are higher if a significant share of their membership is made up of young women and other vulnerable groups, especially persons with disabilities.

(iii) **Define a menu of activities and services that are aligned with the interests and needs of PGs and are tailored to their characteristics.**

This can be done, for example, by:

- Developing appropriate technologies, especially for persons with disabilities, but also for women, youth and indigenous peoples;
- Using community-based and learning-by-doing methodologies to deliver training, business development services and family-based approaches to extension activities (to enhance outreach to women in couple households and to young girls who might be "hidden" in rural households);
- Using community-driven development approaches to target resources and services for indigenous communities and to empower PGs;
- Using community-based rehabilitation facilities to bring integrated health and social services closer to persons with disabilities;
- Adopting a culturally sensitive form of planning in order to enable self-driven development initiatives that value and capitalize on diversity, cultural and territorial identity and indigenous peoples' knowledge and practices (e.g. indigenous food systems);
- Selecting highly nutritious, women-dominated and employment-generating crops for value chain development efforts and by investing in processing and value addition;
- Developing nutrition support packages for pregnant and lactating women.

Example 3

Valuing the local culture in Peru

All IFAD-supported projects in Peru use a transparent and public merit-based methodology (*concursos*) to allocate resources to poor indigenous communities and peoples. This methodology has not been introduced from the outside but has instead flourished as part of the *Pachamama Raymi*, the traditional celebration of Mother Earth.

(iv) **Use empowerment and capacity-building measures** to ensure that PGs, whose members traditionally have less of a voice and less power, are included in decision-making bodies for planning and resource allocation, such as local committees, community-based institutions, farmers' organizations, value chain platforms, etc. This also entails forming or strengthening local organizations that represent the interests of PGs.¹²

(v) **Define processes, procedures and implementation arrangements in the programme implementation manual (PIM) for targeting PGs.**

- Include an implementation plan for each group that specifies monitorable milestones;
- Address the physical and procedural constraints on the participation of PGs by, for example, helping to overcome the physical barriers faced by persons with disabilities (e.g. promoting access to equipment that facilitates their mobility), developing matching grant schemes that do not require excessive private contributions, providing childcare services to allow young women to attend training sessions, etc.

¹² These groups may include organizations of persons with disabilities, women's and youth organizations, and indigenous peoples' community-based organizations.

11. Create an enabling environment for targeting PGs

- (i) Strengthen stakeholders' and partners' attitudes and commitment to targeting PGs;
- (ii) Undertake a policy dialogue concerning gender equality, women's empowerment and problems of concern to indigenous peoples, youth and persons with disabilities and engage with these issues;
- (iii) Ensure that the project management unit (PMU) operates in a transparent and participatory way and in close consultation with PGs.

12. Showcase pathways to socio-economic empowerment for specific groups

Develop and showcase:

- (i) Gender-transformative pathways and the three objectives of the gender policy¹³ in the context of the theory of change;
- (ii) Pathways to young people's socio-economic empowerment while including youth employment among the project's objectives;
- (iii) The empowerment of indigenous communities.

13. Devote attention to PGs in the M&E system

- (i) Include PG-sensitive outreach indicators in the logframe. **Core indicator 1:** Number of persons receiving services promoted by the project, disaggregated by sex, age, ethnicity and disability status;
- (ii) Include indicators from the Women's Empowerment in Agriculture Index;
- (iii) Establish a learning-oriented, participatory M&E system to keep track of the number of PG participants and the quality of their participation, assess the benefits and create a space for dialogue and learning.

14. Plan for the human and financial resources needed to deliver the activities targeting IFAD's PGs

- (i) Plan for the recruitment of staff capable of fulfilling specific terms of reference related to targeting and PGs (including knowledge of the local language);
- (ii) Ensure that the terms of reference for service providers are sensitive to the PGs to ensure accessibility in procurement;
- (iii) Allocate project funds for the delivery of activities targeted at PGs;
- (iv) Provide training to project staff on how to engage with PGs.

C. Start-up phase

15. Communication and social mobilization

- (i) The strategy and implementation plan for targeting PGs should be reviewed and validated with PMU staff during the start-up workshop;
- (ii) Potential participants from PGs should be pre-identified and reached through information and social mobilization campaigns using appropriate channels and instruments (e.g. use of local languages, radio stations, organization of meetings at times of day at which women will be able to attend, cultural sensitiveness).

¹³ Economic empowerment, decision-making and workload reduction.

D. Implementation: supervision and implementation support

16. Assess targeting performance with regard to PGs

Assess PG engagement in the project area and the participation of members of PGs in targeted activities by:

- (i) Reviewing M&E data and consulting with local stakeholders;
- (ii) Monitoring the annual workplan and budget to ensure allocation of adequate resources for PG targeting;
- (iii) Assessing the effectiveness and progress of the targeting strategy and tools and suggesting how to improve them;
- (iv) Documenting lessons learned and best practices in PG targeting.

E. Completion

17. Assess performance and impact

- (i) Consult with PGs;
- (ii) Identify innovative targeting approaches and explore the potential for replication;
- (iii) Systematize lessons learned and best practices in targeting PGs for broad dissemination.

Annex V. Good practices for targeting in the programme cycle

I. COSOPs

A. Target group categorization

1. The example below shows how the categorization of the target group can be anchored in national definitions comprising different categories of the poor, including the poorest. Women and youth are singled out as special groups.

Box 1

Target group definition in the COSOP for the Dominican Republic (2017-2022)

Poverty analysis: The 2017 COSOP for the Dominican Republic uses data from the Dominican Institute of Agricultural and Forestry Research and the index of living conditions. Estimates based on the national labour force survey also indicate that poverty is primarily associated with a lack of income diversification and with dependence on agriculture. Thus, IFAD's investments will focus on 220,000 vulnerable poor rural families, including:

- (i) **Agricultural producers' families engaged in agricultural production for marketing or self-consumption.** While many of these families have more diversified livelihoods, agriculture is the only income source for 40 per cent of them. Families that are wholly dependent on agricultural production are as poor as agricultural labourers' families and are the most vulnerable to economic crises.
- (ii) **Wage-worker families without access to agricultural land.** These families' livelihoods are less diversified and depend on employment in sectors such as agriculture, tourism and construction. Agricultural labour is also the main occupation for young Haitian immigrants, especially in the rural western part of the country.

Within these categories, women and youth are singled out as special groups:

- (i) **Women.** Rural women have less access to education, receive lower wages and have less access to productive assets than men. Woman-headed households are subject to higher levels of monetary poverty and, as a result of high rates of female outmigration, young women assume caregiving roles at an early age.
- (ii) **Youth.** The rural population is predominantly young. The labour force participation rate for youth (15-24 years) is 60 per cent. This figure is likely to be lower in rural areas, where youth involvement in illegal activities and teenage pregnancies are widespread.

B. Defining the COSOP targeting strategy

2. Box 2 illustrates the key elements of IFAD's COSOP targeting strategy. The COSOP for the Dominican Republic describes the criteria for geographic targeting. In the case of the COSOP for Pakistan, criteria and processes for identifying the poorest are based on the national poverty scorecard system.

Box 2

Examples of the COSOP targeting strategy

The targeting strategy used in the COSOP for Pakistan (2016-2021), in line with IFAD's policy on targeting and based on exchanges with provincial and federal governments, focuses on:

- (i) Four priority regions (the provinces of Balochistan and of Azad Jammu and Kashmir and the territories of Gilgit-Baltistan and Punjab);
- (ii) The poorest villages in these regions;
- (iii) The poorest households, pre-identified through the Benazir Income Support Programme – a cash transfer programme – and validated by communities and social mobilization partners.

People in band 0-34 will remain the IFAD target group, with a particular focus on extremely poor (band 0-11), chronically poor (band 12-18) and transitorily poor people (band 19-23).

The COSOP for the Dominican Republic identifies clear criteria for geographic targeting. These include:

- (i) Government priorities and complementarities with other interventions;
- (ii) Poverty levels;
- (iii) Exposure to climate risks;
- (iv) Presence and capacity of producer organizations;
- (v) Risks and opportunities for productive inclusion.

C. Criteria for geographic targeting

3. Table 1 illustrates the criteria for geographic targeting in order of priority. These criteria have to be balanced with government priorities and potential complementarities with ongoing programmes.

