


The Role of Impact Evaluation in the *PROGRESA/Oportunidades* program of Mexico



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What is PROGRESA/Oportunidades?

- A **Conditional Cash Transfer (CCT)** program is a **targeted** transfer program whereby **cash** is directly provided to beneficiary families (usually mothers) **on the condition** that children attend school regularly and family members visit health centers regularly.

Dual Objectives of CCT programs

- Long-run poverty alleviation through investment in human capital (i.e., education, health and nutrition)
 - Early Interventions have much higher returns over life-cycle
- Short-run effect on poverty through cash transfers

How CCT try to achieve their objectives?-1

- ⌘ Targeting (geographic/household-level)
 - ☑ Oportunidades combines geographic/village-level with household level targeting within villages
- ⌘ Simultaneous intervention in 3 key sectors (synergy)

How CCT try to achieve their objectives?-2

- ⌘ Conditioning cash transfers to regular school attendance and visits to health centers
- ⌘ Cash transfers given to mothers
- ⌘ Parallel support on Supply Side (schools & health centers)

Innovative & Controversial aspects of PROGRESA-1

- ⌘ Why grant direct monetary transfers instead of food in-kind, vouchers, or improving supply side of services.

Distribution of large volumes of food free of charge can inhibit the development of private commercial channels and create unfair competition with marginal producers in the area

- ⌘ Why target on the extreme/structurally poor and not include all?

- ⌘ Setting new selection criteria: Why not than start from beneficiary lists of existing programs or obtaining the roster of beneficiaries from community proposals

Innovative & Controversial aspects-2

- ⌘ Creating a single national roster of beneficiaries
- ⌘ Giving transfers directly to individuals rather than to communities
- ⌘ Having unique, non-discretionary rules for the whole country rather than allowing flexibility for local initiatives and conditions in each state

Innovative & Controversial aspects -3

- ⌘ Granting benefits to women, given potential family conflicts
- ⌘ Having possible impact on fertility (since benefits are linked to family demographics)
- ⌘ Size of cash transfer
- ⌘ the definition of family co-responsibilities and their certification (might generate additional workload for teachers and medical personnel)

How the controversial aspects of the program were managed

- ⌘ Independent and rigorous evaluation in early stages
- ⌘ Expansion of the program in phases
- ⌘ Monitoring
- ⌘ Operational evaluation of the program
- ⌘ Cost analysis

Why Evaluation?

- **Economic Reasons**
 - Improve design and effectiveness of the program
 - Comparing program impacts allows G to reallocate funds from less to more effective programs and thus to an increase in Social Welfare
- **Social Reasons** (increases transparency & accountability)
- **Political Reasons**
 - Credibility/break with "bad" practices of past

PROGRESA/OPORTUNIDADES: Evaluation Design

- ⌘ EXPERIMENTAL DESIGN: Program randomized at the locality level (Pipeline experimental design)
- ⌘ Report examined differences between T and C for more than 650 variables at the locality level (comparison of locality means) and at the household level (comparison of household means)
- ⌘ Sample of 506 localities
 - 186 control (no program)
 - 320 treatment (receive program)
- ⌘ 24, 077 Households (hh)
 - ⊞ 78% beneficiaries
 - ⊞ Densification (initially 52% of hh classified as eligible)

Key aspects of the PROGRESA Impact Evaluation

- Hiring of IFPRI-a international organization:
 - Not perceived to be captive of Mexican (or US) interests
 - Reputation and credibility for solid policy-related research and advice
 - Not involved in structural adjustment or direct lending (like the WB)
 - Public ownership
 - Flexibility in engaging internationally known academics in the evaluation

The Contributions of PROGRESA's Impact Evaluation-1

- ☒ Program continued, expanded,
 - ☒ Fox administration (begun in 2001) kept and expanded the program
- ☒ Improved Operations, Targeting, Exit Rules
 - ☒ Early operations reports in PROGRESA identified implementation issues to be analyzed further (deficiencies in delivery of food supplements, intra-household conflict)
 - ☒ “Densification” or revision of targeting rule
 - ☒ Decision to maintain household targeting in PROGRESA expansion, but to add “self-selection” to administrative selection in urban areas

The Contributions of Impact Evaluation-2

☒ Program Design Improved: Program expanded to urban areas

☒ Benefits extended to High School grades (preparatoria)

☒ Jóvenes con Oportunidades- aims to create income generating opportunities for poor households through preferential access to microcredit, housing improvements, adult education and access to social/health insurance.

The Contributions of Impact Evaluation-3

- ☒ Contributed to the move towards more systematic policy evaluation in Mexico & establishment of
 - ☒ Formalized by the establishment of CONEVAL in 2006
- ☒ Enhanced policy evaluations internationally
 - ☒ IE reports and data sets used accessible through the internet. IE results have withstood public scrutiny.
 - ☒ Data available offered opportunity to expand research frontier: many dissertations and academic publications on with PROGRESA data
- ☒ CCT programs like PROGRESA, initiated in many countries in LAC and elsewhere

CCT programs (like Oportunidades) Expanding

- ⌘ Brazil: Bolsa Familia
- ⌘ Colombia: Familias en Acción
- ⌘ Honduras: Programa de Asignación Familiar (PRAF)
- ⌘ Jamaica: Program of Advancement through Health and Education (PATH)
- ⌘ Nicaragua: Red de Protección Social (RPS)
- ⌘ Turkey
- ⌘ Peru: Juntos
- ⌘ Ecuador: Bono Solidario
- ⌘ Bangladesh: FSSAP
- ⌘ Indonesia



Thank you