Review of Global Best Practices

Conditionalities in Conditional Cash Transfer Programs

Globally, over 60 countries operate conditional cash transfers (CCTs) programs. Conditionalities are requirements attached to cash transfer programs to encourage certain behaviors or outcomes. These requirements vary depending on the program, but they typically involve conditions related to health, education, or work. The CCTs aim to alleviate poverty by providing cash assistance to poor families and to reduce the intergenerational transmission of poverty by incentivizing investments in human capital, such as education and health, as well as increased productivity and income.

Recent research indicates that in the short run, CCTs produce better human capital outcomes in comparison to unconditional cash transfers (UCTs)[a]. CCTs show better performance in terms of intermediate participation indicators (e.g., school enrollment or visits to health centers) and, to a lesser extent, human capital outcomes (e.g., learning achievement or health indicators), when compared with UCT programs. In addition, UCTs not only perform below par with CCTs in the short-term, but in the long run, even their positive short-run effects are not sustained.

Despite the higher and more sustainable impacts of CCTs, there is substantial regional variation in the prevalence of conditional versus unconditional transfers, across low and middle income countries. A majority of Latin American countries employ conditional transfers; while cash transfer programs in Africa, Eastern Europe, and Central Asia are mostly unconditional. On the other hand, a mix of unconditional and conditional transfers is in place in South and East Asia and the Middle East. The choice between adopting unconditional versus conditional cash transfers is dictated by a number of factors, namely the significantly higher financial and administrative costs of monitoring compliance with conditionalities under conditional programs as well as the availability of requisite human and institutional capacity and supply of quality social services at national and sub-national levels for effective implementation of conditional transfers.

This Brief provides an overview of best practices in the design and implementation of conditionalities under selected major CCT programs globally. The main criteria that need to be employed in the selection and design of conditionalities for conditional cash transfer programs are outlined in **Box 1**. This review of best practices encompasses the following nine CCT programs:

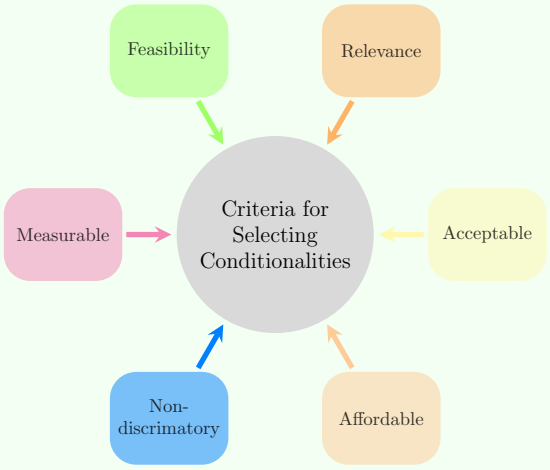
Country	**Program**
Brazil	Bolsa Familia Program (BFP)
Colombia	Familias en Accion Program (FA)
Indonesia	Program Keluarga Harapan (PKH)
Jamaica	Programme for the Advancement of Health and Education (PATH)
Mexico	Prospera
Pakistan	Taleemi Wazaif (TW)/ Nashonuma Programs
Philippines	Pantawid Pamilyang Pilipino Program (4Ps)
Tanzania	Productive Social Safety Net (PSSN)
Turkey	Conditional Cash Transfer for Education (CCTE)

a *Artuc, Erhan et al. (2020) 'Toward Successful Development Policies Insights from Research in Development Economics'. Policy Research Working Paper 9133, World Bank.*

Box 1: Criteria for Setting Conditonalities

Based on global best practices in design and implementation of conditional cash transfer programs, consideration needs to be given to the following six criteria when setting conditionalities in CCT programs:

1. **Relevance:** The conditionalities should be relevant to the program's objectives, and their achievement should contribute to the desired program outcomes. For example, if the objective of the program is to improve children's education outcomes, then school enrollment and attendance conditionalities would be relevant.
2. **Feasibility:** The conditionalities should be feasible and achievable for the target population. For instance, if the program targets rural communities with limited access to health facilities, then conditionalities related to regular health check-ups may not be feasible for implementation.
3. **Measurable:** The conditionalities should be measurable, and data should be readily available to monitor and evaluate their achievement. For example, if the conditionalities are related to school attendance, then school attendance records should be available to monitor compliance.
4. **Non-discriminatory:** The conditionalities should be non-discriminatory, and all eligible households should have an equal opportunity to meet the conditions. If conditionalities require access to expensive technology or equipment, they may exclude some eligible households.
5. **Affordable:** The conditionalities should not impose an undue burden on the beneficiary households. For example, if the conditionalities require regular health check-ups, then the cost of transportation to health facilities should be taken into account.
6. **Acceptable:** The conditionalities should be acceptable to the beneficiary households, and the program should take into account cultural norms and values when setting conditionalities. For example, conditionalities related to the education of girls may be challenging in communities where girls are expected to marry at an early age.



