

REACH

Ending Child Hunger and Undernutrition

Acting at Scale: Implementation Case Studies

Conditional Cash Transfers

August 2008

Context

The following document is part of the REACH *Acting at Scale* set of materials

- The documents' aim is to provide highly condensed information and lessons learned for scaling up REACH-promoted interventions to support field practitioners and other interested parties
- They are intended to become a living set of materials, updated periodically by the REACH Global Interagency Team
- These materials are a first step towards a larger REACH Knowledge Sharing service, which will be developed over time

The full set of *Acting at Scale* materials includes

- *An Intervention Summary*
 - An overview document containing key facts for all of the 11 promoted interventions
- *Intervention Guides* for each of the interventions¹
 - Containing rationale, lessons learned, costs and further resource lists
- *Implementation Case Studies* for each of the interventions¹
 - Initial set of details and lessons learned from programs implemented at scale
- *Resource Lists*
 - Lists of key documents, organizations and programs at scale
 - Included at the back of each *Intervention Guide* and in Excel spreadsheets available from the REACH Global Interagency Team

These materials represent a preliminary version, to be validated and refined via additional consultations

- Prepared in Summer 2008 by the REACH Global Interagency Team, based on inputs from 56 practitioners and experts, as well as extensive desk research
- A revised Version 2 of these documents will be released in late 2008 or early 2009, incorporating feedback from initial recipients

If you have questions or feedback on these materials, please

- Contact your local REACH facilitator in Lao or Mauritania, or
- Contact the REACH Interagency Team Coordinator, Denise Costa-Coitinho, at Denise.CostaCoitinho@wfp.org

1. Breastfeeding and complementary feeding have been combined into a single document due to strong linkage in delivery

Case study: Conditional Cash Transfer (CCT) (I)

Oportunidades, Mexico

Intervention:	Conditional cash transfer		
Program name:	Oportunidades (formerly named PROGRESA)	Type:	Physical & education component
Location:	Mexico	Setting:	<input checked="" type="checkbox"/> Rural <input checked="" type="checkbox"/> Urban
Start year:	1995 (pilot level) 1997 (at scale)	Duration:	13 years (ongoing)
		Ongoing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Target group:	Children <5 and P&L women <ul style="list-style-type: none"> • Program also targets extremely poor households, focusing on women for cash delivery 		
Total costs:	US\$ 3.7B annual budget in 2007 ¹	Other resources used:	Ministry of Health and Education used their own budget to provide services
Metrics:	<ul style="list-style-type: none"> • Incidence of illness in participants' children 0-5 years was 12% lower in program areas • Height-for-age (z-score) • Prevalence of stunting 		
Lead & partner organizations:	<ul style="list-style-type: none"> • Completely funded by the Mexican government, subsequent loan from Inter-American Development Bank (IDB) • Coordination through Program Coordination Council, comprised of the secretaries of state for Education, Health, Social Development, and Finance • Provision of services through Ministries of Education and Health • Payment delivery through contracted NGOs 		
Description of specific country situation & social context:	<ul style="list-style-type: none"> • Middle income country <ul style="list-style-type: none"> – 3% of population lives on <US\$1 per day (2004) – Child mortality rate of 27 of every 1000 births (2005) • Strong government commitment to fight poverty after economic crises in 1995 and failure of existing food subsidy programs • Well developed public health services • History of corruption and political bias with government offices handling money 		

1. Fernald LCH, Gertler PJ, Neufeld LM: Role of cash in conditional cash transfer programmes for child health, growth, and development: an analysis of Mexico's Oportunidades. Lancet 2008; 371: 828–37

Case study: Conditional Cash Transfer (CCT) (II)

