Current Social Assistance Programs and Challenges in Armenia
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Current Social Assistance Programs and Challenges in Armenia: 2007

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Executive Summary

A number of policies and strategies that address social protection are common to almost every country. These include poverty reduction strategies, national and development plans, social safety net policies and food security. A characteristic feature of these strategies and policies is problems with implementation or delivery. This analysis reviews government strategy and effort in Social protection, particularly social assistance provision, in forms of social cash and non cash transfers, its character, failure and challenges. During recent years the "pro-poor" growth in Armenia was favorable for large numbers of the poor, who were able to leave poverty behind them. More than half a milion people escaped extreme poverty. Despite these efforts, many sources of vulnerability and many categories of vulnerable people are inadequately covered by existing social protection arrangements: poverty still affects around 1/3 of Armenia's population.

The current analysis includes only State Social cash and non cash transfers Programs by target groups. The distribution of resources and the impact of those resources is set forth in order to allow some judgement on the efficiency and effectiveness of current cash and non cash benefit distribution in Armenia.

Government social policy outlines and prioritize targets to meet the basic social needs of its more vulnerable population. It should not be assumed that social assistance programs are necessarily the most appropriate and effective means of tackling poverty in all contexts. Decisions on social transfers need to be placed within the context of a government's wider social policy and other spending plans. Trade-offs may be necessary where resources are limited. Appropriate mechanisms of government co-ordination, in particular with other sectors, also need to be established. Where conditions are suitable, it would be preferable for donors to provide financial support through the national budget, where there is confidence in administration. The analysis shows that the capacity to implement social assistance programs is not always sufficient. Therefore, it should be preferable to building up the capacity of state institutions and staff aiming for social assistance to be provided effectively. It is also critical to ensure efficient targeting of beneficiaries given the scarcity of resources.

Challenges include shifting from an emergency response mode to predictable risk management; scaling up, institutionalization and co-ordination of existing programs and projects; recognizing that "affordability" and "sustainability" are political as much as fiscal; and implementing cost-effectiveness are best way for valorization of scarce resource allocation.

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Acronyms

AMD	Armenian Dram
CRS	Catolic Relief Services
ECA	Europe and Central Asia
EU	European Union
FAR[1]	Fund for Armenian Relief
FB	Family Benefits
ILO	International Labor Organization
ILCS	Integrated Living Conditions Survey
MLSI	Ministry of Labour and Social issues
NGO	Non Governmental Organization
NSS	National Statistics Services
RA	Republic of Armenia
UNDP	United Nations Development Program
UNICEF	United Nations International Children's Fund
UNFPA	United Nations Population Fund
UMCOR	United Methodists Committee on Relief
USAID	United States Agency for International Development Program
WB	World Bank

[1]

Social Assistance and Its Regulation

There are many definitions of social protection. Broadly defined, it encompasses a set of public actions – carried out by the state or privately – that address risk, vulnerability and chronic poverty. It can be also described by "all public and private initiatives that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of the socially excluded and marginalized people; overall objective of reducing the economic and social vulnerability of poor, vulnerable and marginalized groups" (Devereux and Sabates-Wheele, 2004)[2]. Operationally, it is more helpful to define social protection by sub-dividing it into following key components:

-Social insurance comprises individuals pooling resources by paying contributions to the state or a private provider so that, if they suffer a ''shock'' or permanent change in their circumstances, they are able to receive financial support. Examples include unemployment insurance, contributory pensions and health insurance. Social insurance is, in general, only appropriate for better-off individuals although it can   have an important role in preventing them falling into poverty (we didn't include this sphere in our analysis)

-Social assistance involves non-contributory transfers to those deemed eligible by society on the basis of their vulnerability or poverty: e.g. monthly cash benefits to people   with disabilities, orphans, the chronically ill, older people   without family support, and other standard vulnerable groups.

The right of citizens to social assistance is constitutionally enshrined; therefore, it is correlative to the obligation of the state to guarantee its realization. Social Assistance is regulated in Armenia by two Laws "Social Assistance" and "State Benefits". The first one is defining type, principles of allocation of social assistance and rights and obligations of beneficiaries. The latter one regulates only cash benefits allocation methods and mechanisms.

Social Assistance public programs or as it sometimes called Social Safety Net are mainly financed by Government Budget. In Armenia this is comprised only 2 % of GDP, or 11.5 % of the State Budget.

