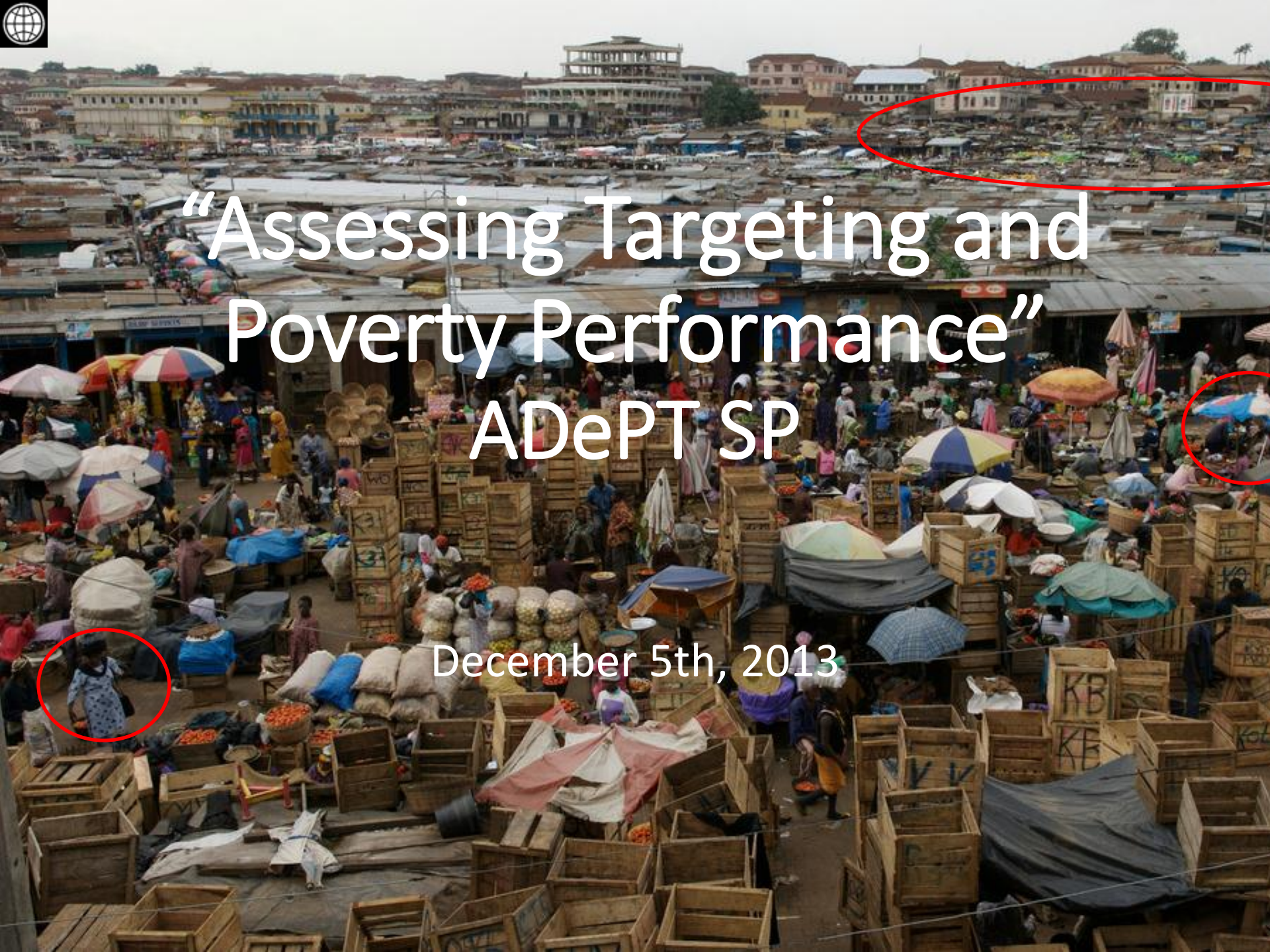




“Assessing Targeting and Poverty Performance” ADePT SP

December 5th, 2013





Session Overview

Session objective: understand targeting data to inform program design & measure performance

- Moving from targeting concepts to data-based analysis (and poverty impact time permitting)
- Group exercise with example dataset
- Discussion and interpretation of results



What is targeting?

