STEP 1: POVERTY ANALYSIS AND DEFINING TARGET GROUPS

Poverty and Target Group (PTG) analysis is the necessary first step to develop a sound targeting strategy. Its findings form the basis for designing a range of interventions to fit the needs of different categories of rural people. This calls for **inclusion of an experienced targeting, social inclusion/gender specialist in the project design team**. Alternatively, relevant PDT members might also take responsibility for targeting in the design process. Generic TORs of the specialist are available in this toolkit, which can be adapted to the specific contexts and thematic focus of a project design.

During this process, it is important that the targeting, social inclusion/gender specialist works closely with other design team members to share insights and strengthen cross-sectoral understanding. **This facilitates design of an integrated development project with effective targeting at its core**. It is also important to remember that this is not a "one shot" exercise. **The poverty and target group analysis will be further refined, adjusted and consolidated by conducting a PRA/PLA[1] at early implementation.**

The analysis follows 3 steps:

Step A. Review of secondary data

Step B. Consultations with potential target groups and key stakeholders

Step C. Systematization of findings and write-up.

Step A. Review of secondary data

A rapid assessment survey on the population making use of available poverty data and studies should be started well-before the beginning of the design mission. Building on the SECAP and COSOP analysis as well as on project-related documents and data available on internet, the consultant/relevant PDT members are expected to carry out a preliminary analysis of poverty and

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[1] PRA Participatory Rural/Rapid Appraisal (for quick reference to PRA consult http://www.fao.org/3/w2352e/W2352E06.htm; https://www.betterevaluation.org/en/approach/PRA For in-depth approach consult Robert Chambers http://sergiorosendo.pbworks.com/f/Chambers+on+the+challenges+and+potential+of+PRA.pdf PLA Participatory Learning and Action (for quick guide to PLA consult https://www.intrac.org/wpcms/wp-content/uploads/2017/01/Participatory-learning-and-action.pdf; https://www.intrac.org/wpcms/wp-content/uploads/2017/01/Participatory-learning-and-action.pdf. For in-depth approach consult Mukherjee.

target group at macro level (national or regional level) before the mission starts. In the majority of cases, recent poverty and socio-demographic data concerning the project's area are not available, and they have to be gathered from line ministries/institutions in charge of their collection. Hence, the analysis of secondary sources related to the poverty situation of the project's area will be carried out primarily during the mission, before and upon completion of fieldwork activities.

Two blocks of documents should be reviewed, from a poverty targeting perspective:

a. Documents related to IFAD and other donors' operations in the country,

b. Existing and most recent population data and statistics.

a. **Documents related to IFAD operations in the country**, including: project design, supervision, midterm review (MTR) and completion reports (PCR) on previous IFAD projects in the same country, geographical area and theme; the RB-COSOP, project concept notes; the country programme evaluation and relevant project evaluation and performance assessments by the Independent Office of Evaluation of IFAD (IOE); previous case studies or poverty and livelihood analysis studies concerning the project area (as defined in the COSOP); Results and data from impact assessments that have been carried out by IFAD or other agencies.

b. **Existing and most recent population data and statistics**: national census, households (HHs) surveys, poverty maps, livelihood profiles, multidimensional poverty index, poverty and food and nutrition insecurity assessments, United Nations Development Programme (UNDP) human development reports, social registries, studies carried out by NGOs and other development agencies; demographic and health surveys; academic research papers, the World Food Programme's Comprehensive Food Security and Vulnerability Analysis; and country and project information from other development agencies operating in the same area.

When the project needs a more in-depth diagnostic study, due to lack of available data with regard to specific social groups, then additional resources can be leveraged through the following instruments:

- *Faster Implementation of Project Start-up instruments and grants* from partner organizations or domestic funding can be used to carry out ad hoc poverty studies early in project implementation. These may include studies on indigenous peoples, traditional communities and other vulnerable groups (e.g. displaced peoples, people with disabilities)

- ***Data and other information gathered by existing projects (***including projects financed by IFIs, NGOs and other organizations) can be drawn upon in areas where new projects will support the scaling up/ scaling out of these projects or when the design includes similar interventions; in some cases, planning and implementing ex-ante impact assessments would allow for baseline data to be collected prior to project implementation, which can inform the targeting process.

Methodological notes and recommendations

Initiate the review of secondary sources on the population living in the project area before the official start of the mission. This will enable the consultant to have more time to carry out in country research and visit key stakeholders (line ministries, National Statistics Institutes, NGO and UN HQ etc.) in the capital, before travelling to the field. Some recent poverty and socio-economic data and reports can be easily found online.

