

# Investing on Human Development: More than Conditioning Cash Transfers

Woodrow Wilson Center  
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# Contents

- Appreciation for CCTs is growing in the world
- Basic design for CCTs
- Specific features of Mexican CCT:  
*Oportunidades*
- How may CCTs improve Health & Nutrition?
- Final remarks

Appreciation for CCTs is  
growing in the world





# CCTs are supposed to have better performance and to achieve impacts

- Targeting poor families
- Delivering cash transfers timely and safely
- Improving health services use
- Improving school attendance and advancement
- Improving food intake
- Reducing malnutrition (stunting)
- Alleviating poverty, specially decreasing severity and depth of poverty
- Evaluating impacts and monitoring outputs and outcomes

# Basic design and important differences

# CCTs Basic Design (not a recipe, but. . .)

- Targeting mechanism to reach poor households
- (Short) List of conditionalities use of health services and attendance to school
- Procedure to verify compliance
- Paying mechanism
- M&E system

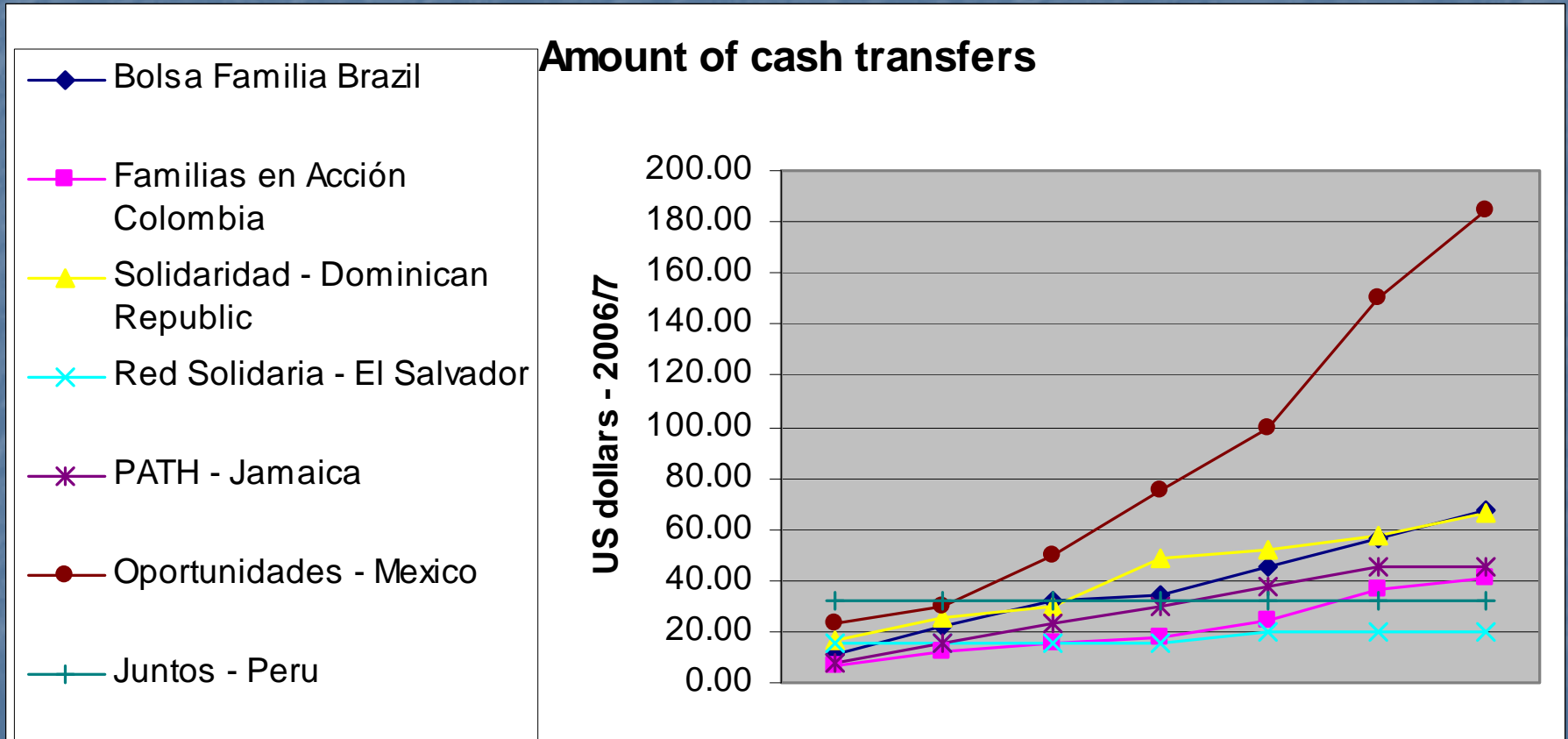


# CCTs in LAC are different: In scale and reach

- *Bono de Desarrollo Humano* - Ecuador: 1.2 million families, 100% municipalities, more than 100% of target population
- *Bolsa Familia* - Brazil: 11.2 million HH, 99% municipalities, 100% of target population
- *Oportunidades* - Mexico: 5 million HH, 100% of municipalities, 100% of target population
- *Red Solidaria* – El Salvador: 48,000 families, 18% municipalities, 20% target population
