Guidelines

Poverty and Livelihoods Analysis for Targeting

in IFAD-supported Projects

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I. Introduction

Poverty and livelihoods analysis can be used in the process of targeting project interventions to help determine who will engage in, and benefit from, the different activities to be undertaken. These guidelines describe how to conduct a poverty and livelihoods analysis at the project design stage, in order to deepen the understanding of the poverty dynamics and livelihoods of target groups so that actions can be formulated accordingly. Subsequent monitoring of targeting performance can be based on this analysis, while participatory assessments of targeting effectiveness identify errors of inclusion and exclusion, which can be addressed in the course of implementation.

The guidelines offer consultants and IFAD staff involved in poverty and livelihoods analysis an insight into the processes and methods they may find useful in the field, particularly in the context of project design missions, but also, for example, in implementation support and supervision missions, and the formulation of country strategic opportunities programmes (COSOPs).

Section II of the guidelines discusses the role of poverty and livelihoods analysis in the targeting process, while section III presents an overview of the IFAD guiding principles for targeting, together with the related methods and measures. Section IV provides a step-by-step description of how to conduct a poverty and livelihoods analysis to support the targeting process. Annex 1 outlines a suggested structure for the report, while examples of poverty profiles are provided in annex 2 and annex 3 contains a checklist of key questions for use at each stage of the analysis. Section V concludes with a note of caution about how much can be achieved during a short period of fieldwork and a description of the next phase of targeting strategy formulation.

For the purposes of these guidelines, it has been assumed that the mission duration is 20 days, with a team comprising one or two international consultants and four or five local counterparts. However, it needs to be borne in mind that the resources and time available for a poverty and livelihoods analysis vary considerably and are usually limited. Formulation missions, for instance, have budget and time constraints, and often lack the necessary resources for a fully-fledged poverty and livelihoods analysis. Nevertheless, much can be achieved through reading relevant documents, speaking with key informants and spending a few days in the field. It should also be noted that, as a result of local circumstances, the sequencing of events may change and it may be difficult to follow all recommendations contained in the guidelines. In light of these considerations, the guidelines have been designed in a modular way to enable flexible use according to local circumstances and the time and information available.

If poverty studies have already been conducted in the project area, for example by local NGOs and other development institutions, it is not necessary to complete all the research phases suggested in the guidelines. The overall process can be shortened and the time can be used to fill in any gaps or complement the information available through meetings and focus group discussions with fieldworkers, local NGOs and other civil society representatives, using the tools provided in the guidelines. It is important to ensure that different actors are included in the process, particularly those who have substantial experience in working with IFAD's target group and addressing gender inequalities.

Time should also be allocated to meeting members of the poorest communities that are at the margins of development interventions or in areas targeted by the project but underrepresented in poverty-related documents. It is also essential to ensure that separate interviews with women, farmers who do not belong to any farmers' association, and other vulnerable groups who may be unable to actively participate in public meetings, are kept on the agenda. Official meetings with civil society representatives and organized farmers' groups at the community level are an important starting point in the gathering of local knowledge. Time should also be set aside to explore personal experiences of poverty through semi-structured interviews and informal meetings with members of poorer households. This is essential to avoid the risk of focusing exclusively on well-organized groups of farmers or successful women entrepreneurs, for example, to the detriment of the "average man or woman". Very often those who are included in mainstream development represent the minority and do not reflect the experience of the majority of poor ordinary people and the problems they commonly face.

In conclusion, it is important to point out that poverty analysis should not be conceived as a stand-alone exercise or as an academic study to simply complement or refine the design. Rather, it should be thought of as an integral part of a participatory process of project design. In other words, participatory poverty analysis can be used as a means of actively involving local beneficiaries in the design process so that their interests can be reflected and their needs addressed through the project's activities. People's views of poverty and development are always shaped by perceptions of what the project can deliver and the definition of the project's actions is always a process of negotiation among different stakeholders. This is why it is important to ensure that, even if the poverty and livelihoods analysis is a "quick and dirty" study, enough time, resources and creativity are channelled into addressing social diversity so that the needs of different actors, particularly women and the very poor, can be represented in the planning process.

II. The role of gender-sensitive poverty and livelihoods analysis in developing the targeting strategy

IFAD is committed to rural poverty reduction through equitable and inclusive economic development for the rural poor. The rural poor are a diverse group and, without focused efforts to create more opportunities for those who have less, in terms of their access to assets and their ability to influence decisions that affect their lives, their position will remain unchanged or may deteriorate further. IFAD uses targeting to bridge the gap between mainstream socio-economic development and areas of social and economic exclusion by significantly increasing the likelihood that specific groups of poor women and men will benefit from the development initiatives it supports, while at the same time lowering the risk of the less poor benefiting disproportionately.

Target groups are not defined a priori but are highly specific to the country and context concerned. A thorough analysis of the poverty situation identifies: poor people and their livelihoods; their specific problems in terms of lack of access to key resources and relations that would enable them to increase their production, food security and income; the processes that generate their poverty (including social exclusion mechanisms and external shocks); and the policy and institutional frameworks that exacerbate their situation. Throughout this process, specific attention is paid to IFAD's commitment to narrowing the differences in development opportunities available to women and men, for reasons of both equity and effectiveness in reducing poverty and hunger.

The success of the targeting strategy is largely dependent on how well the target group is defined and its needs are understood. Hence the gender-sensitive analysis of poverty and rural livelihoods is the critical first step in developing a targeting strategy since its findings form the basis for designing a range of interventions to fit the needs of different categories of people. Teams engaged in poverty and livelihoods analysis need to be mindful of the often vital differences in the livelihoods of people in different agroecological zones and production systems. Within each zone, they need to distinguish between different socio-economic categories of households on the basis of wealth, main income source, ethnicity, caste; and within each socio-economic category, between women and men, young and old, able and disabled.

This emphasis on distinguishing and disaggregating information according to different groups with different characteristics is essential if projects are to genuinely address the underlying issues of poverty and marginalization. Projects that simply target a population generically defined as "poor people" without understanding the comparative differences between the capacities and priorities of, for example, women and men, or youths in one social group and the elderly in another, often have limited impacts on the poorest and those most in need. Many of the poorest groups are difficult to reach through broad-based interventions because their poverty, and the lack of confidence and capacity that it entails, frequently results in self-exclusion from participating in the benefits.

Poverty and livelihoods analysis is one tool that can be used early on in the project cycle to assist in the targeting of project interventions. It serves to deepen the understanding of the poverty dynamics and livelihoods of target groups so that actions can be designed around their priority needs. Subsequent monitoring of targeting performance can be based on the analysis, while participatory assessments of targeting effectiveness identify errors of inclusion and exclusion, which may be addressed during implementation.

These guidelines are aimed at consultants, IFAD staff, IFAD-supported projects and implementing partners.