Table 1
Criteria for geographic targeting

<i>Priority level and dimension of poverty and exclusion</i>	<i>Criteria</i>	<i>Source/tool</i>	<i>Explanation/justification</i>
Highest priority Vertical inequalities	Incidence and intensity of poverty	<ul style="list-style-type: none"> • Multidimensional poverty • Income poverty • Human Development Index • Poverty maps • NGO studies • National priorities for poverty reduction. 	<ul style="list-style-type: none"> • If yes, specify at which level (regions, departments, districts, communities) • If poverty and food and nutrition insecurity are not considered to be priorities in selecting the target area, a clear justification should be provided
High priority Vertical inequalities	Food and nutrition insecurity	<ul style="list-style-type: none"> • WFP food insecurity assessment • The United Nations Children's Fund (UNICEF) study on child malnutrition 	
Medium priority Cross-cutting theme	Climate vulnerability	<ul style="list-style-type: none"> • Vulnerability Analysis and Mapping (VAM) • Climate vulnerability maps • Earth observation and geographical information system 	
Medium priority Cross-cutting theme	Presence of indigenous peoples and/or ethnic minorities	<ul style="list-style-type: none"> • Population census 	If yes, specify who they are and where they are concentrated
Medium priority Cross-cutting theme	Number of young people	<ul style="list-style-type: none"> • Population census and demographic projections 	Areas with a high incidence of poverty but high rates of youth outmigration may not provide investment opportunities
Medium priority Cross-cutting theme	Presence and number of marginalized or fragile groups (refugees, persons with disabilities, pastoralists, etc.)	<ul style="list-style-type: none"> • Studies prepared by the United Nations High Commissioner for Refugees • Population census 	This also applies to conflict-affected and post-conflict countries
Medium to low priority	Productive and agroecological potential	<ul style="list-style-type: none"> • Ministry of Agriculture investment plans • Resilience analyses from the Food and Agriculture Organization of the United Nations (FAO) and WFP. • Studies undertaken by other development agencies 	This needs to be balanced with poverty considerations

II. Design

A. Target group disaggregation

4. The Rwanda Dairy Development Project illustrates how different poverty and social categories, including the poorest beneficiaries of social protection, can be disaggregated and targeted as actual or potential actors in the dairy value chain.

Box 3

Target group disaggregation in the Rwanda Dairy Development Project

The **Rwanda Dairy Development Project**, 2016-2022, is designed to promote the economic inclusion of the poorest and poor farmers in the dairy value chain. The project will target 80,000 smallholder dairy farms (mostly zero-grazing operations) and 20,000 poor people by creating opportunities in off-farm activities. Poor people are further disaggregated into the following subgroups:

- **6,000 Girinka (“one cow per poor family”) programme beneficiaries**, who will receive a cow that is in calf and pass on the first heifer to a qualifying neighbour. These households will be drawn from *Ubudehe* (the national wealth-ranking system) category I households that meet the eligibility criteria set by the government programme,¹⁴ and have some land for forage and ability to construct a cow shed.
- **15,400 young farm assistants** between the ages of 15 and 24 who are working as wage labourers. These people are the “hands-on” male labourers in many dairy farms, especially farms run by woman-headed households with no adult males. They are typically from very poor families (*Ubudehe* categories I and II).
- **5,400 rural women** between the ages of 15 and 35 (child-bearing age) who will benefit from new economic opportunities and the creation of small off-farm business opportunities.

B. Designing activities targeted at the poorest rural people

5. Box 4 provides examples of activities that can be targeted specifically at the poorest segments of the population (scenario 1) to address their basic needs, boost food and nutrition security and contribute to income generation and resilience.

Box 4

Specific activities targeted at the poorest

- Under the **Rural Empowerment and Agricultural Development Scaling-up Initiative** in Indonesia, landless and land-poor beneficiaries, including woman-headed households, are included in activities directed at **homestead gardening, improved nutrition and financial literacy**. Homestead gardening groups produce vegetables, harvest small fish ponds and raise small livestock. The programme has initially focused on home consumption, but it is recognized that some farmers may increasingly engage in the sale of surpluses on the local market.
- Different projects in Madagascar have adopted the *Mécanisme de ciblage des vulnérables*, a vulnerability-based targeting mechanism. This approach consists of transferring productive assets to a group of 25 particularly vulnerable people in each location who are identified by their communities.
- The **household mentoring approach** being used in Uganda encourages the poorest households to examine their own livelihood situation and develop practical solutions. As part of this approach, household members join clusters and rural organizations in order to gain access to mainstream development activities.
- IFAD and other development partners in Bangladesh have supported the formation of **labour contracting societies** as a pro-poor cash-for-work scheme targeting ultra-poor women. These societies are made up of groups of disadvantaged rural people, including ultra-poor women, living near small-scale infrastructure construction sites who are organizing in order to undertake designated construction and maintenance work assignments.

¹⁴ Implemented by the Ministry of Agriculture, this programme was set up with the central aim of reducing child malnutrition rates and increasing the household incomes of poor farmers. These goals are directly achieved by providing poor households with a heifer in order to give them access to a greater supply of milk and thus boosting milk consumption.

C. Graduation models

6. Box 5 provides an example of how a project's theory of change can follow different pathways, in line with the poverty and livelihood characteristics of the rural people participating in the project. In the case of the poorest groups, a graduation strategy can enable them to transition into mainstream development activities.

Box 5

Graduation model under the Economic, Social and Solidarity Project (Kairouan) in Tunisia

The **Economic, Social and Solidarity Project (Kairouan)** in Tunisia is a powerful example of a project that provides for a gradual approach in assisting the poorest of the poor. Building on the government's social cash transfer scheme, the project will provide specific support to strengthen the capacities of the poorest of the poor and increase their access to social infrastructure with a view to enabling them to transition into mainstream development activities. This initiative is being implemented under component 2 of the project, which deals with economic integration and inclusive value chains, thus linking scenarios 1 and 2. Priority target groups fall into three categories: (i) members of needy and low-income families as defined by the government (including older adults and disabled people); (ii) small family farmers; and (iii) rural households engaged in processing and adding value to small-scale value chain products.

The project's theory of change follows two pathways:

- (i) Low-income families living in pockets of poverty are able to exit poverty and become independent of the government's social assistance programme with the help of upgraded basic services (roads, drinking water, sanitation and electrification) and long-term support (targeting women and youth in particular) for investments in profitable income-generating activities.
- (ii) Low-income families who have succeeded in engaging in sustainable economic activities, smallholder farmers and members of producer organizations are mainstreamed into the local economy and value chains through the provision of access to finance and training.

D. Monitoring direct benefits accruing the poorest when targeting the relatively better-offs

7. Two examples are provided in box 6 to show how wage employment and self-employment for the poorest that are generated by working with those who are better off (scenario 3) should be monitored.

Box 6

Monitoring employment generation for the poorest

The **Rural Economic Growth and Employment Project** in Jordan focuses on generating wage employment and self-employment for the poorest. Outreach to the poorest is monitored based on the criteria established by the government social assistance programme. The following indicators are included in the logframe: **9,000 full-time employment/self-employment opportunities created/secured (IFAD's Results and Impact Management System [RIMS] – second level)**: 50 per cent for persons under 30 years of age and women (combined) and 33 per cent for households in receipt of social assistance.

The **Rural Families' Productive Inclusion and Resilience Project** in the Dominican Republic monitors the quantity and quality of employment generated in on- and off-farm activities. Employment and labour issues are integrated into the questionnaire that was developed as part of the M&E system. Data are collected on the number and type of wage jobs created, whether seasonal or permanent, the social characteristics of labourers (sex, age, nationality) and the improvements achieved over time in working conditions.

III. Supervision and implementation support

A. Assessing poverty outreach

8. The table below shows the criteria that should be used to assess targeting performance during supervision and implementation support missions:

Table 2
Assessment of targeting performance and scoring system

Example	Score	Outreach to different groups	Implementation (readiness or effectiveness)	Tools and methods	M&E
Pakistan Southern Punjab Poverty Alleviation Project, 2010-2020	6	All expected segments have been reached.	The targeting strategy is effective.	Poverty scorecards are effective in identifying and targeting the poorest.	Outreach to different segments is tracked by the M&E system.
Bosnia Rural Competitiveness Development Programme (RLDP), 2015-2020	5	All target segments are aware of the project activities. A matrix for improving youth participation has been developed.	The targeting strategy is effective. Strong capacity of PMU staff. Target groups are aware of project activities and the criteria for participation.	Targeting indicators are effective. Further criteria for improvement are formulated during the mission.	Outreach to different segments is tracked by the M&E system.
Sierra Leone Rural Finance and Community Improvement Programme – Phase II, 2013-2022	4	Progress has been made towards the targets (50 per cent) for women and youth, but the project has primarily targeted people in the higher poverty quintiles.	The mission renews its recommendation that all financial products offered by rural financial institutions should be developed with the participation of men, women and youth.	Weak uptake of the financial action learning system tool for targeting illiterate clients.	The M&E system does not capture beneficiaries who have been reached through farmers' groups and are currently not accounted for when loans are registered in the name of a single borrower.
Lesotho Wool and Mohair Promotion Project, 2014-2022	3	Group selection has started but is not guided by clear criteria.	The targeting strategy is not fully operational due to slow implementation and the fact that the application of the training-of-trainers approach is taking time.	Awareness of targeting is weak due to the lack of a targeting implementation plan.	Not effective.