- Concentrating safety net transfers to population sub-groups
- May include single criteria for ‘target’, such as
 - Poor and/or extreme poor
 - Largest poverty gap
 - Geographic region
 - Households with family
 - Other vulnerable groups: eg elderly, households with children, ethnic group
- More common to have multiple/ layered criteria, eg: in poorest geographic area, and then criteria for poorest in these areas (eg PNSP)



Types of targeting

- Categorical
 - Age – pensions for elderly (note that universal child or elderly transfers still use targeting)
 - Other demographic: family structure, ethnicity
- Means-based – means or PMT
- Community-based
- Self-targeting
- Combination



How to measure targeting performance

- Depends on program objectives and criteria
- **Distribution of benefits**
 - *Amount received by intended group/ program total transfer amount*
- **Distribution of beneficiaries**
 - *Number of intended beneficiaries receiving transfer/ program total number of beneficiaries*
- Anti-poverty program – often looks at proportion of benefits accruing to the bottom quintiles (progressivity vs regressivity)



The distribution of targeting methods, by region and country income levels

	Individual assessment			Categorical				Self-selection		
	Means tests	Proxy means tests	Community assessment	Geography	Age-elderly	Age-children	Other	Work	Consumption	Community bidding
By region										
Latin America and the Caribbean, 65	6	4	3	19	4	13	6	4	0	6
Eastern Europe and FSU, 41	12	1	3	1	6	10	7	0	0	1
Middle East and North Africa, 17	3	0	0	1	0	0	0	0	12	1
Sub-Saharan Africa, 21	3	0	2	3	4	1	1	2	4	1
South Asia, 45	2	1	3	16	2	1	6	4	10	0
East Asia, 37	3	1	3	8	4	7	8	1	0	1
By income level										
Poorest, 129	10	3	10	34	8	12	21	7	18	6
Less poor, 97	19	4	4	14	12	20	8	4	8	4
By program type										
Cash transfer, 87	19	4	5	8	15	21	15	0	0	0
Near-cash transfer, 36	4	3	0	12	1	2	4	0	10	0
Food transfer, 30	0	0	5r	9	3	8	4	0	0	1
Food subsidy, 21	3	0	0	1	0	0	0	0	16	1
Nonfood subsidy, 8	3	0	0	1	1	1	2	0	0	0
Public works, job creation, 26	0	0	2	9	0	0	4	11	0	0
Public works, program output (e.g., social fund), 18	0	0	2	8	0	0	0	0	0	8
Total, 226	29	7	14	48	20	32	29	11	26	10

Notes. 1. Many programs use more than one targeting method. Thus the total number of targets methods tallied is greater than the number of programs.

2. Poorest countries have per capita GDP in PPP dollars below 1,200; less poor countries have per capita GDP above 1,200 and below 10,840.