III. The IFAD approach to targeting

This section presents the fundamentals of targeting strategy design, in terms of the overall targeting process, the target groups and targeting mechanisms.
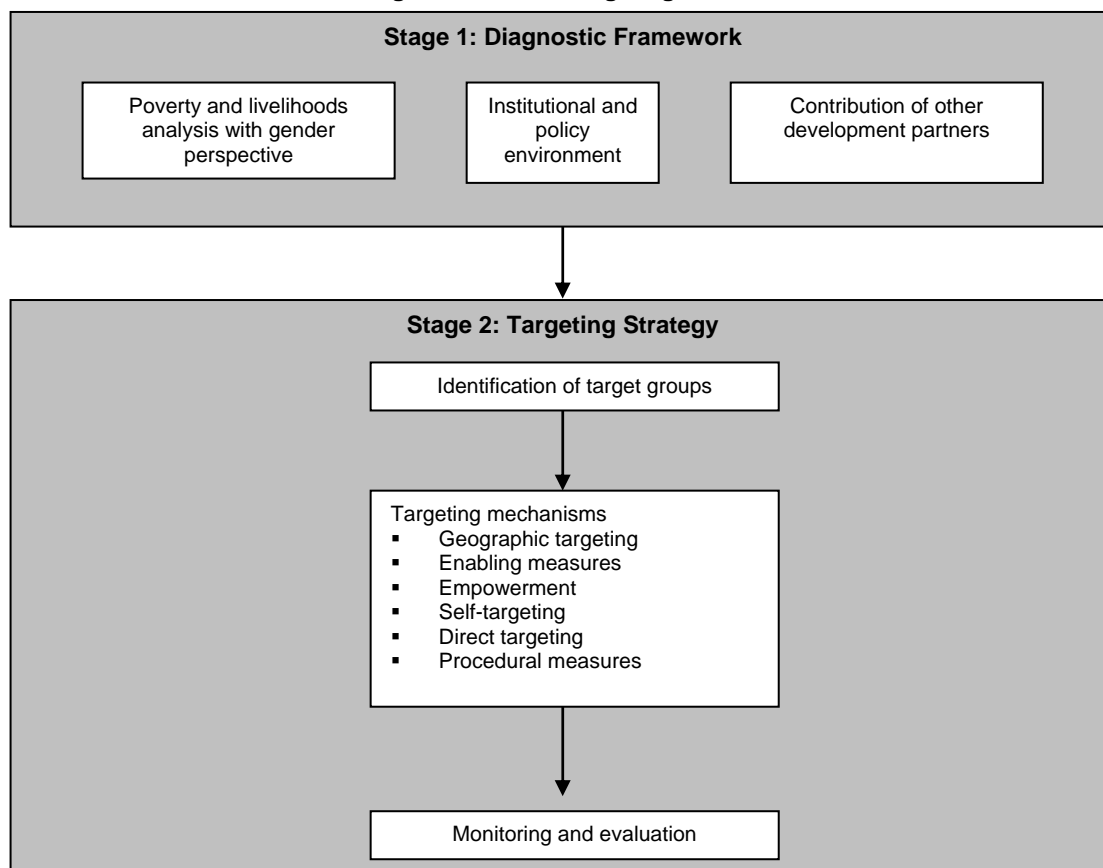
Targeting process

IFAD adopts a two-stage approach to targeting, as represented in diagram 1. The diagnostic framework guides the design of the targeting strategy and ensures that development activities are relevant to the identified target groups by analysing rural poverty and the livelihoods of the rural poor, investigating the relevant policy and institutional environment, and identifying the activities and contributions of other development partners, including government, civil society and donors. This first stage is crucial because the success of the targeting strategy is largely dependent on how well the target group is defined and its needs are understood.

The strategy is prepared during the second stage: the target groups are described in terms of their resources, livelihood activities, priorities, constraints and opportunities; appropriate targeting mechanisms and their linkages to the potential target groups are identified; and roles and responsibilities for targeting are allocated.

Gender mainstreaming considerations should be embedded in the targeting process and reflected in the definition of the target groups, targeting measures, resource allocations, operating norms and procedures, performance measurements, accountabilities, competencies and, ultimately, in any subsequent learning and improvement processes.[1]

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[1] For further details, see the Gender Plan of Action http://www.ifad.org/gender/policy/action.htm

Diagram 1: IFAD's Targeting Process

Stage 1: Diagnostic Framework

Poverty and livelihoods analysis with gender perspective	Institutional and policy environment	Contribution of other development partners

Stage 2: Targeting Strategy

Identification of target groups

Targeting mechanisms
- Geographic targeting
- Enabling measures
- Empowerment
- Self-targeting
- Direct targeting
- Procedural measures

Monitoring and evaluation

Target groups

A clear definition of the target groups, detailing their resources, livelihood activities, priorities, constraints and opportunities, lies at the heart of poverty-focused targeting. The principal target groups usually comprise poor rural women and men who have the potential to take advantage of improved access to assets and opportunities for agricultural production and rural income-generating activities. Other disadvantaged cohorts prone to poverty include the youth, households headed by women, indigenous groups and minorities, and households affected by long-term illness or the death of a wage earner.

There are cases in which better off people may need to be included — for example, because of economic and market interdependencies, to avoid conflict or as leaders and innovators. In such cases, the rationale for their inclusion should be provided and the risks of excessive benefit capture carefully monitored.

The guiding principles of target group identification are:

- Focus on rural people who are living in poverty and experiencing food insecurity, and who are able to take advantage of the opportunities to be offered (sometimes referred to as the ''productive" or "active" poor).
- Expand outreach to include those who have fewer assets and opportunities, in particular those facing extreme poverty, as referred to in Millennium Development Goal 1.
- Include marginalized groups, such as minorities and indigenous peoples, and take into account their specific needs.
- Address gender differences by incorporating the priorities and needs of both men and women and giving them equal opportunities to access benefits and services. It is often appropriate to pay special attention to women in general within all identified target groups — for reasons of equity, effectiveness and impact — and to women heads of household in particular because they are often especially disadvantaged.
- Recognize that relative wealth or poverty can change rapidly as a result of external shocks and that this vulnerability needs to be addressed.

Targeting measures

A targeting strategy employs some or all of the following measures, reflecting the local context.

Geographic targeting. In programmes that are not national in coverage, focusing on geographic areas with high concentrations of poor people or with high poverty rates is an effective means of targeting. In such cases, IFAD uses national poverty lines and data on food insecurity and malnutrition, combined with other human development data, to identify disadvantaged areas. IFAD also makes use of poverty, food insecurity and vulnerability mapping data generated by FAO and WFP. Since these data are generally only available at a high level of disaggregation (for example, district level), IFAD develops, together with local stakeholders, additional criteria to identify and engage with poorer communities within these areas. Better off communities may be included if their economic and market linkages with poorer communities are required to achieve an impact on poverty reduction. The selection criteria need to be objective in order to prevent the decision-making process from becoming arbitrary or politically driven.

Enabling measures. These measures create and sustain a policy and operational environment favourable to poverty targeting and gender empowerment, integrating elements such as awareness-raising, institutional capacity-building and inclusive policy dialogue. Targeting strategies in IFAD-supported operations are country-implemented and owned and, as such, they must be fully supported by the borrowing countries. This requires stakeholders to share a common vision of, and commitment to, the identified poverty reduction goals and approaches. Establishing a common purpose among partners is a fundamental feature of IFAD's engagement in the harmonization and alignment process, the goal being to change the way policies and institutions support poor people.

Empowerment and capacity-building. Focused measures to build capacity and confidence enable those who have less voice and power to participate more actively in planning and decision-making. They also serve to limit opportunities for the elite to exercise control over resources. At the national level, it is necessary to foster interaction between poor people and decision makers or service providers in order to support pro-poor and gender-sensitive institutional transformation. IFAD works with like-minded partners to create opportunities for organizations of rural poor people, and for women in particular, to voice their needs and influence programmes and policies. Appropriate information and communication activities are key to levelling the playing field and facilitating the participation of poor people.

Self-targeting. Success depends primarily on whether development activities have been designed in conjunction with the poor themselves, around their needs and livelihood constraints, and are perceived by them as relevant and affordable. Self-targeting is achieved by providing services that respond specifically to the priorities, assets and labour capacity of the identified target groups, while being of less interest to the better off.

