

## STEP 2: DEVELOPING THE TARGETING STRATEGY

**Differentiated targeting strategies, approaches and measures should be used to ensure outreach to the different target groups.** The project design report (PDR) should describe the targeting criteria and processes, in line with government and IFAD policies.

IFAD's approach to targeting is based on a combination of measures. **Step 2** of the projects design process, addresses how to develop a comprehensive targeting strategy, through a combination of different measures, that should include:

- A. **Criteria for geographic targeting** at the project level
- B. Defining the **rational of the intervention** and the **pathway out of poverty**
- C. **Eligibility criteria** for direct targeting of households and/or groups of people
- D. **Self-targeting** measures
- E. **Empowerment and capacity development** measures
- F. **Enabling** measures to foster a pro-poor institutional and policy environment
- G. **Partnership** for targeting the most vulnerable
- H. **Resources** for implementing the targeting strategy
- I. **Implementation arrangements** (PIM)
- L. **How to monitor the targeting performance** (details are found in **Step 3**)

### A. **Defining the criteria for geographic targeting at the project level**

Criteria for geographic targeting (see Matrix for geographic targeting) should be specified and should refer to the COSOP commitments at the following levels:

- **Region/provinces**
- **Municipalities/districts**
- **Communities/villages**

Targeting trade-offs with regard to the geographic targeting should also be addressed. For instance, when government prioritizes high potential regions that are not among the poorest, one option could be to select the poorest municipalities and communities within high potential areas. Alternatively, the Country Director, might decide to use existing poverty data and information along with showcasing IFAD's poverty-focused approaches and comparative advantages, to negotiate with the government for the inclusion of poorer regions in the programme. The stakeholders' engagement framework, might provide further guidelines and support on how to engage government in meaningful negotiations.

**B. Defining the rationale for the intervention and the “pathway out of poverty”**

The definition of project interventions should be based on the needs of the target groups. The rationale for the intervention should also set out the specific **pathway out of poverty** to be promoted and informed by the **project’s ToC**.

**Measures to empower the poor and socially excluded are a key pillar of IFAD's targeting approach.** IFAD implements a **gradual approach** in which the sequencing of interventions facilitates the strengthening of resilience and the building of the productive and organizational capacity of the rural poor, enabling them to engage with markets and participate in rural institutions. Community-driven development projects can leverage efforts to achieve these objectives.

Three simplified scenarios are envisaged to illustrate the **different pathways** to target and benefit the poorest under project interventions:

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|------------------------|---|
| <b>Scenario 1</b>      | <i><b>The poorest, most food insecure and nutritionally vulnerable</b></i> with limited or no access to basic services, land and income are targeted by <b>dedicated components sub-components</b> that address <b>their immediate needs</b> and foster food and nutrition security, resilience and income generation (e.g. vegetable gardens, cash/food-for-assets schemes, usually in partnership with the WFP, graduation packages; small livestock components; household mentoring schemes; vocational training for women and youth etc. see box 1) |
| <b>Risk mitigation</b> | A key risk to avoid is to ensure that actions are not isolated and aim to support a transition to scenario 2 (avoid tokenism!). This can be done either under the same project (see example in Box 2) - by enabling the poorest to gradually move from component 1 to component 2 (e.g. value-chain) - or through a sequencing of interventions.  |
| <b>Scenario 2</b>      | This entails fostering a <b>gradual approach</b> that enables the poorest groups being supported under scenario 1 to transition into main development components and activities, thus participating actively in main social networks and rural institutions.  |
| <b>Risk mitigation</b> | <b>It is important to ensure</b> that the targeting approach is appropriate, based on a combination of differentiated approaches and measures and effective, which may require phasing through a sequence of projects and/or partnership with specialised actors.   |
| <b>Scenario 3</b>      | This refers to a situation in which better-off farmers are also targeted along with poor smallholder producers. This usually applies to value-chain development projects but also NRM activities working with the whole community. Targeting better-off farmers, is justified as they are more effective in creating economies of   |