Social Safety Net includes more than 60 specific programs covering five main areas. The main expenditures are State benefits or Social transfers (48%) and the Pension fund (30%).

Social transfers in the form of cash are well-established in all countries. They are usually either provided to groups of the population regarded as vulnerable – such as older people, those living with disabilities and children – or specifically targeted to the poorest households (Table 1).

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[2] Devereux Stephan- Social Protection for the Poor: Lessons from recent international experience. IDS working paper 142.

Table 1. Armenia Social Assistance Budget Expenditures by Target Groups in 2006

	Social cash transfers		Non cash transfers		Administrative cost	Total
	Mln dram	% to total	Mln dram	% to total	Mln.dram	Mln.dram
Total Budget	47,219	85	5,237	9	3,414	55,869.90
Vulnerable households	24,366	44	0	0	380	24,746
Children	2,578	5	1,415	3	6	3,999
Unemployed	10	0	766	1	23	799
Veterans, military servant	15,723	28	15	0	5	15,743
Disabled and old age people	3,468	6	2,849	5	139	6,457
Refugees and other repressed people	1,074	2	172	0	30	1,275
Administrative cost	0	0	20	0	2,831	2,851

Source: Social Assistance Targeting Improvement in Armenia EDRC 2006

As data proved Social Assistance Budget main expenditure directed to Social cash transfers (85%), but Non cash transfers have small share (9%).

The state social cash transfers to vulnerable or poor household are the main Program, called Family benefits (FB)[3] directed to the poor. It absorbs a large proportion of the Social assistance Budget -24.4 mld. drams and covered a large scope of beneficiaries: 140 thousand families or around 17 % of all households). This program has great impact on poverty reduction. The FB system was introduced in 1999 and is now considered as one of the most succesful within the European and Central Assia (ECA) region. To receive the benefit the families who consider themselves poor and need state assistance must apply and be registered at their respective Regional Social Services Agenciy (RSSA). The houshold vulnerability(eligibility for FB) estimating by mean-tested mechnaisms using 12 indicators which are grouped in following three groups:

♦ Poverty risks

♦ Suplemantary factors, such as housing and place of residence

♦ Limitations, such as cars, entreprenurship, some utility expenses, etc.

The main factor for vulnerability is poverty risks, which are based on a scoring system of the houshold's   social – demographic character and per capita income level.

The marginal eligibility score was reduced from 36.01 to 33.01 between 2004 and 2006.

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[3] The system was established in 1999 and was called State System of Poverty Family Benefits; from 2006 the System was renamed to State Family Benefits.

The poverty incidence among the households who receive the State FB is higher than the nationwide poverty incidence even after they have received the benefits (46.0 percent vs. the 29.8 percent post social transfers' poverty incidence level). The termination of the FB would increase the overall poverty incidence among this socio-economic group from 46.0 percent to 59.5 percent, while the incidence of very poor people would treble (Table 2).

Table 2. Poverty reduction impact of social transfers on households receiving social assistance, 2005

	Very poor (%)	Poor (%)	Poverty gap	Poverty severity
Households who receive social assistance				
Post-social assistance	7.6	41.6	20.6	6.6
Pre-social assistance	24.1	53.6	31.2	13.7
Households who receive FB				
Post –FB	7.9	46.0	14.7	3.7
Pre-FB	26.9	59.5	21.5	7.9

Source: ILCS 2005

The Ministry of Labor and Social Issues (MLSI) maintains strong monitoring on the program implementation, while empirical data of Integrated Living Conditions Surveys of Households (ILCS)[4] conducted annually by the National Statistical Service (NSS) serve as an independent measure of the program's efficiency and targeting.

According to the ILCS estimations, during 2005, 24.4 percent of all households in Armenia applied for the Family benefit. About 73 percent of the applicants (or 17.8 percent of all households in Armenia) were found eligible and awarded the benefit; the remaining 27 percent (or 6.6 percent of all households in Armenia) were denied the benefit. 75.6 percent of households did not apply for the FB, and 57% did so because they were not sure they would qualify, while 21 percent believed they were well-off and did not need it. However, the government implemented   another temporary cash monetary assistance to families who applied for social aid and were not eligible for FB program by different reasons. This mechanism applies as result of supplementary targeting, but it is weak because of its lump sum character, thus many requests for social needs remain not satisfied.

