



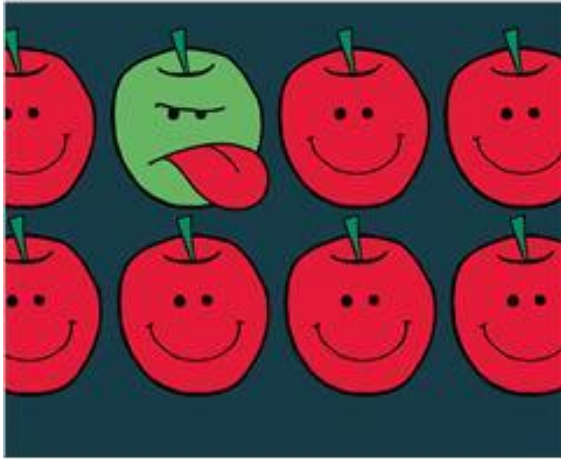
Targeting Social Safety Nets Programs

- ▶ SSN Core Course, December 12, 2014



Outline

1. **Why targeting – the poor--?**
2. **A balancing act**
3. **How to target? Methods**
4. **How to target? Implementation**
 1. Four principles of good practiceFive key decisions
 1. How to register?
 2. Who takes the eligibility decision (and the other decisions)?
 3. How to deal with errors and fraud?
 4. How to deal with changes (in policies and hh circumstances)
 5. The architecture of targeting: MIS and staff
5. **Targeting**



Cadastro
Conhecer
para incluir Único



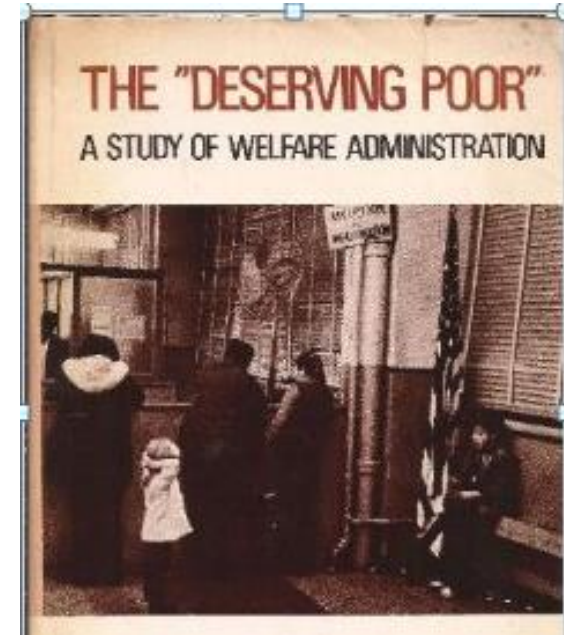
1. Why *select as an object of attention or attack* – the poor --?



The politics - Who deserves assistance?

▶ Larsen (2008) 5 criteria:

- ▶ 1) Control
- ▶ 2) Need
- ▶ 3) Identity
- ▶ 4) Attitude.
- ▶ 5) Reciprocity





Why consider targeting?



Maximize coverage of the poor with limited resources

Focus resources where they are most needed

Limited financing means universal is not viable

Maximize impact within a given budget

Minimize cost to reach a given impact



Exclusion

Historically public spending go to higher income groups (e.g., formal sector, where the poor are few)