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|------------------------|--|
| <b>Risk mitigation</b> | <p>scale and generating rapid economic benefits to their communities, including the poorest echelons.</p> <p>it is important that the project clearly illustrates the pathway that will facilitate direct benefits to the poorest and carefully monitor results and impact. These include:</p> <ul style="list-style-type: none"> <li>• <b>Opening up access to both on- and off-farm employment</b>, often by providing skills development and vocational training and by fostering an enabling environment for generating decent jobs</li> <li>• <b>Access to infrastructure and services</b> (e.g. roads that lower the transportation costs for businesses, health centres and schools)</li> <li>• <b>Improved supply of nutritious food and a diversified diet</b> (e.g. nutrition-sensitive value chains)</li> </ul> |
|------------------------|--|

**Box 1: examples of activities targeted at the poorest under IFAD-funded projects**

- 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.

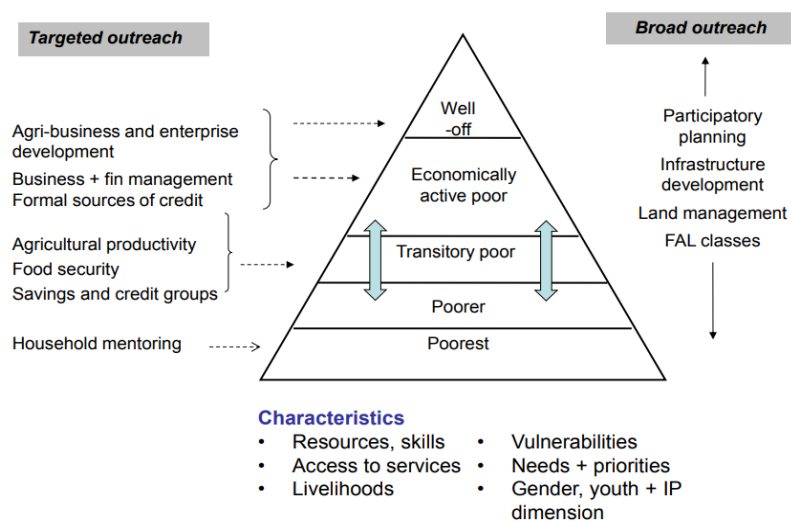
The example below from the Kairouan Project in Tunisia, shows clearly how the poorest households can be supported by enabling them to **move gradually from social protection (component 1) to self-employment (component 2)**. The project's theory of change highlights the specific development pathway for two main socio-economic groups, with a focus on women and youth.

### **Box 2: Example of graduation pathways: the Kairouan Project in Tunisia**

The project's development objective is to ***increase the social, economic and climate resilience of the poorest households in the Kairouan Hills, with a particular focus on women and young people***. The **theory of change is based on the mobility process promoted by the graduation approach adopted by the project**. The development hypothesis is that the poorest families in the poverty pockets of the Kairouan Hills can lift themselves out of poverty and become self-sufficient through a multi-faceted and integrated programme (**Component 1**) based on five pillars: social protection, sustainable management of natural resources, improved livelihoods, financial inclusion and social empowerment. The second dimension of the development hypothesis is that less poor smallholders can integrate into the local economy by adding value to local products, through public-private producer partnerships (4P). These activities will be supported under **Component 2**. **The link between Components 1 and 2 is based on the continuity of the graduation process**, supporting disadvantaged households in integrating them into existing producer organisations and their structuring into new groups, especially women, the inclusion of disadvantaged households in microfinance networks and in their integration into the market through business partnerships.

The poverty pyramid in figure 1 shows how, under the District Livelihood support Project, DLSP, in Uganda a differentiated set of activities was planned according to the socio-economic characteristics of different echelons of rural societies, as identified based on the poverty analysis and the project's theory of change.

**Figure 1: Poverty Pyramid, District Livelihood Support Project, DLSP**



### C. Defining the criteria to target households and groups of people

Direct targeting criteria are formulated to channel resources and service to specific households or groups of people. **Eligibility criteria** can be based on different types of categorizations, such as:

- **government social registries** and score-cards
- **asset-based indicators** or an asset index
- **quality-of-life index**
- **membership** in organizations of the rural poor and/or
- **easily verifiable socio-demographic poverty markers** or proxies (e.g. woman-headed households, household dependency ratio)
- **Community-based targeting**, whereby the poorest are identified and selected based on criteria identified by local communities. Overall, community participation to endorse the definition of eligibility criteria is always recommended.