Direct targeting. Eligibility criteria are used when services are to be channelled to specific individuals or households. Often the best option is to adopt community-based targeting approaches, whereby eligibility criteria are identified and applied by the communities themselves. Local poverty definitions and criteria may be more appropriate and can more accurately capture non-income dimensions of poverty and vulnerability than survey-based means testing (for example, based on income, consumption, or ownership of assets), which can be costly and often presents methodological problems. In general, the social acceptability of the method needs to be assessed case by case. Care must be taken to avoid the risk of creating conflict, division and even stigma within the community.

Procedural measures. These operational measures secure poverty-inclusive and gender-equitable participation in, and benefit from, planned activities by assigning responsibility for poverty and gender targeting to project management staff, ensuring implementing partners and service providers are committed to pro-poor approaches and gender equality, and establishing transparency in selection criteria and procedures. Attention must also be paid to procedures for accessing services and resources, the modalities of decision-making and the beneficiary contribution requirements (which may inadvertently exclude some categories of poor people).

Monitoring targeting and processes of inclusion or exclusion. Internal reporting formats, including participatory feedback mechanisms that link project communities and beneficiaries, are established to monitor outputs, outcomes and emerging impacts, and how they relate to

different groups of poor rural people. Targeting effectiveness is also assessed by all evaluation exercises, including mid-term reviews and mid-term evaluations. Sex-disaggregated data should be collected and analysed when appropriate.

IV. Conducting a gender-sensitive poverty and livelihoods analysis

There are two possible entry points for a gender-sensitive poverty and livelihoods analysis. The first is as part of the preparatory work for a country strategic opportunities programme (COSOP), which requires an in-depth analysis, broad in scope and geographically diverse. Such a study would be undertaken over a period of several weeks by a team of consultants (international and national) working closely with local institutions. The purpose would be to identify different target groups, their livelihood assets, needs and priorities, with a view to outlining some initial project designs for the COSOP and preparing the key files on rural poverty and the target group.

The second opportunity is at the formulation stage, when the purpose is to identify opportunities to strengthen the poverty and gender focus within the broad parameters of a new project or programme. This work would be undertaken by a small team (possibly one international consultant and one national consultant or representative of a counterpart institution) during the formulation and appraisal missions. The poverty and gender targeting specialist should be an integral member of the main mission to ensure that these issues are considered throughout the project design rather than as an adjunct.

Objectives and outputs

The objectives of a poverty and livelihoods analysis conducted to support the targeting process are to:

- Characterize poverty in the area under consideration, including the different ways in which it is manifested, the groups of people affected by poverty (disaggregated by gender and age and, where appropriate, ethnic group and social status), the locations where these people are found, the periods when poverty is most evident, the ways in which livelihoods are affected and the key factors influencing vulnerability to poverty.
- Describe the livelihood strategies of women and men in different household categories, with a particular focus on the ways in which they respond to change, factors that increase their vulnerability to poverty, and their existing capacities and strengths.
- Identify and describe key factors that help groups of people who are vulnerable to poverty or hinder them from improving their situation.
- Analyse the policy and institutional environment in order to determine the extent to which it is pro-poor and gender-sensitive.
- Identify the types of intervention that are likely to be most appropriate for the different categories of poor and to have the greatest positive impact on their livelihoods.

The immediate outputs from the poverty and livelihoods analysis feed into a broader stakeholder analysis that takes into account the interests of the target groups of proposed beneficiaries, other actors in the areas and communities in which the project will be operational, and the service providers and institutions concerned.

The findings of the poverty and livelihoods analysis are presented in (i) a report that is appended to the COSOP and (ii) the project design report (PDR).

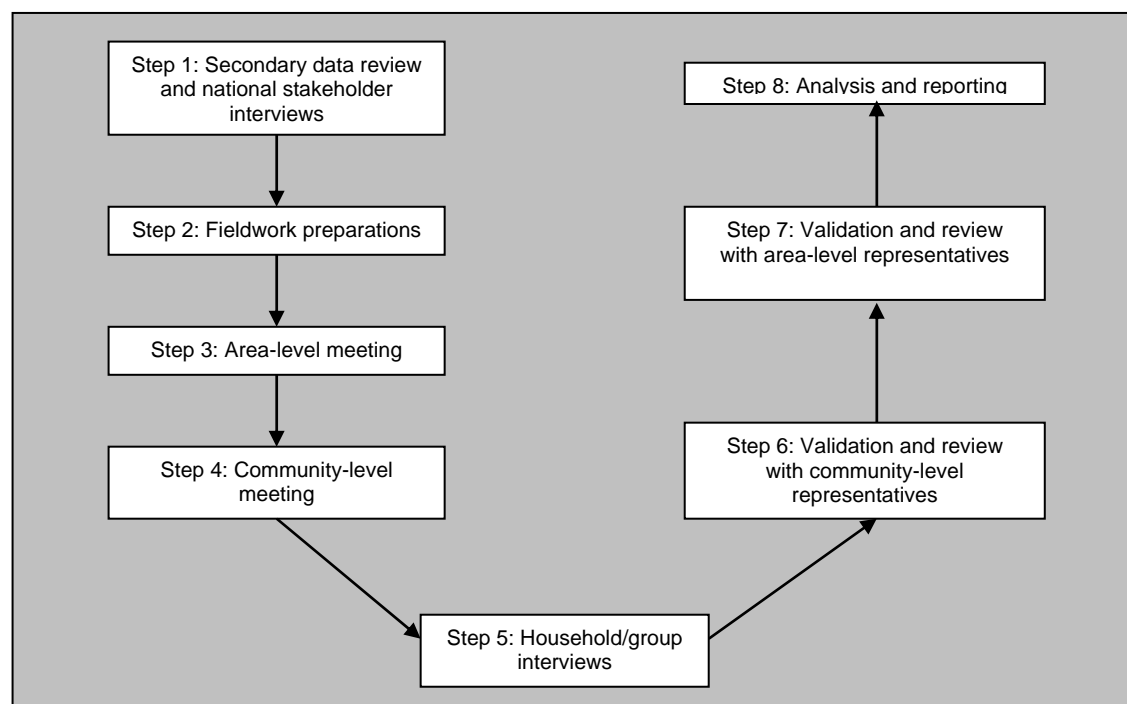**A step-by-step guide to the process of analysis**

A key challenge for the team, especially when the poverty and gender analysis is being conducted as part of the formulation process, is being able to effectively identify, within a relatively short period of time, a range of locations, communities and households where they can encounter and analyse different forms of poverty. In order to do this, the team need both to make full use of existing information and secondary sources, and to engage with a range of local stakeholders in order to draw on their knowledge and experience in the area.

This process of engagement takes place at different levels, allowing the team to progressively sharpen their focus until they are able to identify specific households in selected communities that can be analysed in more detail in order to enable a greater understanding of their current capacities, strengths and livelihood strategies. This process also plays an important role in

developing the understanding of the extent of poverty at different levels, which can be crucial in determining project strategies for reaching the poor.

Diagram 2 illustrates the main steps of a poverty and livelihoods analysis: steps 1 to 5 represent the process of identification, while steps 6 to 8 focus on verification of the findings. Inevitably time availability and local circumstances can dictate different steps and changes in the process. In particular, steps 3, 4 and 5 are often combined into one community-based experience (lasting one to three days), and steps 5 and 6 may be merged. The main elements of each step are described below.