Without active outreach to the poor, even «universal» programs tend to miss them

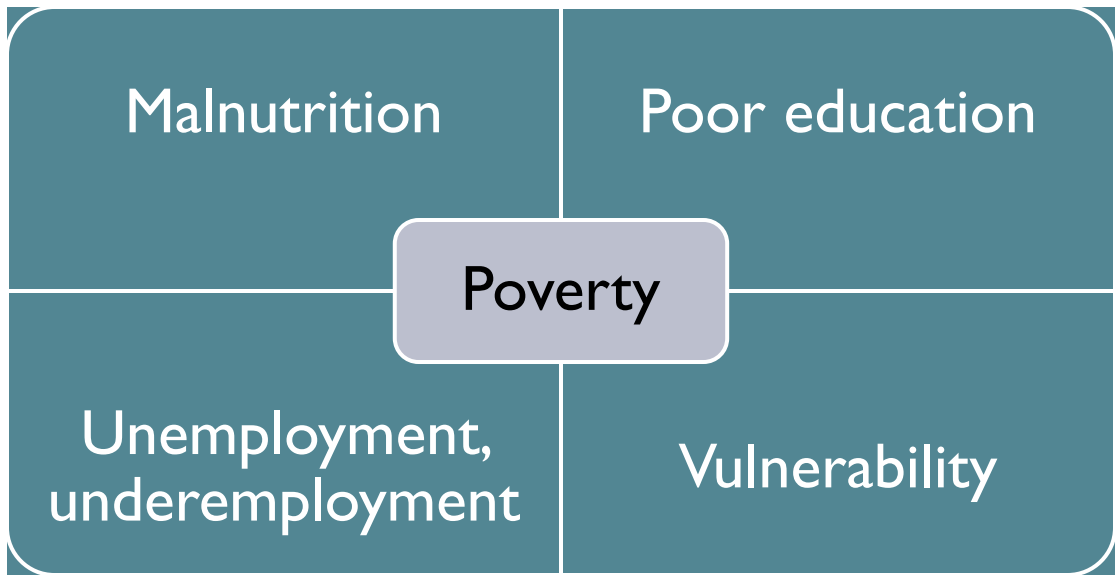


Higher gaps in education, nutrition and health among the poor

Concentrate resources may yield more than dispersing them by activating synergies



Poverty may be linked to your objective

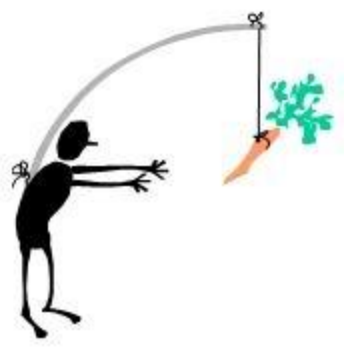


Targeting on your objective may undermine it

- The malnourished children of Bolsa Alimentação
- The orphans in Kenya

Sometimes other categories may work

- Widows in rural Africa
- Families with no able-bodied workers

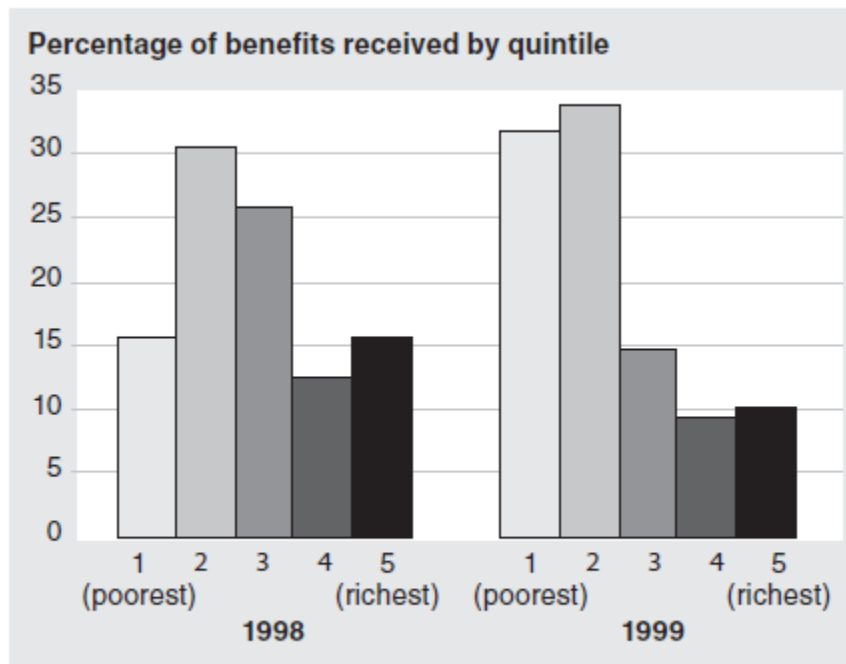




The benefits of targeting

► Equity and efficiency

Fraction of the Social Assistance Budget Captured by Each Quintile, Armenia 1998 and 1999



SOURCES: Tesliuc and others forthcoming; World Bank 2002a.