Oportunidades, Mexico

Policy and coordination processes and organization¹:	<ul style="list-style-type: none"> • Nationally coordinated across the Secretariat for Public Education, Health Secretariat, Social Development Secretariat and state governments • Participant secretariats plus the Secretariat of Finance comprise a Program Council to authorize program coordination, follow-up, supervision and evaluation • A Technical Committee includes the ministries above plus a Mexican Social Security Institute representative <ul style="list-style-type: none"> – Duties include program oversight, review and design adjustment
Communication, advocacy and change management:	<ul style="list-style-type: none"> • Strong external program evaluation (of design and impact) facilitated sustained political and social will for the program to continue
Measuring, tracking and reporting progress:	<ul style="list-style-type: none"> • Regular surveys were planned and conducted • IFPRI was contracted to evaluate design and implementation • Customer service system for beneficiaries helps to continuously improve the program
Funding and resource mobilization:	<ul style="list-style-type: none"> • Strong external evaluation created evidence base of success that triggered IDB loan
Capacity building:	<ul style="list-style-type: none"> • N/A
Private sector engagement:	<ul style="list-style-type: none"> • Engaged private banking system to deliver funds to beneficiaries

1. Including NGO/civil society engagement

Note: N/A denotes 'not available' as of yet via research

Source: Oportunidades program website; expert interviews; REACH analysis

Case study: Conditional Cash Transfer (CCT) (III)

Oportunidades, Mexico

Details on delivered intervention incl. delivery channel/method:

- Delivered via the public health service, with private sector payment delivery support
- Key design questions:
 - Size of transfer: different types of grants (nutrition, education, support for elderly) are composed according to families' needs
- Key implementation steps:
 - Targeting: program locations are chosen according to national indices; households are chosen based on socio-economic indicators; indicators are updated every 3 years when families are subject to reverification of their status
 - Enrollment: done by municipalities either through local office or home visits, possible every year
 - Service provision: delivered through public health and education system
 - Compliance verification: conducted bi-monthly by service suppliers
 - Payment delivery: specialized organizations are contracted to avoid corruption and political bias

Description of monitoring & evaluation:

- Baseline survey in 1997
- Impact evaluation every 6 months by IFPRI

Lessons learned (intervention & overarching processes):

- Intersectoral cooperation is critical to run national program with large coverage
 - Leveraged public health and education systems to provide services
- Delivery of payment was designed according to local context and improved based on experience
 - NGO/private organizations do delivery to avoid historical corruption and political bias
 - Delivery through banking system was abandoned after too many problems with counterfeiting and use of bank cards
- Strong, proactive M&E triggers positive outcomes
 - Allowed ongoing program improvement
 - Generated additional external funding

Contacts:

- Rogelio Gómez Hermosillo, former National Coordinator of *Oportunidades*, Mexico, rogelilog@oportunidades.gob.mx, +52 55 5539 8733

Key documents:

- "Reglas de operación. Programa de desarrollo humano *Oportunidades*. Ejercicio fiscal 2008." SEDESOL, 2008
- "Programa de desarrollo humano *Oportunidades*. Montes mensuales correspondientes al primer semestre del 2008." SEDESOL, 2008.
- Rodriguez E, Amman J: "Notes on Mexico's *Oportunidades* (Progresa) Program." Design and Implementation Issues of Selected Safety Net and Unemployment Assistance Instruments, Beirut, June 4, 2007

Mexico's *Oportunidades* program improved nutrition outcomes

Considered one of the most successful middle-income country CCT programs

Program overview

Launched in 1997 as poverty reduction program

- Replaced food subsidies that became unsustainable due to 1995 economic crises
- Integrates nutrition, health and education

Government delivered

- Public health service delivers services
- Local municipalities manage CCT mechanisms

Achieved high coverage among target vulnerable populations¹

- 5 million families, or 18% of population
- 96.5% rural

Success has led it to become a model for other programs

- 16% mean growth rate improvement in children 12-36 months old

Lessons learned

Create collaborative, decentralized government structures to foster the degree of cooperation necessary to scale-up

- Strong senior leadership fostered effective multi-sector cooperation
- Municipalities are empowered to deliver services, based on close contact with communities

Tailor program to meet needs of local setting

- NGO/private organizations deliver payments to avoid historical corruption and political bias
- Bank cash delivery approach abandoned due to high level of counterfeiting of bank cards