Diagram 2: Main Steps in Conducting a Poverty and Livelihoods Analysis

Step 1: Secondary data review and national stakeholder interviews

The review of secondary data conducted by the team prior to beginning their poverty and livelihoods analysis in the field is important, particularly given the growing number of poverty-related studies being conducted in many countries.

Purpose. The review aims to:
- Identify and characterize the poor at the country level, with a gender perspective, and highlight any geographical focus of poverty.
- Assess national policies and institutions in terms of commitment and ability to target the rural poor and promote gender equality.
- Evaluate the policy and institutional framework in terms of the grassroots participation it allows in decision-making and economic activities.

Sources. The Poverty Reduction Strategy Paper, if available, is a central document and is likely to indicate some of the key areas the team should look at, together with other studies that are available. Further useful sources of information include international and national NGO reports, project reports, government statistical publications, anthropological or sociological studies, and farming systems research conducted in the area.

Existing statistical data sets (including geographically disaggregated data on food security, chronic child malnutrition, other Results and Impact Management System (RIMS) data when available) should also be reviewed to extract relevant data that may assist in a preliminary identification of poor areas and communities. The level of disaggregation of different wealth categories in these existing data sets may give the team an insight into locally accepted terminologies and definitions of poverty.

Key informant interviews with national stakeholders, such as relevant government ministries, research organizations, international NGOs and donors, can also be the source of valuable information.

Step 2: Fieldwork preparations

Key questions for steps 3 to 7 are listed in annex 3 as a generic guide to the range of topics to be addressed in the fieldwork, together with some proposed methods for data collection.[2] However, there can be no definitive checklist of the issues to be covered during a poverty and livelihoods analysis. In every culture and circumstance, different issues may be important and need to be discussed. The way in which certain issues are approached (for example, whether directly or indirectly) is liable to change significantly. Hence the questions must be reviewed thoroughly and discussed before starting the fieldwork.

Purpose. These discussions aim to:

- Adapt the checklists to local priorities and the circumstances in which the poverty and livelihoods analysis is to be conducted.
- Help think through the methods that are most appropriate for covering the issues in the adapted checklists.
- Familiarize team members who have limited experience of poverty and livelihoods analysis with the overall issues and language and ensure that all the team members are thinking along similar lines.

The checklists in the annex have been presented as lists of questions that should be addressed during the poverty and livelihoods analysis. These questions are not intended to be posed directly to respondents; although this may be appropriate sometimes, often it is not, and the questions need to be rephrased so that they are clear, simple and relevant to the respondents and local circumstances. The methods used for data collection may also dictate how the information is generated and how the questions should be posed.

Step 3: Area-level meeting

The area level generally constitutes the first level of decentralized government. Depending on the country, this may be the region, province or district.

Purpose. The area-level meeting aims to:
- Define the overall characteristics of the area and the wider processes of change in order to place poverty in context.
- Develop an understanding of the institutional, administrative and economic conditions in the area, with particular reference to poverty, the poor and women.
- Establish how poverty is defined and viewed at this level.
- Identify specific groups of people who are vulnerable to poverty in the area, defined by types of livelihood strategy, location, gender, age, ethnic characteristics and ability.
- Pinpoint zones within the area in which different forms of poverty are encountered.

Participants. A wide range of stakeholders should be invited to participate in this meeting so that a diversified picture can be generated of conditions in the area in general and of the nature and dynamics of poverty in particular. The meetings should be gender-balanced. Participants are likely to include:
- Officials from the area administration.
- Technical staff from line ministries working in the area. (It is important to include not just technical staff but also specialists from the health, education, social development and women's affairs sectors.)
- Staff from projects and NGOs working in the area.
- Teachers or academics from the area with particular knowledge of local conditions.
- Representatives of producer associations or civil society organizations present at the area level.
- Spokespersons to present the points of view of socio-economic categories that may be poorly organized and lack official voice at the area level, such as pastoralists, migrant workers, indigenous peoples or culturally marginalized groups.

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[2] It has been assumed that the team are familiar with standard participatory appraisal techniques. Further guidance can be found at http://www.ifad.org/gender/tools/gender/Toolkit.pdf

Thought needs to be given to the way in which the activity is introduced at this meeting. If the team announce that their purpose is to identify which groups in the area should be targeted by future project interventions, interest is likely to be oriented towards providing lists of possible interventions and beneficiaries. If the activity is presented as a means of using the knowledge and experience of the people present to understand livelihoods in the area and identify where the team should conduct more in-depth research in order to understand the dynamics of local livelihoods, the response is likely to be more appropriate.

The initial focus on historical processes is recommended as it provides an opportunity for participants to take the lead in describing the history of the area and current conditions in a relatively neutral way (although interpretation of historical events can clearly be controversial). This helps establish an open rapport between the team and the participants before approaching the rather more sensitive issue of the relative poverty of different areas and groups. Care should be taken to review and document the output of this area-level meeting immediately, before continuing to work at the community level.

Step 4: Community-level meeting

At the community level, the steps are essentially the same as those followed at the area level but with a more precise focus on the specific community in question.

Purpose. The community-level meeting aims to:
- Define the specific characteristics of the community, particularly its history and processes of change, resources, organizations and services.
- Examine the range of livelihood strategies employed by people in the community.
- Establish how poverty is defined and viewed locally.
- Identify specific groups of people who are vulnerable to poverty in the area, as defined by livelihood strategies, location, gender, age, ethnic characteristics and ability.
- Pinpoint specific households where different forms of poverty are encountered.

Participants. The people involved in the meeting at this level are likely to include:
- Local government officials.
- Community workers.
- Traditional leaders, village elders, etc.
- Representatives of community-based organizations, local producer associations, farmers' groups, local enterprises etc.
- Representatives of women, households headed by women and youth in the community.
- Local people regarded as being particularly knowledgeable about the community.

Often an initial meeting is required with the formally recognized authorities to explain the purpose of the process and encourage local counterparts to identify members of groups who are not well-represented among local leaders (such as women, youth, marginal ethnic or social groups, different castes or classes, migrants) to take part in subsequent community-level group meetings.

As at the area level, care is required in presenting the purpose of the meeting. It should be emphasized that the team are there to learn from local people about community conditions and what people currently do, as opposed to being there to identify needs or decide on target groups.

It may be particularly difficult to address the issue of poverty head on when working at this level. Thus the checklist and methods outlined in annex 2 propose a more indirect way of approaching the issue of poverty by focusing first on the historical aspects of the community, then looking at what people in general do in terms of their livelihoods and, only at the end, associating particular sets of livelihood strategies with groups of people having different characteristics within the local area or community, and regarding poverty as one of these characteristics. While this may seem a rather circuitous route, it can help to overcome the inevitable assumptions made by respondents when the issue of relative poverty within a community is brought up.

Step 5: Household and group semi-structured interviews

Interviews or discussions conducted at the household or group level can be regarded as the heart of poverty and livelihoods analysis. Although the preceding meetings play an important

role in enabling an understanding of the context and identifying specific households or groups to talk with, it is from the discussions with households or groups that the most significant information can be gathered about livelihoods and the strategies used by the poor to deal with their poverty.