2. A balancing act

Targeting is NEVER perfect

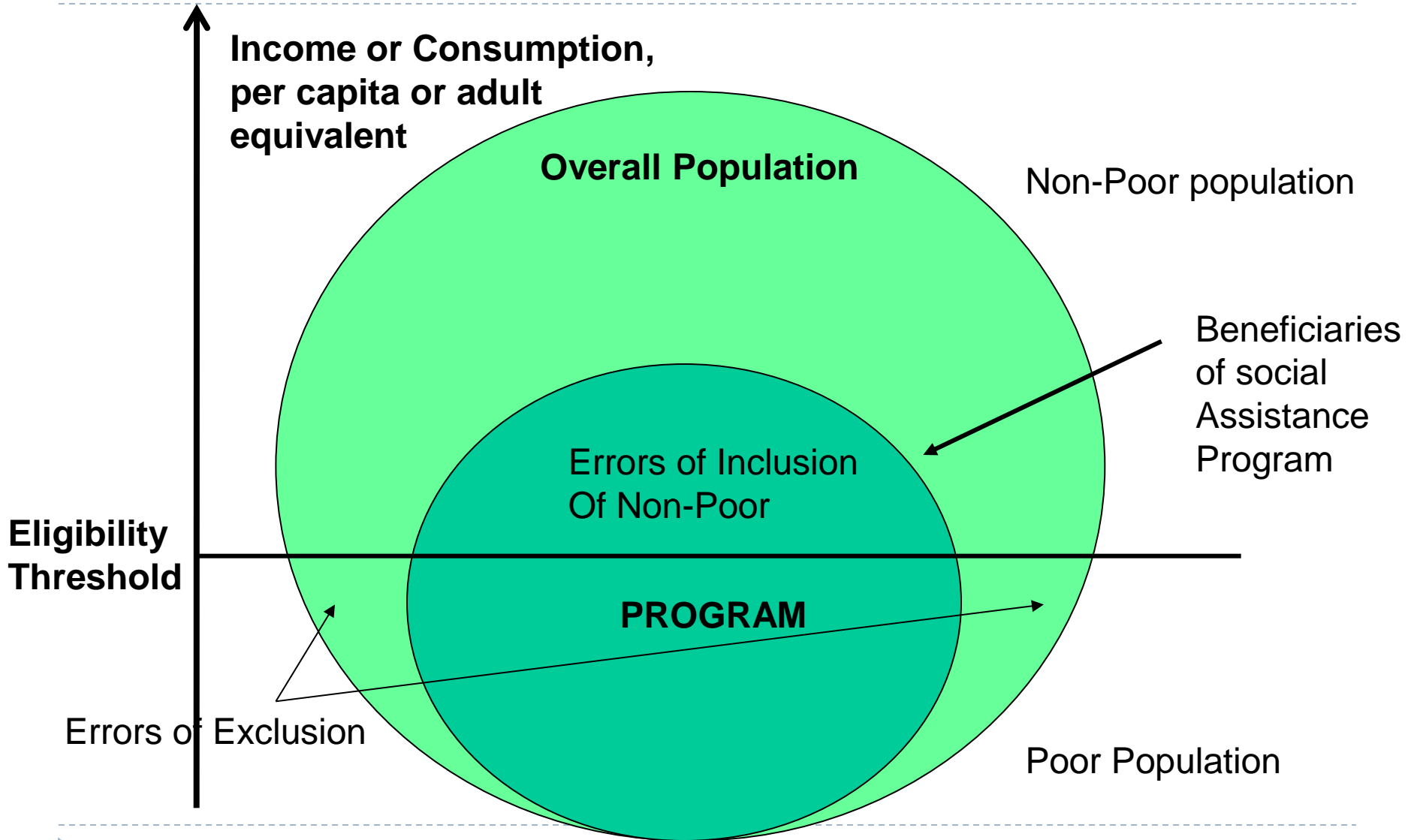
- ▶ Never 100% accurate
- ▶ What do these errors cost?
 - ▶ Efficiency
 - ▶ Social and political capital
 - Inclusion: Media attention
 - Exclusion: disenfranchisement
- ▶ What does it take to address them?

A fine balance between the costs of **accuracy and errors** and the goals of targeting. Costs



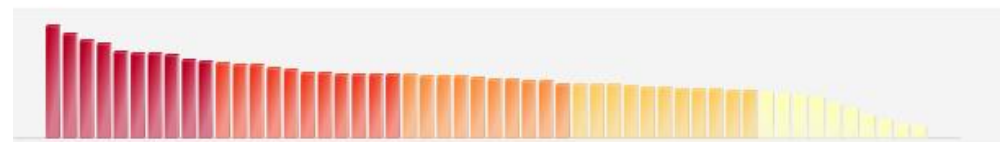
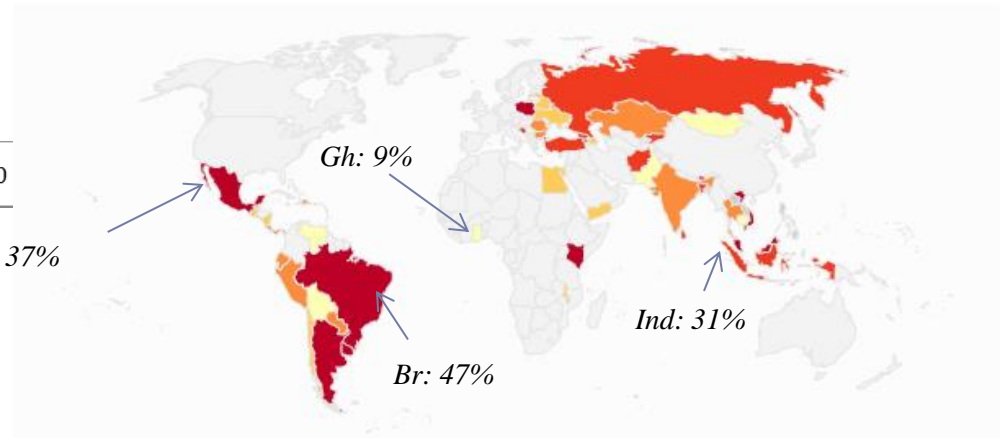
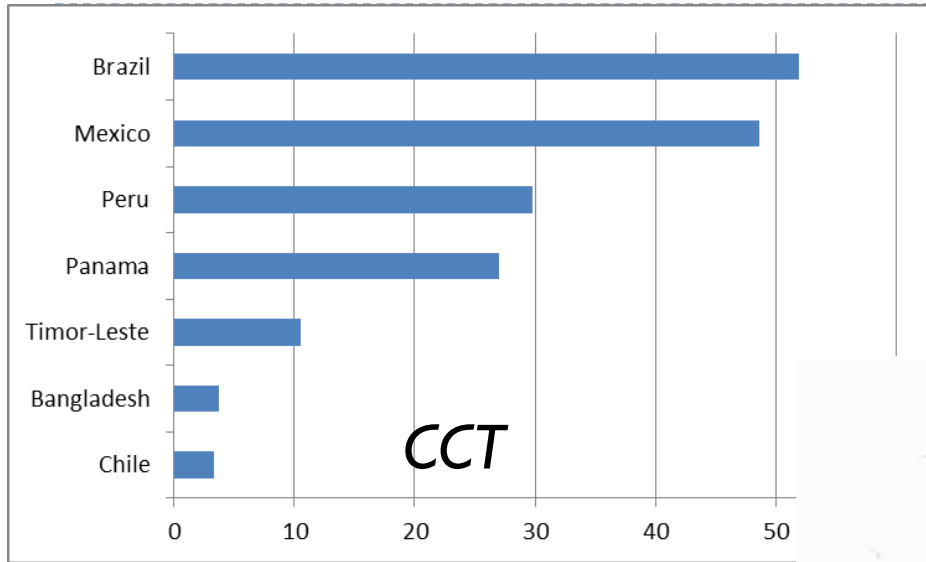