The details of the conditions related to education and health attached to these CCTs is presented in Table 1. The review of the school enrolment age of children in eligible program households shows that almost all the CCTs provide cash transfers for enrollment of children from primary to secondary level of education, covering children in group age of 6 years and upto 25 years. The school enrolment age group is seen to be relatively highest for the Taleemi Wazaif education CCT program of BISP (4-22 years), Turkey's CCTE (6-25 years) and Mexico's Prospera CCT Program (6-22 years). The requirement for minimum mandatory school attendance for children from beneficiary households is seen to be, on average, 80 percent and above for most of these CCTs, with the exception of BISP Taleemi Wazaif, which has a relatively lower minimum requirement of 70 percent attendance. In terms of health related conditionalities, most of the reviewed CCTs encompass mandatory health care visits of pregnant women and children to the nearest government healthcare facility for regular checkups, as well as provision of specialized nutritional supplements in some cases. Child health visits typically include check-ups, growth and development monitoring and vaccination according to nationally defined schedules.

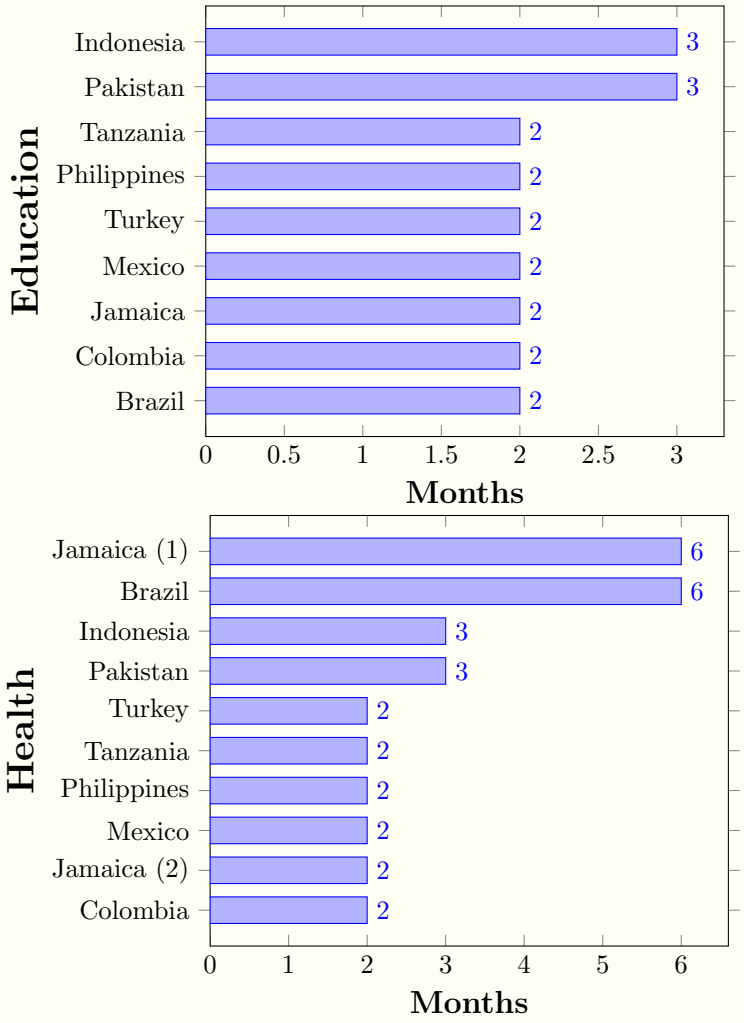
Table 1: *Education & Health related Conditionalities in selected CCTs*