Purpose. The household or group interviews aim to:
- Define the typical asset base of women and men in different household categories and factors determining their access to assets.
- Understand and describe the livelihood strategies of women and men in different categories of households, and their response — both past and present — to change.
- Identify factors that influence poor people's choices regarding livelihood strategies.
- Recognize the key strengths and capacities among different groups of poor people, differentiated by gender.
- Analyse poverty dynamics: how and why households fall into poverty; how some households have managed to lift themselves out of poverty; and what prevents the poor from doing the same.
- Explore the processes of asset accumulation: how did the rich get where they are; how did they capitalize their enterprises; and what are the opportunities for others to do the same.
- Establish how external shocks affect different categories of households and what factors explain why some households are more able than others to withstand and recover from shocks.
- Describe the perceived problems, constraints and obstacles faced by women and men in different household categories (rich, middle wealth, poor, poorest) and how they cope.
- Identify the mechanisms governing the inclusion or exclusion of poor households and groups (differentiated by gender) in local institutions, decision-making mechanisms, and past and current projects and development processes.
- List the livelihood priorities of women and men in different wealth categories and their suggested solutions to the problems they face.
- Solicit feedback from women and men in different wealth categories on their interest in and ability to participate in a range of proposed project activities.

Participants. Interviews with individual households are more likely than group interviews to generate a better picture of how the activities, skills and capacities of different people in the household are combined to create a more or less viable livelihood strategy. Working within the household may also ensure that responses are less susceptible to influence than they would be if they were presented in a public arena, as would be the case with a group. Another advantage is that many of the very poor (widows, the elderly, disabled, sick or extremely marginalized) may be reluctant to take part in any kind of group meeting, lacking self-confidence and assuming that they are not included in general invitations to participate in group-based activities. This may result in some of the poorest people in any community excluding themselves from participating in group interviews. This problem is overcome by identifying the households where these poor people live and visiting them directly. However, it may be difficult, in the relatively short time available, to identify and organize a full range of household-level interviews. Dealing directly with households may also mean that fewer people overall can be interviewed.

Groups offer the possibility of interacting with a wider range of people and achieving a better idea of the variation in livelihood strategies employed by a particular group of poor people. This can be particularly useful once some of the household interviews have been conducted; detailed information obtained at the household level can then be compared with the more generic picture a group interview produces. The problems of group interviews include: the very poor may be reluctant to attend or unwilling to talk if they do attend; in a group meeting, people may describe what is generally accepted as the situation rather than what the situation really is; group meetings can easily be dominated by one or two more active people and reflect their views as opposed to those of the group as a whole.

It is also useful to meet members of specific groups, such as community-based organizations, local enterprises, water users' associations and other community decision-making bodies, in order to profile their resources, membership base, activities, skills and decision-making procedures.

Step 6: Community-level validation meetings

Purpose. The community-level validation meetings aim to:
- Enable spokespersons from the participatory appraisals and focus group meetings to share their findings in a plenary session with the rest of the community, including leaders.
- Involve community stakeholders in the review and validation of the findings of the team arising from the household or group interviews.
- Develop an understanding of the extent to which the findings from household and group discussions are valid for the local area or the community at large.
- Review and refine the conclusions in the light of community feedback.

Step 7: Area-level validation meetings

Purpose. The area-level validation meetings aim to:
- Involve key stakeholders at the area level in the review and validation of the team's findings generated at the household/group and community levels.
- Gauge the extent to which the findings obtained at these levels are valid for the area as a whole.
- Open consultations with key stakeholders regarding possible mechanisms for targeting different groups identified during the analysis so far.
- Review and refine the definitions of poverty developed to date.
- Launch discussions about possible areas of action and intervention.

Step 8: Analysis and reporting

The analysis of the data collected should ideally be conducted in a workshop environment in the field, with the team working to extract and collate the data from their notes and the outputs of the various meetings and discussions. Where inconsistencies or contradictions are encountered, key informants can be called in locally to help clarify issues or short trips can be made to the field to check on specific issues raised. Many of these points should be clarified during the validation process.

The workshop-type process may also help capture information and impressions that may not have been recorded effectively by the team during the fieldwork. Completing the reporting process as soon as possible after the end of the field interviews helps ensure that this information is not lost.

The suggested structure for the report is presented in annex 1.

V. CONCLUSION

Updating the poverty analysis

A word of warning is required about the output of any kind of poverty assessment, particularly one carried out in a relatively short space of time. Poverty is extremely dynamic and the poor are often forced to rapidly adapt their livelihood strategies to changing circumstances. Poverty analysis, therefore, often deals with a "moving target". In addition, poverty is quite complex and can be affected by such a wide range of variables that it may be almost impossible to fully identify and understand the target group during a short-term study. Precisely because poverty frequently involves being marginalized from the mainstream of a community's social and economic life, the poor are often difficult to identify and engage with. It takes time and effort to win their confidence and find common ground on which to work with them effectively. It may prove almost impossible to achieve this engagement with particularly marginal groups in the course of a short study.

These factors mean that, while an initial analysis can represent an important starting point in orienting project interventions, it is essential that learning continues during the implementation process and that project interventions are adjusted accordingly. This involves a degree of flexibility in the way in which projects are formulated, with space being created for identifying new or different target groups as the work progresses and formulating new activities. This also has implications for the way in which project funds are committed.

Preparing the targeting strategy

Following the completion of the poverty and livelihoods analysis, all the members of the formulation team work together to review the different aspects of the technical project design alongside the poverty and livelihoods analysis, incorporating the gender perspective.

The key objectives in strategy formulation are to:

- Develop a preliminary set of targeting measures to ensure that poorer groups benefit from, and participate in, project interventions.
- Identify possible eligibility criteria and mechanisms to be used in targeting the poor at the level of communities and households within communities, and establish how these criteria could be applied.
- Analyse the extent to which the livelihood priorities of each wealth group, particularly the stated priorities of women and men in the poor and poorest households, match the proposed project activities.
- Describe possible mechanisms for monitoring targeting effectiveness and for engaging target groups and key stakeholders in the monitoring of intervention outcomes, including: the key criteria for assessing impacts based on the definitions of poverty developed during the course of the poverty and livelihoods analysis; and forms of organization that will facilitate the participation of different target groups in the monitoring process.

The targeting strategy forms an integral part of the Project Appraisal Document.

ANNEX 1.   STRUCTURE OF POVERTY AND LIVELIHOODS ANALYSIS REPORT

A. Characteristics of Poverty

The report should provide a description of the overall characteristics of poverty in the area covered, including:

- Local definitions of wealth and poverty.
- Location of the poor by geographical area, ecological zone and communities.
- Characteristics of the poor as seen by secondary sources (Poverty Reduction Strategy Papers, etc.) and as seen by communities themselves based on wealth rankings.
- Livelihood strategies adopted by different groups of the poor, with an indication of any differences between those adopted by women and by men.

B. Key Factors Influencing Poverty and the Livelihood Strategies of the Poor

The key factors influencing the choices the poor make about their livelihood strategies should be described in more detail, with a focus on:

- The main characteristics (such as gender, age, ethnic group, ability, social status, geographical setting/ecological zone) of different groups of poor and the way these characteristics influence their poverty.
- Access of women and men in different household categories (non-poor, less poor, poor and poorest) to different sets of assets, such as natural, physical, human, financial, social and personal assets; policy and institutional factors influencing access to assets.
- A more detailed analysis of the social assets available to women and men in different household categories, including their level of organization, their participation in decision-making at the community and household levels, their relationship with local and traditional institutions, their access to local systems of self-help and reciprocal exchange, and to existing social safety nets.
- External influences on the livelihoods of women and men in different household categories, including markets (for goods and services), politics, social customs and norms, and the extent to which the rights of the poor are recognized and respected.
- Access of women and men in different household categories to basic services, such as health, education, water, production inputs and technical advice, including patterns of local service availability, the capacity of service providers to respond to the needs of the poor, and participation by the poor in making decisions about service provision and mechanisms that may exclude them from accessing or using the services.
- The extent to which enabling agencies — institutions establishing policies, mechanisms for policy implementation, channels of influence and representation, decision-makers allocating resource flows — are responsive to the poor and the extent to which the poor, differentiated by gender, are able to influence such agencies in their favour.
- The different forms of vulnerability faced by different groups of poor — differentiated also by gender — including seasonal factors, shocks (disasters, conflict, disease) and longer-term trends such as global and national economic change, trade regimes and processes of social change.

