**PMT, CBT, CATEGORICAL HAND OUT**

**(GROUP 1: PROXY MEANS TEST)**

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| **Strengths** | **Weaknesses** | **Where it may work best** |
| * Theoretically superior precision in identifying the poor as defined (e.g. often consumption poor) * ‘Verifiable and objective approach' * In some contexts it can give an extra control over budget | * Often not understood/ accepted by the community * Could lower accountability to citizens if not over-ridable * Different definition of poverty than community * Relatively large data requirements and administrative costs (and data quality essential) * Standard PMT nationwide may not reflect local poverty context * May bias against certain groups (e.g. elderly with more assets accumulated over time) * Can ‘reward’ dishonesty and requires monitoring * Requires updating as circumstances change * Predictive power not that good | * Limited poverty alleviation budget (helps to address trade-off between the number of beneficiaries covered by the intervention and the level of transfers) * Higher capacity for implementation: presence of continuous/ regular household surveys, administrative capacity * Poverty and vulnerability profile: chronic poverty (problematic if ‘all poor’) * Where policy objective is poverty alleviation: tool to use after protection floor |

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**(GROUP 2: COMMUNITY BASED TARGETING)**

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| **Strengths** | **Weaknesses** | **Where it may work best** |
| * Community members are more likely to understand the real situation of each member / reflects their understanding of poverty * Lower administrative costs | * Risk of inter-community disparities * Can require extensive facilitation to be perceived as ‘fair’ by community members: independent and transparent process * Risks: social exclusion/ power relations/ elite capture/ ‘unknown’ community members * Potential hidden costs on administration (delicate trade-off between voluntary paid support by community leaders) * Potentially complex re-registration process * Potentially complex process for redress / grievance and accountability * Difficult in urban areas | * Low formal administration presence * Existing informal structures * Relatively socially uniform and ‘knitted’ communities |

**PMT, CBT, CATEGORICAL HAND OUT**

**(GROUP 3: CATEGORICAL TARGETING)**

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| **Strengths** | **Weaknesses** | **Where it may work best** |
| * Easy to implement (e.g. low data requirements)      * Lower administrative costs * Lower risk of people ‘playing the system’ * Entitlement (clear, understood) | * Will include people who are not ‘poorest of the poor’ * May cost too much if coverage is high | * Strong political will and commitment |