- PATH - Jamaica: 230,000 beneficiaries (persons), 100% of parishes, 50-60% target population
- *Juntos* - Peru: 336,000 families, 34% municipalities, 25% target population



# CCTs in LAC are different: In benefit size



Source: Author estimates, to be reviewed

# CCTs in LAC are different: In design

- Targeting methodology: PMT or declared income
- Eligibility: Families with children or Families below PL
- Cash transfer composition: One component - Several components – Variability in components
- Targeted education beneficiaries: Primary, Secondary, Upper secondary
- Cash transfer update: Discretionary – Ruled - Indexed

# CCTs in LAC are different: In operations

- Fully centralized or partially decentralized
- Registry of Beneficiaries and the Program are in charge of the same or two different agencies
- Program agency is part of a Social Ministry or part of "Presidential" office
- Compliance of conditionalities are verified as part of the process of cash transfer calculations (like a pay-roll) or not
- Strong or weak monitoring systems and fraud prevention mechanisms are in place

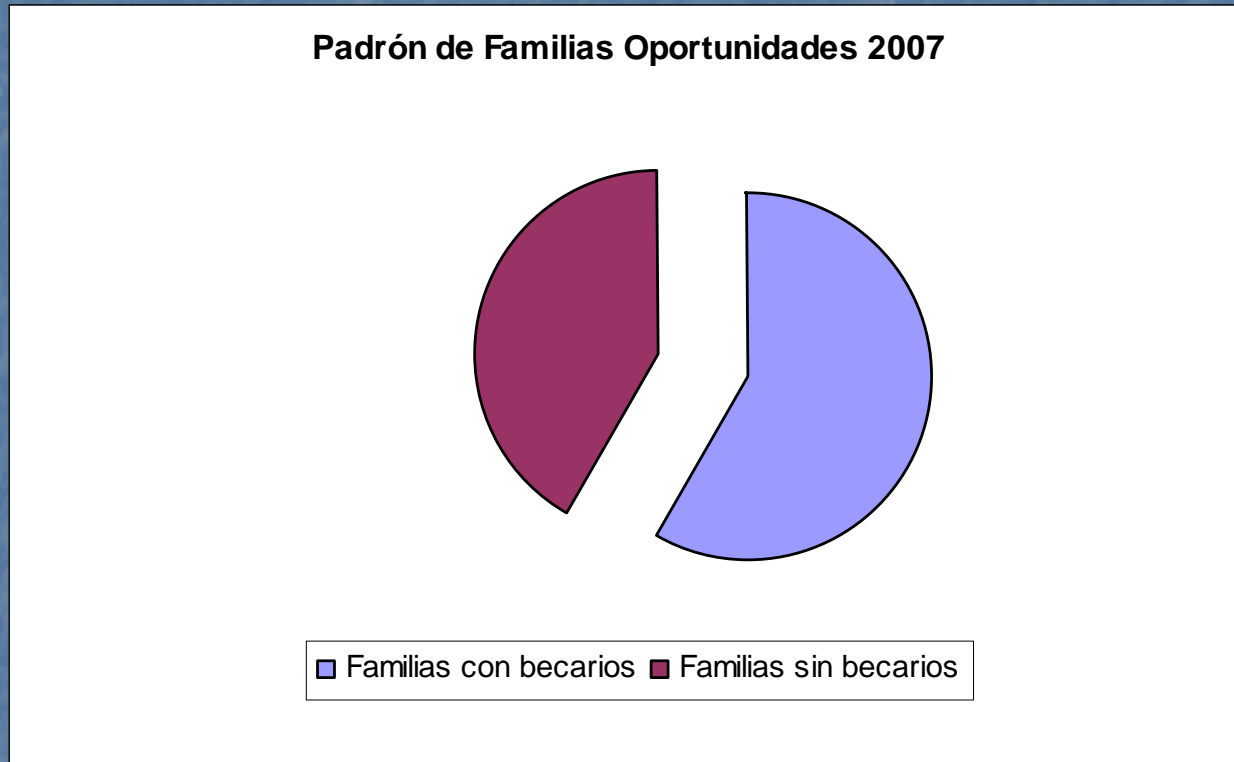


*Specific relevant features of the  
Mexican Program: Oportunidades*

# Some relevant features of *Oportunidades*

- Targets poor HH regardless demographic composition: with and without children
- Coordinates intersectorial and interinstitutional participation
- Delivers a variable cash transfer depending on demographic composition and compliance
- Independent experimental impact evaluation
- Transparency and accountability

