

Conditional Cash Transfers and Agricultural Intervention in LAC – an overview

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Outline of the Presentation

- CCTs and Agricultural interventions: how do they fit into Social Protection?
- Typology of CCTs in Latin America
- Agricultural interventions as CCT complementary programmes
- Case studies of integration between CCTs and agricultural interventions (Brazil, Peru and El Salvador)

Agricultural interventions and Social Protection:

- In developing countries the boundaries between social protection and social development policies are difficult to determine (Barrientos, 2010)
- No unique definition... but usually defined as public actions taken in response to vulnerabilities, risks and deprivations considered unacceptable by the values of a society.
- In general comprised of social assistance, social security (contributory, but subsidized) and labour regulation (rights/active labour market policies).

Agricultural interventions and Social Protection:

- Wider definitions (e.g. ADB) include among the employment regulation interventions such as microcredit (subsidized); **rural credit**, social funds for investment (at community level)... wouldn't targeted extension/technical assistance, subsidized crop insurance, public purchases for poor smallholder farmers be similar to the training, skill-building and job replacement in urban settings?
- Some Agricultural/rural development interventions may have a social protection function when targeted towards the poor and may benefit from social protection programmes to achieve its objectives, e.g. increase productivity(Tirivayi et al., 2013)
- CCTs are typical social assistance interventions that are complemented by some agricultural interventions in some cases in LAC –especially as part of broader strategies.

Common Features:

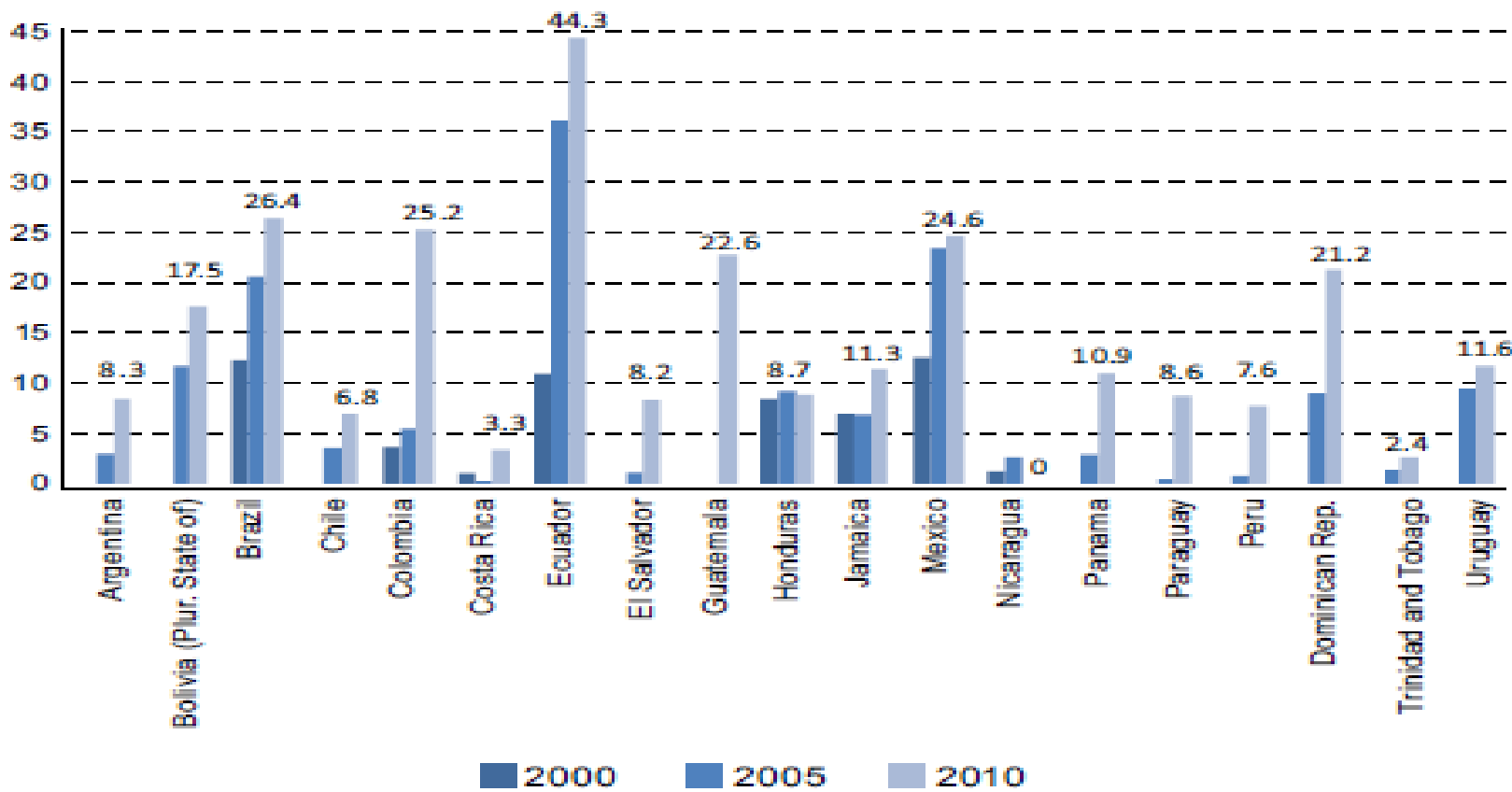
- Targeting mechanisms: geographical, categorical and means testing;
- Co-responsibilities: education and health;
- Cash: regular payment of cash to women/mother
- **Rationale**: immediate poverty alleviation and stop the intergenerational cycle of poverty.