C. Strengths and Capacities of the Poor and their Major Constraints

Based on the analysis of what women and men in poor households currently do to support themselves and cope with poverty, it is necessary to:

- Identify the key assets, strengths, capacities and coping mechanisms of women and men in the different household categories (listed above).
- Analyse how these strengths, capacities and coping mechanisms have been used in the past to take advantage of opportunities or to cope with change.
- Examine the processes of impoverishment and accumulation of wealth: How did the poor fall into poverty? How did the rich acquire their wealth? How do policies and institutions influence the process? How does the vulnerability context influence poverty?
- Describe the problems or constraints facing women and men in different household categories and the linkages between these constraints and the livelihood elements defined above.
- Outline the livelihood priorities of women and men in different wealth categories and their proposed solutions to the constraints identified above.

D. Definition of Potential Target Groups

Based on the analysis of livelihood strategies and the strengths, capacities and constraints of different wealth categories, define the target groups in order of priority and disaggregate them as far as possible according to:

- Key characteristics
- Access to assets
- External influences
- Prevailing vulnerabilities
- Livelihood strategies used to deal with poverty
- Gender differences, in all of the above.

E. Possible Areas of Intervention and Targeting Measures

Based on the understanding of different poor target groups and the gender differences within them, their capacities and their needs, spell out:

- A menu of possible areas of intervention, including the types of goods and services needed by these groups of poor.
- Measures to create an enabling environment for these interventions.
- Measures to empower the poor to participate effectively in proposed interventions.

F. Appendix on Methodology

The report should be accompanied by an appendix outlining the study methodology and concentrating on the following:

- The approach: key issues addressed, criteria used for the selection of communities and households within communities, time spent in each community, participatory tools and sequencing, ongoing analysis and feedback of findings to stakeholders, team composition, itinerary.
- The key steps in the process (for example, literature review, checklist development, initial stakeholder workshop, preliminary zoning of the project area, key informant interviews at the area and community levels, community-level participatory appraisals, group meetings and household interviews, analysis and feedback of findings).
- Any lessons learned about that process and the methods employed during its implementation.
- Recommendations regarding good practice for future poverty analyses.

ANNEX 2. TARGET GROUP PROFILES
1) Poverty profiling of households in a rural community, Republic of Moldova[3]

Characteristics	Wealth group			
	Wealthy	**Middle wealth**	**Capable less poor**	**Poor and very poor**
Approximate percentage of households in village	Less than 5% of households	5-10% of households	50-65% of households	25-35% of households
Composition	A few village leaders often held dominant positions in former state farms Owners of large enterprises Some leaders live outside village and run businesses through managers	Commercial and emerging commercial farmers Medium-sized enterprises Entrepreneurs Senior administrators	Peasants Former labourers on state farms Small businesses Business start-ups Professionals	Elderly, often caring for grandchildren Incomplete households (one or both adults absent) Landless Households with many children (up to six) No higher education (often disrupted by the effects of transition) Former state farm labourers
Nature of business entity	More likely to be limited liability company, joint stock company Family-run or paid management	More likely to be peasant farm or individual enterprise	More likely to be patent holder, peasant farm, or individual enterprise	No legal identity
Source of land	Received through privatization, purchase, lease	Received through privatization, purchase, lease	Received through privatization	Received through privatization Landless
Farming activities	Cultivate 100-300 ha or more under cash crops (often basic grains to utilize economies of scale) Use produce to pay workers and land rent Own several tractors and implements, combine harvester Livestock	Cultivate 10-30 ha (arable, vineyard, orchard) Mainly engaged in production for market: crops (often higher value fruit and vegetables), livestock Own tractors and implements	Cultivate 3-10 ha (arable, vineyard, orchard) Mainly involved in production for home use with some cash sales Keep one or two cows and sell milk in collection centre Keep two or three pigs, some sheep May rent out some land Hire tractor for land preparation	Cannot afford to buy inputs or pay for ploughing; so land often rented out May abandon land rather than rent out if they consider the terms to be unfavourable May use small area to keep a few animals and grow subsistence food crops for family
Non-farm activities	A wide range of enterprises	Value adding to farm produce, e.g., cheese-making, drying fruits, milling	Small local businesses with low capital requirements Professionals: doctors, teachers Skilled artisans: carpenters, bee-keepers	Afraid or unable to take risk of business Lack capital to start Work as hired labourers Some reluctant to work for successful villagers due to suspicion, mistrust, envy
Membership	Agricultural producers' associations Savings and credit associations	Agricultural producers' associations Members of cooperatives Savings and credit associations	Savings and credit associations Cooperatives	Do not belong to associations

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[3] Clare Bishop-Sambrook (IFAD consultant) Gender and Poverty Issues in Rural Communities in Moldova, Working Paper, Rome, IFAD, 2005.

Source of labour	Hired labour: pay in cash and in kind (25-80 permanent employees and 200 seasonal workers)	Family business with some permanent employees and seasonal labour	Family business with seasonal labourers	Own
Sources of credit	Commercial bank loans Savings and credit associations for seasonal needs Relations, friends	May access bank loans Savings and credit associations for seasonal needs Relations, friends	Opportunity for microfinance Savings and credit associations for seasonal needs Relations, friends, private moneylenders	Savings and credit associations: possibly to cover consumption needs
Asset value	US$10 000-50 000	US$10 000-50 000	US$2 000-10 000	US$100-2 000
Livelihood outcomes	Food secure Own a car	Food secure Own a car Some migrate in order to generate start-up capital for businesses	Sufficient food Many migrate in search of better life	Food barely sufficient, rarely eat meat Food shortages at end of winter and early spring Short of cash Cannot afford heating, health care expenses May become dependent on handouts Some children do not attend school, cannot afford school books Despair Highly vulnerable to trafficking because unable to afford to migrate

2) Profile of households in bee-keeping community, Chuka Division, Meru South, Kenya[4]

Characteristics	Rich (2% of households)	Middle income (15% of households)	Poor (83% of households)
Land	5 – 10 acres	1 – 2 acres	Under 1 acre
Crops	Tea, coffee, fodder, bananas, yams, sweet potatoes, sugarcane	Tea, coffee, fodder, bananas, yams, sweet potatoes, sugarcane	Bananas, yams, sweet potatoes, sugarcane
Livestock	5 well maintained grade cows, sheep, goats	2 cows (not necessarily in good condition), sheep, goats	Some have sheep or goats; no cows
Fodder	Grow napier grass and buy supplementary feed	Grow napier grass on farm and roadside	Tether and graze on roadside or fetch fodder from forest
Farm work	Use hired labour	Use hired labour	Hire themselves out as labourers
Off-farm employment	Business earns up to Ksh 5000 profit per day	Teachers, nurses, civil servants, pastors or small business (kiosk, semi-permanent structures)	Main livelihood is working as hired labour (Ksh 60 per day, from 8 – 5 plus lunch)
House	Stone built, permanent, large	Permanent/semi-permanent house, timber walls (large house), stone walls (small house), concrete floor	Temporary structure, 'with nothing inside'
Water supply	Piped	Piped	River or free from neighbours
Firewood	Buy from women	Buy from women	Women collect from forest
Vehicle	Own a car or pickup in good condition	A few own a car or pickup but in poor condition	Some have a bicycle
Food security	Food secure: 'can buy meat without having to think about it'	Food secure	Insecure: 4 months (July – October); survive by labouring, taking food on credit
Interest in bee-keeping	None except buy honey; may sponsor poorer relative to acquire hives	15% keep beehives	80% keep beehives; they have time to go to the forest and inspect

Notes: Households headed by women are present in all household categories. Bee-keeping households often have a few hives at home and many in the forest (up to 100 hives per household).