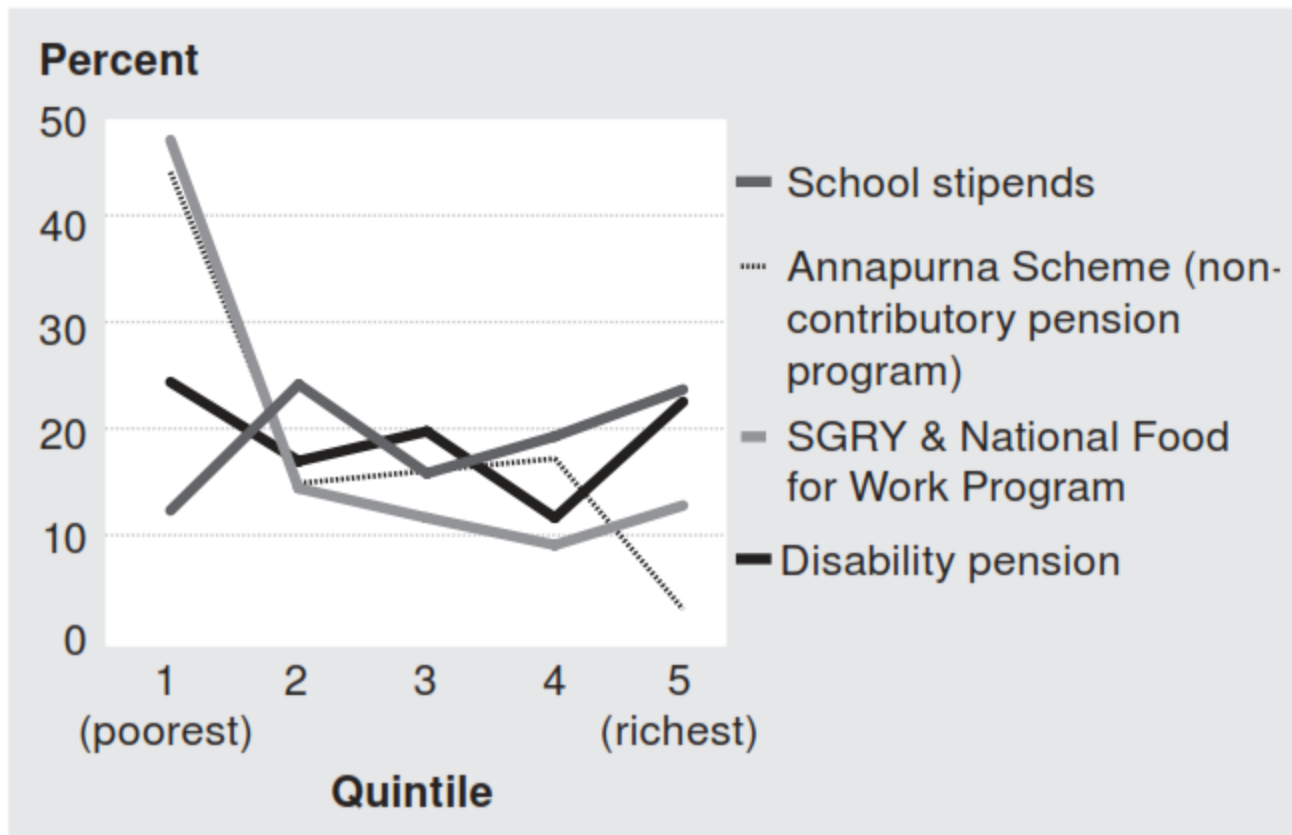
Median targeting performance, by targeting method

Targeting method	Sample size	targeting performance
All methods	77	1.25
Any form of individual assessment	30	1.40
Means testing	20	1.35
Proxy means testing	6	1.44
Community assessment	6	1.40
Any categorical method	53	1.32
Geographic	31	1.33
Age – elderly	10	1.08
Age – young	22	1.45
Other categorical	18	1.40
Any selection method	36	1.10
Work	4	1.85
Consumption	25	1.00
Community bidding	7	1.10