Gather most recent information on the multiple dimension of poverty. The following information should be collected:

Information	Source
Incidence and intensity of poverty and extreme poverty (both multidimensional and monetary) in the different provinces of the target area.	Multidimensional poverty index, national poverty studies. Poverty maps, NGO studies; Living Standard Measurement Survey (LSMS); Household Budget Surveys (HBS) National SDGs 2030 agendas.
Human Development index in the different provinces of target area.	UNDP Human development report
Age and gender structure of rural population.	Population census, demographic surveys, World Bank (WB) gender data portal[2]
Food insecurity and nutritional status of rural HHs disaggregated as much as possible along provinces, and different social and age groups (with attention to	WFP food security assessment Save the children and UNICEF report on child malnutrition[3]

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[2] http://datatopics.worldbank.org/gender/

[3] Check HTDN on mainstreaming nutrition in COSOPs and Projects, for additional guidance and sources of information.

capturing gender differences and the situation of children under 5 years)	
Socio-demographic characteristics of rural HHs (dependency ratio, incidence of women's headship; HIV-AIDs affected HHs etc.)	HH survey, health survey
Natural resource endowment and climate vulnerability	WFP vulnerability analysis assessment (VAM), geographical information systems
Main assets and livelihood strategies, including data on employment and migration patterns, differentiated along different socio-economic groups (as much as possible).	Labour survey; livelihood assessments and studies.
Presence, number and characteristics of indigenous and tribal peoples and Tribal Peoples ethnic minorities	Population Census; The Indigenous World, African Commission's Working Group on Indigenous Populations/Communities; Indigenous Peoples in Latin America ECLAC
Persons with disability - disaggregated as much as possible by number and type of disability (when this is possible)	WHO; ministry of health and social welfare; NGOs
Refugees	Studies prepared by the United Nations High Commissioner for Refugees; Population census
Map of rural organizations and institutions, poverty reduction programmes as well as existing services.	Relevant ministries, NGOs, UN-agencies
Agro-ecological characteristics	Ministry of Agriculture strategy and plans, National Rural Development Strategy, reports and studies from academia and donors

Organize the data and address inconsistencies. It is important that the "numbers" collected are scrutinized and systematized in a way to make them clear, sound and easy to use by the project's team, by for example developing tables and graphs, possibly illustrated by analytical text. Data might be incomplete, inconsistent, or poorly disaggregated. Inconsistency might depend on

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different factors: uneven dates of publications and studies as well as the use of different criteria and methodological approaches. For instance, data on income poverty might differ from data on multi-dimensional poverty. In other cases, the estimated number of indigenous peoples might differ across various studies carried out by different institutions and/or in different periods. This might be related to lack of recognition of indigenous peoples' rights and their self-determination. Therefore it is important to compare the data, interpret it and try to develop a coherent picture.

Develop tables and figures showing poverty incidence and trends in the project's area, making sure poverty-related data are broken down (as much as possible) per provinces, districts, municipalities urban-rural. This will help understand where poverty is concentrated and the subsequent development of criteria for geographic targeting.

Combine data on the socio-demographic structures of the target area with data on poverty in its multiple dimensions. This will provide insights on how poverty impact differently specific social groups.. For instance, high incidence of poverty and extreme poverty might reflect a high number of women headed households - as a consequence of male out-migration .In some cases, poverty might also be directly co-related to availability and accessibility of food and nutritional status of certain individuals/households. Data on underweight might be effectively used as a proxy for poverty in those cases. Poverty pockets in many regions tend to be concentred in areas inhabited by indigenous and tribal peoples and ethnic minorities. In those cases, the poverty map might overlap with the map of indigenous territories. Data on agro-ecological characteristics and climate risks might also help understand which areas and specific social groups might be more vulnerable to the impact of climate change. Gender-focused study available in the country can provide information on gendered characteristics of poverty and vulnerability.

Start disaggregating the target group, along socio-economic levels, by making use of official, government definition of poverty, when those are available and easy to apply. Official definitions of poverty should always be the starting point for disaggregation. However, those definitions should be further tested and validated during consultation activities. **The estimated number and characteristics of the main target groups, as disaggregated along poverty and social axis as well as governance characteristics**, should already been defined at this stage, also to help other mission members understand the poverty situation in the project's area, and tailor activities and budget. Target group profiling will be further refined upon return from field visits.