In order to make the selection process more effective, it is recommended to adopt easily verifiable eligibility criteria as well as to always involve local stakeholders in the definition and approval of the criteria. **Community-based targeting** consists in involving the relevant communities and other local stakeholders in identifying the poor and can include participatory wealth-ranking as an output of the process and/or community validation of government tools. This will ensure ownership and accountability in the selection process.

**Box 3: using national poverty score-card for targeting in Pakistan**

**The Southern Punjab Poverty Alleviation Project (SPPAP, 2010-2019)** targets *women falling in the national Benazir Income Support Programme (BISP) Poverty Score Card (PSC) category of 0-18*. Score-cards are further validated. The programme combines support for immediate needs with a longer-term graduation plan, by providing access to a complex support package (e.g. social services, vocational training and interest-free loans). Under the livelihood development component, women are provided with productive assets, usually 'goats'. The poorest and landless women **falling under PSC band of 0-11** are also provided with small land plots and low-cost houses.

**D. Self-targeting measures**

Self-targeting refers to the provision of goods and services that are aligned with the priorities, assets, capacities and livelihood strategies of the identified target groups, while at the same time being of little interest to other groups; some common examples of self-targeting measures include:

- **Menu-based interventions**, when community members participate in the selection of services and activities needed as part of CDD projects.
- **Crop-targeting**, when value-chain development projects select crops that are grown by rural poor producers, women and other vulnerable groups.
- **Tailoring grant and/or rural finance schemes** to the financial and productive capacity of the rural poor, by for example providing small grants that might be more attractive to poor farmers, with more limited investment capacity than better-off producers; in rural finance, this usually entails designing specific schemes targeted at the poorest by offering for example longer grace periods or relatively low loan amounts.

### Box 4: crop-targeting under PAFA in Senegal

The **Agricultural Value Chains Development Project (PAFA, 2010-2016) in Senegal** aims to integrate poor farmers into profitable value chains based on **local agro-ecological potential**. Priority is given to **chains that are accessible to the poor, women and the youth** as well as based on **their nutrition value**. As an example, a poultry value-chain was developed in the groundnut basin where animal protein intake from poultry was limited. The target group are **poor and extremely vulnerable people – people with disabilities, widows and young people**. PAFA promotes the **use of local products** for improved poultry housing and feeding: the farmers use local materials to build small shelters and local chicken breeds, which are more adapted to local conditions.

### E. Empowerment and capacity-development

**Empowerment measures** aim at developing the capacity of those with less voice and power to:

- Participate actively in planning, monitoring and **decision-making**
- Undertake **collective action**
- Take up **leadership roles**
- Participate in **policy-dialogue**.

Some of those measures include, social mobilisation, focused capacity and confidence-building such as literacy, leadership and life skills training etc.

### Box 5: Examples of empowerment measures in IFAD-supported projects

**IFAD-funded projects in Brazil** invests considerable **time and resources in social mobilization** to foster the participation of the poorest and most vulnerable, such as **quilombolas, youth and women**. The **participatory rapid diagnosis** help people identify existing problems and priorities and prepare a **production investment plan**, which is a key investment decision tool. Social mobilization activities and build capacity among the poor for participation and planning.

**The Tejaswini Women's Empowerment Programme in India (2010-2018)** has created and empowered a network of self-help groups, comprising mostly (72%) **women from marginalised social groups** such as scheduled castes, scheduled tribes and other backward classes. The

largest programme components dealt with grass-roots institution-building, rural finance, livelihoods and enterprise development. Self-help group members were provided with different empowerment inputs and training in group management and accounting, decision-making, conflict management, gender, income enhancement, legal awareness, and health and hygiene management. This has promoted women's collective action up to the policy-level, whereby several policy-level decisions have been taken to support the women members. In Madhya Pradesh this led to the creation a village-level committee that mobilize against gambling, alcoholism and domestic violence, the initiative was *scaled up* to encompass the entire state.

