

Impact Is Not Enough: Image and CCT Sustainability in Nicaragua

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The significance of conditional cash transfer programmes (CCTs) has grown in recent years, particularly in Latin America. Nicaragua's CCT, the *Red de Protección Social* (RPS), had a short life span (2000–2006). Nonetheless, the programme received international acclaim for its achievements. The RPS regularly directed funds to female household heads conditional on the households' fulfilment of certain co-responsibilities (or conditionalities, as they were known until recently). These included children's school attendance, medical check-ups at local health centres and mothers' participation in educational sessions.

Evaluation of RPS's first phase found that it had significantly increased school enrolment and other education indicators (Maluccio and Flores, 2005). Perhaps more impressively, it had reduced stunting by 5 percentage points in treatment communities, an unexpectedly large result (IFPRI, 2005). These outcomes, combined with other positive assessments of its performance, made RPS something of a model CCT. To the surprise of many members of the international community, however, the Nicaraguan government voluntarily discontinued the programme. What happened?

The downfall of RPS came not from its lack of impact, but partly because of its failure to establish and maintain a positive image for itself within Nicaragua. The experience highlights the need for CCTs to garner national support and foster domestic understanding of their objectives and policies. This is particularly true of CCTs that depend on external funding, which may be absorbed in meeting the demands of the organisations providing the finance.

RPS would have benefited from a campaign that increased internal support from both government officials and the non-beneficiary populace. Sentiments in Nicaragua about RPS tended to be polarised and uninformed. Some common opinions were misleading, and RPS officials grappled with domestic opposition arising from a lack of understanding of the programme's objectives and procedures.

Domestic pessimism and misperceptions ranged from the programme's purpose to policies and impacts. There was a persistent belief that RPS was not concerned with alleviating long-term poverty, but rather that it was perpetuating poverty by giving cash transfers to the poor. In reality, RPS was noteworthy for its focus on using conditional transfers as a mechanism to initiate behavioural changes and increase investment in long-term human capital accumulation. The programme's educational components and co-responsibilities, while central to RPS, were not well known or understood among domestic critics.

Another complaint was that the programme was inefficient and too expensive. RPS might have received greater support if government officials had understood all the services the programme provided—why RPS managed these services rather than others, and the long-term savings the current expenses were expected to generate. If the programme's positive impacts had been clearly and consistently communicated, some of these accusations might have been tempered.

Rather than addressing these attacks, RPS officials focused on satisfying the requirements of the programme's loans in order to ensure that it could continue to receive funding for future phases. They were also unduly concerned with responding to external criticisms that might endanger its funding. This approach, while not unreasonable, neglected important domestic constituencies whose negative opinions and misperceptions ultimately contributed to the programme's demise.

The lack of domestic understanding ultimately overwhelmed the programme. Nicaraguan support could not be maintained, and RPS's autonomy was eventually eroded. Officials were forced to share RPS resources with other groups, to the detriment of the programme's own efforts. The mission was diluted. Officials and resources were spread too thinly, and efficiency and enthusiasm were damaged. Eventually, RPS was discontinued, to the surprise of many within the international community, who understood the programme's purpose and impacts better than domestic constituents.

The end of the Nicaraguan experience with RPS is disappointing in light of the programme's achievements, but it provides relevant lessons to policymakers working with CCTs, particularly those receiving external funding. Even if a programme is deemed successful to the international community, domestic constituents must still approve of it. The support of both the non-beneficiary populace and government officials is important. Key domestic officials may change over time, and support cannot be provided solely by a few officials who may not remain in their positions. Frequent communication of a programme's purposes, policies and results is important to gaining and maintaining support. Without steady domestic approval, even an excellent programme may lose support and eventually be discontinued. With such support, the programme is more likely to continue to function, improve and enjoy greater backing and influence.

References:

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