

Targeting in development projects in Egypt: *Approaches, challenges, and lessons learned*

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Effective targeting strategies are vital for almost all development programs. Universal approaches which provide aid to all individuals regardless of need are not always feasible given limited budgets and varying development priorities. Conversely, targeting directs resources to those in greatest need, ensures efficient allocation while upholding principles of social justice, equality, and the right to assistance.

This policy note summarizes the outcomes of a workshop held in Cairo on October 20, 2023, which brought together researchers, development practitioners, and policymakers. The high-level dialogue was part of the “Bridging Evidence and Policy” (BEP) seminar series, a collaborative initiative by the Egyptian Food Bank (EFB), the International Food Policy Research Institute (IFPRI), and the Sawiris Foundation for Social Development (SFSD). The BEP series serves as a platform for knowledge exchange and collaborative learning among donors, local and international implementers, and government representatives, with a focus on improving targeting in development projects. This note highlights the key discussions, offering insights into best practices and recommendations to enhance the effectiveness of program targeting.

Key messages

- ▶ Effective targeting ensures resources reach the most vulnerable when budgets are constrained.
- ▶ Targeting requires ongoing collaboration between researchers, policymakers, and development practitioners.
- ▶ Development practitioners in Egypt believe that targeting should be flexible, dynamic, and focus on vulnerable groups like female-headed households and people with disabilities.
- ▶ Targeting challenges in Egypt include institutional capacity issues, outdated data, and tradeoffs between speed and accuracy.
- ▶ To mitigate challenges, experts recommend establishing a unified social registry, adopting flexible and multi-method approaches, prioritizing transparency, stakeholder engagement, and robust monitoring systems to ensure fairness, accuracy, and responsiveness to evolving needs.

Theoretical issues of targeting

Dr. Sherine Al-Shawarby, a professor of economics at the Faculty of Economics and Political Science at Cairo University, emphasized in a theoretical presentation the importance of striking a balance between the accurate identification of beneficiaries and the implementation costs of targeting methods. She highlighted that selecting the most suitable targeting approach, aligned with the project's objectives, is crucial

for the program's success. Achieving such a balance involves continuous interaction between researchers and policymakers, where policymakers start by setting program objectives that will guide the selection of a targeting approach. Researchers then explore trade-offs, predict behavioral responses, and use data to identify key characteristics of potential beneficiaries, such as poverty status. Based on these findings, policymakers define targeting criteria and communicate the most optimal targeting groups and approaches to stakeholders. Researchers then evaluate the effectiveness of the targeting strategy and inform further policy adjustments. This iterative process ensures targeting strategies are refined and aligned with program goals for maximum impact.

Targeting tools can be categorized by who determines the beneficiary base: the beneficiary (self-selection), the community, or the implementing agency (implementer-driven targeting). Self-selection allows individuals to voluntarily opt into a program, typically through an application process or by meeting eligibility criteria, with minimal external intervention. Community-based targeting relies on local knowledge to select beneficiaries, often through a participatory process. This method is more sensitive to local conditions and attributes, such as social capital, that may not be easily observed by external actors. Implementer-driven targeting uses evidence-based tools, such as categorical (e.g., geographic, age, disability) or poverty-based methods (e.g., Means Testing – MT, Proxy Means Testing – PMT, Hybrid Targeting, Multidimensional Poverty Index – MPI) (Grosh et al. 2022). The PMT utilizes detailed household data, such as assets and income, to determine poverty level and program eligibility. It is highly effective at minimizing inclusion error and curbing favoritism, even when data is poor or incomplete, but it can also lead to high exclusion error (Grosh and Baker 1998). The PMT is considered effective at reducing poverty but has been criticized for not capturing the full range of vulnerabilities, especially in contexts where local conditions or informal resources are not reflected in the data (Grosh et al. 2022).

The two key measures of targeting effectiveness are exclusion error when eligible individuals are mistakenly excluded from receiving the program benefits, and inclusion error when non-eligible individuals mistakenly receive the program benefits. (UNICEF 2016; World Bank 2021). These errors are directly influenced by the coverage rate, that determines the proportion of the targeted population. Increasing the cut-off threshold to reduce exclusion error by expanding the pool of beneficiaries leads to greater inclusion of non-eligible individuals and higher inclusion error. As coverage expands, the trade-off between these errors becomes more pronounced, with scarce resources in mind, requiring careful balancing.

Research on targeting in Egypt

Targeting research in Egypt has focused on the several large social protection programs. Egypt's largest national social safety net program, Tamween, provides subsidized food commodities to approximately 62 million citizens through ration card system, and subsidized bread to additional 8 million citizens. The Government allocated around 128 billion EGP to Tamween, equivalent to about 6% of the national budget (FY 2023/2024; Ministry of Finance, 2023).