Annex VI. Targeting in community-driven development projects

I. Definition of the community-driven development approach

1. IFAD has a long history of supporting community-driven development (CDD) projects. Despite a decline in the number of CDD projects following a peak in 2001, CDD projects remain highly important and relevant as a pathway towards empowering the poor and marginalized. IFAD defines the CDD approach as a way of designing and implementing development projects that facilitates access to social, human and physical capital assets for the rural poor by creating the conditions for:

- Transforming rural development agents from top-down planners into client-oriented service providers;
- Empowering rural communities to take the initiative for their own socio-economic development (i.e. building on community assets);
- Enabling community-level organizations – especially those of the rural poor – to play a role in designing and implementing policies and programmes that affect their livelihoods;
- Enhancing the impact of public expenditure on the local economy at the community level.

Source: IFAD, Community-driven development decision tools for rural development programmes (2009).

2. The term “community-driven development” refers to community-based development projects in which local beneficiaries are actively involved in project decision-making processes and management of investment funds.¹⁵ These projects include social funds, participatory projects, community management of natural resources and many other initiatives. The main goal of these types of interventions is “to reverse power relations in a manner that creates agency and voice for poor people.”¹⁶
3. Hence the key feature of CDD is the shift towards conceptualizing poor rural communities as change agents and development partners in their own right, rather than as passive receivers of public funds. This means that CDD refers primarily to **the way** in which a project is designed and implemented, rather than to its specific components. The CDD approach can be adapted to the delivery of a broad range of services and components, although the traditional focus and starting point are interventions aimed at building public goods that benefit all community members.

Box 1

Evolution of the approach to CDD in Peru

The **Management of Natural Resources in the Southern Highlands Project (MARENASS)** was the first project in Peru to introduce the use of the *concursos* methodology in the country. This is a demand-driven mechanism that involves the organization of public calls for proposals in which communities and groups present their proposals and compete for funding. The **Development of the Puno-Cusco Corridor Project (CORREDOR)** inherited the *concursos* methodology from MARENASS. However, while MARENASS focused primarily on funding community-based natural resource management activities, CORREDOR started funding the business plans of private producers’ groups. CORREDOR therefore leveraged the CDD approach piloted under MARENASS to broaden its focus to encompass support for simple, small-scale business proposals developed by poor rural producers.

4. It is also important to point out that the term “community” does not necessarily refer to an administrative entity. This is rather the locus where a group of people having some form of collective claim and governance over a territory can be given the opportunity to influence decisions that affect their livelihood.¹⁷

¹⁵ See G. Mansuri and V. Rao, “Community-Based and -Driven Development: A Critical Review,” *World Bank Research Observer*, vol. 19, No. 1 (2004).

¹⁶ Ibid.

¹⁷ See IFAD, “Community-driven development decision tools for rural development programmes” (2009).

5. The country programme evaluation for Nigeria (2017) found that CDD approaches to rural development have paid off in terms of having a sustainable, long-term impact on the poor while at the same time promoting effectiveness and efficiency. This is because, when properly managed, the transfer of resources and decision-making power to the poor generates a sense of ownership, empowerment and responsibility.

II. Overview of targeting measures under CDD

6. A recent review of targeting in IFAD-supported projects¹⁸ shows that demand-driven, community-based projects can be very effective in ensuring the provision of benefits to and participation by the poorest segments of the population, including women, marginalized ethnic groups and other vulnerable segments. However, since communities are not homogeneous entities, the success of targeting depends on a combination of complementary and mutually reinforcing measures. Key targeting measures under CDD include the following:¹⁹

(i) Geographic targeting

7. Geographic targeting is generally used to select the poorest communities, especially in those countries where poverty is geographically concentrated in more marginal and remote areas, which are often characterized by more fragile ecosystems such as mountains, forests or arid areas. In some countries, these communities are generally made up of indigenous and ethnic minorities and marginalized groups such as pastoralists. The selection of the poorest communities is often based on existing poverty data and in consultation with key local stakeholders.²⁰

Box 2

Geographic targeting in Morocco

IFAD-supported projects in Morocco target the high-mountain areas, where poverty and extreme poverty are concentrated. At the community level, projects employ an approach that consists of targeting an entire *douar*, the country's smallest territorial unit. The availability of basic social infrastructure is a prime consideration in the selection of the neediest *douars*.

(ii) Participatory poverty and livelihoods analysis

8. Participatory social mapping and wealth-ranking using PRA/PLA tools during design and in the early stage of implementation are essential in order to:
 - (i) Disaggregate the community along the poverty axis and the social axis while also considering local perceptions of these factors;
 - (ii) Identify benchmarks against which to assess differential impacts and inclusion in project activities;
 - (iii) Define the menu of goods and services on offer in line with the targeted population's interests and livelihoods;
 - (iv) Formulate or refine eligibility criteria by considering local perceptions of deprivation and other criteria.
9. The menu of activities and eligibility conditions should always have the endorsement of the community.

(iii) Community-based targeting

10. In line with the bottom-up approach of CDD, community-based targeting is a modality in which the community as a whole is involved in identifying the more

¹⁸ See IFAD, "Inception report: Revision of IFAD operational guidelines for targeting".

¹⁹ For further information on targeting under CDD, see: IFAD, "Innovative approaches to targeting in demand-driven projects: Main report" (2004).

²⁰ In special situations, such as in the case of conflict-affected or post-conflict countries, the selection of communities may be driven by other considerations, such as security issues.

vulnerable categories and in working out how to ensure that that they will also benefit to a significant degree. Community-based targeting is adopted when community groups are directly responsible for one or more of the following activities:

- (i) **Identifying** recipients of project services, grants and other benefits;
 - (ii) **Monitoring** the delivery of those benefits;
 - (iii) **Engaging** in some part of the delivery process.
11. Involving community groups in the targeting process may have several advantages:
- (i) **Reducing information problems and improving targeting performance.** This is because community groups invariably have better information about local needs. Under this approach, households may also have less of an incentive to provide false information about their assets and income. Better information and more in-depth knowledge of local communities result in fewer targeting errors, thus improving targeting performance, monitoring and accountability. This is why IFAD-supported projects can also help to rectify errors and omissions in government social registries.
 - (ii) **Incorporating the community's own perceptions of poverty and vulnerability into the targeting process.** Local definitions of deprivation play an important role in complementing standard poverty measures, which do not capture personal experiences or poverty dynamics. This can be particularly important in the case of indigenous peoples, who generally have culture-specific definitions of poverty and well-being. In addition, externally driven eligibility criteria alone may be more difficult to implement.
 - (iii) **Reducing the social and financial costs of exclusionary measures.** Better information may reduce administration costs by permitting better cost-sharing and, in turn, expand the pool of resources available for the poor. It can also mitigate some of the social costs of direct targeting measures (i.e. social stigma, invasive investigations, social tensions).
 - (iv) **Strengthening social cohesion and traditional governance systems.** Community participation can help to strengthen social cohesion, intra-community dialogue and ownership of the intervention. This can lead to improved governance and accountability on the part of community-based institutions.
- (iv) Empowerment and capacity-building measures**
12. These measures are critical in order to enhance the participation and bargaining power of the poorest and most vulnerable in planning and decision-making processes. Problems of marginalization and exclusion are often rooted in the way communities regulate access to resources and power. In order to challenge these structures, disadvantaged groups need to be mobilized.
13. **Social mobilization activities** are key in this regard, as they lay the groundwork for the effective participation of people who have traditionally been excluded. This is an important pre-investment process, requiring adequate time and resources. Additional capacity development measures include: pro-poor organizational development, leadership skills training and literacy training.

**Box 3
Social mobilization activities in Brazil**

IFAD-funded projects in Brazil are investing considerable time and resources in social mobilization in order to foster the meaningful participation of different groups and communities, especially the most vulnerable ones, such as quilombolas, youth and women. Under the intervention focusing on the productive transformation of the Zona da Mata and agreste territories in the north-eastern state of Pernambuco, once the target communities have been selected, the social mobilization teams will work to encourage the widespread participation of poor households and to promote the strengthening of existing organizations. Assistance will be provided in preparing a participatory rapid diagnosis that will identify existing problems, potentials and priorities from a social, production and environmental standpoint. This process leads to the preparation of a production investment plan, which sets out the activities and investments to be undertaken in order to promote the changes desired by the community.