### F. Fostering an enabling institutional and policy environment for poverty targeting

Proposed activities include the following:

- Provision of **technical support to the government** to improve poverty information systems and foster policy dialogue involving the most vulnerable social groups;
- **Pro-poor mechanisms and procedures** by removing procedural/physical and cultural barriers (e.g. use of local language, simple formats, easy to understand rules of the game etc.) to poor people's participation in development activities
- Based on the principle of **citizen engagement** and the **stakeholders' feedback mechanism**, the project management unit (PMU) operates in a transparent and participatory way and in close consultation with project participants; and
- **Sensitization and capacity development activities** with local institutions, leaders and implementing partners, including the private sector, to equip them to reach out to target groups.
- Including attention to **pro-poor criteria and priority groups in procurement** (e.g. adding quota for women labourers and facilities for PWDs, when selecting service providers for infrastructure building)



**Box 6: Examples of measures to promote a pro-poor enabling environment under IFAD-funded projects**

**READ-SI in Indonesia**, foster a pro-poor enabling environment by:

- Providing training on good leadership;
- Sensitizing implementing partners;
- Information on sub-project selection is transparent and widely available;
- Developing an anti-corruption plan;
- Creating a mechanism for resolution of grievances at the community level.
- Larger investments in infrastructure and machinery are delayed to the third year to mitigate risk of elite capture.

**The *concurso methodology* in Peru** implements pro-poor and transparent “rules of the game” that enable the poorest people to compete for public funding:

- Decision-making is public and transparent and the competition is in the local language.
- The committee selecting eligible proposal is composed of independent members.
- Simple formats to develop business plans that can also be used by illiterate people.
- PMU is close to the project’s area and accessible to all and
- Project’ staff is hired based on their commitment and capacity to engage with the poor.

**G. Defining partnerships as a means of engaging with the most vulnerable**

The needs of poor rural people might be complex and diverse and projects cannot respond to all of them. Partners should be identified to deepen the poverty focus of the project. Partnership arrangements and the types of targeting activities that will be co-implemented should be described. This may include:

- **Line ministries**, specialized government agencies dealing with social protection and other poverty eradication programmes;
- **NGOs and United Nations agencies** (e.g. WFP, the International Labour Organization, the Food and Agriculture Organization of the United Nations, the United Nations Children’s Fund) or international financial institutions working with the most vulnerable segments of the population; and
- **Local civil society organizations** that represent the interests of the poorest/most vulnerable (e.g. women’s and indigenous peoples’ organizations). These should also include informal networks groups and organizations at the local level, that can facilitate outreach to hard to reach groups, such as the youth.

## H. Costab computations and the project budget are informed by poverty considerations

The share of investments reaching different target groups can be monitored by specifying:

- **The overall cost of specific activities/subcomponents** targeting the most vulnerable, also including social mobilisation activities
- **Dedicated staff** (human resources);
- **ToRs of staff and service-providers include attention to targeting**
- **The percentage of matching grants earmarked** for specific groups.

## I. Drafting the PIM and defining implementation arrangements

In order for the PIM to properly cover the issues related to project-level targeting, it is necessary to:

- **Envisage the appointment of a social inclusion and targeting officer** and draft the ToRs.
- **Describe partnership arrangements to implement the targeting strategy** (e.g. local NGOs, other development agencies, sector ministries, social protection programmes) and draft the ToRs.
- **Specify eligibility criteria, tools and processes to target communities and peoples** (community-based targeting; poverty criteria; decision-making processes, including the composition of selection committees); and
- **Define mechanisms and procedures for enhancing transparency, community participation** and ownership - linked to stakeholder feedback mechanisms.
- **Describe how targeting will be monitored**, including a definition of poverty related outreach and outcome indicators and the development of a participatory and learning oriented monitoring system.
- **Draft a targeting roll out plan** that shows the sequencing of key activities and milestones and also including attention to preparatory activities (e.g. sensitization and information campaign) to be carried out in the pre-investment phase.
- **Draft Action Plans** for social inclusion themes (e.g. gender, youth and indigenous peoples).