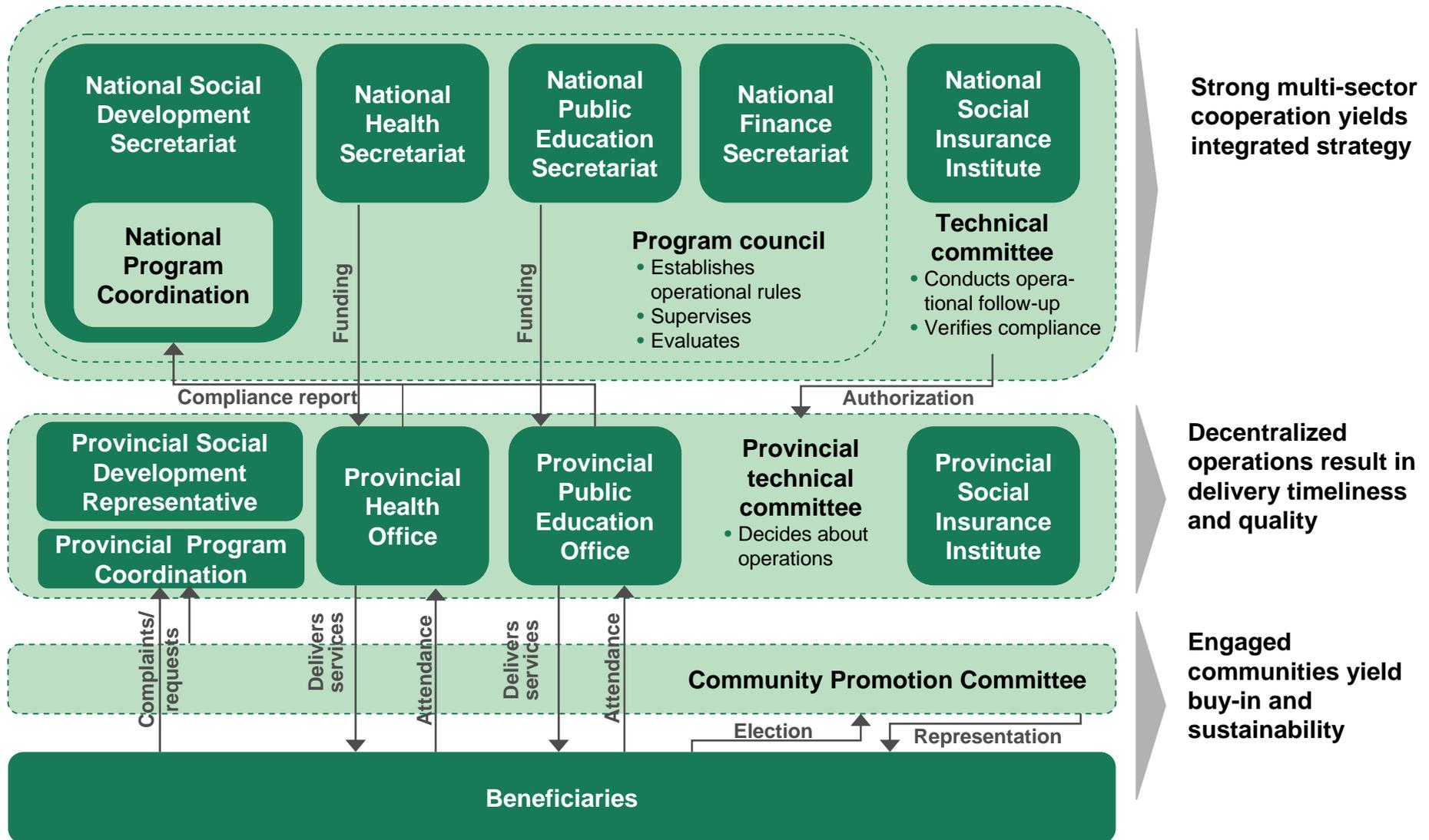
Invest in strong, proactive M&E

- Enabled ongoing program improvements
- Generated additional external funding

1. 2006 data

Source: Oportunidades program; Expert interviews

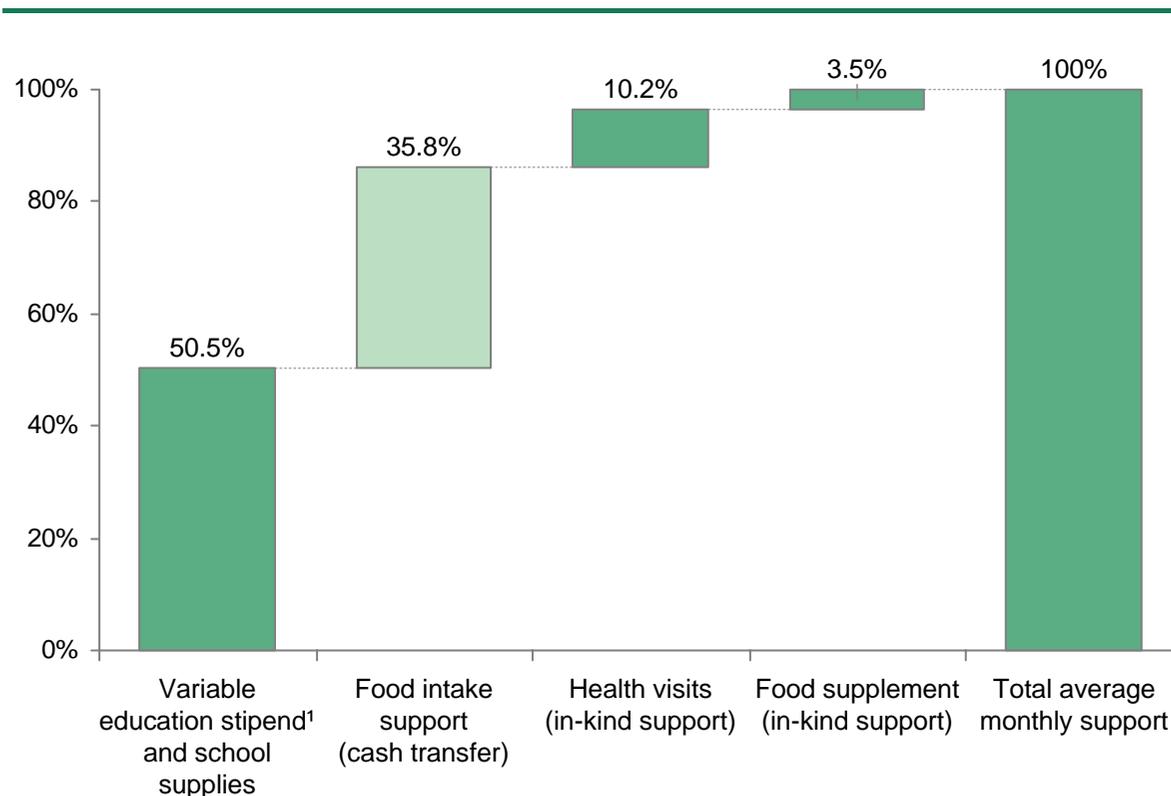
Oportunidades offers a positive model of effective overarching strategy and decentralized delivery



Source: Expert interviews; "Reglas de operación. Programa de desarrollo humano Oportunidades. Ejercicio fiscal 2008." SEDESOL, 2008.

Large element of monthly cash distribution covers nutrition

Breakdown of average household cash payment



Average monthly support per family in 2006 was US\$35, or 25% of typical family income

1. Education stipends increase with scholar's seniority and are generally higher for women. However, they are limited in amount per family if more than one child receives a stipend. Source: "Programa de desarrollo humano Oportunidades. Montes mensuales correspondientes al primer semestre del 2008." SEDESOL, 2008.; Rodriguez E, Amman J: "Notes on Mexico's Oportunidades (Progres) Program." Design and Implementation Issues of Selected Safety Net and Unemployment Assistance Instruments, Beirut, June 4, 2007.

Case study: Conditional Cash Transfer (CCT) (I)

