

Points raised during Brown Bag Seminar on CCT
12:15 – 1:30 p.m., 14 July 2006

Karin Schelzig Bloom (SESS) and Marzia Mongiorgi (SANS) held a brown bag seminar, with video-conferencing links with PRM and NRM, on conditional cash transfers (CCT) to share lessons from the third international conference on CCT in Istanbul, recently organized by the World Bank, and discussed potential application for ADB's targeted poverty reduction operations. In the course of the presentation, the following issues were put forward:

1. The presenters said that conditional cash transfer is a program that gives money to poor families on condition that the money shall be used for investments in human capital (e.g. sending children to school, for skills development, or bringing children to health centers on a regular basis).
2. CCT requires a long-term commitment from the governments and participating donors in order to achieve the desired impact in poverty reduction. It has to be developed within a broader framework and wider context whereby the economic and social status of the bottom poor will be uplifted so that they eventually can be included in mainstream development programs.
3. One of the main concerns raised is that this program has political implications. It was pointed out that there could be some political motivations in drawing up conditions for CCT. There are also the threats of corruption, which as the presenter also admitted, is one of the challenges that programs like this face. There will always be corruption, but there are ways to go around it, she added, and this can be done by involving the community. Promote transparency at the grass root level. Community-based monitoring is also very critical. However, it was also pointed out that there is evidence that obstacles such as complications with distribution, corruption and misuse is less in cash-based transfers than with in-kind based transfers.
4. Another point raised is that there are instances when CCT targeting is not very good. Examples cited are money for scholarships and health. The presenter agreed and cited cases of diluting money for scholarships so it can be given to a greater number of students. Targeting could be a problem, how will the poor be targeted?
5. The PRM asked about sustainability of the CCT programs, how to keep the program going, even after funding from donors had stopped.
6. Another question asked is whether there are studies done on the amount that has to be given to families that will give maximum benefit. The presenters said that the amount differs per country. It is largely based on a country's economy.
7. CCT is a demand-side intervention, and therefore, it should also be linked to the other programs, specifically, the supply side. For instance, if you send an individual to school, a school building with the basic facilities should be in place, and when he graduates, that individual must be able to find a job, so there has to be an employment program that can take care of this. The same is true for the health programs, there has to be health centers in the area. There has to be an

existing government machinery for the supply side of the CCT, some structure that has to be in place.

8. Economic support is not enough, psycho-social support is critical for the success of the program. It is the responsibility of the family to be involved. Households have to be prepared psychologically and socially, build their confidence, so they can be part of the social network and can integrate in mainstream development.
9. A CCT program, while it has significant gender dimensions and is centered mostly on women, should not leave the men out. There are cases where involvement of fathers contribute to good performance of daughters in school.