Other prominent social protection programs are the Ministry of Social Solidarity's (MoSS) Takaful and Karama (TKP) that provide cash transfers to alleviate poverty. Takaful offers cash transfers to low-income families, conditional on their children's school attendance and health check-ups, while Karama provides unconditional cash transfers to orphans, the elderly, and individuals with disabilities. As of 2023, TKP supports approximately 5 million households (around 17 million individuals) with a budget of 31 billion EGP (FY 2023/2024; Ministry of Finance, 2023).

Together, Tamween, Takaful, Karama, and other social protection programs support more than half of the total Egyptian population, but they only manage to reach about 57% of Egypt's poorest population, highlighting significant gaps in coverage due to targeting inefficiencies (World Bank Group, 2023).

Hence, these national programs offer valuable opportunities for studying the effectiveness and efficiency of employed targeting mechanisms. For example, Breisinger et al (2018) evaluated targeting of Takaful and found that the highest exclusion errors occurred in urban areas where outreach had not been intensive. Additionally, the study highlighted that household PMT scores were always higher with age even after controlling for consumption, indicating that those in need may have been falsely considered ineligible for the program. These findings underscore the need for context-specific adjustments and continuous improvement in targeting mechanisms to ensure cost-effective and impactful social support.

An alternative approach which has been used by the EFB is targeting through local communities. Leveraging a network of grass root civic organizations and actors, and a nationwide logistical network, the EFB utilizes extensive field knowledge to further target eligible households. Experiments in other contexts have found that there are tradeoffs between PMT-based targeting and community-based targeting which may be context-dependent (Alatas et al, 2012). Dr. Mai Mahmoud, postdoctoral research fellow at J-PAL Cairo and former IFPRI researcher, showed that community-based targeting resulted in a similar but not identical distribution of beneficiaries compared to PMT-based targeting when considering Egyptian Food Bank beneficiaries.

Findings from an expert and stakeholder discussion roundtable

The roundtable discussion encouraged the sharing of experiences related to practical targeting approaches employed in Egypt. The discussions were intended to identify the specific challenges associated with targeting methodologies, by critically reflecting on past experiences. Furthermore, the scope of the roundtable discussion was to explore how research can help address these challenges to improve the targeting of social protection programs. The insights from group discussions are summarized in three main dimensions of targeting: approach, challenges, and lessons learned.

Target populations

Most roundtable discussants stressed the importance of prioritizing those who are most in need with a specific focus on subgroups that face multiple disadvantages. Moreover, there was an overall agreement that targeting should be rooted in the type of assistance that is being provided. For example, programs that aim to improve nutritional security should target the nutritionally deprived population. The discussion underlined the need for flexibility and adaptability in targeting strategies, with an emphasis on the balance between a needs-based targeting that focuses on identifying those in the greatest distress, and impact-based targeting that ensures cost-effective interventions reach those with the greatest potential to benefit from them.¹

When asked about the most eligible communities or groups for their ongoing social protection programs, discussants consistently indicated that female-headed households are the priority. This is especially true for those households with children under 18 years old, unmarried children over 18 years old, and children with disabilities. Such households often face significant financial challenges because of caregiving responsibilities and limited job opportunities. People with disabilities who are unemployed or without an

¹ Further reading: Haushofer et al. (2022)

income were also identified as a vulnerable group in need of support. Many respondents agreed it is important to target the poorest and most vulnerable communities, particularly in rural and remote areas where families lack access to basic services like education and healthcare. Elderly individuals with no access to pensions and children who are homeless, malnourished, or lacking education, were all noted as groups in need of social protection.

Furthermore, roundtable discussants agreed that targeting needs to be continuously re-evaluated and more responsive to dynamic environments and emergency situations, to enhance community cohesion and human dignity. Namely, attendees pointed out that natural, economic, and household shocks, conflicts, and displacement can suddenly increase vulnerability, and social protection may become essential for groups that initially did not need support or were not eligible for the program. For example, a death of a household breadwinner, unexpected loss of a job, inflation, and changes in living conditions can push previously self-sufficient household into poverty but may not receive the needed support immediately. On the contrary, refugees and people affected by severe natural disasters may receive emergency relief regardless of their initial eligibility, as a result of universal coverage interventions that do not follow any targeting criteria. People's living conditions can change rapidly, making household classifications outdated. Therefore, not updating the targeting system exacerbates exclusion error and undermines the effectiveness of social protection programs, as they fail to adapt to the evolving needs of vulnerable populations.

