**Types of targeting for cash-based programs**

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| **Continuous targeting** includes identifying socioeconomic, poverty or other vulnerability indicators to identify eligible beneficiaries. Inclusion or exclusion is based usually on outcomes of household surveys, compared to an economic threshold such as poverty line or minimum wage.  **Categorical targeting** is more straightforward, and involves choosing beneficiaries by visible, indisputable criteria, such as elderly, pregnant women, single-headed households, dependency ratio, etc. Inclusion or exclusion is based on whether a person or household fits the criteria.  **Community-based targeting** enables the communities to identify what types of people are most vulnerable, and to create transparent criteria. Wealth ranking is a common form of community targeting. Inclusion and exclusion is based on community-developed criteria. |

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**Types of targeting**

**I. Purpose of guidance**. This guidance describes three common types of targeting for cash-based programs.

**II. Continuous targeting (also known as poverty, economic security or vulnerability targeting)**

## **What is it?**

Targeting based on poverty or vulnerability is a type of “continuous” targeting. This means that poverty and vulnerability are relative; they can be defined in different ways in different contexts; thresholds for poverty, economic security and vulnerability are relative and imply a certain level of subjectivity; and measuring this type of vulnerability is done in different ways. In continuous targeting, identifying the poor or vulnerable is often done through income or expenditure surveys, or in creating some kind of vulnerability index such as those used by WFP VAM.

## **To do this type of targeting:**

***Define the type of vulnerability that you seek to address***. Are you looking at overall economic vulnerability and poverty? Are you focused more generally on overall vulnerability, which might include people’s ability to cope?

***Identify indicators you will use to include and exclude people from the program***. Research and choose a threshold that will make people eligible for the program. Examples of this include:

* **Determine an income threshold**. To do this, identify the poverty line, or the local minimum wage.
* **Determine an expenditure threshold**. To do this, identify a minimum expenditure basket, which shows the minimum amount of cash people need to spend each month to survive
* **Identify proxy indicators**. It may be that you need to use proxy indicators such as some measure of assets, or the Coping Strategies Index, as a proxy for gathering income or expenditure data.

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| **Common indicators for continuous (poverty, economic security, vulnerability) targeting:**   * Income (compared to the locally-determined poverty line, or compared to minimum wage) * Expenditure (compared to a minimum expenditure basket) * Other proxy indicators :   + Access to goods (includes assets such as bicycles, land, livestock)   + Access to services (includes water, health care, government services)   + Coping strategies index (CSI)   *Adapted from: CaLP, UNHCR, 2016. Operational Guidance and Tooklit for Multi-purpose Cash Grants* |

***Identify means to choose the people who will and won’t benefit from the program*.** Income and expenditure data must be gathered at the household level, using household surveys. You cannot gather this information accurately using focus groups. If you only have time for focus groups, then choose proxy indicators and use a form of community-based targeting to make inclusion and exclusion decisions.

## **Challenges with poverty or economic vulnerability targeting**

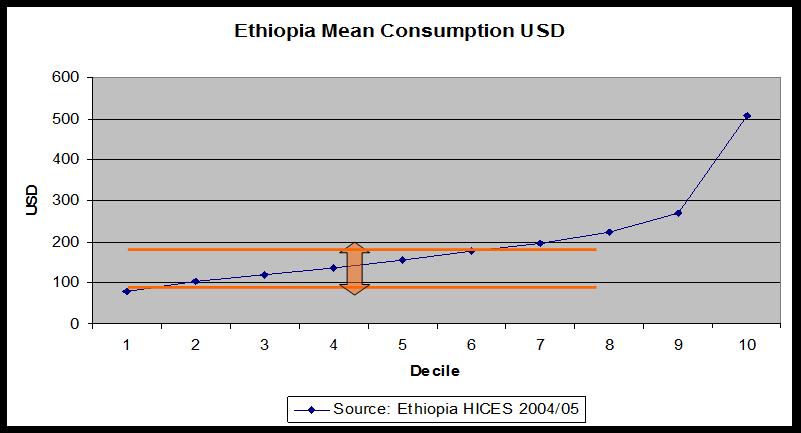
There are many challenges to be aware of with this kind of targeting.

***Seasonality*.**  People may have sufficient resources during one time of the year ad very little during another. Be aware of the season during which you are conducting your survey.

***“Poverty is volatile”.*** People can come in and out of poverty for other reasons besides seasonality. If your program is longer than 12 months, consider building in a mechanism to revisit vulnerability mapping and possibly include new people. Any types of changes like this must be communicated to communities early.

***Cost and timeliness****.* This type of targeting may not be appropriate if you have a short amount of time or limited staff and budget for household surveys.