Beyond commonalities:

- Differ with regard to the emphasis in the two objectives and with regards to...
... its place in the social protection system: permanent welfare policy or short-term safety net

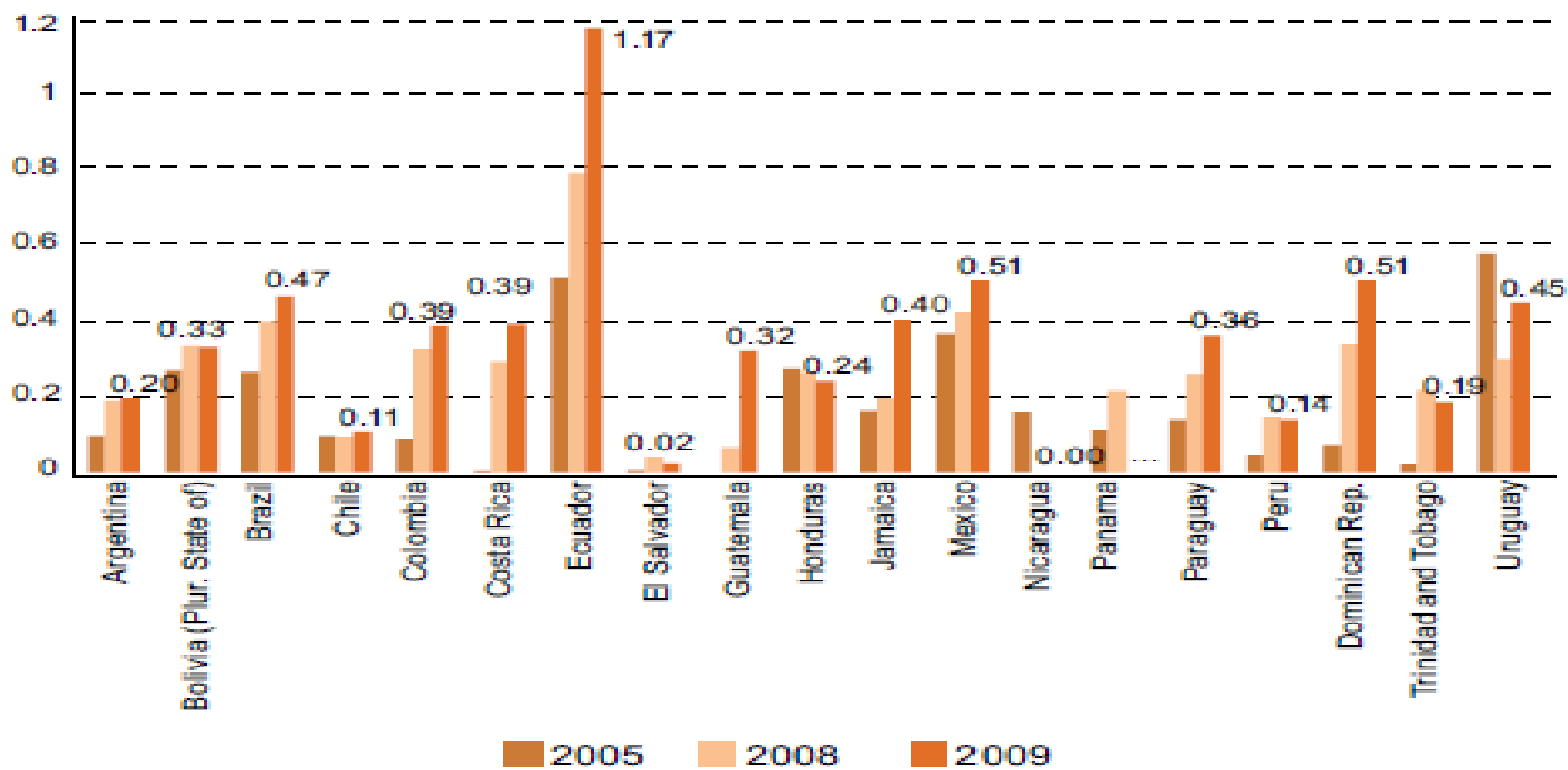


**LATIN AMERICA AND THE CARIBBEAN (19 COUNTRIES):
COVERAGE OF CONDITIONAL CASH TRANSFER
PROGRAMMES, AROUND 2000, 2005 AND 2010**
(Percentages of total population)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