Targeting approaches

Programs often rely on either proxy-means test (PMT) targeting, community-based targeting (CBT), or a combination of both, to identify vulnerable populations. Proxy-means targeting uses a formula which predicts household needs based on data from national surveys and databases to determine eligibility, while CBT relies on local knowledge and input from community leaders and committees to identify (Conning and Kevane 2000; Overseas Development Institute 2016).

Recognizing the strengths and limitations of each approach, it is a common practice to employ hybrid strategy blending both methods, i.e., a multi-stage process, to ensure fair and context-sensitive selection of beneficiaries. The discussion revealed that most organizations start by utilizing national databases, such as those from TKP to identify potential beneficiaries. These lists are then supplemented with community nominations that are often guided by local leaders or community-based organizations (CBOs). Several additional steps are included to refine the selection process and ensure that interventions are relevant for pre-selected beneficiaries, such as caseworker assessments, self-exclusion processes, or village-wide surveys conducted by volunteers. Roundtable discussants pointed out that the TKP targeting strategy combines geographical targeting and the PMT, with registration starting in the poorest villages where at least 75% of the population is below the poverty line of 2\$/day.

Workshop procedures

The roundtable discussions were held in four 30-minute sessions, each addressing one dimension of targeting: i) objectives, ii) perception and acceptance, iii) improvements and measuring, and iv) tradeoffs between efficiency and accuracy.

At the beginning of each discussion session, moderators briefed attendees at their table. The moderators then initiated the discussion, inviting attendees to share their insights and to participate in an open discussion.

The seminar attendees were carefully selected to obtain opinions of a broad range of experts and stakeholders on program targeting. Representatives from the government, philanthropic organizations, intergovernmental multilateral organizations, and local NGOs were invited to participate and share their experience in the discussion. The notes of the moderators and notetakers provided the basis for this policy note.

Targeting challenges

Challenge 1: Institutional and operational capacity

Gaps in institutional capacity and data management undermine the effectiveness of targeting in Egypt. Discussions revealed that outdated and incomplete data, often maintained as hard copies or poorly managed databases, significantly contribute to mistargeting. Additionally, inconsistent data collection practices and the overburdening of field staff, who are responsible for both service delivery and monitoring, further increase the risk of errors. Moreover, the lack of technical resources, modern data tools, trained personnel, and data sharing practices between different institutions particularly affect programs targeting vulnerable groups such as people with disabilities. These challenges hinder accurate identification and follow-up, compromise the ability to assess needs, monitor progress, and deliver resources effectively, ultimately causing gaps in coverage and weakening the impact of social protection initiatives.

Challenge 2: Tradeoffs between targeting accuracy and efficiency

While precision in beneficiary selection is critical for fairness and effectiveness, factors like speed, community acceptability, and operational costs often compete with this priority. In emergencies such as COVID-19, the urgency to act quickly frequently overrides targeting accuracy. However, stakeholders largely agree that accurate targeting should remain a priority, with reliable baseline surveys serving as a foundation for effective implementation and monitoring. Neglecting this step can lead to significant challenges, as illustrated by a participant's account of poor baseline quality complicating program execution and outcome assessment.

Balancing between targeting quality and resource limitations is often unavoidable. One attendee recounted an example of a project where they had to decide due to limited resources: to provide a larger quantity of a lower-quality service or provide a smaller quantity of a higher-quality service. The attendee explained how the targeting process was time-consuming and that the changing nature of poverty over time posed additional challenges. In addition, the project faced a high dropout rate possibly because beneficiaries feared they would be excluded from the Takaful cash transfer program if they joined this project. The team is currently studying alternative targeting approaches that could alleviate this issue.

Challenge 3: Tensions related to community-based targeting

Community-based approaches enhance the targeting of social protection programs but also leave room for potential manipulation. Some organizations mitigate this risk by employing multi-stage processes to reduce bias. However, discussants noted a stronger emphasis on fairness and inclusivity in community nominations rather than ranking beneficiaries based on need using evidence-based methods. Challenges to cohesion arise when community leaders or NGOs nominate non-eligible and do not nominate eligible households, leading to perceptions of unfairness, tensions, and even local disputes. Such situations complicate efforts to maintain transparency and trust in the programs, particularly in the absence of effective oversight and conflict-resolution mechanisms.