Data suggested that families getting such assistance have a decreasing trend: 9,561 in 2006, against 11,797 in 2000, this doesn't explain relation to social needs.

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[4] The ILCS are conducted during a whole year with quarterly rotation of settlements and monthly rotation of households, thus covering more than 5000 households nationwide. The survey is a major source for estimating the population living standards and conditions, monetary and non monetary poverty i.e. income, expenditures and consumption of the population, the accessibility and affordability of healthcare, education and social services, access to drinking water and housing conditions and etc.

Table 3 presents some administrative statistics on the distribution since 2000 through the FB system. As its data shows the overall trends are: beneficiary family numbers are decreased almost 25%, beneficiary families with children increased up to 70.7% in 2006, against 47.2% in 2000, benefit size was doubled, but it level is decreased relative to avarage wage level.

This system recognized for its positiv impact on poverty reduction, but is it efficient targeted and does it cover needs of all vulnerables? Some analysis sugeste that stil 30.2 % families by self estimation are poor, and 9.9% are very poor, we remind that only 17 % families are getting FB.[5]

Table 3. Family benefits system indicators 2000-2005 (administrative statistics)

	2000	2001	2002	2003	2004	2005	2006
Eligible households (% of total households)	52.9	44.0	38.6	28.4	27.0	25.4	23.8
Beneficiaries							
Number of families	199,456	174,800	149,603	141,218	134,224	127,167	130,170
% of total households in RA	26.7	24.1	21.2	19.3	17.2	16.5	17.0
As % to registered households	50.5	54.7	54.9	67.8	63.9	64.8	72.3
Families with children (% of registered households)	47.2	54.5	60.8	63.5	65.6	69.3	70.7
Lump Sum assistance recipients							
Number of families	11797	15917	10140	14889	7782	8342	9561
Number of individuals	44935	54139	30544	39456	17680	20560	23560
Average benefit (AMD per month)							
Regular benefit per household	7196	7712	6554	7099	8254	12200	15331
In % of the average wage	26.4	26.2	20.0	17.0	19.0	23.4	24.0
Lump Sum benefit (drams per household)	3500	3500	4000	4000	4500	6000	7000
Resources							
Total (nominal in bill drams)	17.72	16.85	14.85	13.23	16.09	20.023	24.357

Source: MLSI reports

Is the FB addressing to poor and is there effieicent resource allocation?Answers to this question can be found in Tabl 4. 65.9 percent of recipients coming from the two bottom "pre-social assistance" consumption quintiles and receiving about 72 percent of the FB budget, but there is

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[5] Social Assistance Targeting Improvement in Armenia EDRC 2006

ample room for improvements in targeting of the program as 17% of population in top two quintiles consumes almost 14.4% of funds allocated for the poor.

Table 4 Distribution of FB and overall social assistance recipients and funds across the "pre-FB" consumption quintiles in 2005 (in %)

Consumption Quintiles	Q1	Q2	Q3	Q4	Q5
Family poverty benefit					
Recipients	44.8	21.1	16.8	11.4	5.9
Resources	52.0	19.5	14.5	9.0	5.4
Social assistance (including FB)					
Recipients	39.1	20.4	18.0	12.6	9.9
Resources	46.4	19.4	15.2	10.0	9.0

Source: ILCS 2005.

How many poor are getting FB? This is another indicator of targeting efficiency.

Figure 1 presents the proportions of beneficiary families and poor families as percent to total families in the country. Only in Lori and Vayots Dzor marzes is the targeting close to 100%, while in Armavir only 9% of households are receiving benefits while 32% still live in poverty.

