RED SOLIDARIA: El Salvador
Conditional Cash Transfers

Human Development Forum

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What is Poverty?

*Poverty goes beyond low income*, it also includes the lack of basic needs considering the barriers to basic services, including supply side barriers (lack of availability of services) and demand side barriers (elevated direct and opportunity costs of using basic services). The lack of access to education, health and nutrition, electricity, potable water and sewage restrains the families’, and their communities’, ability to overcome high vulnerability and social exclusion.
Households lacking access to social basic services

The proportion of households lacking access to electricity, water and sewage (sanitation) in the poorest municipalities is twice the proportion found at the national level and is four times greater than the proportion among those considered in the low poverty category or cluster.
Main Prongs of Red Solidaria

Designed to be an integrated, multi-sectorial strategy that attends demand and supply simultaneously, with three main prongs:

- **PRONG 1: Family Solidarity Network**
  Conditional cash transfers (CCT), paid to the mother of the family, in return for fulfilment of “co-responsibilities” including:
  - sending primary school-aged children to school
  - completing a number of preventive health and nutrition measures (e.g., immunization, child growth monitoring, etc.)
  - Permanent training to families (health, nutrition, hygiene, child labor, violence, etc)

- **PRONG 2: Network of Basic Services**
  To complement and enhance the efficacy of CCT program by strengthening basic education, health, and nutritional services.
  Also includes investments in electricity, potable water and sanitation facilities, and in strategic infrastructure (roads, bridges and other).

- **PRONG 3: Family Sustainability Network**
  Small scale productive projects and micro-credit programs to support poor agricultural producers in 100 municipalities to:
  - increase their economic productivity and incomes
  - diversify their incomes sources
  - improve their economic management
Particularities of Red Solidaria

Attending Supply and Demand simultaneously increases costs, but results in significant improvements in Impact Indicators.

To respond to this reality:

• All new funding is used for transfers.
• The budget to strengthen Schools, Health Clinics, and Basic Services is obtained through the prioritization of the annual budget of the institutions involved, reinforced by loans from multilateral institutions.
• NGOs complement Health Services by expanding the basic health protocol.
• Education services receive funding (from the Ministry of Education) depending on the number of students (decentralized budget EDUCO). Therefore, as enrollment increases, so does funding.
Clusters of indicator center points, according to its extreme poverty condition (percentages)

**Severe Extreme Poverty (32 municipalities)**
- Poverty Rate: 49.9% of households
- Prevalence of stunting/underweight (1st graders) 4.8%

**High Extreme Poverty (68 municipalities)**
- Poverty Rate: 35.6% of households
- Prevalence of stunting/underweight (1st graders) 4.5%

**Moderate Extreme Poverty (82 municipalities)**
- Poverty Rate: 23.9% households
- Prevalence of stunting/underweight (1st graders) 3.6%

**Low Extreme Poverty (80 municipalities)**
- Poverty Rate: 12.5% of households
- Prevalence of stunting/underweight (1st graders) 2.6%
Map of Extreme Poverty

- Bodies of Water
- Low Extreme Poverty
- Moderate Extreme Poverty
- High Extreme Poverty
- Severe Extreme Poverty

Map of Extreme Poverty
Credibility of Municipality Focalization

1. Completed by an independent institution that enjoys high credibility (FLACSO).
2. Accepted by all private and public institutions, including political parties.
3. Allows Government Institutions and the International Cooperation to, for the first time, give priority to a social investment effort with a territorial focus.

**Problem:** Beneficiary communities are small, isolated, and of scarce resources and they lack positive rates of return and political dividends, making it difficult to justify investment.
High Level Coordination

Social Area Coordinator for the Presidency
Able to influence directly on implementing institutions and obtain immediate response.

Existing Public Institutions
- M &E
- verify census information
- verify monetary transfer and discount distribution
- prioritize social infrastructure needs

External Firms / Institutions (hired by Red Solidaria)
- local promoters
- monetary transfer services
- statistics and census
Impacts on Education and Health Indicators in 15 poorest municipalities

Impacts on Education:
- 9.23% increase in primary education in rural areas
- 23% increase in pre-school education in rural areas

Impacts on Primary Health Care Services:
- 83% increase in infant care (under 1 year of age)
- 43% increase in prenatal care
- 62% increase in post-natal care (first 40 days)
Problems Resulting from Transfers:

- Investment in supply side (health clinics and schools) has not been able to keep up with the effects of transfers, causing inconveniences (mostly in pre-school and infant and post-natal care).
  Loans to increase supply of services are pending approval by the Legislative Assembly.

- Health Unit Personnel and Teachers are not efficient enough in performing monitoring functions, to keep up with the Program’s demands.
  (Transfer discounts have been applied to 2% of families in the first year and 8 of every 10 of those families have been discounted for failing to comply with education requirements).
  To solve this, NGOs will be asked to provide support in this regard.
Unexpected Positive Externalities

- Increased local markets activity.
- Increased purchasing power and access to new goods (as a result of access to cash).
- Dialogue and coordination with local authorities, regardless of party affiliation.
- Strengthened participation in municipal development decisions and increased social accountability (as a result of social capital strengthening committees at the community and local level).
Thank You

Program Web Site: www.RedSolidaria.gob.sv