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[4] Clare Bishop-Sambrook (IFAD consultant) Gender Reconnaissance Study, Mount Kenya East Pilot Project for Natural Resource Management, Rome, IFAD, 2003.

3) Characteristics for different types of households (compiled from various group discussions) - Uganda[5]

Characteristic	The poorest/chronic poor	The active poor	The better off
Household	Large families (7-10 children); some families headed by children or grandparents, abandoned wives.	Large but smaller families (5-9 children).	Still large but smaller families (4-7 children).
Housing	Small house (2-3 rooms) made of mud or grass/reeds, grass thatched, leaking, poorly constructed. Sleep on woven mats, rarely a mattress or furniture, shared or no blankets.	Houses of mud (3-4 rooms), well constructed, at least partly with iron sheets, basic but functional furniture, basic latrine, walls not yet plastered, floor not cemented.	Houses made of brick, cemented (5-7 rooms), with iron sheet roofing, well furnished, good latrine, glass or wood shutters.
Food	Not enough food, one meal per day of poor quality, at this time porridge without sugar.	Enough food for the year in normal years, shortages in drought years.	Always sufficient food, can buy during drought years.
Medical	Suffer from vermin, malaria, skin rash. Ailing. Go to free clinic to consult, but no money for drugs, use local herbs instead.	Go to private or government clinics, do not always have money for medical bills, may use leftover drugs from neighbours.	Seek medical assistance and pay the bills, go to referral hospital if needed.
Children	Tattered clothes. Children enrolled in UPE school but often do not go for want of uniforms, exercise book, pen.	Children go to school but not usually beyond primary level.	Children are well dressed and go to boarding school up to secondary level or beyond.
Assets	Some have no land, others have tiny plots, overcultivated and distant, exhausted. May own a local goat, may have some chickens but sometimes have none.	Have chickens, most have some goats or sheep or pigs, a few may have local cattle. Own land but modest areas. Most own a bicycle, radio.	Own larger land areas. Have larger numbers of animals including local cattle (but not all), small livestock, chickens. Have bicycles, radio, sometimes a TV or motorcycle.

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[5] Oscar Damen, consultant, IFAD Study on Poverty and Targeting in Eastern and Southern Africa, March 2006.

4) Target group: priority needs and project response, Belize[6]

Typology of rural poor		Poverty characteristics and causes	Coping actions	Priority needs	Project response
The poor	**Small-scale cash crop farmers and artisanal fishermen**	• Live in houses of modest conditions made of wood or concrete. • Low productivity and insufficient income to sustain family livelihoods • Lack of access to credit facilities. • Vulnerable to poverty in case of price fall and crop loss. • Overfishing in coastal communities	• Produce cash crop for international and local markets • Engage in agricultural wage labour and off-farm activities. • Borrow money from relatives to invest in agriculture. • Fishermen move to the tourism sector.	• Improved productivity. • Diversification. • Access to credit facilities for productive investment in agriculture and non agriculture activities.	• Incentives for savings mobilization. (US$37) • Credit for investment in agriculture, and other productive activities. • Consumption loans
	Wage workers	• Live in houses of modest conditions made of wood or concrete, without indoor toilet. • Low wages and precarious labour conditions. • Lack of access to financial services	• Work in agriculture, construction and service sector. • Borrow money from relatives in periods of emergency. • Invest in children's education. • Manage micro enterprises • Produce basic-grains for self-consumption.	• Access to credit facilities for investment in micro and small enterprises. • Improved wages. • Increased savings capacity to reduce vulnerability.	• Incentives for savings mobilization (US$37) • Credit for productive investments • Consumption loans
The very Poor	**Subsistence farmers (including Maya)**	• Live in houses of inadequate conditions located in remote villages. • Vulnerable to hurricane and storms • Low productivity and underdeveloped markets. • Lack of recognition of Maya rights to land. • Cannot afford health and education expenses. • Lack of access to financial services.	• Produce white corn, beans and rice mainly for self-consumption, marketing excess. • Occasional work in agriculture and timber enterprises. • Use only family labour in agricultural production. • Raise small livestock. • Invest in children's education.	• Improved housing conditions • Improved productivity and access to markets. • Increased savings capacity to reduce vulnerability • Financial support to sustain medical and education expenses	• Incentives for savings mobilization (US$70) • Incentives for house improvement (anti-hurricane) • Consumption loans • Credit facilities • Provision of training and capacity-building activities in Maya language.
	Landless wage workers	• Live in houses of inadequate conditions. • Vulnerable to hurricane and storms. • Low wages and precarious labour conditions • No access to land.	• Work in citrus, sugar cane and banana enterprises, as low paid labour. Squat land for producing basic grains.	• Improved housing conditions • Access to public funded social services. • Improved labour conditions. • Access to land • Increased savings capacity.	• Incentives for savings mobilization (US$70). • Incentives for house improvement (anti-hurricane) • Consumption loans

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[6] Ambra Gallina, IFAD consultant on poverty and target group analysis, Appraisal Report Rural Finance Programme in Belize, Rome, IFAD, 2008.

Typology of rural poor	Poverty characteristics and causes	Coping actions	Priority needs	Project response
Rural youth	• Unemployment • Lack skills and assets to enter the labour market or start their own business. • Very poor youth cannot continue their studies because of family's financial difficulties. • Risk of becoming involved in illegal activities and prostitution.	• Young male work as unpaid labour on the family farm, or as agricultural wage workers. • Young girls help their mothers with home-based micro enterprises or work in the service sector. • Very poor girls get married at early age. • More girls than boys complete secondary school. • Migration in search of employment opportunities. • Engage in illegal activities and prostitution	•Employment opportunities. • Financial support to afford education and vocational training expenses. •Improved business skills.	• Incentives for savings mobilization under the junior savings programme. • Incentives for education and vocational training loans. • Small grants for capacity-building activities in business skills development. • Partnership with other programmes targeting youth for small enterprise development
Rural women	▪ Weak recognition of their productive role ▪ Poor housing conditions overburden women and have negative effect on health. ▪ Usually victims of domestic violence ▪ Low awareness of their rights. ▪ Weak decision-making capacity in public and private spheres. ▪ Weak organizational capacity for production and rural business. ▪ Lack of access to financial services ▪ Weak linkages to markets. ▪ Lack of property rights.	▪ Work in the service sector and in manufacturing of food products. ▪ Engage in micro enterprises and small-scale commerce. ▪ Participate in women's cooperatives ▪ Mobilize savings for investment in ▪ children education. • Maya women participate in agriculture and livestock production	• Improved housing conditions • Increased self-esteem and awareness of their rights. • management and organizational capacity to start a small-business. • Access to financial services for investment in economic activities and assets. • Improved decision-making capacity within the household and in the society.	•Incentives for savings mobilization. •Incentives for education and training loans. •Small grants for capacity-building in areas of organizational and business skills development. •Strategic partnership with local women's organizations advocating women's rights. •Partnership with European Union programme targeting women for small enterprise development. •Gender training for building the capacity of field officers to promote women's participation in microfinance.