Figure 1 Beneficiary and poor families by marzes
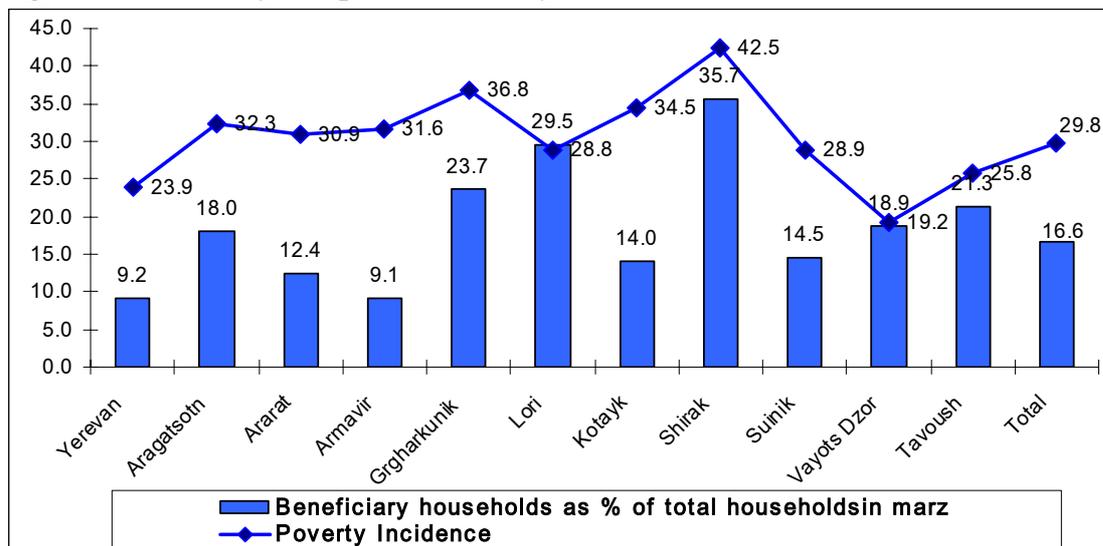
Source:ILCS 2005

The number of very poor people appears more sensitive to changes of the poverty line than overall poverty, which indicates higher concentration of individuals around the food line than poverty line, in other words necessity of implementing new methods in poverty estimation?

Table 5 presents changes in poverty incidence relative to a given change in Poverty line.5 % increase in poverty line brings to 30 percent increase in extreme poverty incidence, and 8 percent increase in overall poverty. The same result got when poverty line decreased by 5 percent.

Table 5 Poverty Incidence sensitivity to poverty line changes for 2005

Poverty line change (%)	Very poor (%)	Poor(%)
0%	4.6	29.8
+5%	6.0	32.1
-5%	3.5	23.1
+10%	7.5	36.2
-10%	2.4	19.0

Source: ILCS 2005

Programs for Elderly and Disabled

Non-contributory social pensions are gaining increasing recognition as an important tool for protecting older people, particularly those who have spent their lives in the informal sector or have never been employed (6% of Budget).

Social Pension size was 6050 Drams in 2006 against 4500 in 2005.

This target group is getting also non-cash-social services, which is getting almost 5% of total Social Assistance Budget. These services include State care of elderly and disabled at the boarding houses (there are 6 boarding houses in Armenia, and 4 are under the supervision of MLSI). About 1000 elderly people are served at these institutions. In addition, 1200 elderly and disabled received home care by the RA centre for social services for disabled and elderly people living alone. However, budget spending for these purposes are low in comparison to international indicators, with only 3.1% of the total spending for Social Assistance, about 2400 AMD average daily expenditure per recipient. Home care has the potential to be a cost-effective alternative to institutional care or life-threatening home situations.

Regional Social-Medical Commissions (SMEC) are responsible for providing social and medical expertise to establish the degree of disablement, according to a three-tiered structure, of people with disabilities.

People with disabilities are entilted to receive free prosthetic and rehabilitative appliances, hospital services and mental health rehabilitation services (up to 10,200 AMD per person per day).

During 2005 about 7000 citizens receive prosthetic-orthopedic devices – 13,474 units, with the State funding needed wheelchairs and hearing devices. An additional 259 hearing devices were obtained with assistance from international organizations and NGOs.

As a result of actions initiated in 2005 the previous practice of queues was excluded, instead the persons who need the rehabilitation devices recive the necessary devices directly according to an individualized rehabilitation program.

Within the Program of the Medical-Social Service and Rehabilitation of Persons with Disabilities, the eligible persons with disabilities were provided prothesises and rehabilitation devices.These services were provided by non governmental organizations ARTMED and STRESS centers with state funding (0.4% of the total spending for social assistance). During 2005 about 14,000 disabled were provided with prosthetic-orthopedic devices; 465 persons received treatment at the ATMED and another 392 at STRESS health centers.

During 2005, 1337 hearing devices, 373 wheelchairs, 268 corsets, 216 bandages, 163 orthesis, 163 supinators, 921 crutches, 331 heand crutches, 1503 sticks, 1526 pairs of orthopedic shoes, 2763 pairs of prosthesis shoes, 122 breast prostheses.