Inclusion and Exclusion Errors





Coverage and accuracy (poorest 20%)

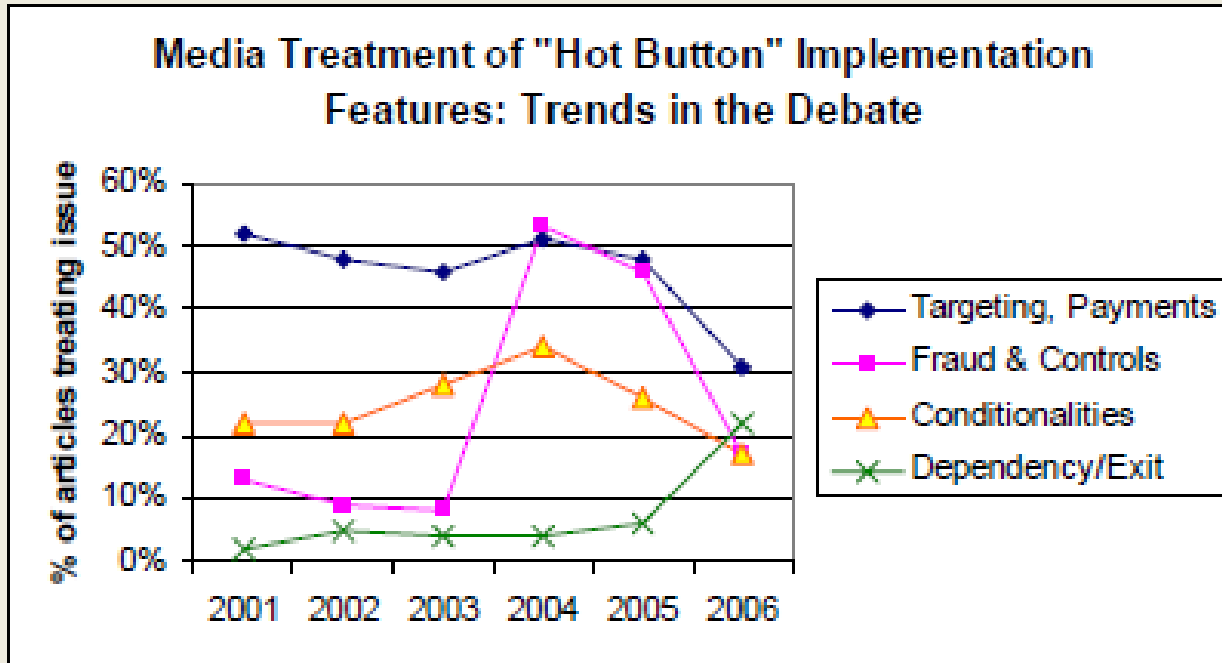


Indicator: (%) Program beneficiaries in 1st 20% - All Social Safety Nets
Year: 2010

Color	Range (%)
Grey	No Data
Yellow	6.05 - 22.3
Orange	22.3 - 25.8
Red-Orange	25.8 - 29.9
Red	29.9 - 36.5
Dark Red	36.5 - 52.8



The treatment of Bolsa Familia in the media



Source: Lindert and Vincensini, 2010

- ▶ The press paid more attention to inclusion errors in electoral periods



Targeting has costs



Intake Registry

Lots of set-up costs, \searrow as programs scale-up

Difficult to measure b/c of shared staff and functions

Documents (IDs, proof of status)

Need to go to an office, spend **time**, work requirement in workfare

Stigma (public list)

Work effort: benefit levels, sliding withdrawals, periodicity

Crowding out private transfers or complementing them

Fertility effects: quantity and quality of children

Is a program for the poor a poor program?