Bolsa Família, Brazil

Intervention:	Conditional cash transfer		
Program name:	Bolsa Família (former Bolsa Alimentação, Bolsa Escola, Auxilio Gas, Cartão Alimentação)	Type:	Physical & education component
Location:	Brazil	Setting:	<input checked="" type="checkbox"/> Rural <input checked="" type="checkbox"/> Urban
Start year:	2003	Duration:	5 years (ongoing)
Ongoing?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Target group:	Children <5 and P&L women that belong to extremely poor households (<US\$25 per capita monthly income) and poor households (<US\$48 per capita monthly income)		
Total costs:	US\$ 3.09B (2005)	Other resources used:	Ministry of Health and Education used their own budget to provide services
Metrics:	<ul style="list-style-type: none"> • Food expenditure, food items purchased • Anthropometrics status of children <7 years • Operational metrics: # of enrolled families, school attendance, compliance with health conditionalities 		
Lead & partner organizations:	<ul style="list-style-type: none"> • Funded by Brazilian government • Operated by Ministry of Social Development and Fight against Hunger • Service delivery by Ministries of Health and Education • Payment delivery by contracted state bank Caixa Econômica Federal, who in some cases contracts other suppliers (military, NGOs) 		
Description of specific country situation & social context:	<ul style="list-style-type: none"> • Middle income country <ul style="list-style-type: none"> – Yet extreme poverty level of ~12%, full poverty of ~32%; 7.5% of population lives with less than US\$1 per day (2004) • Fairly advanced public health services <ul style="list-style-type: none"> – Yet child mortality rate amounts to 33 in 1000 births (2005) • Strong national sense of social justice, triggering government commitment <ul style="list-style-type: none"> – 76% of Brazilians think poverty is due to unjust society • Brazil has strong tradition of bottom-up social innovation <ul style="list-style-type: none"> – First-ever CCT developed at municipal level in 1995 		

Source: Linder K et al: "The nuts and bolts of Brazil's Bolsa Família program: implementing conditional cash transfers in a decentralized context." World Bank, 2007; expert interviews

Case study: Conditional Cash Transfer (CCT) (II)

Bolsa Família, Brazil

Details on delivered intervention incl. delivery channel/method:

- Delivered via public health service and NGOs
- Key implementation steps:
 - Targeting: municipalities are in charge of registering all families into Cadastro Unico national registry, operated by state bank Caixa Econômica Federal and used by Ministry of Social Development and Fight against Hunger
 - Enrollment: done by municipalities either through local office or home visits
 - Service provision: delivered through public health and education system
 - Compliance verification: decentralized data collection by public health facilities and schools; centralized evaluation by Ministry of Social Development and Fight against Hunger (education: every 6 months; health: every month)
 - Payment delivery: state bank Caixa Econômica Federal is contracted to deliver payments and contracts e.g. bakeries, military to reach remote areas where banking system is not present

Description of monitoring & evaluation:

- Baseline conducted in 2003
- Regular follow-up planned but delayed due to funding mobilization
- Surveys usually done by contracted national organizations (e.g. universities)

Lessons learned (intervention & overarching processes):

- Unified family registry (Cadastro Unico) makes targeting at national level very accurate
- Several incentives motivate municipalities to perform operations well
 - Additional budget for high value of operational index
 - Social innovation award
- Promotion of horizontal and vertical integration made rapid scale-up possible
 - Service provision is outsourced to public health and education systems
 - Programs at municipal level are integrated
 - State bank delivers payments on performance-based contract

Contacts:

- Leonor Pacheco Santos, Coordinator of M&E, Ministry of Social Development and Fight against Hunger, Brazil, leonor.pacheco@mds.gov.br, +55 (61) 3433-1533 / 3433-1509
- Denise Costa-Coitinho, REACH Interagency Team

Key documents:

- Lindert K et al.: "The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfer in a Decentralized Context." World Bank, 2007.

***Bolsa Família* succeeds due to bottom-up innovation and strong operational levers**

Program overview

Brazil's national CCT program is an integrated poverty reduction approach

- Arose from public demand for social equity and municipal-level CCT experiments
- Launched in 2003 to integrate 4 national CCT programs
- Integrates education, health, and nutrition

Achieved national-level scale with positive outcomes

- Scaled up from 3.8M households in 2003 to 11.1M households by June 2005
- US\$ 3.09 billion budget¹
- Demonstrated impact on stunting levels for children 6-11 months

Lessons learned

Foster strong central leadership to ensure cross-ministry cooperation

Foster cooperation across ministries and government bodies to enable rapid scale-up

- Innovation at municipal level triggered programming at national level
- Cooperation between municipalities and ministries to enforce conditions
- Service delivery is integrated at municipalities