Services for elderly and people with disabilities include physiological support, but do not routinely include psychological or social support. State initiatives to increase the range of services and to provide the least-restrictive, which are also the most cost-effective, services based on an individualized plan have begun, but are not widely adopted. Meanwhile, many old people are still waiting their turns to be placed in State boarding houses, while due to scarce funding they are rejected. Home care is not widespread: only few NGOs provide proper services to a limited group of beneficiaries, while many elderly and disabled living alone in remote rural areas have never received (or receive few times) elementary care both in everyday life and medical support. The government lacks the resources to increase the traditional forms of institutional care, and is in a transition period of taking advantage of resources outside government. Some alternative models have been introduced. NGOs should have major role in these activities, as they do throughout the West, but ambiguous mechanisms for out-sourcing create artificial barriers for NGO - State collaboration.

Programs for Children

Children are recognized as more prioritized target group in developing and developed countries. It is covered more than social, but also demographic and reproductive policies and objectives.

There is only one direct social transfer program for children: Lump-sum allowance at childbirth.

The lump sum allowance at childbirth was increased in October 2003 and now is 35,000 AMD. The benefit and the increase are in recognition of the need for families to give adequate care to newborns, as well as the administrative need to register the births. This modification increased the number of applicants for this assistance during 2005 and 2006. It is noteworthy that this action reduced the number of unregistered childbirths nationwide. The budget spending for this assistance made 1, 326 bill. AMD or 4.1% of total budget spending for Social Assistance.

However, the official data demonstrate low public awareness of this assistance, as almost one third of households with newborn did not apply and receive the benefits. The Figure 2 below shows the number of beneficiary households as percent to total newborns for 1999-2006

**Figure 2 Number of Childbirth Allowance Recipients 1999-2006**.
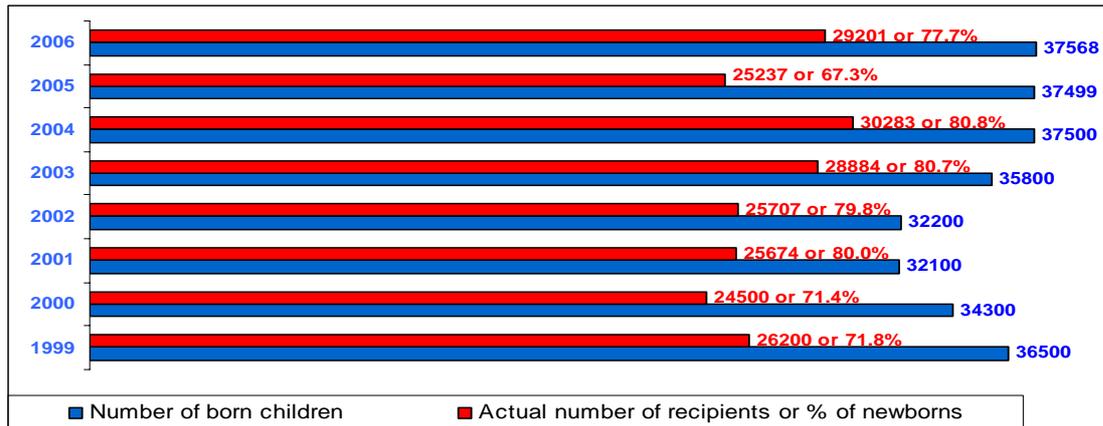
Source: MLSI Reports

Wider public awarness programs should conducted to increase public awarness of the childbirth allowance and simplify the paper work to ease the application in particular for the rural population

Another child related transfer program is allowance to working women for children under 2 years of age.This program is somhow suplement to benefit package of child-bearing program.

The Labor Code adopted recently regulates the issues related with maternity leave and leave for rearing a child under 3 years of age.The budget spending for this assistance made 217.9 mln. AMD or 0.7% of total budges spending for Social Assistance. The administrative data of childbirths and recipients of this allowance demonstrates a very low and reducing number of working mother (Figure 3).