# Oportunidades targets poor HH with and without children



On the 40% without cash transfers for education, almost 40% have children 0-8 yrs



# Inter-institutional coordination at the highest level of Government



# Inter-institutional coordination in the day-to-day

## State coordination



Printing of Forms E2 and S2



Capture of E2 and S2

## Health and Education

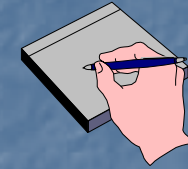


Schools  
110,000

Health  
Units  
15,000



## School and Health Units



Validation of attendance



## National coordination (DGPL)



Payment lists

Resources dispersion and electronic transfers liquidations



7,500 MAP's  
(bimonthly)

32 States

Cash transfer  
point of  
payment

Cash transfer  
point of  
payment

State

State

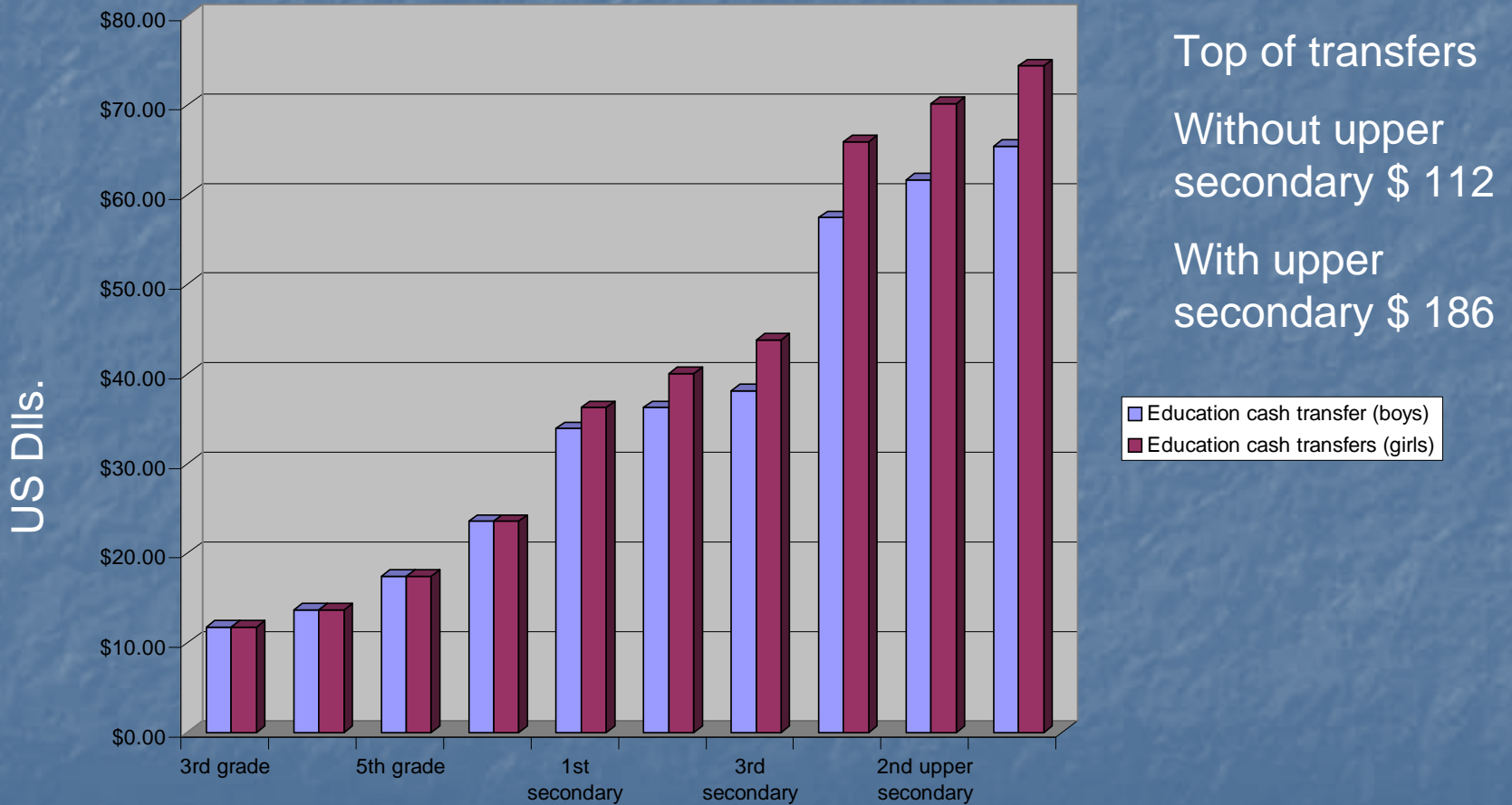
## Paying agencies



Telecomm  
Bansefi

# Oportunidades delivers variable cash transfers (depending on grade and gender)

Cash transfer variations



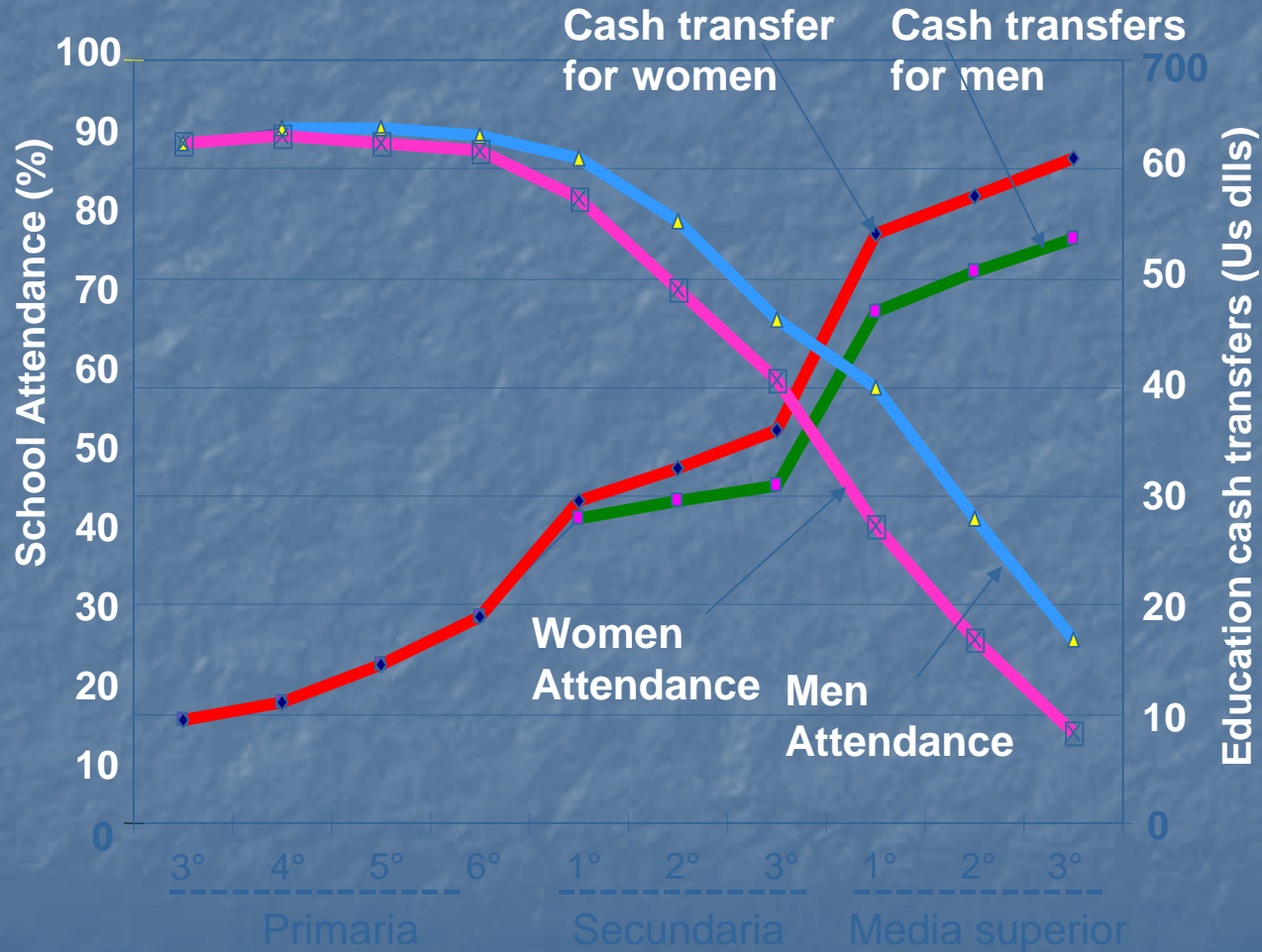
Top of transfers  
Without upper secondary \$ 112  
With upper secondary \$ 186