(v) Definition of processes and procedures for decision-making

14. Processes and procedures concerning the selection of recipients should be clearly defined in order to ensure transparency and to support participatory democratic processes. Public meetings and discussions should be organized as part of the selection process. Clarity and transparency in procedures for decision-making and the contracting of service providers can encourage confidence and participation on the part of groups that are normally bypassed by more powerful groups and individuals. In addition, the formats to be used in presenting business proposals and subprojects should be easy to understand and use.

Box 4

Transparent decision-making under the *concurso* methodology in Peru

The application of the *concurso* methodology in Peru entails the implementation of clear and transparent “rules of the game”, which include the formation of a decision-making committee composed of independent members and experts. This ensures social control, instils confidence in vulnerable and excluded groups and motivates them to participate. Through this mechanism, public funding is transferred directly to local stakeholders, who can then use these resources to contract technical assistance.

(vi) Fostering an enabling environment for poverty targeting

15. This line of action focuses on ensuring that local staff, as well as partner institutions, are accountable for a project’s poverty targeting performance. The creation of such an environment calls for the following:
 - (i) Local staff need to be recruited based on their skills and capacity to engage with poor rural people, to be trained in the use of participatory methodologies and to embrace the kinds of attitudes that are conducive to bottom-up processes;
 - (ii) The PMU needs to be located close to the target group so as to support citizen engagement;
 - (iii) Local institutions to be considered for community-based targeting need to be selected carefully on the basis of an assessment of their management capacity, knowledge of the relevant communities and extent of closeness to the poor segments of the population.

(vii) Mitigating the risk of elite capture

16. Even when projects are properly implemented, the capture of benefits by more powerful communities and people continues to be a risk. A good initial understanding of poverty processes and the target group, along with the development of a comprehensive targeting strategy, can significantly reduce the risk of excessive elite capture. Self-targeting measures (e.g. defining the menu of activities with poor people in mind) are also key to making the project less attractive to the better-off. Measures for mitigating the risk of elite capture should be clearly defined in the design document and PIM.

Box 5
Mitigating the risk of elite capture in Indonesia

Under the **Rural Empowerment and Agricultural Development Scaling-up Initiative**, the risk of elite capture is addressed by:

- (i) Providing suitable leadership training to the designated leaders and setting up a complaints mechanism;
- (ii) Sensitizing implementing agencies;
- (iii) Selecting crops/activities targeted at women and small farmers;
- (iv) Making information on subproject selection and financing widely available;
- (v) Requesting the Ministry of Agriculture to provide an anticorruption plan for the programme for approval by the anticorruption agency;
- (vi) Creating a community mechanism for the resolution of grievances;
- (vii) Deferring “big ticket” investments, such as expenditures on infrastructure and machinery, to the third year of village interventions and restricting the eligibility for those investments to the group members who have completed all programme activities during the previous two years.

Annex VII. Targeting in value chain investments

I. Definition of pro-poor value chains

1. A value chain (VC) can be defined as a set of enterprises that collaborate to varying degrees along the range of activities required to bring a product from the initial input supply stage and through the various phases of production to its final destination market. Pro-poor VC development interventions are initiatives that promote inclusiveness and the empowerment of poor people in the chain(s) with a view to improving their livelihoods in a sustainable manner while taking advantage of opportunities and addressing constraints in a coordinated manner.
2. The following factors can contribute to good targeting performance:
 - (i) **Selection of products that require little land or capital investment** and involve intensive, unskilled labour inputs;
 - (ii) **Use of simple, verifiable, contextually appropriate targeting criteria;**
 - (iii) **Adoption of pro-poor requirements and measures for agribusinesses** as a condition for obtaining IFAD project support;
 - (iv) **Preparatory community-based groundwork and mobilization of producers;**
 - (v) **Previous work in the same area** that has established a productive base and local knowledge that can inform a participatory approach to design and implementation.

II. Overview of targeting measures in VC development projects

(i) Geographic targeting

3. When VC development projects make use of production-focused considerations for purposes of geographic prioritization, criteria based on poverty and food insecurity should also be considered.

Box 1

Geographic targeting in Viet Nam

The Commodity-Oriented Poverty Reduction Programme in Ha Giang Province in Viet Nam concentrates its support in about 30 communes in five districts selected according to the following criteria: (i) poverty rate; (ii) vulnerability to natural disasters; (iii) the commitment of leadership; (iv) the potential for development of pro-poor VCs; and (v) the extent of ongoing support projects. The selection of communes has been done in such a way as to ensure a balance between ones that have closer links to markets and more remote communes that can form linkages with the help of VC development interventions.

(ii) Self-targeting measures or crop targeting

4. **Selection of products/crops.** Choosing a crop that is more likely to be cultivated by the target groups, including crops that do not require any substantial investment of capital or land and are more labour-intensive are key measures to be taken into account. Food security and nutrition criteria should also inform the selection of the VC.
5. Particularly in the case of the selection of a VC commodity, it is important to strike a balance between the increasing benefits of engaging with potentially more profitable crops and the additional risk to which poor farmers will be exposed, since their staple food production activities are also a source of food for own-consumption and food security.

(iii) Use of participatory processes to select and map the entire VC

6. Participatory selection and mapping contribute to an understanding of where priority target groups are more likely to be concentrated across the VC, who captures most of the value generated and what the social risks are and what opportunities there are to make the VC more equitable and sustainable. They should include:
- A map of all the actors along the VC;
 - Relationships between IFAD's target groups and other VC players;
 - The structure and behaviour of VC players;
 - The specific roles, constraints and opportunities faced by IFAD's target groups.

(iv) Formulation of eligibility criteria and conditions for the inclusion of the poorest

7. Criteria for **direct targeting** should be simple to implement and appropriate to the context and the target VCs, such as a cap on land size or livestock ownership. Alternatively, and depending on the available resources, robust socio-economic household survey data can be used.

Table 1

Eligibility criteria for the identification of different target groups for specific value chains in Bosnia

Income poverty		Land size			
Poverty level	Income	Berries/ gherkins	Greenhouse	Open field	Tree fruit
Very poor	Below 200 km per household member	Up to 0.2	Up to 300 m ²	Up to 0.5 ha	Up to 0.5 ha
Poor	201-400 km per household member	0.2-0.5	300-800 m ²	0.5-1 ha	0.5-1 ha
Borderline poor	401-500 km per household member	0.5-1	800-1500 m ²	1-3 ha	1-3 ha

8. **Pro-poor criteria for approving grants for VC investments** should also be formulated in such a way as to foster the inclusion of poorer and most vulnerable producers when the time comes to develop business plans under a matching grant scheme. This includes criteria around how priority groups would benefit from the investment and at what scale.

(v) Empowerment and capacity-building measures

9. **Implementing pro-poor VC projects in areas that have already received support** from other projects is an important strategy for the inclusion of IFAD target groups. In the context of IFAD's gradual approach, a pro-poor VC project can be integrated with a CDD project whose focus is on the missing enabling elements needed to engage the poorest in a VC project.
10. **Capacity-building** measures are key to enabling the most vulnerable producers to engage in more structured VCs. These measures focus on building or strengthening such producers' assets and promoting their access to finance and appropriate technologies as a means of upgrading their skills and roles in the chain. Training in literacy, numeracy, financial literacy, marketing and other relevant skills is also essential.

Box 2

Enabling women to participate in a male-dominated scheme in Uganda

The Vegetable Oil Development Project II in Uganda, 2010-2019, has linked small-scale growers of oil palm to a nucleus estate. Poor rural women constitute one of the main project target groups and have been increasingly involved as producers and business partners as the project expands their access to land and tenure security and promotes their membership and leadership in farmers' organizations. Poor households are also encouraged to join the scheme through the implementation of the **household mentoring approach**.

11. Smallholders at the top of the pyramid can be supported as “lead farmers” in disseminating knowledge and skills and creating additional demand for those in the middle and bottom layers. Those in the middle layer can be helped to transition towards the top of the pyramid by encouraging them to become more reliable partners of VC business actors in a rewarding and sustainable way.
12. **Empowering measures** that build up the participatory process which informs the choice of crops and the mapping of VCs are very important in order to build the long-term capacity of poor rural producers to sustainably engage with markets and foster win-win, gender-equitable solutions for VC development. It is important to foster institution-building and, in particular, the capacities of farmers’ organizations, not only to reduce production costs through economies of scale but also to strengthen their bargaining power and improve the overall governance of the chain.
13. The following measures can be taken:
 - (i) Assisting farmers in organizing horizontally so that communities can act collectively and negotiate with buyers on a more equitable basis;
 - (ii) Encouraging farmers’ organizations to work with several different buyers in order to spur competition among those buyers;
 - (iii) Strengthening access to market information for farmers’ organizations and improving their business and negotiating skills;
 - (iv) Supporting farmers’ organizations in adding value for their members by expanding beyond primary production into areas such as storage, processing and transport. When based on a sound business model, this can be a very successful method for capturing greater returns from the VC, but strong and professional management is required;
 - (v) Ensuring that the members of farmers’ organizations have independent access to finance, since when buyers provide their suppliers with credit, they can dictate the terms.
14. **The empowerment of the poorest and most vulnerable groups to participate in VC governance structures**, including marketing boards, VC platforms and working groups, can also be supported by setting quotas for the participation of women and youth or by engaging in sensitization and pro-poor organizational development. This ensures that the voice and needs of the target groups will be addressed in negotiations, contractual arrangements and VC operations.