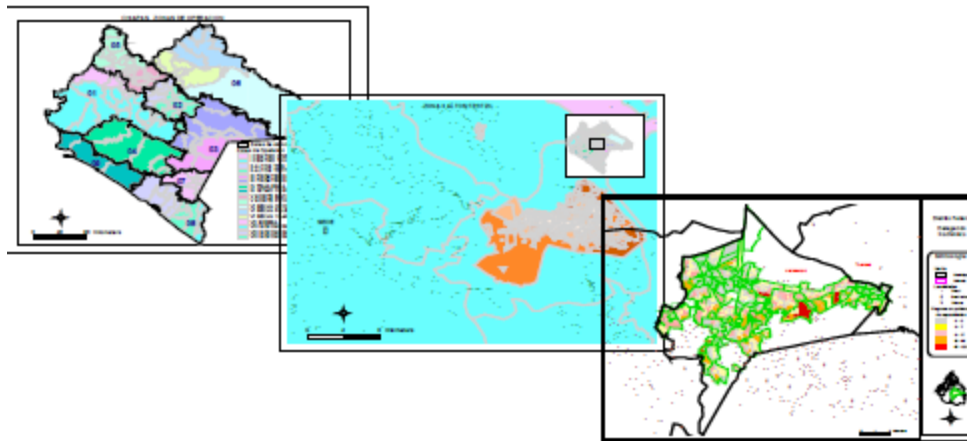


3. How to target? Methods



Geographical targeting

- ▶ When location is an important determinant of poverty
- ▶ Macro regions
- ▶ Micro-area poverty maps: based on census and household surveys



- ▶ Can be important when administrative capacity is low
- ▶ Often used as a first step: [Panama's Red de Protección Social \(CCT\) Program](#)



Self-targeting

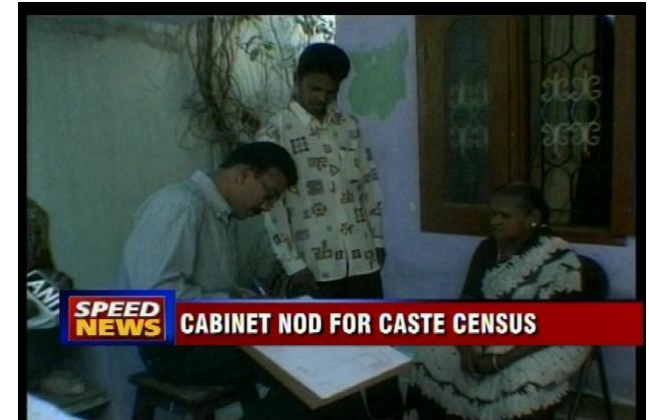
- ▶ Open to everyone but only the poor will be interested
- ▶ Food subsidies of staples consumed by the poor: are they really consuming less? Mildly progressive at best. Little exclusion and stigmatization but high inclusion errors.
 - ▶ Example: [Food subsidies in MENA](#)
- ▶ Labor intensive public works with wages set very low: works for targeting. Stigmatization can be high, exclusion errors can be high.
 - ▶ Example: [Trabajar in Argentina](#)
- ▶ Some elements of self-targeting in a lot of programs: long waiting lines, compliance with conditionalities

[Categorical targeting](#)



Categorical (demographic) targeting

- ▶ Characteristics that are linked to poverty or vulnerability
 - ▶ Age: pre-school children and old-age
 - ▶ Marital status: single parent
 - ▶ Ethnicity: scheduled castes in India, native American



PROS

- Administratively simple
- Low cost

CONS

- Weak correlation with poverty

Technical Requirements

- Good civil registry

Appropriate Circumstances

- When targeting specific vulnerabilities (malnutrition)



Household targeting

PMT Means-Tests Community-based targeting



Proxy-means testing (CCT in LAC)

- ▶ Multi-dimensional notion of poverty (politically palatable)
- ▶ Eligibility based on weighted index of observable characteristics (score), not easily manipulated and associated with poverty:
 - ▶ Variables and weights can be determined using regression (predictors) or principal components analysis
 - ▶ Variables typically include: location, housing quality, assets/durables, education, occupation and income, and a variety of others (disability, health, etc.)
- ▶ Appropriate in situations
 - ▶ with high degree of informality, seasonality, or in-kind earnings;
 - ▶ where chronic poor are the target group;
 - ▶ where benefits will be granted for long periods of time
- ▶ Fairly good results