Education cash transfer (boys)  
Education cash transfers (girls)

+ Basic Cash Transfer \$ 22



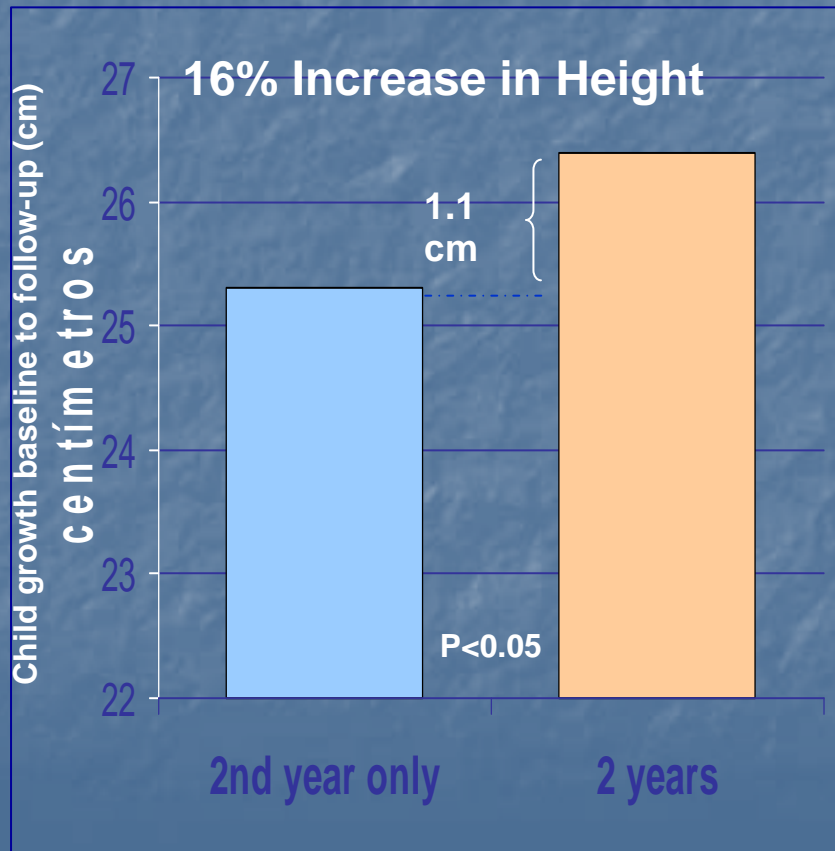
# To align incentives for Human Development



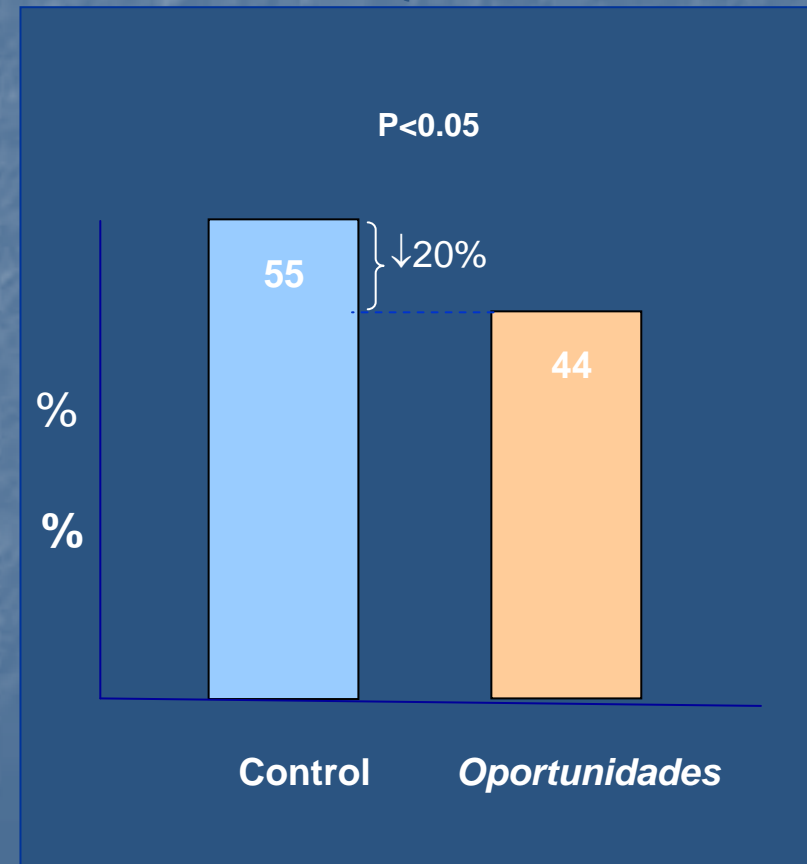
CCTs may achieve impacts in  
Health & Nutrition