Figure 3. Child allowance for Children up to 2 Years of Age Relative to total Number of births, 2002-2006
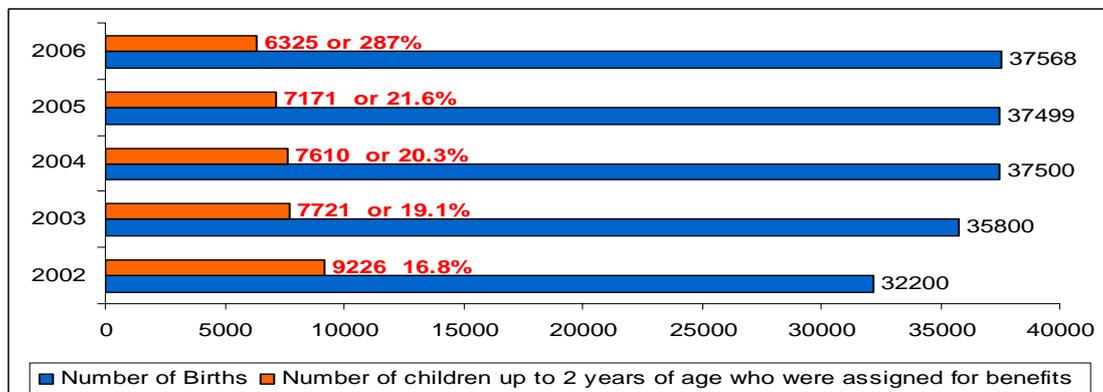
Source: MLIS reports

All women who give birth should be eligible for the allowance for child care, while working women should have the privilege to receive higher benefits regarding to their salaries and taxes paid (currently the benefits are very low - only 2300 AMD, but in the case that the woman conitnues to work she recives 50% of that benefit – 1150 AMD).

The other Programs for children concerning organization of Institutional special care for them. These are described bellow.

Programs for children of vulnerable families and children without parental care

The following legal acts adopted during 2005 are regulating the field:
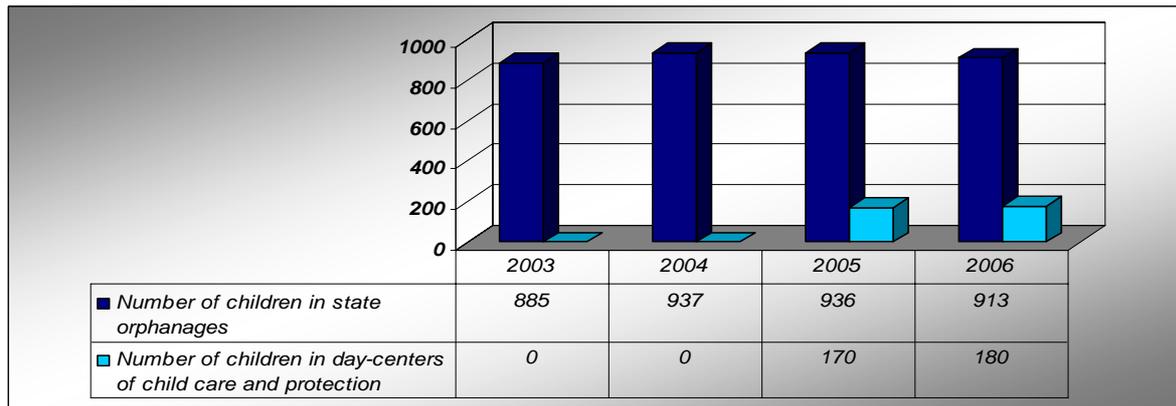
- o RA Law on ammendments to RA Family Code adopted on July 3, 2005,

- o RA Prime Minister Decree of March 5, 2005 N 137-A on Making amendments to RA Law on Social Protection of Children Who Remained Without Parent Care.

- o RA Government Decree of March 24, 2005 N 381-N on amendments to RA Government Decree of 26.12.2002 N 2179-N and Adopting the list of types of institutions that provide childcare and protection and criterion of children enrollment in that institutions.

- o RA Government Decree of April 21, 2005 N 623-N on Procedures of registration of children of RA adopted by non-citizens of RA and foreiners at the consulates at RA,

- o RA Government Decree of September 8, 2005 N 1646-N on Approving the Schedule of reorganization and rearrengement of special basic education institutions for orphans and children without parent care and establishment of new institutions of childcare and child protection by the end of 2007 in the Republic of Armenia.

- o RA Government Decree of February 17, 2005 N 158-N on Procedures of providing lump sum assistance to graduates of orphanage irespective of its legal status.

- o RA Government Decree of May 5, 2005 N 517-N on Aproving the list of diseases that prevent adoption, guardianship or child breeding if the adopter has any of those diseases.

- o Resolution of the Prime Minister of RA of October 28, 2005 No 835 on Establishing National Commission on Chold Protection and Aproving the individual members of the Commission.