Step 2. Consultations with potential target groups and key stakeholders

Interaction with potential target groups and local institutions is essential to enable poor rural people to define what is their perception of poverty, explain the challenges they face, how they

would propose to overcome them and what development outcomes they wish to achieve. Analysis comprises participatory consultation with key stakeholders and field visits making use primarily of interview techniques and Focus Group Discussions (FGD). Within the geographic areas of intervention, the social inclusion and targeting specialist/PDT member should engage with the potential target groups and other key stakeholders. This is key to:

- **Complement/validate secondary information** and adjust estimates to local realities.
- **Improve disaggregation and profiling** of target groups at the community level and
- **Fill information gaps** for targeting such as target groups priority needs, and how to tailor the project to work with the different groups in the community.
- **Get a sense of local aspirations, dreams and visions for the future**
- **Identification of promising approaches** to targeting that might be scaled-up by the project

The methods used to consult the communities will vary according to the size and length of the design mission, as well as the project's thematic focus. It is important that IFAD *key crosscutting themes* are also taken into account in the analysis, including **gender, youth, nutrition, environment and climate. Indigenous peoples and (IPs) and peoples with disabilities (PWDs) should also be included in the analysis.**

Methodological, notes tips and recommendations

It is important to organize at least 4-5 focus groups with potential target groups and to consult with key informants, who know the poverty situation of the project's area. The number of FGDs will vary according to the heterogeneity of the target group as well as existing data gaps. However, as a minimum requirement it is recommended to organize at least 4 to 5 FGDs. A key challenge for a team conducting a poverty analysis is the ability to effectively identify, within a relatively short time, a range of locations, communities and households where they are able to encounter and analyse different forms of poverty. The time available for conducting a proper gender and targeting assessment, using PRA methodologies, is always limited. However, information gathered from a small sample of HHs and groups can be complemented with in-depth interviews with key stakeholders, who know well the local poverty situation as well as available studies (e.g. poverty studies carried out by NGOs and other donors' programmes).

Make flexible and creative use of participatory methods. Those methods derive from and emphasize local people's ability to understand and analyse their own reality. The large variety of

methods can be used flexibly and informally and do not require to organize complex and time-consuming meetings and events. The table below includes examples of tools that can be used.

Thematic focus	Suggested participatory tools
Perceptions and indicators of wealth/poverty	• Wealth ranking and social mapping • FGDs and semi-structured interviews • informal visit to farms.
Perceptions and indicators of nutritional status and food insecurity	• Seasonal calendar, • FGDs and Semi-structured interviews.
Assets of communities and households	• Livelihood matrix, • Institutional diagramming resources (Venn/Chapati diagram) • FGDs and Semi-structured interviews • informal visits to farms.
Gender and youth focused analysis	• Daily/seasonal calendars, • Gender division of labour, • Access to and control of resources, • Decision-making matrix • FGDs and Semi-structured interviews • informal visits to farms.
Dreams and aspirations	• The GALS Roadmap. • Semi-structured interviews • Visualization Exercises (past, present, future)
Analysis of value-chain	• Value-chain mapping. Drawing a value-chain with local stakeholders during meetings and focus groups. This helps visualize who does what along the value-chain, who participates in transactions at each node of the chain and who captures most of the benefits. • Identification of Non-Timber Forest Products (NTFP) and Neglected and under-utlized species with economic potential
Long-term environmental trends, (e.g. declining soil fertility,	• Transect • Resource mapping at different points in time • Trend analysis

declining rainfall, deforestation etc,)	• FGDs and Semi-structured interviews

Ensure meetings with local stakeholders and the methodology and tools to be used are planned in advance. Given the little time available it is important that the team members and the accompanying institution are informed about the activities that the consultant/PDT member intends to carry out during the filed visit. This will help organize the during field-visits and prepare an agenda that matches the needs of all technical specialists. Semi-structured interviews and methodological notes should also be drafted before going to the field. If the consultant/PDT member intends to engage people in rapid participatory exercises, it is important to make sure papers and pens are also provided. Depending on the length of the interviews it would also be good to provide refreshments for the participants and support their transportation to and from the meeting place, if necessary.

Ensure consultations are held with people representing HHs from different socio-economic groups. Consultations should be held with farmers from different HHs types, also including attention to HHs headed by women, to capture difference in terms of assets (e.g. land size etc.) HHs composition, farming systems and livelihoods. It is important that the different livelihood systems (e.g. pastoralism, fishery etc.) of the target area are captured in the analysis. Usually more "formal" consultations are organised with people belonging to farmers and other rural organizations. It would be important also to consultant with peoples, who falls outside main socio-economic networks and institutions and to avoid a general tendency to consult only with successful farmers.