Target group receive 25% more than non-target group

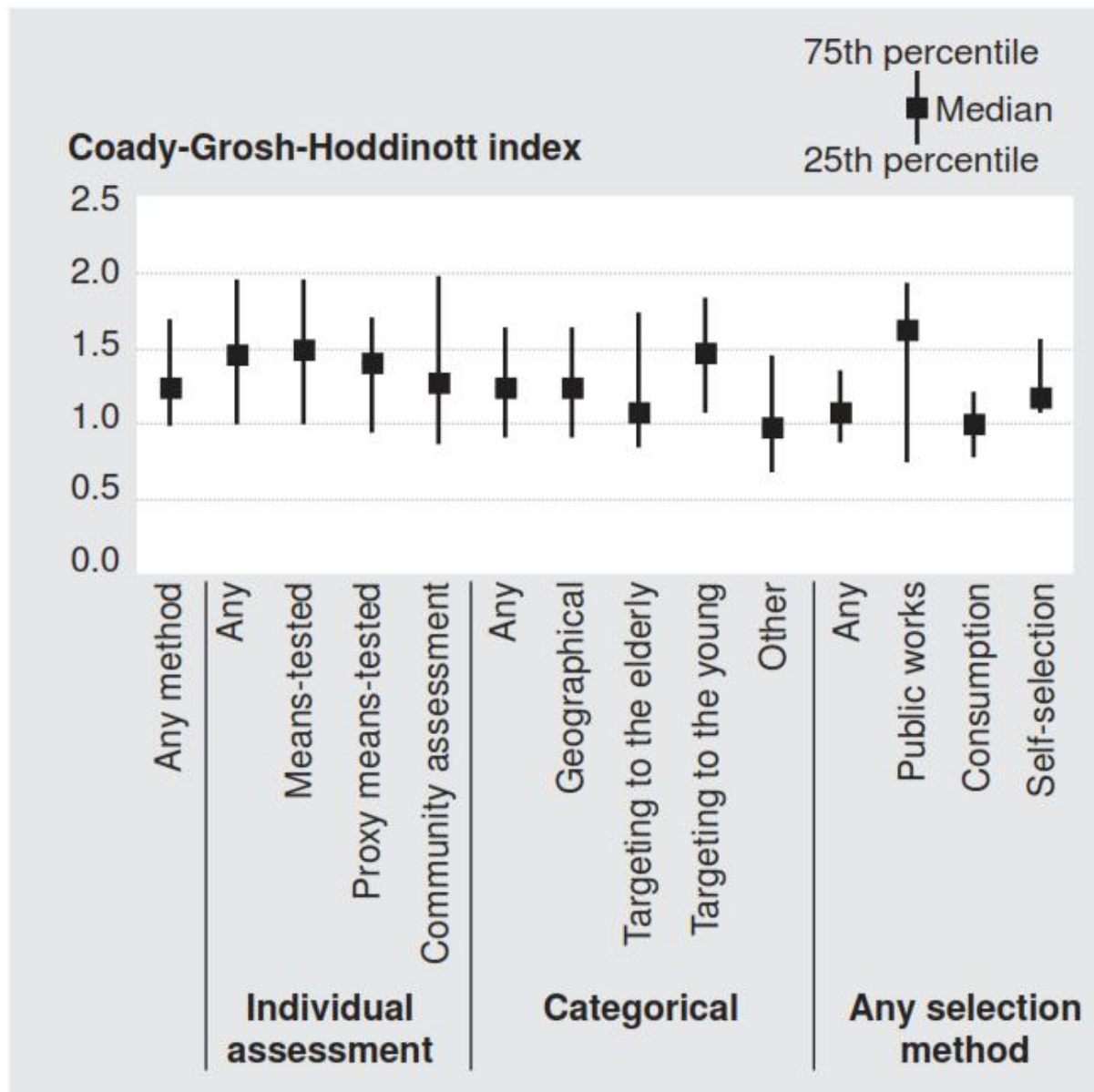


Share of Benefits Accruing to Each Quintile for Selected Safety Net Programs, India, 2004/05



SOURCE: Based on data from World Bank 2007a.

NOTE: SGRY = Sampoorna Grameen Rozgar Yojana (Village Full Employment Program).



SOURCE: Coady, Grosh, and Hoddinott 2004, table 3.4.

NOTE: The Coady-Grosh-Hoddinott index reports the share of benefits accruing to the group observed divided by the share of the group observed in the total population—for example, the share of benefits going to the poorest 40 percent of the population divided by 40. For most observations, it reflects the distribution of benefits to the poorest two quintiles, or to the poorest quintile or fraction of the poor.