Child care and protection at state orphanages and special educational institutions

The Ministry of Labor and Social Assistance is coordinating the operation of child care institutions. There are 8 orphanages under the Ministry's supervision: Yerevan "Child House" for 0-5 years of age children, Vanadzor Orphanage for 0-18 years of age children, Gavar Orphanage for 18 years of age children, Gyumri "Child House" (special education) for 0-5 years of age children, Special Education child house of Kharberd for 5-18 years of age children, Yerevan "Zatik" Orphanage for 3-18 years of age children, Yerevan Special type of Orphanage for 0-6 years of age children, Gyimri "Houice" orphanage for 0-18 years of age children. In total 913 children are cared for in these institutions and about 20 children are staying at the FAR Children Reseption and Orientation Center. Total budget spending for child care at the state

orphanages is 952,6 mln AMD or about 2.9% of the total budget spending for Social Assistance. In addition there are Child Social Care centers, for children who were recently transferred to Special Institutions or families under MLSI supervision with about 11.3 mln AMD (or 0.03% of total) funding. Information on children in orphanages is presented in Figure 4 below:

Figure 4. Number of children at the state orphanages and day care centers

	2003	2004	2005	2006
■ Number of children in state orphanages	885	937	936	913
■ Number of children in day-centers of child care and protection	0	0	170	180

Source: MLSI reports

A pilot project on Foster Care is currently implemented jointly with UNICEF. To this end 17 mln AMD or 0.05% of total spending is allocated for arranging deinstitutionalization of the Child care program. MLSI continues its joint project with Cretie Municipality and Armenian community on "Care and Rearing" of children from orphanages at 3-12 years of age in foster families" launched in 1998. Under this project 8 children are under care at 8 foster families in France. One of the chiledren has been adpoted by the foster family. The primary aim of the project is to help the biological families to take back their children and take care of them with state assistance. According to official data about 225 children were moved to their biological familes, foster familes or were adopted. Deinstitutionalization trends are depicted in Figure 5.

Figure 5 Children moved from State care institutions to their biological familes, foster familes or adopted (in %)
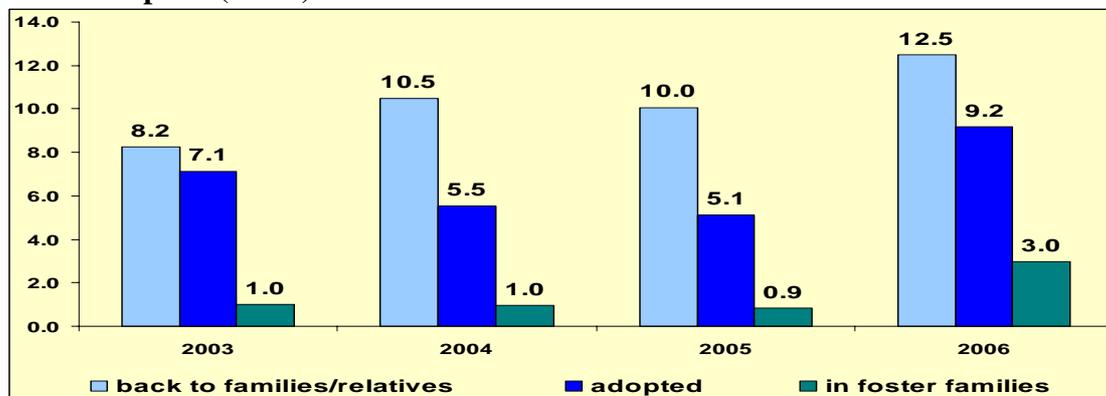
Source: MLSI reports

However, the program is not always successful because both children and families, as well as foster families and adpoters, have no proper psychological screening and adjustment assistance. In many cases the children are returned to the institution.

Centralized registration of adoptees, candidates for adopters is carried out using the Nork Information Center's Mankan database. During last year 148 candidates for adopters, including 101 RA citizens and 47 foreiners were registered.

The Ministry continued centralized registration of children without parent care and also homeless children without parent care. As of January 1, 2005 16 homeless children were without parent care of the 322 children without parent care who were registered.