Use gender, age, caste, religion, ethnicity, and other easily identifiable social markers as entry points to classify the rural population along social axis and organize consultations and interview accordingly. The HH as a unit of analysis should be broken down to engage with women - possibly in separate meetings - young boys and girls and other relevant groups that were pre-identified through the initial analysis (people with disabilities, etc.). This is very important as poverty andextreme poverty may often be hidden in non-poor families as a result of power imbalances within the household. The challenge is to move beyond clear-cut categorisations (women, youth etc.) and identify critical intersectional dimensions that shape poverty and social dynamics in rural areas. Women and youth are not homogenous groups and it is important to disaggregated them along various intersecting axis (e.g. different age groups, adolescent girls, marital status etc.).

Analyse people's livelihoods and address climate vulnerability in the analysis. Livelihood analysis focuses on how individuals, households and groups make their living. It is fundamental to understand the multiple activities people undertake to meet their basic needs and generate income. Key questions to ask include: how do people make their living? How do the livelihood systems of women and men, boys and girls as well as different socio-economic groups differ? How

different levels of access to basic services such as health and education, affect their livelihoods? It is important that the analysis also addresses actual or potential climate change impact. This is key to understand climate vulnerability and how to foster poor people's resilience. Close collaboration with the climate technical specialist is key to address climate vulnerability in livelihood analysis. An example of key issues/questions that can be asked to different stakeholders to address climate vulnerability in target group analysis is provided below.

Livelihood and climate vulnerability analysis	Women	Men	IPs	young girls	WHHs
Livelihood activities					
Key sources of income					
Patterns of use and control over key resources e.g access to and control over land and natural resources etc.)					
Actual/potential climate change impacts of livelihoods and resilience strategies					
Actual/Potential impact of climate change on access to and use of resources by specific groups?					
Actual/Potential climate change impacts on food and nutrition security					
Assess level of vulnerability					

Triangulate the information with different stakeholders. Participatory methods are useful tools to get a lively picture of local realities and complement existing data. However people's own perceptions of their own life can in some cases overlook their objective conditions, also because of lack of information, and can be biased as a result of social conditioning. In their contact with outsiders, local informants, particularly leaders and authorities, might depict their community as being all poor, thereby disregarding local differences and contradictions in social relations.

Address the care economy and women's time poverty in the analysis. Questions should be focused on capturing women's multiple roles and livelihoods. Women generally engage in a range of "invisible" activities both at the household (the "care economy") and farm level – (e.g. role of women in cash crop production). They are also responsible for fetching water, collecting non timber forest products and are usually involved in a range of informal income generating activities (e.g. petty trading, barter trading etc.) that might not be captured in official reports.

Avoid asking generic questions such as *what do you need?* This might produce a long *whish list* that might be beyond the scope of a rural development project. Questions should always be

precise, guided by the project's thematic focus, and oriented towards capturing people's personal experiences. A project cannot respond to the all multiple and complex needs of rural poor people and the design process often involves a certain level of pre-determination of sectors and activities that can be negotiated with different stakeholders. It is also important to avoid creating expectations and be clear about the purpose of the meeting.

Use an appropriate language, be informal and avoid using pre-determined categorization or unintentional judgments (etc. poor, non-poor). Cultural sensitiveness is very important to engage local stakeholders in a frank conversation. In certain contexts, asking explicit questions about socio-economic differentiation could produce embarrassment, in other contexts focused groups may be not culturally accepted as the consultations are generally held with the presence of the entire community. Practical and simple questions should always be found to obtain specific, technical information (*e.g. how many days a month are you sick?* In relation to the quality of drinking water*).*

Document the activities carried out in the field, as well as the number of communities visited and the people met.

Activity	Description
Duration of visit to the project's area	*Generally 5 to 7 days*
Area and communities visited	*Map of communities visited*
Number of meetings and focus groups with potential target groups	*List number of meetings, FGs and interviews held with different social groups.*
Organizations and institutions met in the project's area	*NGOs, extension workers, cooperatives etc.*
Tools used	*Semi-structured interviews, participatory wealth ranking etc.*
Other relevant activities	*e.g. visit to a processing plant etc.*

Step 3. Systematization of findings and write up

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Upon return from the field-visit, the consultant is expected to further define the categorization of target group and write up the targeting strategy of the project. Three activities are key at this stage:

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a. **Consolidation of findings**
b. **Further refining the target group classification**
c. **Developing a targeting strategy**
d. **Preparation of the required documentation** to be included in PDR.

