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Does Community-Based Targeting Really Work in Cash Transfer Programmes in Africa?

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Social transfers are increasingly seen as a key tool in Eastern and Southern Africa to combat the triple threat of chronic poverty, hunger and HIV/AIDS. Targeting effectiveness in defining which groups are eligible and how these groups are identified is fundamental to the impact of these programmes.

There is a key distinction between the targeted cash transfer programmes in Latin America and those in Africa, which use 'community-based' targeting (CBT), thereby incorporating a more substantial role of the community in the overall selection of beneficiaries, albeit following or based on other targeting criteria (geographic, demographic and proxy-means testing). To help better understand some of the different targeting approaches in Eastern and Southern Africa and their effectiveness, Handa et al. (2012) examine cash transfer programmes in Kenya, Malawi and Mozambique which are very different in other aspects but all use some level of CBT.

Previous studies, looking at the impact of CBT, have demonstrated various outcomes. CBT can potentially lead to an increase in local participation and to the empowerment of marginalised community members, thereby improving targeting effectiveness. However, it is claimed that elite capture can undermine targeting effectiveness, with a few community leaders delegating resources to community members on a basis other than actual need or more politically active communities crowding out less vocal communities in need.

Genuine community involvement in identifying beneficiaries and in ensuring the process is fair and transparent is time-consuming and resource-intensive. In addition, a community's poverty assessment may be subjective, may not correspond with the poverty characteristics as defined in programme design and are unlikely to be comparable across communities; therefore, there may be challenges operating CBT on a national scale.

The three programmes in Kenya, Malawi and Mozambique are implemented in selected geographical regions and have demographic eligibility criteria. In all three cases, the demographically eligible group is poorer than the national average. The programmes also use CBT based on poverty-based criteria to focus on a smaller group of relatively poorer households.

Summary of Targeting Performance

	All programmes	Cash transfer programmes only
Coady et al. (2004)	1.22	1.80
	Full sample	Eligible sample only
Malawi SCT	1.29	3.67
Kenya CT-OVC	3.68	2.72
Mozambique PSA	2.13	1.73

The table summarises the targeting performance of each programme and compares it to other programmes worldwide as reported in Coady et al. (2004). The indicator used refers to the proportion of the beneficiaries among the 20 per cent poorest divided by 20 per cent, which gives an idea of how concentrated among the poorest the beneficiaries are. Each of the three African social cash transfer programmes have a targeting performance that is better than the mean for the 122 programmes assessed by Coady et al., and all do better when restricting the analysis to households with the same demographic eligibility criteria (Column 2). Both the Malawi SCT and Kenya CT-OVC have scores that are higher than 1.80, while the Mozambique PSA has a score that is slightly lower at 1.73.

Despite this good performance in the quantitative assessment, qualitative surveys find some evidence of communities perceiving the programmes as unfair. Also, challenges were found around the lack of clarity in the eligibility criteria, communities lacking understanding of the programmes, and problems with the quotas in each geographical area not reflecting poverty levels, resulting in exclusion. To improve the effectiveness of the CBT, the evaluations recommend clarity around eligibility criteria, increased training for committee members, improved sensitisation of communities and ensuring an effective appeals and complaints mechanism.

Targeting effectiveness is strongly associated with the use of multiple targeting instruments and quality of implementation rather than the use of any one instrument *per se*. In that sense then, the results from this analysis are clear: CBT targeting can be implemented successfully to reach the poor in Africa.

References:

- Coady, D., Grosh, M. and Hoddinott, J. (2004). 'Targeting Outcomes Redux', *The World Bank Research Observer* 19(1):61-85.
- Handa et al. (2012). 'Targeting effectiveness of Social Cash Transfer Programmes in Three African Countries', *Journal of Development Effectiveness*, Vol. 4(1), pp.78-108.