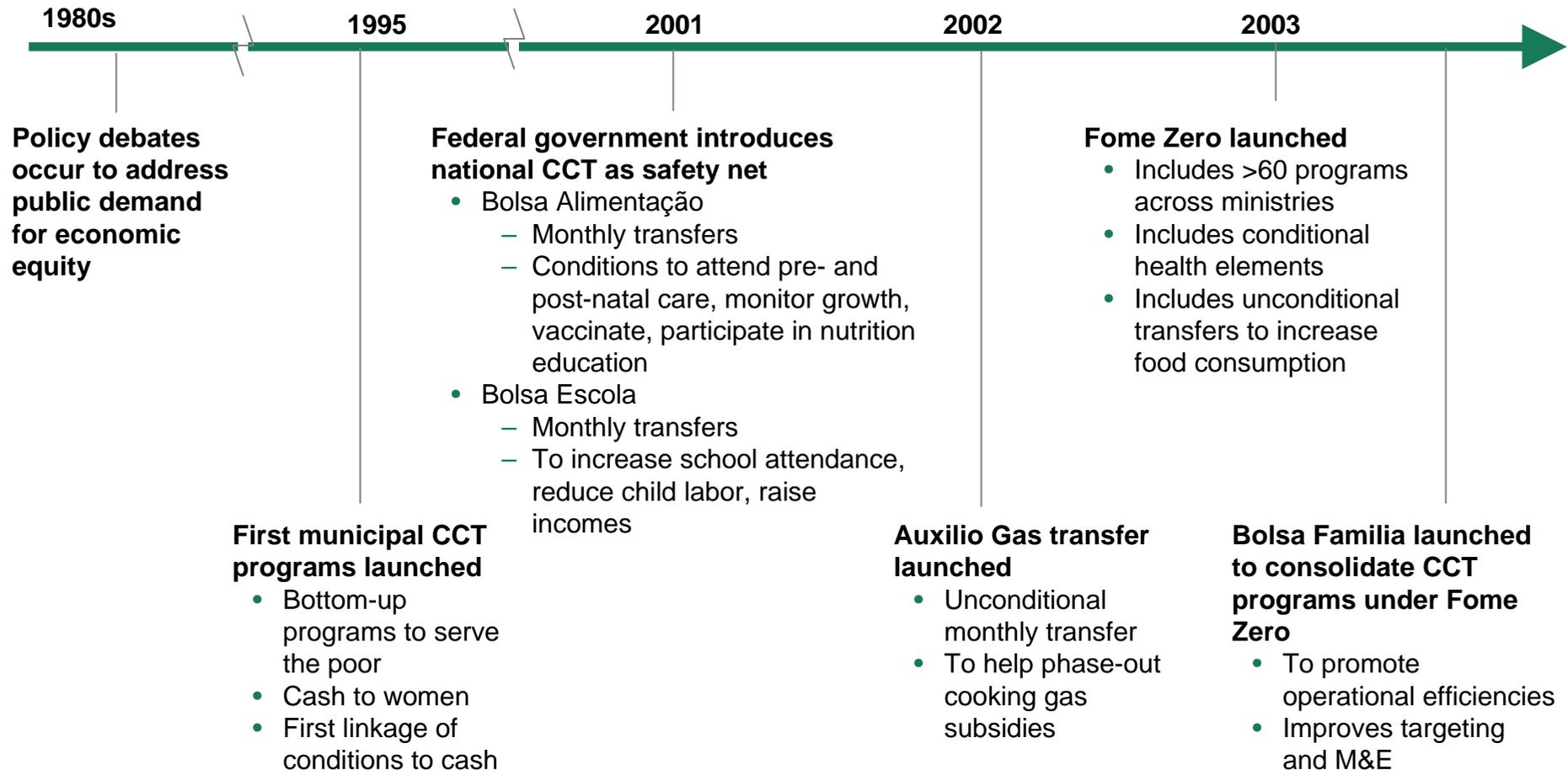
Create incentives for municipalities to strengthen operational efficiencies and cost-effectiveness

- Additional funding granted to municipalities for demonstrating cost-effective operations
- Social innovation award granted to create incentives to innovate