***Difficulty comparing people with very similar levels of vulnerability****.*  Have you ever heard people say, “We are all poor here”? In many contexts, the difference in vulnerability among people of lower economic quartiles is very small. Choosing an income poverty threshold of, say, $2.50/ day will exclude a very vulnerable person making $2.45/ day, who may have more children or dependents. The diagram below shows the very small economic vulnerability differences between the lower 80% of the population; particularly close are those of the first 3-4 deciles.



If not done well and communicated well, this type of targeting can be perceived as unfair. To combat these challenges, when implementing a targeting program like this, take extra care to:

1. triangulate data as well as possible, including through community-based targeting;
2. ensure good transparency and communication within the community around targeting choices; and
3. provide access to good accountability mechanisms, so people have the ability to feedback on inclusion/ exclusion, security, protection, and other issues

## **Opportunities with poverty or economic vulnerability targeting**

Below are opportunities for this type of targeting.

***Useful and accurate at smaller scales, or using digital and standard survey instruments***. If working with WFP, World Bank or other large actors with significant surveying capacity, this type of targeting can be done at scale. For most actors it is very difficult at large scale, but it can be very useful at small scale.

# **III. Categorical targeting based on vulnerability**

## **What is it?**

Categorical targeting defines vulnerability by “categories” that are easily observable, obvious, and difficult to dispute. These include categories like, elderly over 65 years old, pregnant women, single-headed household, female-headed household with children, households with more than 5 children, etc. Categorical targeting starts with categories of community members who are generally considered as “vulnerable”.[[1]](#footnote-1) [[2]](#footnote-2)

Categorical targeting, based on vulnerability, is simple, fair, and reduces inclusion errors. It does not need frequent or regular re-targeting

## **To do this type of targeting:**

***Identify characteristics of vulnerable people***. Hold focus group meetings, reach out to experienced local staff or community leaders, or conduct secondary research to draft an initial list of types of vulnerable groups within the community. Be careful to specify what makes them vulnerable, and be able to justify why they should benefit from the program over someone else.

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| **Common criteria for categorical targeting**   * Presence of elderly person * Condition (pregnant/ lactating women; people with disabilities) * Household size * Dependency ratio (number of youth, elderly, disabled or ill, compared with the number of able-bodied adults) * Presence of children (child under 2) * Single-parent household   *Source: Goodman, R. Feb. 2013. Haiti: Building National Safety Nets.* |

***Triangulate***. When using categorical targeting, it’s necessary to make sure that categories correspond with real vulnerability. To do this, you’ll need to conduct community meetings or focus groups to ask people to identify who in their communities are generally most vulnerable. Triangulate that with household samples or secondary data you have.

***Identify means to choose the people who will and won’t benefit from the program*.** In categorical targeting, this part is more straightforward; you can either use community communication, or ask people to self-register if they qualify for the program.

## **Challenges with categorical targeting based on vulnerability:**

***Reality may not correspond with categories*.** Categories are unmovable, and often people are vulnerable but do not fit exactly within these categories. Thus, you may find higher inclusion errors. To address this, you can:

* Identify how much inclusion error there may be, and create ways of including those who do not fit in the categories
* Consider a combination of categorical and other types of targeting

***It is easy to assume that certain people are vulnerable***. Be careful not to make assumptions about people’s vulnerability, based on their ‘category’! It is critical that targeting be informed by evidence and context.

## **Opportunities with categorical targeting based on vulnerability**

Below are opportunities for this type of targeting.

***Can minimize disagreements over vulnerability***. Because it is visible, this type of targeting can reduce tension or conflict in inclusion and exclusion.

# **IV. Community-based targeting**

## **What is it?**

Community-based targeting enables the community to identify criteria that characterize the most vulnerable people. A common type of community-based targeting is “wealth-ranking”.

## **To do this type of targeting:**

* ***Meet community leaders and identify focus groups***. Community leaders are the gateway to a place. Select your groups carefully, as you might want to have separate groups of elderly men, elderly women, adult men, adult women, adolescent boys, and adolescent girls. You also might choose to identify groups that represent generally wealthier classes from poorer people. The community leadership and local staff will help you decide.
* ***Discuss with separate focus groups what makes people “vulnerable” in that community***. Use various participatory methods to identify between 3 and 5 different types of vulnerable groups, and write down what makes them vulnerable. These can be things like, “has less than 1 cow” or “has more than one income”.
* ***Identify means to choose the people who will and won’t benefit from the program***. Once criteria are clear and validated by the community, the community members themselves should be able to identify who is part of what group.

For guidance on wealth ranking and participatory rural appraisal (PRA), [see CRS’ PRA guide](CRS.%20Rapid%20Rural%20Appraisal%20and%20Participatory%20Rural%20Appraisal.%20%202008.%20%20Baltimore:%20CRS.%20%20http:/www.crs.org/sites/default/files/tools-research/rapid-rural-appraisal-and-participatory-rural-appraisal.pdf), pp. 92-94.