Jamaica PATH (CCT) program

- ▶ Replaces and merges Food Stamps and Poor Relief which used unverified means tests
- ▶ PMT is administered by personnel from Ministry of Welfare
Better targeting accuracy

Quintile	Food Stamp		
	Program	Poor Relief	PATH
	2002	2004	2004
Poorest	37	38	51
2	25	33	30
3	20	15	11
4	12	11	6
Wealthiest	7	4	1

Means Testing (MT) (welfare in ECA and OECD)



- ▶ Eligibility determined based on income and asset tests or self-declaration
 - ▶ Verification of information, sometimes extensive
 - ▶ Documentation provided by applicant (payroll statements, benefit letters, banking statements, vehicle documentation, etc.)
 - ▶ Third party documentation, usually automated (tax records, social security registry, unemployment listings, immigration, banking information)
 - ▶ **Appropriate conditions:**
 - ▶ Incomes, expenditures, wealth are formal, monetized and well-documented;
 - ▶ Where benefits are high
 - ▶ Used in OECD, Central/Eastern Europe, South Africa
 - ▶ Can generate strong targeting outcomes but low take-up
-



MT, PMT or both?

- ▶ **Overlap in approaches is common.**
 - ▶ Bulgaria, Romania, Kyrgyzstan MT systems impute the income potential of land and livestock, thus using them as proxies
 - ▶ Brazil uses PMT-models to check unverified declared means
 - ▶ Chile, Armenia PMT have some income questions on their form
- ▶ **Implementation arrangements have much in common:**
 - ▶ Verification strategies – home visit versus computerized cross-checks of databases
 - ▶ Outreach, re-certification, quality control, system design, staffing, etc.



Community-based targeting

- ▶ Uses a group of community members or leaders (whose functions are not related to the program)
- ▶ They must identify those most in need according to program criteria (often OVC, elderly, hh w/o able-bodied adult)
- ▶ Good results



Community meeting SCT Zambia



Community-based targeting

PROS

- ▶ Good information
- ▶ Low(on the books) administrative cost
- ▶ Local monitoring may reduce disincentives

CONS

- ▶ Unknown effects on roles of local actors
- ▶ Costly for the community
- ▶ May reinforce existing power structures or patterns of exclusion
- ▶ May generate conflict and divisiveness
- ▶ Local definitions may vary

Technical Requirements

- Intensive outreach to decision-makers
- Cohesive, well-defined communities

Appropriate Circumstances

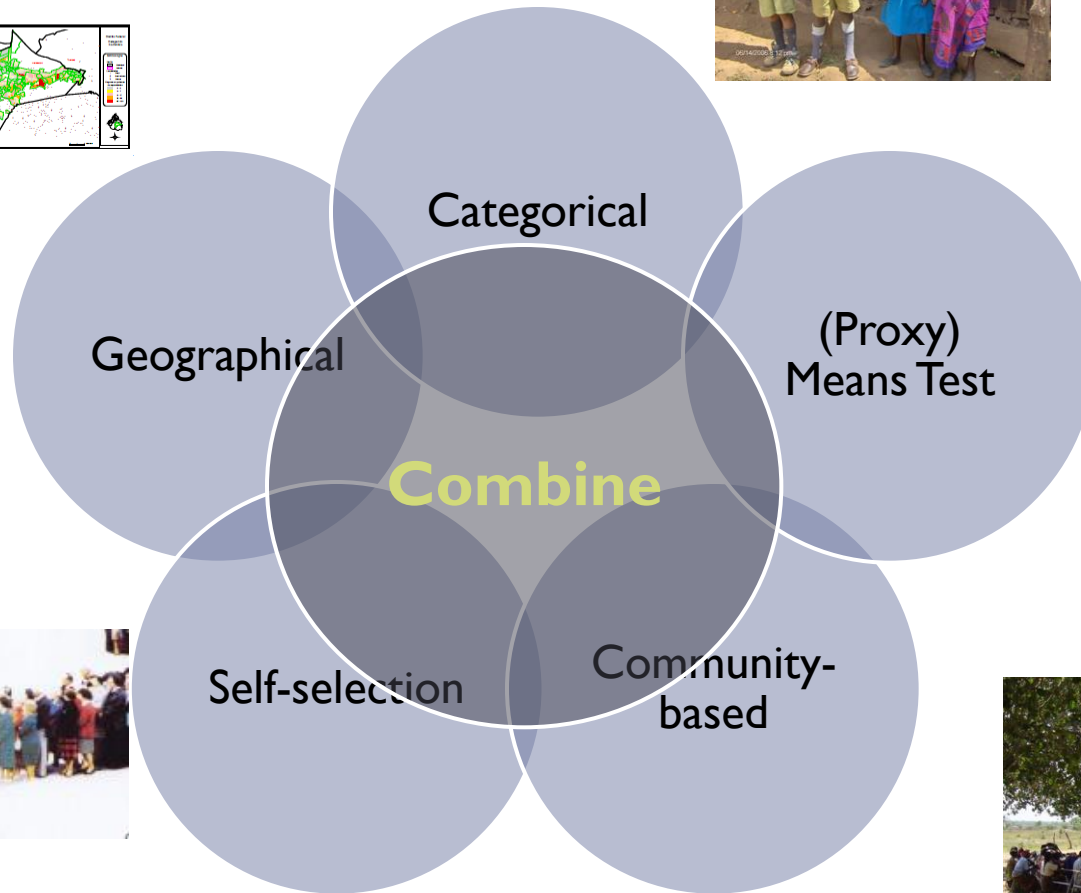
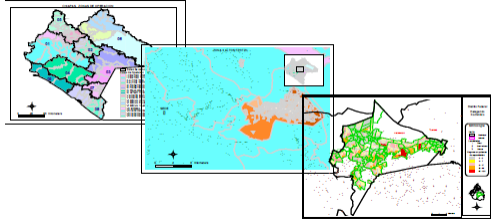
- Low administrative capacity
- Strong community structures, political economy