# Experimental evaluation of *Oportunidades* shows positive impacts on nutrition

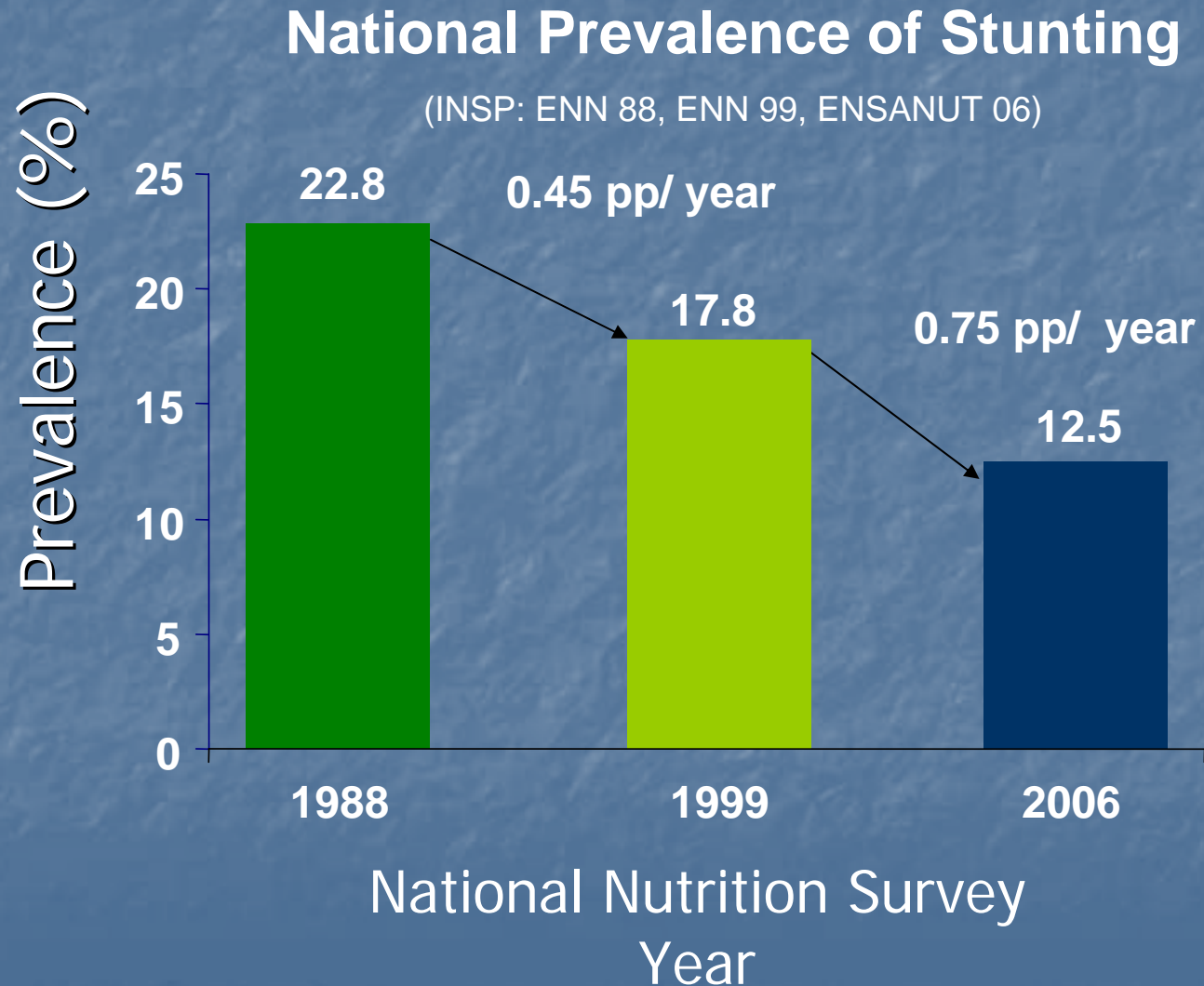
Height gain in children <6 mo of age at start of follow-up