Box 3

Empowerment and capacity-building measures in Mauritania

The Value Chains Development Programme for Poverty Reduction (ProLPRAF), 2010-2016, in Mauritania promoted the development of VCs (poultry, vegetables, dates, non-timber forest products, etc.) that have the potential to foster the economic inclusion of the rural poor. Measures to empower the targeted populations in the VC development and governance intervention were also implemented. Component 1, on **facilitation**, was designed to identify and mobilize all VC actors, to facilitate the creation of VC working groups and to implement and coordinate the targeting strategy. Programme activities were built in a participatory manner around an initial two-year workplan and budget proposed by the VC members themselves. ProLPRAF helped to reinforce the capacity of the targeted rural organizations by helping their members to attain functional literacy regarding poultry farming and garden marketing and providing them with access to training in management, organization and poultry farming techniques.

- (vi) Measures to directly benefit the poorest and most vulnerable groups when working with better-off VC actors**
15. **Create an enabling environment in which the poorest can benefit from employment generation.** A project needs a strategy and a set of criteria/tools, activities and enabling measures for targeting the poorest and most vulnerable groups at the bottom of the pyramid. Market actors should be sensitized to the

importance of generating decent jobs for the poorest, and strategies are needed to maximize the quantity and quality of the jobs that are created.

16. **Promote self-employment** in a range of VC-linked services by providing vocational skills training and technical and financial support especially targeted at youth and other landless people. Fostering interest in microentrepreneurial ventures on the part of members of IFAD's target group, particularly members who lack the necessary assets, skills or desire to engage in primary production (e.g. women and youth), should be an integral part of the VC project design strategy. Strategies for functional/product upgrading play a very important role in creating new jobs in processing and value addition, especially for women.

Box 4

Generating wage work and self-employment for women and youth in Rwanda

The **Rwanda Dairy Development Project** is an example of an intervention in which priority has been placed on promoting wage employment for young people and encouraging women to engage in self-employment:

- **15,400 young farm assistants** between the ages of 15 and 24 are working as wage labourers. These people are the "hands-on" male labourers in many dairy farms, especially farms run by woman-headed households with no adult males. They are typically from very poor families.
- **5,400 rural women** between the ages of 15 and 35 (child-bearing age) will benefit from the creation of new economic opportunities, including small off-farm business opportunities.

(vii) Monitoring of targeting performance

17. **It is important to differentiate between the poorest, the poor and the better-off rural populations.** This can be done on the basis of income-based indicators, asset-based indicators (e.g. the amount of land being farmed or the number of livestock owned) or other relevant characteristics of poor and disadvantaged groups. Careful monitoring of a project's targeting performance is of key importance in mitigating the risk of excessive elite capture.
18. Both a VC-specific reporting system and an adapted M&E system need to be established. In particular, project-level M&E systems should focus on relevant outcome-level indicators that can provide insights into the effects that the VC has on the poorest and most vulnerable. Key indicators include employment creation and food security and nutrition.

Box 5

The successful targeting strategy of the Agricultural Value Chains Support Project in Senegal

The targeting strategy of the **Agricultural Value Chains Support Project** in Senegal has been based on the following measures:

- (i) Selection of value chains in which women, youth and vulnerable groups play a predominant role, such as the sesame, cowpeas, poultry and millet value chains;
- (ii) Selection of crops that have a high potential for fostering both inclusive growth and improved nutrition, which in turn have an immediate positive impact on food security and the nutritional status of children;
- (iii) Promotion of employment generation activities in processing and value addition;
- (iv) Strengthening of local demand and markets by adding value to local products;
- (v) Adoption of appropriate technologies;
- (vi) Implementation of an information and sensitization campaign in partnership with local CSOs, including women's organizations; and
- (vii) Implementation of transparent and clear eligibility mechanisms based on vulnerability-focused criteria.

Through their organizations, women have gained access to good-quality inputs and markets. This has been done with the help of a gradual cofinancing mechanism which has enabled producer organizations to accumulate assets while linking them to market operators. Access to agricultural technologies has allowed women to save time and enhance their productivity. Contract production has enabled women to increase the quantity of marketed produce and obtain a transparent and remunerative price for their products. The incidence of malnutrition among children aged 0-5 has decreased.

Annex VIII. Targeting in rural finance investments

A. Background

1. The 2009 Rural Finance Policy underscores IFAD's commitment to continually seek more effective ways of enhancing the access of rural poor people and smallholder farmers to a wide variety of financial services on an ongoing basis so that they can create a sustainable means of livelihood for themselves. IFAD emphasizes a market-orientation and business approach in supporting the expansion of rural financial services and focusing on the demands of poor rural women and men through relevant financial services. In this context, the Rural Finance Policy highlights the importance of developing inclusive financial systems and fostering innovations to increase poor rural people's access to a wide variety of financial services, including savings, investment and working capital loans, insurance and remittances. The approach is derived from the IFAD Strategic Framework and from other major corporate policies.
2. Building on its experience, IFAD has made a policy commitment to explore ways to successfully overcome key constraints in agricultural finance for smallholders. In particular, it is seeking to foster innovation in agricultural microfinance, including through the use of risk transfer mechanisms to support rural livelihoods and technology among remote and dispersed populations. Given the many challenges inherent in rural areas, innovative products and delivery mechanisms are critical for meeting the varied needs of IFAD's target groups, including women, young people and indigenous peoples living in remote areas.

Example 1

Tejaswini Rural Women's Empowerment Programme, 2005-2018

This intervention covered selected districts in two states (Maharashtra and Madhya Pradesh), each of which had its own implementation unit. The largest programme components dealt with grass-roots institution-building, rural finance, and livelihoods (mainly in agriculture) and enterprise development. The focus was on social mobilization through the formation of self-help groups as the key instrument for the empowerment of women based on the belief that self-help groups would not only enable women to gain access to financial services and take advantage of new or improved livelihood opportunities but would also provide a forum for the delivery of other services. During the life of the programme, the self-help group members were provided with different empowerment inputs and training in such areas as group management and accounting, decision-making and needs prioritization, conflict management, gender sensitization, income enhancement, legal awareness, and health and hygiene management.

The findings from the end-line study show that a significant proportion of poor and vulnerable women (72 per cent) belonging to marginalized social groups such as scheduled castes, scheduled tribes and other backward classes were organized into self-help groups under the Tejaswini programme. Around 76 per cent of Tejaswini beneficiary households possessed a ration card. (These cards are issued to households that are below the poverty line.) In the control group, 61 per cent of the households that were not participating in a self-help group and 90 per cent of the households that did belong to a self-help group had a ration card.

The programme succeeded in creating a strong institutional network of self-help groups and federations across the six intervention districts. The majority of the self-help groups formed under the programme are still active and are pursuing one or more income-generating activities. The federations have gained the support of the district and state administrations, and several policy-level decisions have been taken to support the members' income-generating activities. The programme also succeeded in improving the food intake and nutritional status of the beneficiary households by motivating them to adopt healthy food habits and improved agricultural practices.

In Madhya Pradesh, the Tejaswini programme cooperated with a state initiative to introduce *Shaurya Dals* or "courage brigades" (a village-level committee made up of from five to eight members). The main purpose of the *Shaurya Dal* initiative is to mobilize the communities against gambling, alcoholism and domestic violence, which directly affect the welfare of women and their families. The Government of Madhya Pradesh plans to scale up this strategy to encompass the entire state.

3. **Geographic targeting.** The targeting strategy to be used will depend on whether rural financing is a subcomponent of a larger project or the core project. In the first case, geographic targeting will mainly be driven by the characteristics of the larger components, while in the second case, the priority levels used for geographic targeting can be complemented by a mapping and assessment of the availability and adequacy of financial services for IFAD target groups.

4. It is uncommon for projects not to have a geographic focus, and the lack of such a focus may compromise their ability to reach IFAD target groups. Special care to avoid elite capture should therefore be taken in the case of projects that lack an explicit rationale for geographic targeting. Partnerships with microfinance institutions with a focus on pro-poor interventions and tools can be helpful in identifying priority underserved areas with a high concentration of IFAD target groups.