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a. **Consolidation of findings,** by, for example. meeting additional stakeholders that were identified during the field visits (e.g. headquarters of NGO and other organizations met in the field, ministry representatives etc.)

b. **Further refine the definition of target groups.** The prioritization of IFAD's target groups should be based on government priorities, the poverty characteristics of the project area and IFAD's mandate and comparative advantage. Target group prioritization should reflect the COSOP analysis and be tailored to the characteristics of the project area and the project's thematic focus. Depending on the context, these groups should include:

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(a) **The poorest, the poor and the vulnerable** (as per national definitions), on a **disaggregated basis**; (see box 1)

(b) **Specific vulnerable groups, cutting across the typologies of rural poor**, on the basis of a combination of poverty, food and nutrition vulnerability, socio-economic and cultural characteristics, with a special focus on inequalities based on gender, age ethnicity and disability; (see box 2)

(c) **People living in fragile contexts** (e.g. refugees, pastoralists, etc.); and

(d) **Feasible targets for the participation of each group** should be formulated. Targets should be ambitious and informed by the results of previous projects in similar contexts.

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Examples of target group classification

- Located in the poorest geographical areas
- Typical farm size below a certain ceiling
- Those classified as poorest by government score-card
- Food and nutrition insecure
- Reliant on earnings from casual labour to survive
- Households headed by women

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- Young boys and girls within a specific age group
- People with disabilities (including a culturally sensitive and locally endorsed definition of disability)
- Indigenous and tribal peoples, ethnic groups and other traditional communities

The Rwanda Dairy Development Project, 2016-2022, promotes the economic inclusion of the poorest and poor farmers in the dairy value chain. The project targets:

- **80,000 smallholder dairy farms and**
- **20,000 poor** people in off-farm activities.

Amongst these groups and based on national wealth ranking system (Ubudehe), poor people are further disaggregated in:

- 6,000 Girinka ("one cow per poor family") from **Ubudehe category I**, who will receive a cow that is in calf and pass on the first heifer to a neighbour.
- 15,400 young farm assistants between the ages of 15 and 24 who work as wage labourers in dairy farms. They are from very poor families (**Ubudehe I and II**).
- 5,400 rural women between the ages of 15 and 35 (child-bearing age) who will benefit from small off-farm business opportunities.

c. **Developing the targeting strategy.** Proposed project interventions should be examined, in collaboration with other team members, to ensure they will address the needs and priorities of the target group. If necessary, additional measures should be identified to broaden/strengthen project outreach among those that may not otherwise participate – particularly extremely poor people, women and youth – and to foster specific livelihood development pathways. Step 2 of this process will provide detailed guide on how to develop the project's targeting strategy.

d. **Final write-up** of the required sections of the PDR and the PIM is the final output of the analysis.

Methodological tips and recommendations

Working in consultation with the other team members, and especially with the technical specialist covering cross-cutting areas is key at this stage, to ensure that the poverty analysis is not treated as an add-on but rather as an integral and fundamental inputs to the project design. This will depend very much on the level of awareness and orientation of the team leader. Ad hoc

meetings to discuss how targeting will be integrated in the different components should be organised to avoid overlooking the outcomes of the poverty analysis.

A simple target group matrix can help define and describe the socio-economic characteristics, including factors driving poverty and marginalization, and livelihood strategies of different target groups. This will also facilitate the formulation of the targeting strategy in step 2.

Target groups	Poverty, socio-economic	Drivers of poverty and exclusion	Livelihood strategies	Targeting strategy
Poorest **Poor** **Vulnerable** **Cross-cutting: priority target groups**	Monetary and multidimensional poverty level — Food insecurity — Nutritional status — Average holding size — HH composition — Gender, ethnicity, age, disability — Education	Social exclusion — Geography (isolation) — Poverty and socio-economic status — Poor governance framework — Natural resource degradation — Vulnerabilities to stresses and shocks (climate and conflicts)	Farming, pastoralism, fisheries and forestry — Marketing channels and opportunities — Seasonal or permanent migration — On/off-farm wage labour, etc.	**pathways out of poverty** **Menu of interventions** **Targeting approaches and measures**

Who → Why → What

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