Prevalence of anemia after one year of program implementation

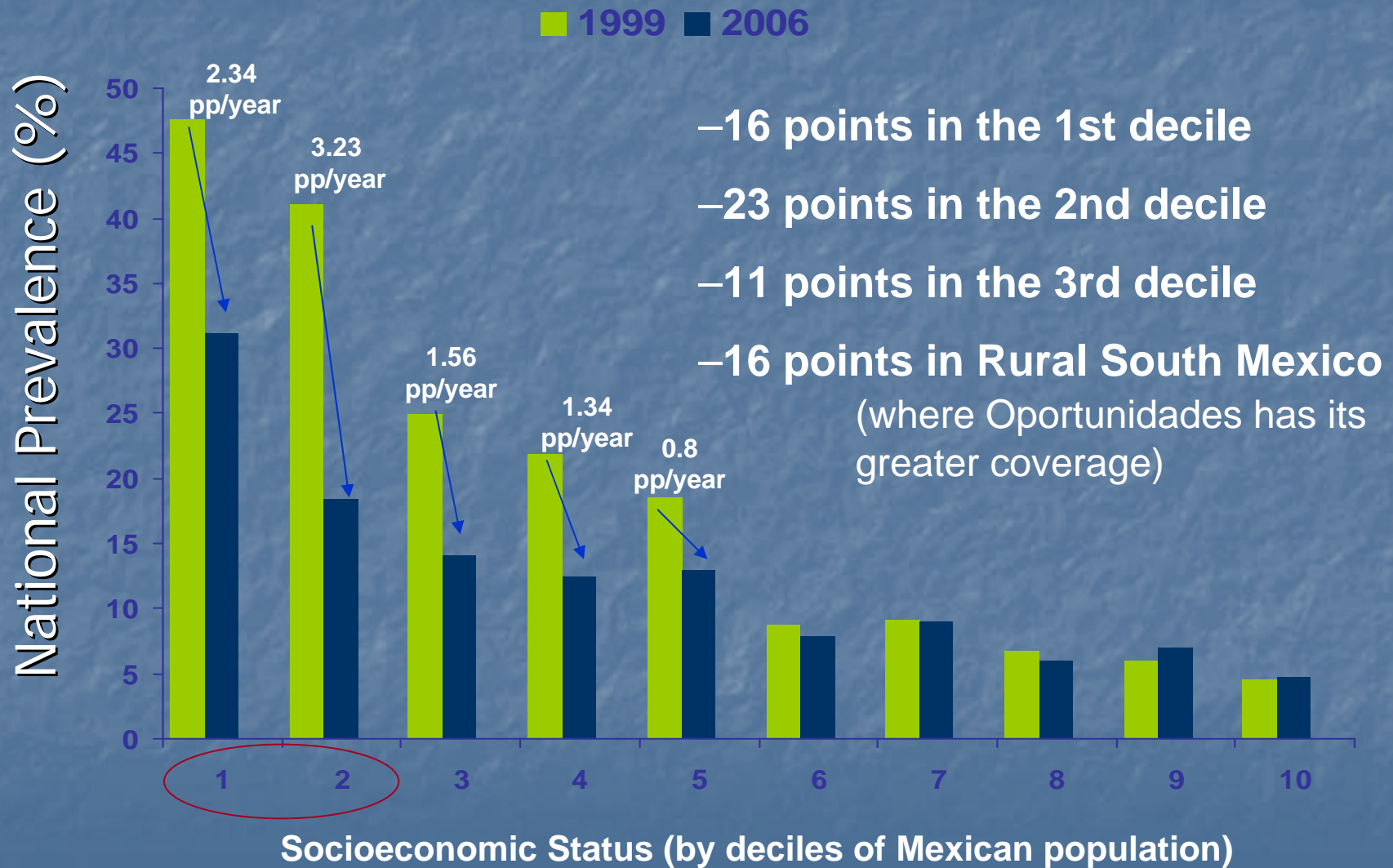


National statistics also show a significant difference before and after *Oportunidades*