Challenge 4: Prioritization of targeting

A significant challenge highlighted by roundtable participants is the difficulty of aligning targeting mechanisms with donor priorities. While it is ideal to employ hybrid targeting approaches, such as leveraging CBOs for initial identification followed by thorough verification processes, the emphasis by some donors

on achieving rapid results often compromises the rigor required for long-term effectiveness and sustainable outcomes. However, certain donor organizations have successfully addressed this issue by adopting impact-driven funding practices. These organizations prioritize evaluating developmental outcomes for beneficiaries over merely reporting service delivery metrics, such as the number of distributed boxes. Nevertheless, the tendency of many donors to prioritize quick results continues to hinder the implementation of robust and impactful strategies.

Recommendations and lessons learned to mitigate challenges

Consider vulnerability factors beyond income: Integrate additional vulnerability factors into targeting criteria, such as exposure to negative effects of climate change, disability, and social inclusion challenges to ensure comprehensive support and adaptive protection for the most vulnerable groups.

Create a unified social registry: Establish a unified social registry that integrates data from major national programs, such as Tamween and TKP, as well as other complementary programs to create a comprehensive, up-to-date database for more effective targeting. This initiative should be complemented by improved data-sharing systems and real-time updates across institutions to ensure accurate and timely selection of beneficiaries, decreasing the risk of mistargeting and enhancing program efficiency.

Allow flexibility in targeting during program implementation: Enable adjustments in targeting based on emerging data, feedback, and changes in local conditions. Consider enrolling beneficiaries in phased cohorts to review and adjust targeting criteria as needed. Also, utilize other platforms, such as phone hotlines, to allow beneficiaries to self-identify and access programs, especially for marginalized groups who may face social stigma or physical barriers to enrollment.

Promote active stakeholder participation: Ensure that all stakeholders (e.g., NGOs, community leaders, field staff, etc.) are actively involved in the design and implementation of the program to increase the validity and fairness of targeting decisions.

Strengthen community feedback and beneficiary engagement: Ensure that beneficiaries understand the criteria and rationale behind targeting decisions. This transparency can reduce confusion, increase trust in the program, and minimize complaints related to misallocation. Additionally, establish robust feedback channels, such as complaint centers or beneficiary surveys to collect and address complaints from communities, and actively involve beneficiaries early to ensure their input is incorporated to improve satisfaction and compliance.

Enhance the monitoring, capacity-building, and accountability of program implementers: Before initiating programs, NGOs (the usual program implementers in Egypt) should be assessed for alignment with target populations, delivery capabilities and checked for presence of potential biases. Additionally, transparent guidelines and robust monitoring mechanisms should be implemented to detect errors in the selection of beneficiaries and cross-check the data.

Establish follow-up mechanisms for former implementing partners: Ensure that monitoring and follow-up systems are in place for NGOs removed from the program to prevent any future targeting issues or biases.

Adopt a multi-method targeting approach with local involvement: Combine PMT with CBT to leverage the strengths of both methods. While PMT effectively reduces exclusion errors, CBT provides valu-

able sensitivity to local conditions and social factors. Additionally, integrate local knowledge and community involvement in the targeting process to verify data, prevent misreporting, and ensure more accurate identification of eligible beneficiaries.

Strengthen monitoring, evaluation, and data-driven decision making: Develop robust M&E frameworks that integrate regular follow-up assessments, impact evaluations, and accurate data collection throughout the entire project lifecycle, from selection of beneficiaries to evaluation post-intervention. Prioritizing evidence-based decision-making through using reliable data to validate target groups ensures targeting decisions are unbiased, fair, and aligned with program goals.

Incorporate mid-program assessments to track progress and adjust targeting: This approach can help refine targeting by evaluating key indicators such as consumption, household income, and the PMT score, that estimates poverty based on observable characteristics. Regular pre- and post-surveys, combined with these indicators, can provide timely data for adjusting targeting strategies and improving program effectiveness. This method ensures that targeting remains responsive to changing circumstances and that resources are allocated to those who need them the most.

Address inclusion and exclusion errors: Regularly assess the inclusion and exclusion errors of targeting methods and adjust criteria or processes to ensure that eligible individuals are included while minimizing the risk of undeserving individuals receiving benefits. There remain significant questions that require further exploration, such as methods to enhance community-based and dynamic targeting, that are currently seen as particularly crucial.

Conclusion

The expert discussions emphasized the need to address inefficiencies in targeting mechanisms to enhance the impact and cost-effectiveness of social protection programs. It served as a timely step toward improving cross-sector communication and mutual understanding among key actors. This brief, based on the insights shared in the discussions, highlights effective targeting strategies and key challenges faced by development programs in Egypt.

The discussions revealed several challenges such as weak institutional and operational capacity, the trade-offs between targeting accuracy and efficiency, and the balancing of implementor-led and community-based approaches. Addressing these challenges requires continuous evaluation and adaptability in targeting criteria.

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