Country	Education		Health care				Conditionalities for other household members
	School enrollment ages (years)	School attendance % by age	Women		Children		
			Pregnant	Postpartum	Health visits children 0–6	Other	
Brazil	6–17	>85% for 6–15 >75% for 16–17	MoH schedule 4 visits	MoH schedule 3 visits	MoH schedule 0–1: 7 visits 1–2: 2 visits 2–3: 1 visit 3–4: 1 visit 4–5: 1 visit 5–6: 1 visit	NA	NA
Colombia	5–18	>80% for 5–18	NA	MoH schedule4 visits	MoH schedule 0–1: 6 visits 1–2: 3 visits 2–3: 2 visits 3–4: 1 visit 4–5: 1 visit 5–6: 2 visits	NA	NA
Indonesia	6–21	>85% for 6–21	4 visits; take iron tablets; birth assisted by trained professional	2 visits	0–1: 12 visits 1–2: 4 visits 2–3: 4 visits 3–4: 4 visits 4–5: 4 visits 5–6: 4 visits	Children 0–6 take vitamin A capsules twice/year	Disabled: yearly health checkup Elderly: attend social welfare activities, where available
Jamaica	6–18	>85% for 6–18	4 visits	2 visits	0–1: 6 visits 1–2: 2 visits 2–3: 2 visits 3–4: 2 visits 4–5: 2 visits 5–6: 2 visits	NA	Disabled, elderly, adults: 2 health visits per year
Mexico	6–22	>80% for 6–22	5 visits	3 visits	0–1: 9 visits 1–2: 2 visits 2–3: 2 visits 3–4: 2 visits 4–5: 2 visits 5–6: 2 visits	Children and teens age 5–19: health care visits twice/ year	Adults ages 20+: 2 health care visits per year Pregnant and lactating women and women with children 6–59 months: pick up nutritional supplements every two months in health clinics
Pakistan	4-22	>70% for 4–22	3 visits	2 visits	0-2: 8 visits	Children aged 0-2 get routine quarterly immunization	Pregnant and lactating women pick up nutritional supplements every quarter
Philippines	3–5 & 6–18 Parents select up to three children to be included & monitored	>85% for 3–5 >85% for 6–18	Visit every 2 months; at least one prenatal/ trimester; professionally assisted birth	At least one visit in first six weeks	0–1: 12 visits 1–2: 12 visits 2–3: 2 visits 3–4: 2 visits 4–5: 2 visits 5–6: 2 visits	Ages 6–14 take deworming pills twice/ year	Designated recipient for household
Tanzania	5–18 Up to 4 primary-age school children, 3 lower-secondary, & 2 upper secondary	>80% for 5–18	4 visits Conditionalities for pregnant women were dropped due to difficulties in monitoring compliance	NA	If no services available, primary caregivers of children < 60 months must attend health & nutrition sessions every 2 months	NA	NA
Turkey	6–25 (12 years of schooling mandatory)	>80% for 6–25	MoH schedule Before 14 weeks 18–24 weeks 28–32 weeks 36–38 weeks Birth in hospital (extra benefit)	MoH schedule 3 checkups at hospital, plus 3 more before 42 days	MoH schedule 0–1: 9 visits 1–2: 3 visits 2–3: 2 visits 3–4: 1 visit 4–5: 1 visit	NA	NA

Source: World Bank (2020), Sourcebook on the Foundations of Social Protection Delivery Systems

Most of these reviewed CCTs use a two-month compliance period, with respect to the education and health condtionalities for each cycle, with few exceptions (Figure 1). These include Indonesia's PKH program and BISP's TW/ Nashonuma CCTs, which make use of three month (quarterly) compliance periods. Brazil's BFP employs six-month compliance periods for health related conditionalities, as health visits are expected to be sporadic. Jamaica's PATH CCT had different compliance periods with respect to its primary beneficiaries, i.e., mothers and children, who adhere to a two-month compliance schedule. The secondary household members covered, i.e., disabled, elderly, and adults follow a six-months compliance cycle.

Figure 1: *Compliance periods for education and health conditonalities in selected CCTs*



Source: World Bank (2020), Sourcebook on the Foundations of Social Protection Delivery Systems

All of these CCT programs have built in standard operating procedures with respect to non-compliance with the required conditionalites by the program beneficiaries. The details of the consequences for non-compliance with program requirements presented in Table 2 indicate that most of these CCTs provide a warning to the beneficiary households in case of first instance of non-compliance, after which partial deduction is made in event of second instance of non-compliance, while with third instance, the beneficiary child is usually suspended from the program.