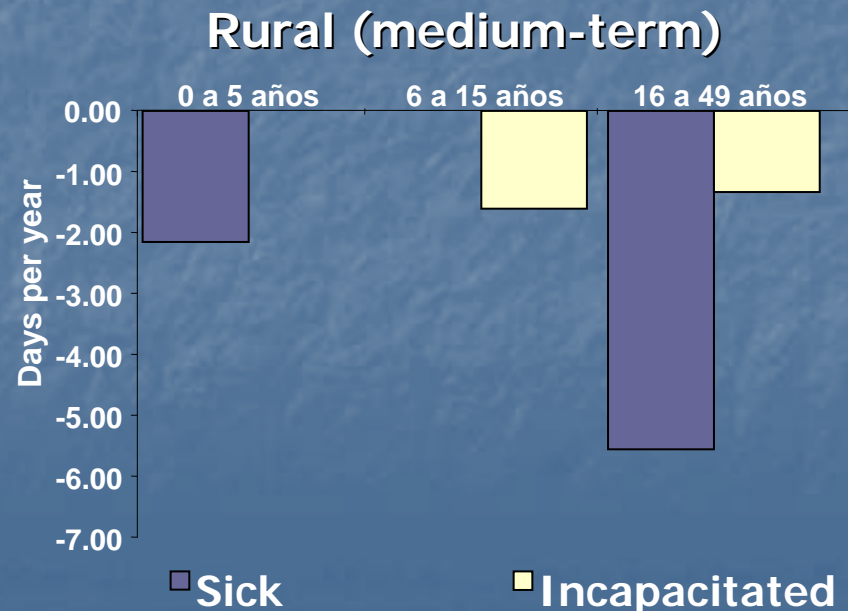
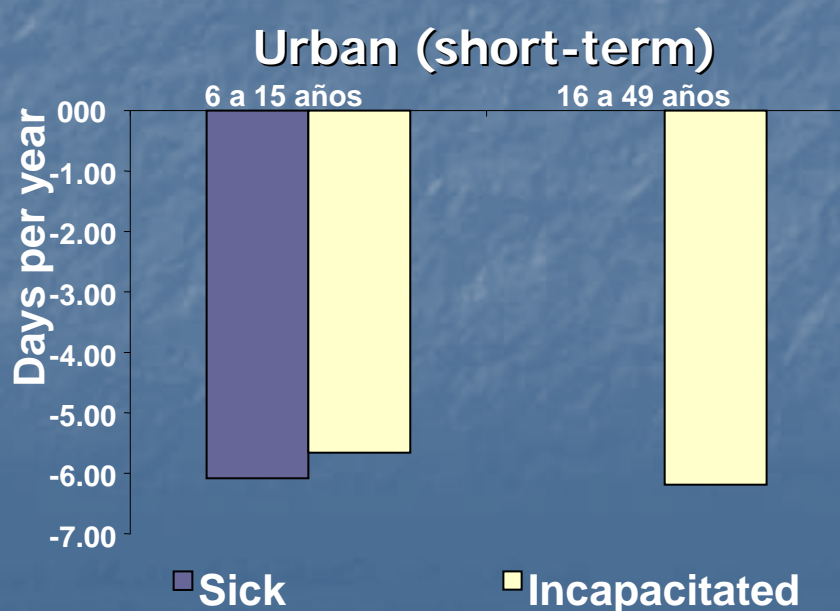


# Largest decrease noted in poorest population



# Impact on utilization of health services and on self-reported health status

- ✓ 35% increase in use of public-sector health services in rural areas and US\$9 reduction in household monthly health care expenditures due to Oportunidades
- ✓ Reduction in number of days sick and incapacitated in urban and rural areas



# How may CCTs achieve Health & Nutrition impacts?

- CCTs should be a tool (an intervention) to articulate supply side services with demand driven interventions
- “Supply side services” are a *sine qua non* precondition of the Program
- Health & Nutrition actions for beneficiaries are established in the Operational Rules as a “part” of the Program
- Although Health & Nutrition services are not provided by the Program



# Some operational features to coordinate Health with the Program

- A “package” of effective interventions according to “poor population” morbidity
- Focused on prevention and health promotion (extra-unit intervention)
- Aligned to “Life-Line” and prioritizing pregnancy, birth and early childhood development interventions
- *Oportunidades* also promotes attendance to health care education (“*platicas*” and workshops)



# Final remarks

- “Magic bullet” does not exist
- CCTs may or may not be a “best practice” depending on:
  - The problem to address: Is there a gap related to income in school attendance and in health services use?
  - The supply side capacity: Is there a “demand side” barrier or is it a problem of services reach and coverage?
  - Fiscal and policy decisions: Is this one more program or is it a general support for eligible families/persons (universal for poor)? Is there a policy decision to substitute ineffective programs for a best program?

# Final remarks (2)

- In *Oportunidades* the concept is not “conditionality” but “*corresponsabilidad*” (shared responsibility): There are responsibilities for the families . . . and for Government
- Government must guarantee the provision of health services and education. The question is the quality of Health Services and Education!
- Both are outside the control of the Program and are KEY to achieve its goal
- Politicians like the “cash transfer” side, but not often commit to the transparency, accountability and the shared responsibility

Thank you!

Rogelio Gomez Hermosillo M  
gomezh.rogelio@gmail.com