Country Example - LAC



Table 6: Distribution of Beneficiaries

Direct and indirect beneficiaries											
		Quintiles of per capita consumption					Poverty Status			Area of residence	
	Total	Q1	Q2	Q3	Q4	Q5	XP	MP	NP	Urban	Rural
All social protection	100	21	21	21	20	18	4	15	81	87	13
All social insurance	100	11	19	23	25	23	1	8	91	89	11
Old age pensions	100	10	18	23	26	23	1	8	91	89	11
Old age pensions - Renta vitalicia	100	8	15	21	23	33	0	7	93	95	5
Disability pensions	100	18	23	27	17	15	2	12	86	86	14
All labor market programs	100	14	19	21	23	23	2	11	87	91	9
Unemployment benefits (affiliated)	100	15	20	22	23	20	2	12	87	90	10
Labour market training	100	10	16	19	25	29	2	8	91	94	6
Unemployment benefits	100	23	35	13	22	7	9	14	77	94	6
All social assistance	100	25	24	22	18	11	5	18	77	85	15
School feeding	100	36	26	19	13	5	8	26	67	80	20
Scholarship	100	25	22	20	18	15	5	18	77	88	12
Educational credit	100	12	16	20	29	24	2	9	89	95	5
Puente	100	52	25	13	7	3	16	33	51	67	33
Bono	100	54	24	13	7	1	18	34	48	66	34
PASIS	100	31	31	22	12	4	6	22	72	71	29
SUF	100	54	26	11	7	2	15	37	48	67	33
Energy and utility subsidies	100	31	29	22	15	4	6	23	72	92	8
PNAC	100	36	26	19	14	6	8	25	67	85	15
PACAM	100	19	26	26	21	8	2	15	83	80	20
AUGE	100	21	22	23	20	14	4	16	80	90	10
Family allowance	100	19	26	25	20	10	2	15	83	87	13



Table 7: Distribution of Benefits

	Total	Quintiles of per capita consumption					Poverty Status			Area of residence	
		Q1	Q2	Q3	Q4	Q5	XP	MP	NP	Urban	Rural
All social protection	100	8	13	17	22	40	1	6	93	89	11
All social insurance	100	4	10	16	24	46	0	3	97	92	8
Old age pensions	100	4	9	16	25	46	0	3	97	92	8
Old age pensions - Renta vitalicia	100	3	7	11	21	58	0	2	98	96	4
Disability pensions	100	10	16	24	21	29	1	6	93	88	12
All labor market programs	100	27	25	14	23	11	12	14	73	96	4
Unemployment benefits (affiliated)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Labour market training	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unemployment benefits	100	27	25	14	23	11	12	14	73	96	4
All social assistance	100	30	31	22	13	5	5	22	73	72	28
School feeding	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Scholarship	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Educational credit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Puente	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bono	100	50	24	17	8	1	15	32	53	64	36
PASIS	100	26	34	23	12	5	4	20	76	67	33
SUF	100	58	24	10	6	2	18	38	44	65	35
Energy and utility subsidies	100	26	27	23	18	6	5	19	76	95	5
PNAC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
PACAM	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
AUGE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Family allowance	100	24	29	24	16	7	2	19	79	85	15

Group Exercise- Bulgaria



Topics for analysis

- 1) Which part of social protection transfers is best targeted to the poor?
 - Social insurance?
 - Labor market?
 - Social assistance?
 - Remittances?
- 2) Which programs are best and worst targeted?
- 3) Which programs have the largest poverty impact (time permitting)?