Example 2

Ethiopia – Rural Financial Intermediation Programme II

The **development objective** of this programme was to provide rural households with sustainable access to a range of financial services, including savings mechanisms, credit, micro-insurance and money transfers.

Targeting strategy. The overall design for both geographic and people-based targeting is driven by the need to develop operationally sustainable rural financial institutions and systems with a focused mission to provide access to poor households.

- **Geographic targeting.** The programme supported the expansion of microfinance operations and the establishment of new rural savings and credit cooperatives in access-deficit and pastoral regions.
- A feasibility study was conducted in advance in collaboration with partners such as the United States Agency for International Development, the International Labour Organization and the Pastoral Forum, which have a comparative advantage in working with pastoral communities in these regions.
- **Self-targeting.** Microfinance institutions (MFIs) have missions that are oriented towards engagement with poor sectors of the population. Primary targeting functions, including gender targeting and quotas for women, are built into the business and operating procedures of MFIs and rural savings and credit cooperatives, and this results in the self-exclusion of most of the non-poor population. MFIs generally employ the same financial technology as is used by the Grameen Bank (also known as “the bank for the poor”), which includes: group-based lending with group collateral; compulsory savings; small loans with a gradual increase plotted out over four or five loan cycles; client screening through local contacts and meetings; and the formation of groups oriented towards the selection of poor households.
- **Monitoring.** Some MFIs are using the Progress out of Poverty Index scorecard methodology to identify clients and keep track of their progress. The institutional development support provided under the programme is also aimed at sharpening the relevant targeting strategies, along with increasing the proportion of women clients.
- **Gender targeting.** Ethiopian MFIs have a clear focus on reaching out to women. Where necessary and appropriate, provision was made for the introduction of quotas for women and especially for vulnerable women.

5. **Self-targeting.** Self-targeting measures are put in place to avoid elite capture and incentivize the participation of IFAD target groups. Several methodologies have been developed by microfinance organizations to ensure the participation of IFAD target groups and avoid the participation of the better-off. For example, in a number of African countries, IFAD-supported projects have used the village savings and loan association methodology developed by Care International for the creation of small savings and loan groups composed of women. This methodology has even been used successfully for groups composed primarily of non-literate members. Only internal savings are used for loans to group members; outside funds are not accepted. At the end of the year or during a significant holiday, all group funds are distributed back to all the members and a new cycle starts.
6. In addition, when evaluating financial products and services that will be promoted by the project, it is important to assess how pro-poor they are. One way to do this is to determine minimum balances for basic deposit products and loan sizes for loan products and/or matching requirements.

Example 3
The Belize Rural Finance Programme

Objective. The overarching goal of the Belize Rural Finance Programme (BRFP) was to contribute to the reduction of poverty and extreme poverty levels among the rural population – men, women and youth – by increasing the incomes and assets of small farmers and the rural population through improved rural financial services.

Main target group. The chief target group was composed of 11,000 rural households (approximately 40,000 persons), out of which 4,000 households (roughly 21,000 people) were extremely poor. It also included rural wage workers and indigenous communities. Four main subgroups were identified, namely, the poor, the very poor, youth and women. Youth and women were singled out as special categories.

The 2017 completion report concludes that the BRFP can be considered to have been a remarkable success in terms of its objective of putting in place an institutionally driven, sustainable system of direct **inclusive access to financial services for the rural poor in Belize** and of catalysing the delivery of such services to thousands of rural households across the country.

Targeting. The programme was to be innovative, both in terms of **piloting an innovative housing-based targeting tool** and in terms of using a public-private partnership as the programme model under which credit unions were to receive institution- and capacity-building support to help them expand their credit operations, diversify their financial services and adapt those services to the needs of the target population. The BRFP employed a set of eligibility criteria to assess the level of poverty of rural households and determine their eligibility to participate in the programme.

A set of six *prima facie* indicators were applied that were directly linked to housing conditions. These indicators served as a composite index for wealth measurement.

- (i) A prospective shareholder in this scheme was considered to be very poor if he or she resided in a house that had: (i) no internal partitions; (ii) a dirt or wooden floor in the kitchen area; (iii) a thatched roof; (iv) no in-house piped water; (v) no electricity; and (vi) no toilet or only an outdoor toilet. The face value of the house was not to exceed 5,000 Belize dollars (B\$).
- (ii) A person was considered to be poor if he or she lived in a house with: (i) at most one partition; (ii) a zinc roof; and (iii) a (partly) concrete floor in the kitchen or kitchen area. The houses of persons in this category had indoor piped water, electricity and an indoor toilet. The face value of the house was not to exceed B\$10,000.
- (iii) An applicant was not considered to be poor if his or her house had: (i) more than one partition; (ii) a concrete or tiled kitchen floor; (iii) indoor piped water; (iv) electricity; and (v) an indoor toilet. The overall face value of the house usually exceeded B\$10,000.

The findings of the evaluation confirmed that the eligibility criteria were largely valid. The BRFP can be credited (in terms of eligible members) with helping the six credit unions obtain at least 6,988 members through its share account/savings incentive programme, of which a full 57 per cent were women. Young people constituted 17 per cent of the members, and persons categorized as being very poor comprised 35 per cent (far exceeding the logframe performance indicator of “at least 15 per cent are indigent or very poor”).

B. Empowerment and capacity-building

7. Village-based savings and credit cooperatives are a clear example of a microfinance approach that is supported by successful empowerment and capacity-building components, which include: (i) organizing village women into small groups; (ii) setting up a participatory group structure to manage the group; (iii) determining the amount to be saved weekly or monthly; and (iv) providing loans from the saved capital. These cooperatives receive extensive capacity-building support to assist them in managing their accounts, evaluating credit applications, and granting and collecting on loans.
8. Another important strategy is to work with MFIs and credit unions that are willing to expand outreach to the poorest and underserved areas by providing incentives, capacity development and technical support for the design of tailored products.

C. An enabling environment

9. Partnerships with initiatives in which microfinance is already being used as a core element for the intervention can be an important means of enabling food targeting. For example, graduation programmes that have a strong financial literacy component can provide poor people with the skills they need to operate a microenterprise in combination with several other interventions, including an intervention focusing on consumption smoothing in order to allow them to take advantage of financial services such as credit without running the risk of compromising their food security and livelihoods. In addition, rural finance projects or project components can use the graduation targeting and transfer elements of safety-net programmes and then introduce entrepreneurial activities through training, an asset grant and credit. This process can support people in their efforts to develop income-generating activities and build assets that will help them to move out of extreme poverty.

Annex IX. Targeting in rural infrastructure investments

I. Definition

1. Rural infrastructure contributes significantly to poverty reduction by enabling increased connectivity, improved livelihoods and greater food and nutrition security. The provision of rural infrastructure is a core priority for many governments in their efforts to improve the welfare of rural populations and increase the productivity and value added of agriculture and other economic activities in rural areas.
2. Rural infrastructure includes a wide array of physical infrastructure, including energy and transport equipment, information and communications technologies, water and sanitation facilities, irrigation systems, and market and storage facilities. IFAD has a long history of providing a broad range of rural infrastructure.
3. It is beyond the scope of this short annex to provide detailed guidance on targeting for different types of infrastructure projects. The aim here is simply to provide a sample of some critical targeting issues that are common to infrastructure programmes and to provide general guidance on the type of infrastructure and targeting measures that can maximize benefits to the poorest and most vulnerable when adequate attention is given to priority groups (women, youth, indigenous peoples and persons with disabilities).
4. Experience and lessons from IFAD-supported projects suggest that targeting is even more important where social rules do not systematically secure the inclusion of vulnerable groups in decision-making processes. A review of targeting issues in demand-driven projects (IFAD, 2004) shows that:
 - Public infrastructure generally benefits poor people more than private infrastructure does and can largely be self-targeting, without much being needed in the way of project-led measures. However, there are differences even among various types of public infrastructure.
 - Some types, such as water supply infrastructure (community wells, publicly accessible standpipes), can be broadly inclusive of everyone who does not have a well or standpipe of their own.
 - Tertiary road improvements, however, may serve poor people less well, unless they can afford transport and have something to take to market.
 - Private infrastructure, such as processing equipment or housing improvements, is much more likely to be captured by less vulnerable groups unless special measures are taken.