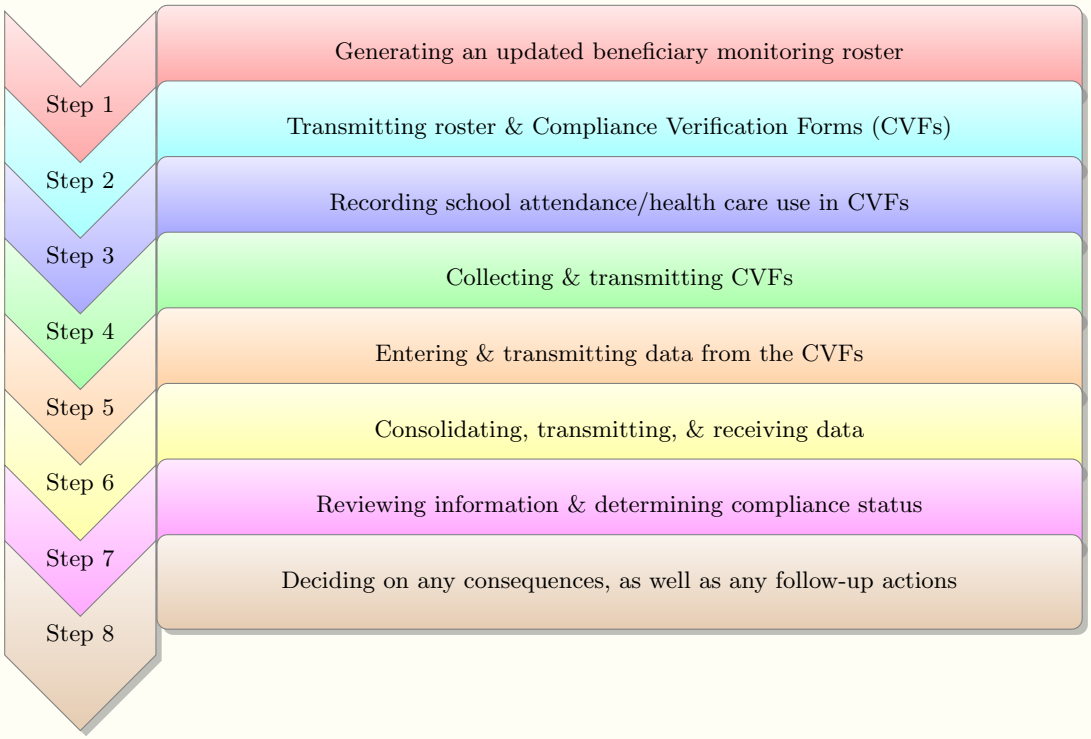
Table 2: *Consequences for Noncompliance with Conditionalities in selected CCTs*

Country	Consequences	Follow-up actions
Brazil	• 1st instance: warning • 2nd instance: temporary block for one month – benefit can be withdrawn the following month if no further instances of noncompliance • 3rd instance: irrevocable full benefit reduction for two months (called a "suspension") • After continued noncompliance even with one year of family monitoring: termination from the program	3 periods of noncompliance triggers "suspension" status (irrevocable benefit reduction) and the family is placed in family monitoring, which is under- taken by social workers and recorded in SICON (information system). Appeals allowed
Colombia	• Partial benefit reduction for the noncompliance period	
Indonesia	• 1st instance: warning • 2nd instance: entire family benefit withheld after two consecutive periods of noncompliance; family can recover benefit if compliance resumes; after 3 periods of noncompliance and after the 6th period, the family is terminated from the program	Facilitator visits noncomplying families to try to resolve the causes of noncompliance; families can submit grievances via the Ministry of Social Affairs contact center
Jamaica	• 1st instance: irrevocable partial reduction of family benefit (to the minimum base benefit amount of J$800) • 2nd instance: irrevocable partial benefit reduction • 3rd instance: termination of the beneficiary from program	Social workers follow up after 2 instances of noncompliance to find out reasons for noncompliance, to identify if there are special circumstances, and to nudge noncomplying members to comply
Mexico	• 1st instance: temporary (monthly) partial suspension • 2nd instance with health co-responsibility (4 consecutive months or 6 nonconsecutive months): indefinite full but revocable suspension	Full suspension of benefits communicated through a suspension notice, which includes the reason, and the legal basis for the suspension; notice also contains the procedures and deadlines for requesting a reactivation of the benefit, if applicable
Pakistan	• 1st instance: warning • 2nd instance: irrevocable partial benefit reduction; part of benefit corresponding to noncomplying child is not paid • 3rd instance: child is suspended from the program, but can return fif compliance resumes	The child is followed up after 2 non-compliance quarters and families are informed by BISP's compliance monitors and encouraged to resume compliance
Philippines	• 1st (and subsequent) instances: Irrevocable partial benefit reduc tion; the part that is reduced corresponds to grant amount for the noncomplying family member • 4th instance: termination with written notice to the family	Appeals within 15 days, and grievance must be acted upon within 3 months of receipt of appeal
Tanzania	• 1st instance: warning • 2nd instance: irrevocable partial benefit reduction (reduced on pro-rated basis)a	Follow-up warning with counseling from CCT management committee
Turkey	• Deduction of benefit amount associated with noncomplying member of household	None