ANNEX 3: CHECKLIST FOR POVERTY AND GENDER TARGETING IN PROJECT FORMULATION

A. Poverty and livelihoods analysis – to establish who is poor and why, including gender perspectives, as a basis for identifying target groups and relevant activities.

Detailed analysis of poverty, rural livelihoods and gender in order to identify target groups and their priority needs:

- What are the major differences between geographic areas, agroecological zones, ethnic groups, in terms of poverty levels, livelihood systems, assets and access to markets and services?

- What are the local perceptions and categories of poverty/wealth, by area and ethnicity? What proportion of households is classified as poorest, poor, less poor, non-poor, rich (according to criteria formulated by local people)?

- Describe the major differences between wealth categories within communities in terms of assets, livelihood systems, main income sources, livelihood priorities and main problems faced by area, livelihood system or ethnicity.

- What are the dynamics of poverty? Describe the typical factors that cause households to fall into poverty; coping strategies; successful strategies used by some to lift themselves out of poverty; factors that prevent the poor from doing the same; options to enable the poor to overcome poverty by adopting similar strategies.

- What is the vulnerability context? Describe the nature and frequency of shocks; proportion and characteristics of affected households; strategies for coping with shocks; factors that determine a household's ability to withstand or recover from shocks.

- What are the gender differences in the livelihoods of the poor, including poverty dynamics and vulnerability context by area, wealth and ethnicity?

- Define the target group, their priority needs, and how they will participate in the project.

- Quantify (financially, socially, economically) how they will benefit from the project.

- Who are the stakeholders in the project? What stake does each one have in the project? How is the project likely to affect their interests (positive/neutral/negative)? What is their relative wealth, power and influence over project outcomes? What is estimated impact of the project on their livelihoods? Who needs livelihood protection?

B.1 Geographic targeting – to identify, for area-based projects or programmes, geographic areas with high concentrations of poor people.

Detailed geographical analysis of poverty:

- What are the major differences between communities in terms of poverty levels, livelihood systems, access to markets and services?

- What criteria can be used to identify areas with high concentrations of poor people?

B.2 Enabling measures – to create and sustain a policy and institutional environment favourable to poverty targeting, gender equality and women's empowerment among partners and stakeholders.

Explanation of how key policies and institutions will be strengthened to create and/or sustain a pro-poor and gender-sensitive environment:

- What are the attitudes of potential stakeholders and implementing partners (government institutions, project management and staff, project steering committees, implementing NGOs and community leaders), and how committed are they, towards poverty targeting, gender equality and women's empowerment?

- Is there a need to develop the attitudes of stakeholders and implementing partners towards poverty targeting, gender equality and women's empowerment and to strengthen their ability to put these elements into practice? If so, how?

- Are there any policy fora in which rural poverty and gender issues are discussed? How effective are they? Do new opportunities need to be identified to raise the level of the policy debate?

B.3 Empowerment and capacity-building – to give target groups at least equal opportunities to access project activities by ensuring that people who traditionally have less voice and power can participate more actively in planning and decision-making processes.

Actions for facilitating participation and empowerment at the community level:

- What are the main sources of information, formal and informal, available to different categories of poor people and the differences between those available to women and to men? What is the extent of illiteracy (among men/women)?

- Which channels of information and communication could be used most effectively by the project?

- What organizations exist in the communities covered by the project? Who does and who does not participate (for reasons of gender or wealth), and why?

- How representative are the different organizations found at the community level? Are they representative of different categories of the target group, and of both women and men?

- How important do people think they are? Are some groups better organized than others? If so, why?

- How are decisions generally taken about issues of interest to the community? In what kind of institutions are they taken and with what level of community participation?

- Which would be the preferred community institution/s to decide how project resources should be allocated?

- Conduct participatory needs assessment for community planning.

- Design and cost a mobilization and communication strategy for the project, including dissemination of information to communities at project start-up and measures to enhance transparency.

- Design measures to support and enhance the capacity, inclusiveness and democratic governance of village development committees, user groups and other types of community-based organizations. (This should not be a one-off training session at project start-up but should continue throughout implementation.)

- Design measures to empower women and promote gender equality at the community level through gender sensitization, training, skills development and functional literacy.

- Design measures to ensure representation of target groups in project decision-making bodies.

B.4 Self-targeting – to ensure that goods and services offered by a project or programme respond to the priorities, financial and labour capacities, and livelihood strategies of the identified target groups, but are likely to be less attractive to the less poor.

Description of how target groups will benefit from project and how they will be reached:
- How well do activities on the project menu match the main livelihood priorities of different categories of poor women and men?

- Which of the activities proposed for the project menu are likely to benefit the poor more than the non-poor? Which activities are likely to benefit the whole community equally? Which are likely to benefit the non-poor more than the poor?

- Which activities are likely to benefit women more than men, and vice versa?

- What can be done to ensure that the menu of project activities meets the needs of different categories, especially women and men in the poor and poorest categories?

- Design self-targeting mechanisms aimed at attracting the poor and discouraging the non-poor from crowding out the poor. (For example, limits to be placed on the value of assistance available per household, requirement of labour contribution from unpaid beneficiaries, selection of activities that the non-poor perceive to be "unattractive".)

B.5 Direct targeting – including eligibility criteria, to be developed and applied with community participation *w*hen services or resources are to be channelled to specific individuals or households.

Identification of eligibility criteria to ensure a minimum level of participation by specific target groups:

- What do people think about quotas for the participation of women in certain decision-making bodies or earmarking funds for women or disadvantaged groups?

- If people have to establish poverty criteria (such as farm size or income levels) to allocate resources to partially disadvantaged categories, what criteria would they use and how would they apply them? Should a committee or a community assembly select the beneficiaries? Should the community vote on beneficiaries?

- Specify eligibility criteria, who will apply them and means of verification.

- Set quotas for the representation of women (and the poor) on project committees, village development committees and user groups.

- Design specific sub-components or activities for women and the poor, and earmark a proportion of the funds for such activities.

B.6 Procedural measures – to ensure poverty-inclusive and gender-equitable participation in, and benefit from, planned activities.

Assessing if procedures for accessing services and resources, and the beneficiary contribution requirements do not militate against the participation of the poor:

- What is the attitude among local people towards paying a matching contribution? How should the amount be determined? Does the contribution help or hinder the poverty focus? What could be done for those who are not able to pay?

- Establish ceilings on total assistance per community or per beneficiary.

- Ensure clarity and transparency in selection criteria and procedures, application procedures and forms, and extent of local contributions (in cash, in kind).

- Consider the advantages of appointing women and men community facilitators.

C. Monitoring targeting performance – to monitor outputs, outcomes and emerging impacts as they relate to different groups of poor rural people.

Definition of the mechanisms and criteria to monitor targeting performance:

- What information needs to be built into internal reporting formats to enable project management to track beneficiary contacts (for example, sex-disaggregated information on beneficiaries of training, credit, membership in farmers' groups for extension)?

- What criteria would local people use to assess who is benefiting (poor versus non-poor, women versus men) and by how much?

- Identify, through community participation, poverty criteria that could be used for participatory monitoring.

- Design participatory feedback mechanisms to enable people to express their views on how well the project is meeting their needs.