1. 2005 data

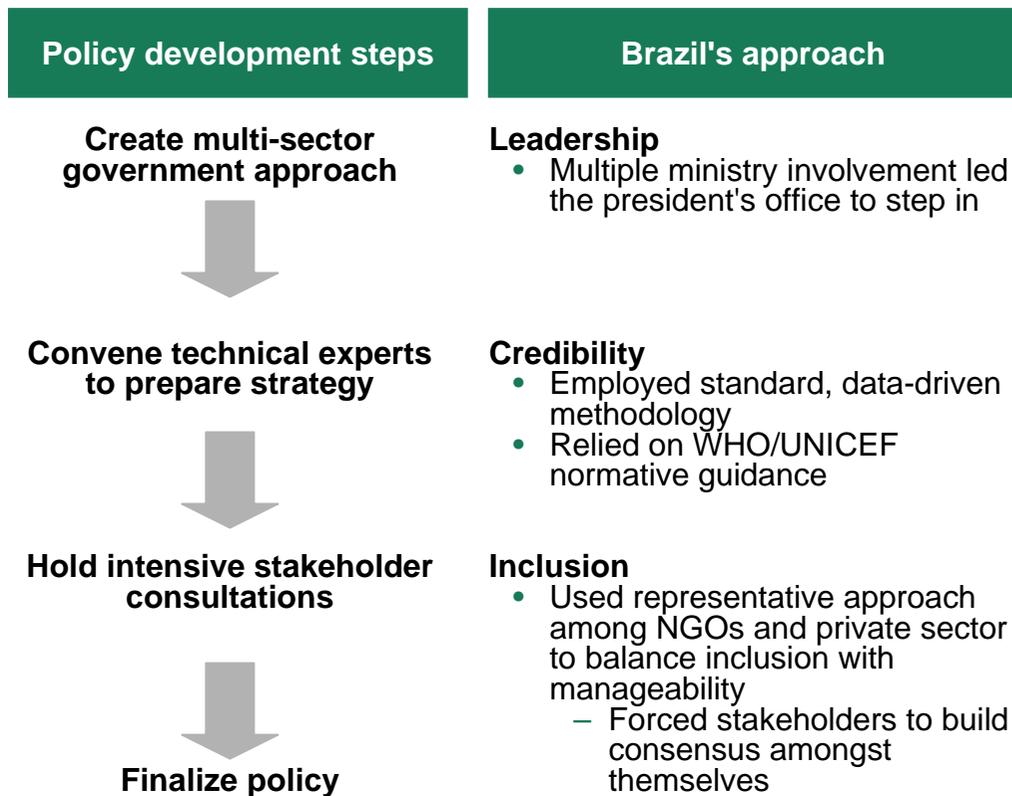
Source: Bolsa Família program; Expert interviews; "Evaluating the impact of Brazil's Bolsa Família: cash transfer programs in comparative perspective." International Poverty Centre, 2007.; Lindert K et al.: "The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfer in a Decentralized Context." World Bank, 2007.

Emerging from a municipal program, Brazil's CCT programs grew and consolidated until reaching national scale



Brazil's food and nutrition policy process featured strong leadership, credibility and inclusion

Pressure from civil society led Brazil's MoH to create an inclusive policy process



NGOs' theme of nutrition as a right strengthened the MoH's approach

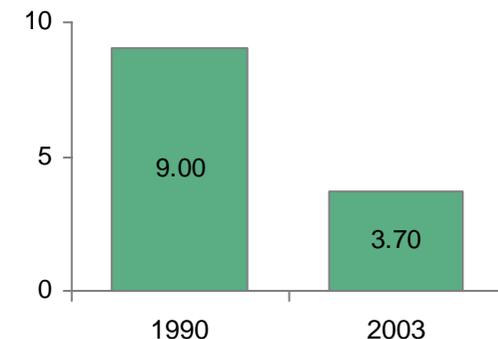
- From food distribution to empowering conditional cash transfers
- From focus on products to solutions: expand beyond iron supplementation to broader micronutrient delivery

Greater political will

- Within gov't: broad mandate
- Within private sector: demand for fortification
- Within civil society: inclusion in process