Source: World Bank (2020), Sourcebook on the Foundations of Social Protection Delivery Systems

The effective monitoring of conditonalities is essential for achieving the envisaged outcomes by the CCTs. The objective of monitoring conditionalities is to provide behavioral "nudges" to beneficiaries by verifying their school attendance and utilization of health care. There are various stages of monitoring conditionalities that are part of a recurring conditionalities monitoring cycle, starting with the latest roster of pertinent beneficiary household members and ends with a revised beneficiary registry with updated compliance information for that cycle, as well as decisions on consequences for noncompliance. The review of practices with regards to the nine featured CCTs reveals eight main steps for compliance verification that are common among these CCTs (Figure 2).

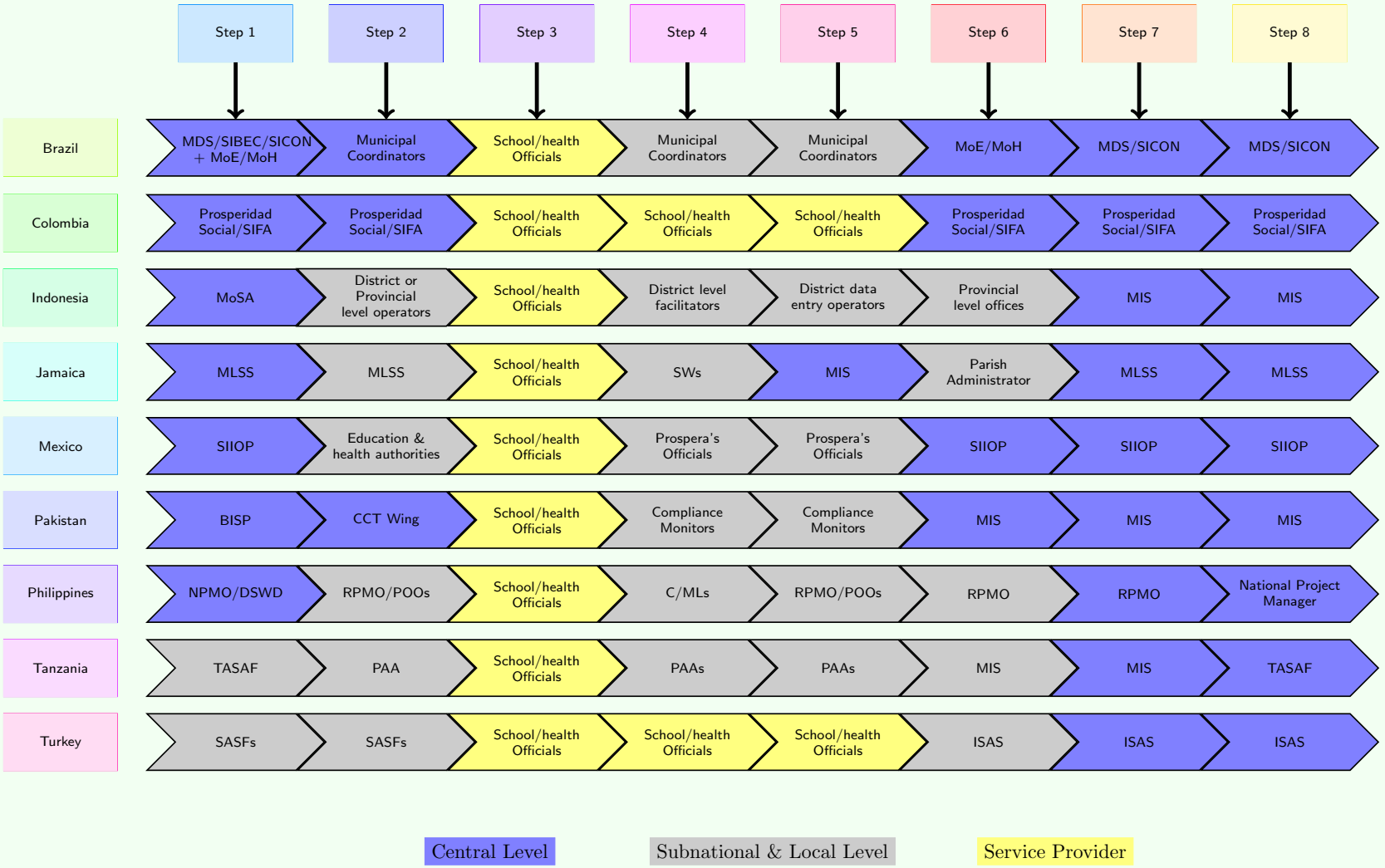
Figure 2: *Main Steps for Compliance Monitoring*