II. Overview of targeting measures for rural infrastructure projects

(i) Geographic targeting to address the infrastructure needs of the poorest communities

5. Transport infrastructure, such as roads and energy networks, are of key importance in addressing remoteness, isolation and climate vulnerability. Many IFAD-supported projects address the spatial inequalities affecting rural communities by building feeder roads and devoting attention to climate issues. Under the Haor Infrastructure and Livelihood Improvement Project (HILIP) in Bangladesh, for example, a large majority of the project's beneficiaries indicated that their lives had significantly improved following the construction of roads in their area.

(ii) Use of participatory processes and poverty considerations to inform decisions about the type and location of infrastructure

6. The use of participatory methodologies can help balance out unequal opportunities to participate in decision-making concerning the choice and/or location of infrastructure, both within households and within communities. Key stakeholders at the local level, especially local government institutions, should also be adequately consulted (see box 1).
7. Participatory processes are particularly important when planning for infrastructure that is more likely to attract the better-off, such as irrigation systems and market infrastructure. For example, although markets generate more and immediate benefits for the better-off, measures to enhance access for the poorest social groups will go a long way towards providing them with more equal opportunities to benefit from the common infrastructure. This may include the construction of special spaces and separate toilets for women traders and special facilities for persons with disabilities.

Box 1

Conducting participatory workshops to select the sites for road construction in Bangladesh

Under HILIP in Bangladesh, about 250 km of upazila (administrative subdistrict) and union parishad (rural ward) roads, including submersible roads, were built. This infrastructure is key for the economic growth and development of the region. The selection of specific roads was undertaken through participatory workshops in project districts that were attended by the staff of local government engineering departments at the upazila level and by representatives from each union parishad. The main selection criteria, apart from technical feasibility and environmental considerations, were the potential for benefitting a large number of households and having a strong impact in terms of economic growth and livelihood improvement.

8. For the participatory process to be effective and genuinely inclusive, it is important to implement specific measures, starting at the design stage, aimed at mobilizing the poor and disadvantaged to participate in the consultation process. Such measures may include:
 - Conducting participatory needs assessments and interviews with members of poor and disadvantaged groups during the project design stage in order to obtain a thorough understanding of constraints and infrastructure needs.
 - Disseminating project information in local languages at popular locations, such as local markets and bus stops. The use of mass media (television, radio and newspapers) to disseminate project information is also a valuable option.
 - Providing incentives and introducing quotas to ensure the active participation of the poorest in the selection of infrastructure during implementation.

Table 1
Priority needs identified in poverty and gender analyses in Bangladesh under HILIP

Priority needs	Priority needs identified, by socio-economic group (✓ marked)						
	Farmers	Fishers	Female-headed households	Agricultural/day labourers	Rickshaw pullers	Boat operators	Businesspersons
Roads linking villages to the corresponding union parishads and upazilas	✓	✓	✓	✓	✓		✓
Construction of submersible roads	✓						
Hati protection	✓	✓		✓		✓	✓
Construction of market facilities (sheds)		✓					✓
Access to bodies of water for fishing	✓	✓		✓	✓		✓

(iii) Self-targeting to address the infrastructure needs of the poorest and most vulnerable

9. There are major differences in access to rural infrastructure across different communities and socio-economic groups and between men and women, including differences in terms of their needs and priorities in relation to the type and location of physical infrastructure. As already pointed out, there is an element of **self-targeting** involved in certain types of infrastructure that are more likely to benefit the poorest and most vulnerable. Some examples include:
- **Water and sanitation.** Access to water and sanitation is of key importance in addressing the basic needs of the poorest and of women. Improved access to water infrastructure reduces the drudgery of water collection for all women and for the children who often help their mothers with domestic tasks. Access to sanitation facilities also helps to improve the general health conditions of the poorest.
 - The **multiple-use water services** approach should be prioritized, as it is effective in helping to meet the domestic and productive needs of different vulnerable groups. This approach provides a way of addressing the different priorities of women and men while making the most efficient use of water resources and taking into account the different water sources and their quality, quantity, reliability and distance from the point of use. The multiple-use water services approach can provide the more vulnerable users with low-cost access to a domestic water supply, water for irrigated and rainfed agriculture, water for homestead gardening use, water for cattle, habitats for fish and other aquatic resources, and rural enterprise water supplies.
 - **Labour-saving technologies.**²¹ Technologies such as public taps, fuel-efficient stoves, manually operated strippers and shellers, etc. are of key importance in empowering women, especially the poorest among them. There are also clear benefits in terms of the environment and climate change mitigation, as their use can, for example, reduce the use of firewood for cooking and make available more efficient and cleaner cooking methods.

Box 2

Examples of water and sanitation programmes that benefit poor rural women

Under the **Pastoral Water and Resource Management Project in Sahelian Areas** (Chad, 2018), the rehabilitation of water points helped to drastically reduce the amount of time women spend collecting water and firewood. This has enabled them to engage in income-generating activities and to diversify their incomes.

Under a programme funded by IFAD and the Belgian Survival Fund (BSF) in Kenya, the provision of piped water and other water supply improvements directly increased women's involvement in productive activities thanks to the time that they saved. An overall assessment of the targeting performance of the project also found that activities related to health, sanitation and the water supply definitely expanded the beneficiary population to include the poorer and more vulnerable.

(iv) Promotion of the participation of the poorest and most vulnerable in infrastructure committees and user groups

10. A combination of empowerment and direct targeting measures may be needed to promote the participation of the poorest and most vulnerable groups in the implementation of infrastructure programmes through their involvement in road construction committees, water user associations dealing with water for irrigation, drinking water supplies or watershed management, etc.
11. Water user associations tend to be predominantly composed of better-off male farmers. Generally speaking, women's involvement in the implementation of infrastructure projects tends to take the form of voluntary labour inputs. Both the quantitative and qualitative aspects of the participation of women and other

²¹ See M. Carr and M. Hartl, *Lightening the Load: Labour-saving technologies and practices for rural women* (IFAD, 2010).

vulnerable groups in infrastructure committees need to be improved by providing special training in leadership skills, confidence-building and communication, along with training in the technical aspects of operation and maintenance. Better monitoring of maintenance systems, including their economic and social costs and benefits for the people involved, is also called for.

(v) Targeting the poorest to ensure that they benefit from employment generation in the areas of construction and maintenance

12. Construction, maintenance and rehabilitation work generates wage employment for the poorest and most vulnerable, including women and youth. However, specific measures should be envisaged to ensure that, beyond the immediate benefits of wage work accruing to the poorest, the rural poor are also enabled to invest in the improvement of their own livelihoods and gradually move into sustainable employment. This objective is in line with IFAD's graduation approach and can be pursued by:
- Organizing the poorest, women and youth into groups of contractors. Clear eligibility requirements are usually established for the formation of such groups, with priority being given to the most vulnerable, including women heads of household and/or youth;
 - Providing training in construction and maintenance;
 - Providing additional support in terms of business development and access to credit.

Box 3

The experience of women and youth contractors in Sierra Leone and Bangladesh

In Sierra Leone, the **Rural Finance and Community Improvement Programme** (RCPRP) engaged unemployed youth in gainful employment by encouraging young people to train as "youth contractors" for the rehabilitation of tree plantations, inland valley swamps and rural roads. One group of these youth contractors has, with encouragement from the RCPRP trainer, decided to establish a rice trading cooperative and has obtained credit from community banks to start their rice procurement activities. The cooperative is doing very well and providing a much-needed outlet for farmers in the inland valley swamp areas to sell their surplus rice at a fair price.

IFAD and other development partners in Bangladesh have supported the formation of labour contracting societies as a pro-poor cash-for-work scheme targeting ultra-poor women. These societies are made up of groups of disadvantaged rural people, including ultra-poor women, living near small-scale infrastructure construction sites. Different development actors are helping them to organize so that they can undertake designated construction and maintenance works. The objective is to alleviate the poverty of the targeted households. More recently, these groups have become an entry point to provide support to members of labour contracting societies in developing income-generating activities and accessing financial services.

(vi) Monitoring the targeting performance of infrastructure projects

13. Monitoring the poverty outreach and targeting performance of infrastructure projects is critical in order to ensure that the poor and most vulnerable are actually benefitting from these projects and that the risk of elite or male capture is being avoided. M&E should be seen as a participatory process that involves project workers and community members, including women and other vulnerable groups, as both recipients and participants. Specific indicators are needed to monitor the level and quality of the participation of different groups in infrastructure projects while also making sure that specific outcome indicators (e.g. employment generation, improved nutrition and time savings) are developed to assess the benefits provided to the poorest and most vulnerable.