Table 6_3 : Distribution of Beneficiaries

	Total	Q1	Q2	Q3	Q4	Q5
Direct and indirect beneficiaries						
All social protection	100.0	25.1	23.2	20.7	17.7	13.4
All social insurance	100.0	25.2	24.2	22.1	16.7	11.8
Old age pension	100.0	25.5	24.7	21.7	17.0	11.1
Disability pension/allowance	100.0	27.4	24.2	22.3	14.3	11.7
Survivorship pension	100.0	23.9	22.1	21.9	18.2	13.9
All labor market programs	100.0	14.2	27.2	22.0	23.9	12.7
Unemployment benefit	100.0	14.2	27.2	22.0	23.9	12.7
All social assistance	100.0	28.3	21.4	17.2	18.9	14.2
Social assistance	100.0	64.3	16.7	1.2	9.5	8.3
Child allowance, up to 2 yo	100.0	28.8	24.6	12.0	21.3	13.3
Other family allowances	100.0	15.6	14.6	30.2	27.1	12.5
Monthly child allowance	100.0	23.4	20.5	18.2	21.7	16.2
Heating allowance	100.0	75.7	12.9	8.2	2.0	1.2
Guaranteed minimum income	100.0	66.2	23.8	4.4	2.6	2.9
Other sa benefits	100.0	25.7	24.8	22.0	18.7	8.9
All remittances	100.0	16.0	22.7	14.7	20.5	26.0
Remittances	100.0	16.0	22.7	14.7	20.5	26.0



Table 7_3 : Distribution of Benefits

		Quintiles of per ae consumption				
	Total	Q1	Q2	Q3	Q4	Q5
All social protection	100.0	28.0	25.6	20.8	15.5	10.0
All social insurance	100.0	27.5	26.1	21.6	15.3	9.6
Old age pension	100.0	27.8	26.2	21.5	15.3	9.2
Disability pension/allowance	100.0	25.3	25.2	22.5	15.4	11.5
Survivorship pension	100.0	26.9	24.8	21.5	13.4	13.4
All labor market programs	100.0	21.6	29.1	16.5	18.8	14.1
Unemployment benefit	100.0	21.6	29.1	16.5	18.8	14.1
All social assistance	100.0	33.8	21.1	14.1	17.4	13.5
Social assistance	100.0	56.4	14.9	1.6	13.8	13.3
Child allowance, up to 2 yo	100.0	23.5	20.8	14.6	23.8	17.3
Other family allowances	100.0	16.0	20.1	26.2	21.4	16.4
Monthly child allowance	100.0	24.7	18.2	18.4	21.4	17.3
Heating allowance	100.0	73.2	16.6	6.0	3.2	0.9
Guaranteed minimum income	100.0	63.5	20.9	8.5	1.1	6.0
Other sa benefits	100.0	23.1	47.2	12.3	14.9	2.5
All remittances	100.0	7.1	15.8	12.3	13.2	51.7
Remittances	100.0	7.1	15.8	12.3	13.2	51.7



Table 7_1 : Targeting Accuracy – Area of Residence

	Area of residence		
	Total	Urban	Rural
All social protection	100.0	67.4	32.6
All social insurance	100.0	67.4	32.6
Old age pension	100.0	67.1	32.9
Disability pension/allowance	100.0	69.3	30.7
Survivorship pension	100.0	70.4	29.6
All labor market programs	100.0	67.1	32.9
Unemployment benefit	100.0	67.1	32.9
All social assistance	100.0	67.0	33.0
Social assistance	100.0	70.9	29.1
Child allowance, up to 2 yo	100.0	73.4	26.6
Other family allowances	100.0	78.8	21.2
Monthly child allowance	100.0	66.8	33.2
Heating allowance	100.0	59.1	40.9
Guaranteed minimum income	100.0	61.6	38.4
Other sa benefits	100.0	49.6	50.4
All remittances	100.0	79.3	20.7
Remittances	100.0	79.3	20.7