LATIN AMERICA AND THE CARIBBEAN (19 COUNTRIES): PUBLIC SPENDING ON CONDITIONAL CASH TRANSFER PROGRAMMES, AROUND 2005, 2008 AND 2009
(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Design options

- Targeting tools, target population and coverage level;
- Incorporation of new beneficiary;
- Structure of the benefits (fixed per family, varying per children, denting poverty, covering conditionality costs)
- The way conditionality is enforced – soft or hard conditions and degree of coordination with the line ministries (supply side);
- Graduation rules, minimum and maximum permanence in the programme and complementary programmes – integration with social protection/poverty eradication strategies and role of other ministries (agriculture?)

Three ideal types of CCTs in LAC

- **Human capital accumulation**

Strong role of conditionalities, not very regular verification, benefit structure, no concerns about current generation – only as child-carers.

- **Poverty alleviation/eradication**

Strong role of the transfers, regular verification, benefit structure of unconditional elements, weak conditionalities, concern about income generation for current generation

- **Extreme poverty eradication and case management**

Focus on extreme/chronic poverty, social exclusion, access to social services, focus on linking with complementary programmes for all family member and not only children, case management – regular visits by social workers

Graduation and Complementary programmes

- Passive graduation (recertification) or active graduation (complementary programmes)
 - Passive – focus on human capital
 - Active – concern about other (adult) members of households – agricultural interventions in rural areas.
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- ✓ Separating poverty graduation from programme graduation is important to minimize incentive effects.
 - ✓ Complementary programmes are not additional conditionalities for CCT programmes – voluntary participation!

Complementary Programmes

Complementary programmes are mostly...

- *existing programmes already implemented by other ministries/agencies, but CCT beneficiaries do not necessarily benefit from these programmes.*
- *existing programmes already implemented by other ministries/agencies. CCT beneficiaries are granted preferential access.*
(challenges: how to guarantee high take-up rates, how to guarantee that existing programmes are adequate to the profile of CCT beneficiaries)
- *Tailor-made programmes specific for non-beneficiaires and implemented by the same agency responsible for the CCTs*
(Challenges: how to guarantee the institutional sustainability of these interventions (NGOs), how to guarantee the quality of these complementary programmes, christmas tree effect – CCTs are responsible for the poverty alleviation strategy)

Complementary Programmes

Integrated system – single registries of potential beneficiaries can support effective complementary programmes ...

- *connecting database from different ministries and facilitate case management and complementarities.*
- *It takes away from the CCTs the responsibility of being the silver bullet against poverty.*

Some examples of ‘complementary programmes’ with an agriculture component:

- Brazil: Brasil sem Miséria Plan (Brazil without Extreme Poverty Plan)

Rationale: most of the extreme poor are in the “arid” rural areas of Brazil, lack the means to be more productive (no surplus) – lack of infrastructure and technology and lack of access to public policies for smallholder farmers – subsidized rural credit.

Implementation: case management (extension services), input support (seed) and cash support (investment grants).

Targeting based on data integration – single registry plus DAP – agriculture-related database (operational challenges)

No impact evaluation – monitoring reports and qualitative assessments.

Joint implementation: MDS and MDA (social development agrarian development)

Some examples of ‘complementary programmes’ with an agriculture component:

- Peru: Integration of Juntos (CCT) and *Haky Wiñai* (my productive farm)

Rationale: integrate social and productive/economic inclusion, improving the earning income of the rural CCT beneficiary households and asset accumulation.

Implementation: agencies from the same ministry (MIDIS). FONCODES in charge of economic inclusion dimension – facilitates targeting of same families.

Components: asset transfer, housing improvement and financial literacy plus savings support .

About 3,200 households in 2014 – evaluation attached to the implementation.

Other interventions:

- Proyectos Sierra Sur y Sierra Norte (geographical overlapping) and focus on technical assistance and access to formal credit;
- Proyecto Corredor Puno-Cusco: savings incentives and financial inclusion;
- Savings for Juntos beneficiary families (gender): Proyecto capital
- Graduation project: adaptation of the BRAC model.

Some examples of ‘complementary programmes’ with an agriculture component:

- El Salvador: Comunidades Solidarias Rurales (ex-Red Solidaria) and its “Family Sustainability” component.

Rationale: to integrate CCTs and family productive support.

Implementation: CCT implemented by FIDSL (social funds) and complementary programmes implemented by Ministry of Agriculture (productive projects) and Microcredit by the Multi-sectoral investment bank.

Targeting: Geographical – not necessarily the same families.

Many Thanks