Azerbaijan: Impact of Targeted Social Assistance (TSA)

Terms of Reference

Background
After years of preparation, Azerbaijan introduced targeted social assistance (TSA) that covers a significant number of poor families in the country. This targeted (means tested) social assistance aims to mitigate poverty by increasing and smoothing consumption of the poorest households in the country. TSA provides cash benefits to selected number of poor families using smart cards to deliver the benefits.

As part of the Azerbaijan Programmatic Poverty Assessment, TSA must be evaluated given that it is a key poverty reduction action taken by Government of Azerbaijan (GOA)). It is extremely necessary to provide direct evidence of the extent to which the interventions currently underway affect the living conditions of the poor and vulnerable groups.

Therefore the purpose of this ToR is to provide one assessment of the targeting accuracy of social protection programs and one assessment of the impact of TSA on household consumption in Azerbaijan. Both analyses will be made on the basis of the Household and Targeted Social Assistance Monitoring and Evaluation Survey 2008 (HMES 2008) that had collected information of about 6,500 Azerbaijani households, including Refugees and Internally Displaced People (IDP), and an oversample of Targeted Social Assistance (TSA) recipients and applicants..

Therefore main objective of this consultancy is to carry out a national representative evaluation of coverage, benefit incidence, impact on poverty, cost effectiveness and whether or not TSA is reaching its goals of improving household consumption in the country.

Activities
First task to be taken by the consultant is a careful analysis of the targeting accuracy of TSA using HMSE 2008 data and an assessment of the overall benefit incidence of Azerbaijan's social protection programs. This analysis aims to measure targeting efficiency and cost-benefit of social protection policies that intends to better assist poor population. The task includes an evaluation of the poverty impact of the social transfers, and assesses efficiency and effectiveness of the social protection programs. It is not in the scope of this analysis the production of any other suggestions or recommendations for GOA regarding adequacy, affordability and improvements in policies and implementation arrangements

Second task to be taken by the consultant is an Impact Evaluation of TSA program on the basis of the HMES 2008 data. This rigorous impact evaluation will be used as a managing-by-results tool by testing features of the program, focusing on the impact of the TSA on household welfare and self-reported satisfaction levels with the program. Since this data is a cross-section the consultant must take a decision about the evaluation method and discuss with WB staff beforehand. Given the nature of the data, a sort of quasi-experimental design using matching/propensity score matching for definition of the control group seems reasonable. Other sources of information as previous HBS can also be used for this analysis. Main objective is to measure whether TSA works to mitigate poverty in Azerbaijan by smoothing consumption of households in the country, mainly food consumption.

Expected outcomes
The consultant will prepare a set of tables/figures with main outcomes and a note explaining the methodology used for the Impact evaluation and a summary of main findings. The consultant will provide:

- An assessment of targeting accuracy and efficiency of social protection programs that intends to protect poor and vulnerable families in Azerbaijan. Most of the work can be done on the basis of the Social Protection module of ADePT developed by the HDNSP/DEC departments of the World Bank;
- A poverty profile of population;
- A description of the method for impact evaluation;
- An analysis of the impact of TSA on household consumption;
- A TSA assessment about: the knowledge of population, the satisfaction levels with the program, time spent in the application process, how population spend the benefit, satisfaction perception of transparency of beneficiary selection;
- All final data set and do files (programs) used for the analysis to WB.

Duration and Timing
The final draft of the analysis must be completed by May,31 2009. First set of results must be discussed and presented May, 2 2009. The consultant may conduct at least one seminar at the completion of the task.

Reporting Requirement
The consultant will inform Phillippe G Leite (HDNSP) by-weekly on the progress in the task implementation, during the duration of the contract.

Qualification and Experience
The Consult must have a track record in the analysis of household surveys and evaluation of programs.

TEAM
Phillippe G. Leite (HDNSP - Economist)
Lire Ersado (ECSHD –Economist)

VI. BUDGET

	Number of days	Unitary cost	Total
Targeting accuracy of social protection programs	5	$200	$1,000
Impact Evaluation of TSA	15	$200	$3,000
Estimated Total	20	$200	$ 4,000

Appendix I
Household and Targeted Social Assistance Monitoring and Evaluation Survey 2008

Technical proposal envisaged surveying 7,000 respondents. Respondents were divided into 4 groups with a quote specified for each of them.

№	Respondent group	Quote – household
1	**Target population**	**5, 500**
2	**Refugees and Internally Displaced People (IDP)**	**500**
3	**Targeted Social Assistance (TSA) recipients**	
4	**Targeted Social Assistance (TSA) applicants**	**1,000**

Sample

Survey will cover all economic-geographic zones of Azerbaijan. Since Kalbajar-Lachin economic-geographic zone is under occupation, its internally displaced population will be surveyed in areas of their temporary residence.

Three major survey techniques will be applied:

1. Random cluster sample to select general population.
2. Selected clusters to choose IDPs on the basis of their temporary residential areas
3. Selected TSA applicant HHs Database to select Targeted Social Assistance recipients and applicants.

1. Applied multistage sampling method is based on clusters deployed in 1998 population census.

381 clusters were selected from the list of clusters developed for each economic-geographic zone. Each cluster consists of an average of 100 households. Depending on the size of cluster (number of households), 10 or 20 households were selected and drawn into the sample.

A list of household addresses for each of 381 clusters was obtained from the State Statistical Committee to select households. In order to make a separate selection in each list, sampling stage and primary sampling unit were statistically calculated. A suitable number of households (10 or 20) was selected within each of the cluster list by means of sampling stage. As a result a list of households to be surveyed was developed. An additional (reserve) list was selected alongside with the main list.