State assistance to graduates of state orphanages and special educational institutions

Under this program the budget spending made 320.3 mln AMD or 1% of total budget for Social Assistance, and includes

- Procurment of flats for the graduates
- career guidance and trainings
- education and requalification
- income for basic needs and furniture
- free health care
- legal advice

According to the agreement signed between the MLSI and Armenian demographic Forum NGO State Assistance to Graduates of Child Care Institutions program was carried out. Under the project 40 children receive assistance; 99 dwellings were purchased for graduates in2003 and 2004; procurement of dwellings for 2005 graduates is in process; 139 children were provided with durables: furniture, TV, refregerator, and other household items.This project was terminated because of Budget shortfall .

According to international best practice standards, services for children without parental care should include significant proportion of psychological support. In Armenia this is not always provided adequately or in a way that integrates with the other programs implemented for the children. In other countries mechanisms for utilizing non-governmental resources have made significant difference and should be explored more fully in Armenia.

MLSI closely collaborates with international donor USAID, the World Bank, EC, UNDP, UNICEF, UNFPA, ILO, World Vision, International Releif and Development, Fund for Armenian Relief, CRS, UMCOR, and with many benevolent or charity organizations. Some of these donors provide humanitarian assistance, while others provide economic development and capacity development assistance.

There are also many NGOs who provide social services through international donors or individual donors, while during recent years there are also few examples of state and NGO partnership. These few seeds were most notable in the following areas:

– State Assistance to Graduates of Child Care Institutions program (Armenia Democtratic Forum;)

– Pilot project on Foster Families (Mission Armenia)

– Programs for people with disabilities (Bridge of Hope; Pyunik; Paros)

– Elderly care (Mission Armenia)

– Training of non-competitive labor force (Astghik)

– Public awarness programs (Armenian Asossiation of Public Outreach).

Recommendations

It assumed that social assistance pie is not large, but efficient distribution is a very important issue and only a single mechanism to get maximum result and to increase the dollar contribution utility is efficient targeting.

It is recognized that Social cash transfers have great influence on poverty reduction efforts, the Family benefit system covered large scope of beneficiaries (main target group is 140 thousand poor households).

In general, the choice of the targeting mechanism depends on a range of factors including availability of relevant information, capacity of government institutions and cost. Targeting options include:

- means-testing is difficult for the Armenian case, because this requires high-quality data and is expensive to put in place;

- geographical targeting, whereby transfers are provided to everyone living in areas where there is a high incidence of poverty (workable for Armenia);

- community-based targeting, which uses community structures to identify the poorest members of a community or those eligible according to agreed criteria (this should be used as supplementary method);

- providing benefits to those recognized as belonging to a specific vulnerable category of the population; and

- self-targeting such as in work programs that offer a below-market wage, based on the logic that individuals who choose to opt in to the program are truly poor.

In many contexts, decisions on who to target will be influenced by local political considerations.

It is important for donors and other non-state actors to work in a coordinated manner with government, avoiding the uneven distribution of benefits to different groups which could create tensions among the local population.

Small scale, uncoordinated, donor-funded and NGO-implemented projects need to become national level, institutionalized, and based on social contracting with the government.

However, this is not easy to implement, sometimes this raises coordination obstacles, that donors are experimenting with different approaches, while another is that many governments are skeptical about expanding social protection measures.

Targeting is a means toward the end, which is poverty reduction. Assessing the effectiveness of targeting is an exercise in assessing one component of antipoverty interventions. Programs may have other objectives than transferring money to the poorest households, and these objectives might involve a tradeoff with targeting performance. For example, social funds may be primarily

concerned with creating community infrastructure and with building local capacity and social capital. That they show somewhat less progressive targeting outcomes than some of the purer transfer programs. It does suggest that policy makers who are thinking about intervention choices must consider the whole set of strengths and weaknesses of programs in making their decisions.

Targeting can work across all programs for which we could obtain information on targeting performance, able to concentrate a high level of resources on benefits to the poorest quintile (say, 80 percent of program).

Interventions that use means testing, geographic targeting, and self-selection based on a work requirement are all associated with an increased share of benefits going to the bottom two quintiles relative to targeting that uses self-selection based on consumption. Proxy means testing, community-based selection of individuals, and demographic targeting to children show good results on average but with considerable variation. Demographic targeting to the elderly, community bidding, and self-selection based on consumption show limited potential for good targeting.

Social services or non cash transfers should be prioritized by target groups and be supplements to other social assistance projects.

Another strategy should be development of mechanisms of using all resources (donors, NGOs) for provision of well targeted social services.