Cost to
communities
Scalability

- ▶ 33 •Low benefit that must be finely targeted



Targeting methods



FICHA DE PROTECCIÓN SOCIAL

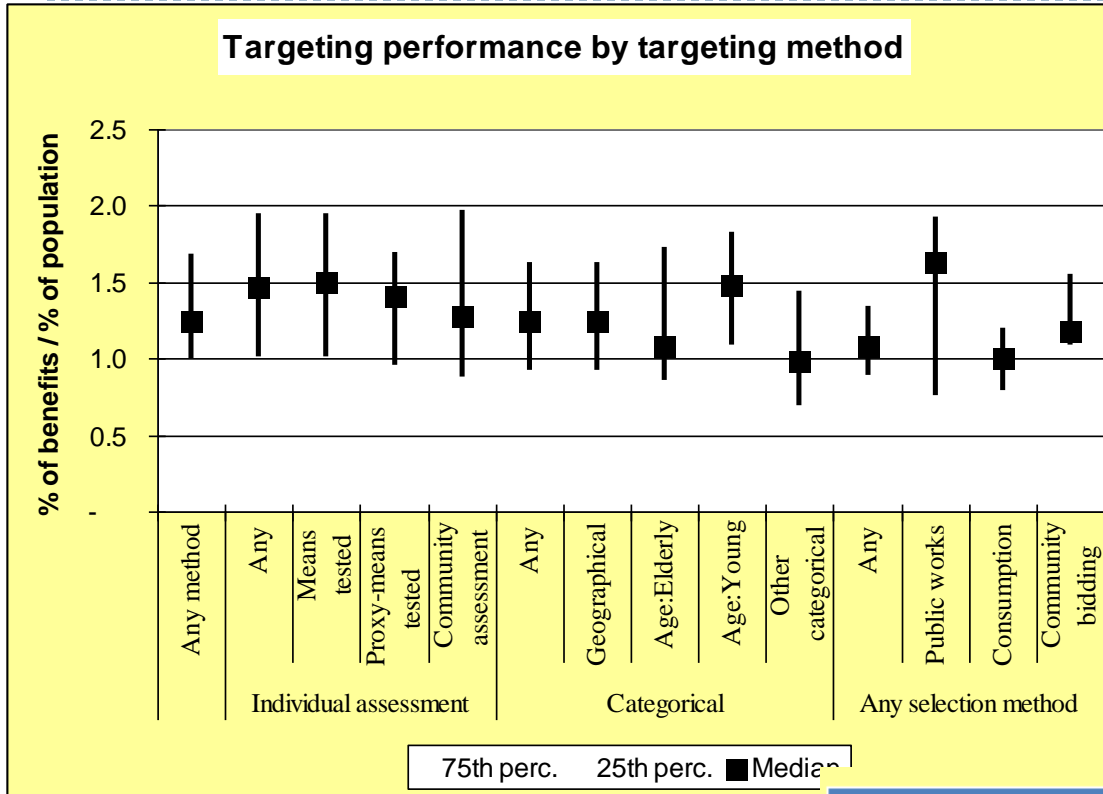
LOCALIZACIÓN TERRITORIAL

PROVINCIA	DEPARTAMENTO	MUNICIPIO	CANTÓN	PARROQUIA
NÚMERO DE IDENTIFICACIÓN PERSONAL				
FECHA DE REGISTRO				
SEXO	EDAD	ESTADO CIVIL	ESTADO LABORAL	ESTADO DE SALUD