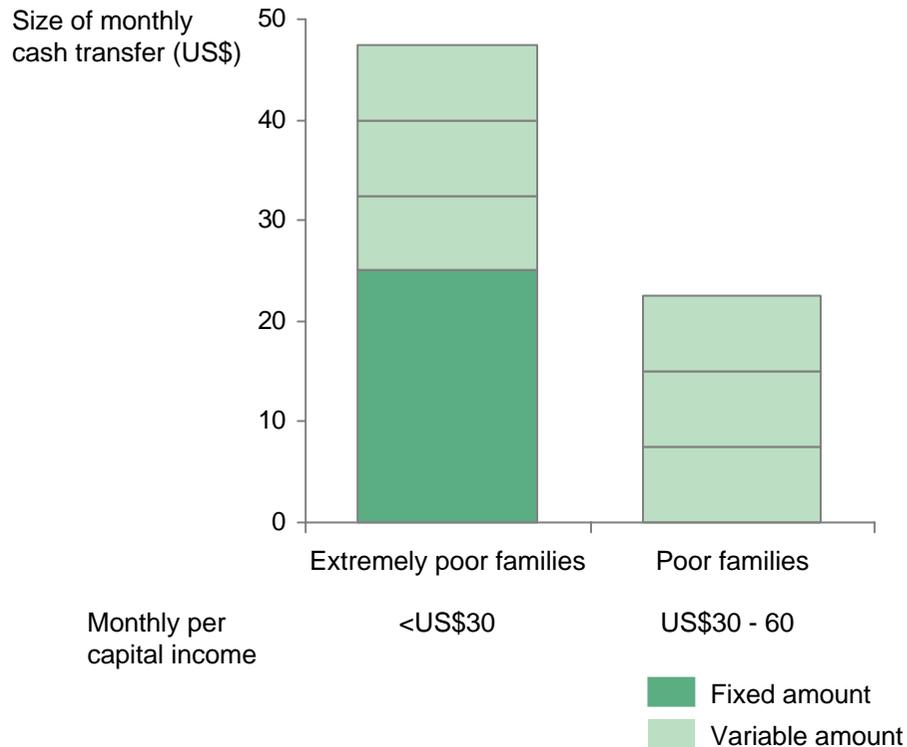
Improved nutritional outcomes

% of <5 children underweight



Bolsa Família customizes cash transfer size based on need

Size and composition of transfer varies according to family income



Cash transfer size basis

- Variable benefits based on number of beneficiaries within a household
 - Additional payment for each child aged 0-15 and P&L woman
 - Maximum 3 additional payments / household
 - Each payment valued at ~US\$7.50
- Transfer size is adjustable
 - Periodic inflation adjustments
 - Occasional increase linked to food prices

1. Number of variable benefits equals to the number of children aged up to 15 years (maximum number is three).

Note: Values in US\$ are converted from R\$ with an exchange rate of approx. 0.5 US\$/R\$.

Source: "Country Program Profiles". Third International Conference on Conditional Cash Transfers, Istanbul, Turkey, June 26–30, 2006.; Lindert K et al.: "The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfer in a Decentralized Context." World Bank, 2007.

Brazil's enforcement approach emphasizes timeliness and fairness

Examples of Brazil's compliance monitoring

Conditions

- Health and nutrition
- e.g. pre-natal care visits
 - e.g. nutritional counseling for <5s

Approach

- Municipalities monitor service usage data
- Submit to MoH semi-annually via electronic database
- MoH reports lack of compliance to Ministry of Social Development for investigation

- Education e.g. maintaining >85% school attendance rate

- Teachers submit classroom attendance bimonthly via electronic database
- MoE reviews database and reports lack of compliance to Ministry of Social Development for investigation

Successful practices for effective enforcement

Timely collaboration between municipalities and ministries that administer programs

- Clear procedures
- Databases

Clear procedures for timely investigations

Fair and clear process for remedial action

- Families are given 5 chances to comply before losing benefits

Experts consulted

- **Denise Costa-Coitinho**, former Bolsa Alimentacao
- **Rogelio Gómez Hermosillo**, Oportunidades, former National Coordinator
- **Nupur Kukrety**, Save the Children UK, Food Security and Livelihoods Advisor
- **Leonor Maria Pacheco Santos**, Bolsa Familia, Coordinator
- **Juan Rivera**, Mexico National Institute of Public Health