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| **Types of Issues that can be Explored in Wealth Ranking:**   * Access to/use of services * Consumption patterns * Community sharing mechanisms * Leadership/wealth correlations * Wealth/participation in activities * Distribution of project benefits * Extent to which wealth patterns are fixed over time * Changing composition of wealth over time * Intra-family wealth patterns and decision- making   *Source: CRS. Rapid Rural Appraisal and Participatory Rural Appraisal. 2008. Baltimore: CRS, pp.92-94.* [*http://www.crs.org/sites/default/files/tools-research/rapid-rural-appraisal-and-participatory-rural-appraisal.pdf*](http://www.crs.org/sites/default/files/tools-research/rapid-rural-appraisal-and-participatory-rural-appraisal.pdf) |

## **Challenges with community-based targeting**

***High risk of inclusion errors***. Powerful members of a community may insist that they or their family members are eligible. This can lead to an exacerbation of power dynamics, if some people are included and others are excluded. Seek to triangulate criteria and engage many people from the community to avoid this.

***May be politically challenging***. Seek to include local staff in these types of discussions, who can help navigate local politics and ensure that the process is transparent.

## **Opportunities with community-based targeting**

***Communities own the program more completely***. This type of targeting enables good local ownership of the program and its outcomes.

***Often lower-cost***. This type of targeting costs less than in-depth surveys.

***Quicker than household surveys***. Community meetings often take less time than in-depth surveys, so this is appropriate if staff are few.

# **V, How to manage targeting when only a subset of the population is eligible**

When the risk of tensions or conflict is high because not everyone is eligible for cash transfers, consider the following strategies:

* Include community members, leaders, and beneficiaries in criteria selection
* Include community members, leaders, and beneficiaries in program design
* Seek counsel from community leaders, civil society groups, or other actors, on strategies for promoting understanding
* Set up strong accountability mechanisms to enable complaints and feedback
* Design a program that can be adapted if necessary.

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| **The importance of community participation and transparency**  A study of CTP in Zimbabwe concluded the following:  “**Community participation**, combined with the **perceived impact of the cash transfer program**, led  Community members to speak enthusiastically about the program.  “We conclude that **community-led cash transfer programs have the potential to open up for possibilities of participation and community agency** that enable social acceptability and limit social divisiveness.”  *Source: Skovdal et al. 2013. “Social acceptability and perceived impact of a community-led cash transfer programme in Zimbabwe.” BMC Public Health, 13:342.* |

# **VI. Targeting cash transfers for specialized groups (HIV, vulnerable children, victims of sexual violence, protection issues)**

There is little (but growing) evidence to date on best practices for identifying groups with particular special needs and risk of stigma. Nonetheless, a few considerations for this type of targeting:

* **HIV**. [coming soon]
* **Victims of sexual violence**. A UNHCR report suggests household surveys with yes/ no answers to identify victims of sexual violence. Women’s groups, hospitals or clinics, or community leaders may be other sources of information on this group.
* **Vulnerable children**. Community participation can help reduce jealousy in vulnerable children programs.[[3]](#footnote-3) However, there is still no one targeting method that works best for identifying vulnerable children. A recent study in Zimbabwe indicated that none of the methods they used (categorical targeting using demographic criteria; categorical targeting using dependency ratios; and community-based targeting using wealth ranking) were able to successfully target vulnerable children for cash transfers[[4]](#footnote-4). Wealth-ranking was most promising in that study.

**VII. Challenges with targeting for cash**

Beneficiary selection for cash programs can be more challenging than with other forms of assistance, since people may self-select to opt out of in-kind or other forms of assistance more readily than cash assistance. To that end, targeting may be more difficult in the following ways:

* ***Risks of inclusion and exclusion is high***. How can we ensure that the most vulnerable people are receiving cash?
* ***Safety may be a concern for targeted recipients of cash***. If other community members know that only some people are receiving cash, will they be at risk of theft or violence?

Take care to identify these and other risks in targeting, and address them in program design. Good community engagement and involvement in beneficiary targeting, open communication and transparency around criteria and beneficiary selection, and strong

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| **Checklist for good targeting strategies**  * Potential for **scale-up** if necessary * Reasonable **time & cost of surveying** & regular re-surveying * **Accuracy** (minimize inclusion and exclusion errors) * Community and government perceptions of **fairness** * Is **ok for budget** * Includes an **exit strategy** * Is **simple** and **easy to communicate** what people are entitled to, enabling people to demand and access transfers |

# **VIII. Sources**:

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1. Development Pathways, Nepal Social Assistance What does the evidence tell us? DFID Nepal, 2011 [↑](#footnote-ref-1)
2. Targeting and Universalism in Poverty Reduction, Mkandawire, T. UNRISD, 2005 [↑](#footnote-ref-2)
3. Robertson et. al, 2014. [↑](#footnote-ref-3)
4. Robertson et. al. 2012. [↑](#footnote-ref-4)