



This brief uses several methods to assess the targeting effectiveness of the LEAP 1000 programme.

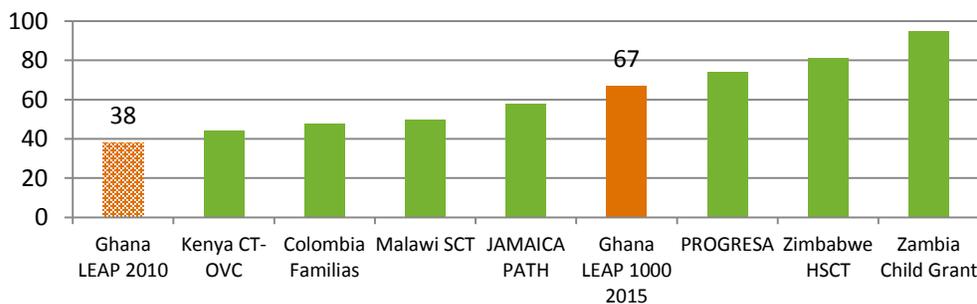
INTRODUCTION

This research brief assesses the targeting performance of the baseline survey of the Livelihood Empowerment Against Poverty (LEAP) 1000 programme. LEAP 1000 is targeted at extremely poor households, that is, households whose consumption falls below the extreme poverty line. Since 2010, when the previous LEAP evaluation was conducted, the targeting process has evolved from a community based selection, with verification by a proxy means test (PMT), to a demand-driven approach using mobile targeting units who collect PMT data of applicants. This brief uses several different methods to assess the targeting effectiveness as of 2015: the extreme poverty rate among LEAP 1000 beneficiaries, a targeting index, and inclusion errors. The performance of LEAP 1000 is compared to the mainstream LEAP programme in 2010 and to similar programmes in other African and Latin American countries.

POVERTY RATES

Figure 1 displays the extreme poverty rate among beneficiaries in a number of cash transfer programmes across the world. The extreme poverty rate among LEAP 1000 beneficiaries is about 67 per cent. The evaluation of the mainstream LEAP programme showed that at baseline, 38 per cent of the beneficiaries had consumption of less than the extreme poverty line. Thus, LEAP 1000 in 2015 has a better poverty targeting than LEAP in 2010. The Figure further shows that the extreme poverty rates among beneficiaries of LEAP 1000 were lower than those in Mexico (PROGRESA), Zimbabwe and Zambia.

Figure 1: Poverty rates among recipients in selected cash transfer programmes (lower poverty lines)



Source: Coady, Grosh and Hoddinott (2004), Handa et al (2012)



Table 1: Targeting index LEAP 1000 and LEAP 2010

Target Group	Share in rural population (GLSS6)	Share in LEAP 1000	Index LEAP 1000	Index LEAP 2010
Bottom 40%	40	92.1	2.30	1.87
Bottom 20%	20	75.2	3.76	2.48
Poverty line	28.3	88.7	3.14	2.14
Extreme poverty line	10.7	63.9	6.00	1.46*

Notes: * The large discrepancy using the extreme poverty line is driven by the reduction in extreme poverty from 26 to 11 percent between GLSS5 (2006) and GLSS6 (2013). Consequently, the denominator for the index becomes smaller in 2015, increasing the index.

TARGETING INDEX

The next method of assessment is a targeting index, first proposed and implemented by Coady, Grosh and Hoddinott.¹ This index compares the actual targeting performance to an outcome if there had been no targeting, or random allocation of benefits. For example, if the poverty rate is 20 per cent and a programme targets households under the poverty line, random targeting would result in 20 per cent of beneficiaries below the poverty line. A poverty targeted programme should do better than this. The targeting index is derived by dividing the actual targeting performance by the performance when using random targeting. Hence, if the index is higher than 1, it performs better than random targeting.

The results of the targeting index for LEAP 1000 and the wider LEAP programme in 2010 are shown in Table 1. Calculations are made for four different target groups or targeting criteria. The Table confirms that the targeting of LEAP 1000 has been very effective. For each criteria, the index is well above 1. When using the extreme poverty line as the targeting criteria, the targeting index is as high as 6.00, which means that due to LEAP 1000 targeting, six times as much benefits are directed to the extreme poor compared to random targeting.

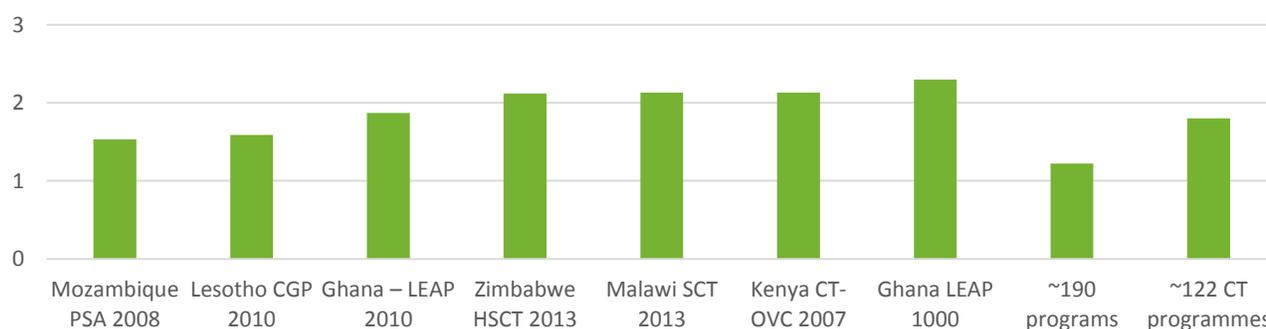
Table 1 furthermore shows that LEAP 1000 outperforms the LEAP 2010 index for each criteria, indicating that the targeting has improved considerably over the years.