Annex X. Partnerships, scaling up and policy dialogue

(i) Partnerships for targeting

1. Under IFAD's targeting policy, the Fund is committed to work with like-minded partners at all levels to pilot and share experiences on effective approaches to targeting hard-to-reach groups and to build innovative, complementary partnerships with actors that can reach target groups that IFAD cannot reach with the instruments at its disposal. This key guiding principle of the policy is reaffirmed in these guidelines.
2. The IFAD/BSF Joint Programme²² has operated for 25 years in the poorest countries in Africa, focusing on regions of high food insecurity and malnutrition. BSF has provided grants to address basic needs such as health and family nutrition. Investments in the social sector have served as a crucial entry point to enable more vulnerable households to participate in the economic development process. The combined support provided to both the social and economic sectors has given rise to increased synergies and has added value to both sectors.
3. IFAD is also increasingly linking up with existing social protection programmes. A key concern of many policymakers is how to support the graduation of poor households from protection to active employment or self-employment. Graduation of the ultra-poor²³ is now focused on a set of interventions that target beneficiaries of cash transfer programmes with asset and skill development initiatives that are intended to help these households break out of the poverty trap in which they are locked. For instance, Pakistan's National Poverty Graduation Programme (2017-2023) is based on the Government's national poverty scorecard. It combines support for the satisfaction of immediate needs with a longer-term plan for shifting households out of extreme poverty by providing access to a package of assets comprising social services, vocational training and interest-free loans. Under the Programme for Rural Outreach of Financial Innovations and Technologies in Kenya, IFAD has partnered with BRAC to pilot the targeting ultra-poor programme. Increasingly, projects are linking up with conditional cash transfer schemes to identify and target the poorest.²⁴
4. Therefore, although IFAD does not work with social assistance or emergency programming initiatives, such as social cash transfer or emergency cash/food transfer schemes, it will continue to partner with governments, NGOs and United Nations agencies such as FAO, UNICEF and WFP to provide beneficiaries of social cash transfers and emergency cash/food transfers with other types of productive support, such as livelihood interventions, capacity-building and nutrition interventions, in the context of economic inclusion and recovery strategies. Such an approach is envisaged in the new country-based model presented in IFAD11.

Key partnership actions

- (i) Partnership-building starts at the COSOP stage, where country strategies are developed jointly with national governments and in close consultation with farmers' organizations (also linked to IFAD's Farmers' Forum), indigenous peoples' organizations (also linked to the Indigenous Peoples' Forum) women's rights organizations and other civil society groups involved in poverty eradication and social inclusion.
- (ii) Partnerships with ministries for social and women affairs and national gender and social programmes go beyond the scope of the Ministry of Agriculture to create a space for piloting and scaling up pro-poor linkages and innovations.
- (iii) Engagement in inter-agency coordination mechanisms promotes synergies and

²² See "IFAD/Belgian Survival Fund Joint Programme: 25 years of cooperation" (IFAD/BSF), https://www.ifad.org/documents/38714170/39135645/brochure_e.pdf/9a5dca12-4f0f-4bde-ba8c-6f00d27c262e.

²³ See S. Devereux and R. Sabates-Wheeler, "Graduating from Social Protection? Editorial Introduction," *IDS Bulletin*, vol. 46, issue 2, 2015.

²⁴ For example, the Productive Inclusion and Resilience of Poor Rural Youth Project in the Dominican Republic; the Economic Inclusion Programme for Families and Rural Communities in the Territory of the Plurinational State of Bolivia; and the productive transformation of Pernambuco in Brazil.

complementarities with relevant programmes.

- (iv) Partnerships are entered into with communities and poor rural people's organizations and with key local actors at the field level, as well as local and international NGOs, with the capacity to reach the poorest.
- (v) Partnerships with local government institutions are critical in the context of decentralization and territorial development.
- (vi) Partnerships with agribusiness actors are informed by poverty-focused considerations and based on a clear assessment of the potential benefits to the poor and the poorest.
- (vii) Establishment of a network of consultants, experts and supporters of pro-poor innovations facilitates the dissemination process.

(ii) Policy dialogue and scaling up

- 5. IFAD's targeting policy provided for the Fund should play an active role in promoting **proven pro-poor solutions**, especially those vetted by poor people themselves and those that foster **policy processes** that address the needs of disadvantaged target groups. The **scaling up of the targeting dimension** relies on forging strategic partnerships with governments and pro-poor institutional partners, including membership-based organizations of the rural poor, and making a more systematic use of the experiences and lessons learned from its projects to promote the placement of the issue of rural poverty on the international development agenda and its consideration in national development processes. Recent experience in partnering with social registries for targeted social assistance programmes or ones that use the graduation approach could be documented and assessed more thoroughly and disseminated more widely in order to inform quick wins for targeting, scaling up and policy dialogues.

Box 1

The combination of cash transfer programmes with livelihood interventions

A recent evaluation of a cash transfer programme in Lesotho that was combined with livelihood interventions has documented larger and more sustainable impacts than those attained by cash transfers alone as measured against a series of desired outcomes, including asset accumulation, income from sales of vegetables and poverty reduction. This initiative focused on providing incentives for saving and for the achievement of financial literacy through beneficiary participation in savings and internal lending communities and through capacity-building in the establishment and care of vegetable gardens coupled with nutrition sensitization and the provision of extension services and seeds. Local extension workers did point out, however, that the programme could have had an even greater impact if it had been linked to the IFAD Smallholder Agriculture Development Project that was operating in the same area as the cash transfer plus livelihood programme.

- 6. **Policy dialogue.** The Fund's experience in engaging at the policy and government levels on poverty targeting issues has been either poorly documented or relegated to the realm of anecdotal reporting. Policy dialogue initiatives relating to poverty targeting are very rarely included in the design of projects or programmes and are thus rarely monitored during implementation. However, in some countries, committed country programme managers have used existing policy forums to encourage governments to develop poverty-focused policy frameworks. Some of these initiatives are outlined in box 2.

Box 2

Examples of poverty-focused policy dialogues

- **Uganda:** IFAD has played an active role in the country in promoting the institutionalization of the graduation approach and started engaging in pro-poor policy dialogues when the National Agricultural Advisory Services Programme started to shift towards a trickle-down philosophy.
- **Peru:** IFAD has contributed to strategic public policy formulation in the country in connection with, for example, the Family Farming Promotion and Development Act and the National Rural Talents Promotion Strategy.
- **Brazil:** At the Specialized Meeting on Family Farming of the Southern Common Market, the Ministry of Agrarian Development and IFAD directed the participants' attention towards the priorities of Brazilian family farmers and

included their representatives in the dialogue, alongside government officials and other policymakers and decision makers.²⁵

7. An important entry point for engaging in policy dialogues is SDG target 1.b, which highlights the need to “create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions”.
8. Policy engagement with governments to support investments that can accelerate poverty eradication is at the core of the IFAD11 commitments, which also foresee complementarities between IFAD production-enhancing investments in rural areas and social protection policies and investments that address income poverty, economic shocks and social vulnerability. Here there is also room for a win-win partnership strategy, as SDG 1 target 1.3 is to “implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”, while SDG 1 target 1.4 calls for the provision of support to the poor and vulnerable in order to ensure that they have access to technology and assets.
9. Policy engagement is also of key importance in promoting the scaling up of IFAD-supported pro-poor innovations. Engagement at the policy level provides the policy, institutional and fiscal space for the institutionalization of such innovations.
10. **Scaling up.** In order to contribute to the success and scalability of pro-poor innovations, it is important to ensure that the models and approaches that are developed:²⁶
 - Are driven by the participation and demands of the poor, women, youth and other vulnerable groups;
 - Are based on simple and pro-poor methodologies and tools and are adaptable to different contexts;
 - Contribute to broader development goals and pro-poor growth in line with government priorities and strategies;
 - Ensure long-term support from country programme managers, project directors and government actors for driving the scaling-up process forward;
 - Are disseminated through peer interchanges and competitive proposal submission processes that can act as incentives for “doing better” and for replicating best practices and innovations in the area of pro-poor targeting;
 - Are based on an appropriate mix of “smart” incentives for the poor and women to participate and disincentives for the better-off that need to be introduced as a safeguard mechanism for avoiding the risk of elite/male capture of project services and benefits during the scaling-up process;
 - Include investments designed to strengthen women’s and poor people’s social capital and to upgrade their organizations so that they will have the capacity to undertake collective action and engage in policy dialogue;
 - Are underpinned by systematic, long-term policy dialogues during project implementation to further expand the policy and legal space to provide scope for institutionalization and national scaling-up efforts;
 - Foster the active involvement of local government institutions in both the design and implementation stages, particularly in the context of decentralization and territorial development; and
 - Are based on strong participatory, learning-oriented environments.

²⁵ See the Independent Office of Evaluation of IFAD, *Federative Republic of Brazil: Country Programme Evaluation*, p. xii, para. 43 (2015).

²⁶ These recommendations have been taken from the text of a draft IFAD study on scaling up gender and poverty targeting.



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