No single method is best



Huge variation within method according to implementation

Handa et al., CBT 2010

Coady, Grosh and Hoddinott, 2004

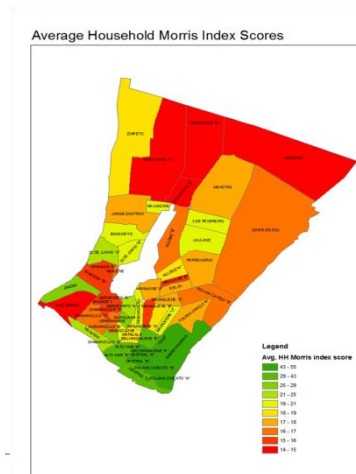
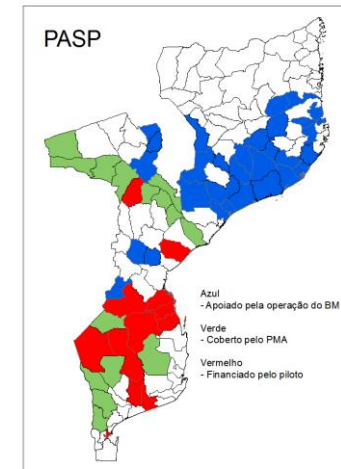
Results on Targeting Performance and Comparison with CGH Results

CGH Study	All Programs	CT Programs Only
Mean score	1.22	1.80
This Study	Full Sample	Eligible Sample Only
Kenya	3.68	2.72
Malawi	1.29	3.67
Mozambique	2.13	1.73



Mozambique (combination)

- Geographical identification of the poorest areas with poverty map
- Identification of the poorest districts
- Quota system at the locality level, based on the poverty map
- Initial selection by formal community institutions
- PMT to select the poorest beneficiaries





Combining methods may improve accuracy

- ▶ Often a first step is geographical targeting
- ▶ Then collect some information at the household-level
- ▶ Triangulate from several sources:
 - ▶ Respondent
 - ▶ Community
 - ▶ Administrative records at local and central level
 - ▶ Grievance and redress mechanisms
- ▶ No matter which combination, implementation is key.



4. How to target? Implementation issues



4.1. Four principles of good practice



A good targeting system provides...

Transparency and consistency

- Clear and consistent application of centralized criteria
- Low political interference and manipulation

Maximum inclusion of the poor

- People who think they are eligible should be able to apply on an on-going basis
- Budget and outreach

Minimum leakage to the non-poor

- As technically possible to the near poor, errors rather than fraud

Cost-efficiency

- Under 10% of costs at scale





4.2. Five key decisions

More details during the day and next week



Five key decisions

How to register?

- Survey, application, community

Who takes the eligibility and other decisions?
Technology can not substitute for institutional design

- Local intake
- Central database and rules

How to deal with errors and fraud?

- Internal and external checks and balances
- Supply and demand-side accountability

How to deal with changes?

How to build the targeting architecture? MIS and staff





5. New challenges



Targeting when everybody needs?

- ▶ Focus on children: not losing the next generation, politically acceptable (even if they do not vote)
 - ▶ AIDS and its stigma
 - ▶ Giving transfers to children?
 - ▶ When poverty (crisis) is very deep:
 - ▶ Should you target the poor who have a chance?
 - ▶ Should you give a chance to those who would sink?
- Households with «able-bodied» workers or not (who defines?)
We know the PMT does not function very well



Source: Kenya CT-OVC

- ▶ Who takes the decision? **Make the criteria as extensive as possible to minimize the arbitrariness at the local level but politically difficult**
- ▶ How to support communities, build appeals and grievance and genuine participation?

Targeting a program or a system?



- ▶ The registry may be used for different programs with different cut-offs interventions: applicant \neq beneficiary
- ▶ Use different sets of the information (multi-dimensions of poverty) \Rightarrow a planning tool

The idea is to focus programs on the needs of poor households and communities

- ▶ Cadastro Unico (Brazil) and popular housing, training and literacy, micro-credit
- ▶ Ethiopia: efforts to merge different databases
- ▶ Respect confidentiality/privacy among different systems.



More information

- www.worldbank.org/safetynets
 - Enrollment in the Safety Net How-to
 - From Protection to Promotion, Chapter 4
 - Governance and service delivery in SSN working paper



Intake



Storing and archiving

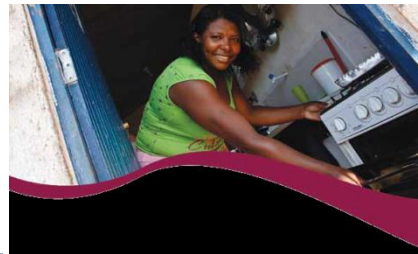
Thank you!



Database



Training




PROGRAMA
Bolsa Família
MIRIAM ANDRADE
12345678901

-Source: Bolsa Familia-
municipal manager manual