Table 7_1 : Targeting Accuracy – Region

	Region									
	Total	Sofia city	Bourgass	Varna	Lovetch	Montana	Plovdiv	Rousse	Sofia region	Haskovo
All social protection	100.0	14.8	6.6	16.2	12.6	8.5	15.1	8.8	12.7	4.7
All social insurance	100.0	15.6	6.4	16.2	12.7	8.2	14.9	8.6	12.9	4.4
Old age pension	100.0	15.6	6.8	16.1	12.7	8.6	14.3	8.3	13.3	4.4
Disability pension/allowance	100.0	16.8	4.0	17.5	12.9	6.0	17.5	10.5	10.1	4.7
Survivorship pension	100.0	10.4	3.8	15.9	12.9	6.2	22.9	11.4	13.3	3.2
All labor market programs	100.0	12.0	2.1	6.1	14.9	14.4	25.4	8.3	6.3	10.6
Unemployment benefit	100.0	12.0	2.1	6.1	14.9	14.4	25.4	8.3	6.3	10.6
All social assistance	100.0	7.5	8.6	17.2	11.2	10.5	15.8	10.3	11.7	7.1
Social assistance	100.0	9.7	18.7	8.5	6.6	5.3	16.3	9.7	20.0	5.1
Child allowance, up to 2 y	100.0	10.3	8.9	18.5	10.6	6.9	13.0	10.8	12.9	8.0
Other family allowances	100.0	7.0	18.1	23.4	7.8	17.0	14.1	12.5	0.0	0.0
Monthly child allowance	100.0	5.0	9.4	15.7	16.3	9.3	17.2	9.3	9.0	8.7
Heating allowance	100.0	7.8	2.4	13.6	15.9	17.8	14.8	9.3	14.2	4.1
Guaranteed minimum income	100.0	6.0	3.8	21.0	5.5	20.4	16.8	8.8	15.6	2.2
Other sa benefits	100.0	5.5	6.1	11.8	4.8	4.1	26.1	16.1	9.6	15.9
All remittances	100.0	5.5	13.0	10.1	11.2	11.4	24.9	10.0	5.3	8.6
Remittances	100.0	5.5	13.0	10.1	11.2	11.4	24.9	10.0	5.3	8.6



Table 7_1 : Targeting Accuracy – by Ethnicity

	Ethnicity				
	Total	Bulgaria	Turks	Roma	Other
All social protection	100.0	87.4	6.8	4.6	1.3
All social insurance	100.0	90.6	6.0	2.2	1.1
Old age pension	100.0	92.1	5.4	1.4	1.1
Disability pension/allowance	100.0	79.8	10.5	8.3	1.4
Survivorship pension	100.0	88.7	7.2	3.5	0.7
All labor market programs	100.0	83.0	14.1	0.0	2.9
Unemployment benefit	100.0	83.0	14.1	0.0	2.9
All social assistance	100.0	56.5	13.5	27.6	2.4
Social assistance	100.0	64.5	10.7	23.4	1.3
Child allowance, up to 2 yo	100.0	64.5	15.1	18.4	2.1
Other family allowances	100.0	77.4	7.1	11.6	3.9
Monthly child allowance	100.0	60.7	15.3	20.6	3.4
Heating allowance	100.0	50.8	16.7	29.4	3.2
Guaranteed minimum income	100.0	14.2	5.4	78.8	1.6
Other sa benefits	100.0	76.6	19.2	4.3	0.0
All remittances	100.0	79.5	14.8	5.3	0.4
Remittances	100.0	79.5	14.8	5.3	0.4



Table 7_2 : Distribution of Benefits (Targeting Accuracy) – by Poverty Status

	Total	Poverty Status		
		XP	MP	NP
All social protection	100.0	4.2	7.7	88.1
All social insurance	100.0	3.4	7.5	89.1
Old age pension	100.0	3.2	7.4	89.4
Disability pension/allowance	100.0	4.4	7.8	87.8
Survivorship pension	100.0	4.4	9.9	85.7
All labor market programs	100.0	3.8	4.1	92.2
Unemployment benefit	100.0	3.8	4.1	92.2
All social assistance	100.0	12.1	10.2	77.7
Social assistance	100.0	9.9	18.9	71.2
Child allowance, up to 2 yo	100.0	7.2	6.5	86.3
Other family allowances	100.0	0.7	3.9	95.4
Monthly child allowance	100.0	8.2	7.4	84.4
Heating allowance	100.0	27.5	25.2	47.3
Guaranteed minimum income	100.0	33.3	20.8	45.9
Other sa benefits	100.0	1.3	2.9	95.8
All remittances	100.0	0.8	2.2	97.0
Remittances	100.0	0.8	2.2	97.0