Source: World Bank (2020), Sourcebook on the Foundations of Social Protection Delivery Systems

Monitoring requires extensive institutional coordination – both vertical and horizontal, between the diverse range of stakeholders involved in implementation including program personnel, teachers, health care providers, subnational agencies, and central agencies. Figure 3 lists the institutional arrangements for these eight compliance verification steps in place for each of the nine featured CCT programs. The social ministries at central level usually oversee CCTs; manage relevant information/ compliance verification systems; and generate information on noncompliance for payment processing. Subnational (regional or local) actors typically serve as conduits for transmitting information, overseeing the process, and interacting with the service providers. The overview shows mainly two approaches of vertical collaboration across the reviewed CCTs.

Figure 3: *Institutional Structures for Common Steps in Compliance Verification of Condtionalities in Selected CCTs*



Source: World Bank (2020), Sourcebook on the Foundations of Social Protection Delivery Systems

1. **Use of deconcentrated agents at sub national levels, with central financing and reporting**. Such arrangements are in place in Indonesia's PKH, the Philippines's 4Ps and Pakistan's BISP TW CCT. In Indonesia, the Ministry of Social Affairs through its provincial implementation offices contracts out program facilitators to oversee operations at grass roots level. In Philippines, the National Program Management Office (NPMO) in the Department for Social Welfare and Development (DSWD) through its regional program management office hires city and municipal links to oversee program implementation at local level and report to DWSD regional offices. In Pakistan, the BISP engages compliance monitors at the level of its tehsil field offices to carry out compliance monitoring of education conditionalities from the subnational education services providers and reporting back to BISP.
2. **Vertical collaboration with autonomous subnational and local government entities**. This approach is more common in countries with well-developed local government systems, especially Latin American counties (Brazil, Chile and Mexico). For instance, in Brazil, municipal coordinators are engaged in local level implementation of conditionalities monitoring, on behalf of the Ministry of Social Development, which extends performance-based budget transfers to municipalities to help cover their administrative costs for these compliance verification activities.

Acronyms used in Figure 3

BISP	Benazir Income Support Programme
C/ML	City/municipal link
CCT	Conditional Cash Transfer
DPS	Department for Social Prosperity
DSWD	Department for Social Welfare and Development
ISAS	Integrated Social Assistance System
MDS	Ministry of Social Development
MIS	Management Information System
MLSS	Ministry of Labour & Social Security
MoE	Ministry of Education
MoH	Ministry of Health
MoSA	Ministry of Social Affairs
NPMO	National Program Management Office
PAA	Project Administrative Authority
POO	Provincial Operations Office
RPMO	Regional Program Management Office
SASFs	Social Assistance and Solitary Foundations
SIBEC	Benefits management system
SICEC	Electronic Certification System of Co-responsibilities
SICON	Information system
SIFA	Social Sistema de informacion de Familias en Accion (social registry)
SIIOP	Prospera's information system
SWs	Social workers
TASAF	Tanzania Social Action Fund