To put the numbers of Table 1 in context, Figure 2 presents the targeting index of several cash transfer programmes across the world, as well as the worldwide average. LEAP 1000 performs very well in comparison, and its targeting index is well above the worldwide average. It actually outperforms some other major programmes in Kenya, Malawi and Zimbabwe.

INCLUSION ERROR

The final measure of targeting performance assessed is inclusion error, which is the share of programme participants who are not in the target group. The exclusion error is not considered here since for a sharply targeted programme such as LEAP 1000, it is more relevant to assess the inclusion error (i.e. those who are on the programme but should not have been selected) than the exclusion error. In addition, it is not possible to calculate the exclusion error with the LEAP 1000 baseline data because one would need a random sample of non-beneficiaries, which due to the regression discontinuity design is not available for LEAP 1000.

Figure 2: Targeting index of selected cash transfer programmes





Similar to the targeting index presented above, the inclusion error depends on the benchmark set for the programme. Table 2 shows the inclusion error for four different benchmarks. For example, if LEAP 1000 targeting was based on the extreme poverty line, the inclusion error would be 36 per cent, which is the proportion of households who are in the programme but whose consumption does not fall under the extreme poverty line. When taking into account the demographic groups eligible for LEAP 1000 (pregnant women and infants), the inclusion error is 38 per cent.

Table 2: Inclusion error for LEAP 1000

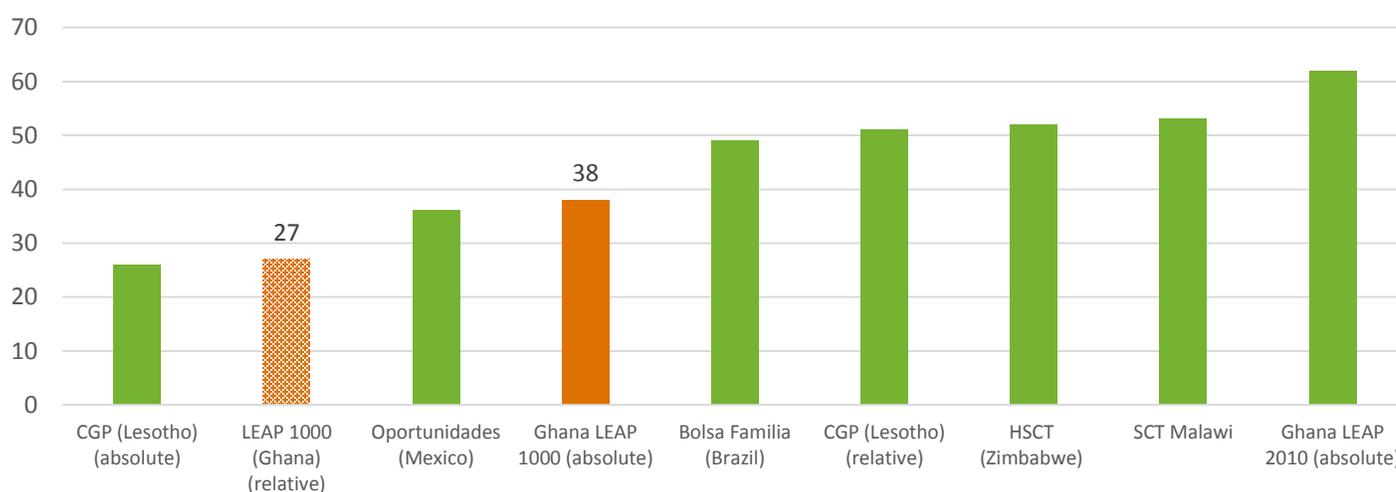
% households selected but	%
... not below extreme poverty line?	36
... not below extreme poverty line or not demographically eligible?	38
... not in poorest 20 percent?	25
... not in poorest 20 percent or not demographically eligible?	27

Finally, Figure 3 compares the inclusion error of the LEAP 1000 programme to several other cash transfer programmes in Africa and Latin America. LEAP 1000 does fairly well, with only Lesotho and Mexico outperforming the Ghanaian programme in terms of inclusion error. In 2010, the inclusion error of LEAP was as high as 62%, showing a considerable improvement over time for LEAP 1000.

CONCLUSION

The LEAP targeting process has evolved over time, from a community-based process to a demand-driven approach. This brief has assessed the targeting effectiveness using several indicators: the extreme poverty rate among beneficiaries, a universal targeting index and the inclusion error. The assessment demonstrates that the targeting performance of LEAP has significantly improved over the years, and that LEAP is among the best targeted cash transfer programmes in the world.

Figure 3: Inclusion error in selected cash transfer programmes



Note: relative = bottom 20 per cent, absolute = extreme poverty line. Inclusion error takes into account demographic eligibility

¹ Coady, D., Grosh, M., and Hoddinott, J., 2004. Targeting outcomes redux. *The World Bank research observer*, 19 (1), 61–85.

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