Poverty Impact



Conceptual framework for SP poverty impact

- Poverty impact is a function of:
 - Targeting beneficiaries
 - # intended beneficiaries / total beneficiaries
 - Eg individuals below poverty line
 - Adequacy/ generosity of transfers
 - Size of transfer/ individual income
- Well targeted (covering all poor) transfers that have sufficient adequacy → maximizes poverty impact



Impact of programs on Poverty - simulating absence of program (Bulgaria)

	FGT0	FGT1	FGT2
Indicator	0.101	0.023	0.008
Indicator without listed transfer			
All social protection	0.293	0.147	0.101
All social insurance	0.275	0.131	0.088
Old age pension	0.253	0.115	0.075
Disability pension/allowance	0.121	0.031	0.013
Survivorship pension	0.105	0.025	0.009
All labor market programs	0.102	0.024	0.009
Unemployment benefit	0.102	0.024	0.009
All social assistance	0.116	0.036	0.017
Social assistance	0.102	0.024	0.009
Child allowance, up to 2 yo	0.107	0.027	0.010
Other family allowances	0.101	0.023	0.008
Monthly child allowance	0.105	0.026	0.010
Heating allowance	0.103	0.025	0.009
Guaranteed minimum income	0.102	0.027	0.011
Other sa benefits	0.102	0.024	0.008
All remittances	0.113	0.033	0.016
Remittances	0.113	0.033	0.016



Impact of programs on Poverty - simulating absence of program (LAC)

	Poverty Indicator			Inequality
	FGT0	FGT1	FGT2	Gini
Indicator	0.185	0.059	0.029	0.520
<u>Indicator without listed transfer</u>				
All social protection	0.252	0.100	0.059	0.549
All social insurance	0.232	0.084	0.046	0.538
Old age pensions	0.225	0.079	0.042	0.535
Old age pensions - Renta vitalicia	0.187	0.060	0.030	0.521
Disability pensions	0.190	0.062	0.031	0.523
All labor market programs	0.185	0.059	0.029	0.520
Unemployment benefits (affiliated)	n.a.	n.a.	n.a.	n.a.
Labour market training	n.a.	n.a.	n.a.	n.a.
Unemployment benefits	0.185	0.059	0.029	0.520
All social assistance	0.205	0.072	0.039	0.530
School feeding	n.a.	n.a.	n.a.	n.a.
Scholarship	n.a.	n.a.	n.a.	n.a.
Educational credit	n.a.	n.a.	n.a.	n.a.
Puente	n.a.	n.a.	n.a.	n.a.
Bono	0.185	0.059	0.029	0.520
PASIS	0.197	0.067	0.035	0.526
SUF	0.186	0.061	0.031	0.521
Energy and utility subsidies	0.185	0.059	0.029	0.521
PNAC	n.a.	n.a.	n.a.	n.a.
PACAM	n.a.	n.a.	n.a.	n.a.
AUGE	n.a.	n.a.	n.a.	n.a.
Family allowance	0.189	0.060	0.030	0.522



Concluding remarks

- Targeting allocates fixed resources to intended group
- Important to look at incidence of benefits & beneficiaries for per
- Targeting can allow for increasing benefit size compared to universal programs
- Combination of targeted and larger transfers can increase the poverty impact

Thank you!

- If your country or organization is interested in a training on Social Protection, Poverty and other topics (1/2 day to 3 day courses):
 - Please contact Mr. Ruslan Yemtsov ryemstov@worldbank.org, Ms. Claudia Rodriguez crodriguezalas@worldbank.org, or Mr. Brooks Evans bevans2@worldbank.org



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