



Graduate School of Development Studies

**Assessment of Solidarity Network Program in El Salvador
-its design, implementation and improvement opportunities**

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To my beloved wife Georgina, thanks for your love and patience.

To my parents -María Teresa and Baltasar-, Rube, my brothers and sister in law –Benjamin, Sergio and Dora- and nephews -Guillermo, Benjamin and Franco.

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List of Acronyms

ANDA – Administración Nacional de Acueductos y Alcantarillados
BMI – Banco Multisectorial de Inversiones (Multi-sector Investment Bank)
CCT – Conditional Cash Transfer
CCTP – Conditional Cash Transfer Program
DIGESTYC – Dirección General de Estadísticas y Censos
EAP – Economically Active Population
FISDL – Fondo de Inversión Social para el Desarrollo Local
FUSADES – Fundación Salvadoreña para el Desarrollo Económico y Social
GOES- Government of El Salvador
IFPRI – International Food Policy Research Institute
LFA – Logical Framework Analysis
NGO – Non Governmental Organization
PL – Program Logic
PMT – Proxy Means Test
RNPN – Registro Nacional de las Personas Naturales
SN – Solidarity Network
STP – Secretaría Técnica de la Presidencia

Abstract

The paper's aim is to suggest ways to improve Solidarity Network (SN) program, a Conditional Cash Transfer (CCT) scheme implemented within the poorest municipalities of El Salvador. It explores the concept of poverty behind CCTs and their function as a safety net for developing countries. It explains the main features of CCTs and of SN. But mainly the paper analyses SN's program logic and implementation founding strong and weak points and challenges, leading to its core contribution: a summary of the lessons learned, identification of areas for improvement together with recommendations, and highlighting key challenges faced by SN.

Relevance to Development Studies

Within Development Studies, this reflection addresses the issues of program assessment and Conditional Cash Transfer Programs (CCTPs). It contributes to understand the effectiveness of CCTPs studying the case of Solidarity Network in El Salvador.

Poverty is a complex, worldwide social reality; being development a field engaged with the eradication of that scourge, this paper is relevant because it adds knowledge to the study of Conditional Cash Transfers, programs designed and executed to fight poverty in both the short and the long term in developing countries.

Keywords

Conditional Cash Transfer
Poverty reduction programs
Solidarity Network
El Salvador

‘Everything is wanting’

‘Yes, a group of women can manage a project (...) not as before that nobody heard women; but not now. Now women also can... We can!’

‘That the program left us something, that in the future we can keep doing, that is what we want’

‘That children learn to read, since one can not! Yes, I can not read. But my children are learning’

‘Before [Solidarity Network] many children died’

‘There is time yet [with the program] and I would like to learn much more’

‘Children already know that [the cash transfer] is for them’

Solidarity Network’s beneficiaries (most of them women) during focus groups conducted for this research.

Preface

Amongst Antonio Saca's words during his inaugural speech as President of El Salvador in June 1st, 2004 were the following:

'Poverty is a condition to which any Salvadoran should not resign. Those of us who have received the appointment to lead the destiny of the country must fight it frontally. In this regard, our government immediately will begin building a social safety net that will aim to provide the necessary stimulus to all those compatriots who are in economic disadvantage and social marginalization, to incorporate them into productive life (...)
In countries like ours, the need for emphasis on social issues is more urgent. In our government, the social is not the complement to nothing but the basis of everything (...)
I will bring the social agenda to the forefront... We will be a Government, first of all, with a deep human sense'. (GOES 2008c)

Antonio Saca's words became concrete action on October 2005 when Solidarity Network (SN) took off. SN is a first sign of recognition, by the traditional structures of power, of the silent claims of the poor, the vulnerable, the left out in the history of El Salvador as an independent country. For the first time a President coming from the traditional structures of power and who was elected with support of the economic elite is putting the social agenda at the front of the Government's action. This is an initial small step for the Government in a long journey to include the excluded in the process of development in El Salvador.

The program overcame financial hazards at the beginning, but the Government allocated budget from own resources to start it up. Later on important donors like the European Union, supported the program. SN is being implemented with sound management practices and an exceptional coordination effort among many governmental and non-governmental institutions led by the National Coordinator of the Social Area and FISDL.

Thus SN is remarkable for at least two reasons; first it concretizes the beginning of the recognition of the poor's claims in El Salvador. And secondly, because it has a strong design and it is being implemented sharply and professionally. However opportunities for improvement exist.

This research paper aims to show a fair picture of the program's logic and its implementation. The evaluation effort intends to contribute with the improvement of the program. And broadly, it looks to be a small contribution in the long way of building an inclusive and just El Salvador.

The first chapter presents an introduction of Conditional Cash Transfer Programs (CCTPs) in Latin America and of Solidarity Network Program in El Salvador together with the research objectives and questions guiding this enterprise. Chapter two explains the analytical framework and methodologies used and the boundaries and limitations of the research. After that, chapter three takes a top-down/theoretical approach when it analyzes the program logic of Solidarity Network with an emphasis in the Conditional Cash Transfer component. Complementing chapter three and testing some of its arguments, chapter four -

based on a bottom-up/empirical perspective- looks at the implementation of the program within the 15 municipalities that started it. Chapter five grasps from the analysis and findings from the previous two chapters to describe lessons learned; elaborates on measures to improve Solidarity Network at the theoretical level (program's logic) as well as at the practical level (implementation), and points out challenges of the program -and it is the core of this research. Finally, a summary of main ideas and a reflection on this research itself are presented in chapter 6 as a conclusion.

Chapter 1

Solidarity Network and Conditional Cash Transfer Programs

1.1 A fashion in development: Conditional Cash Transfer Programs

1.1.1 Cash Transfers and Conditionalities

Conditional Cash Transfer Programs (CCTPs) have become popular in the developing world. They were born in Latin America in the 1990s. The first CCT schemes were developed in Brazil in the mid 1990s at a local level and the first national CCTP was *Progres*a in Mexico (now *Oportunidades*), which started in 1997 (Britto 2004: 4-5). The biggest programs in absolute numbers are Mexico's *Oportunidades* and Brazil's *Bolsa Familia*. Britto (2004: 43-46) explains that CCTPs became prominent in Latin America because of their political appeal: politicians saw potential in these programs to achieve electoral outcomes, political stability and support. In addition, they have a strong technical design based on qualified and native advisors. Finally they had international leverage and visibility that contribute to their replication in other countries. Now, CCTPs are present in many countries in Latin America and the Caribbean, Asia, East Europe and Africa.

But beyond their popularity it is important to ask how CCTPs work. Standard Practices can be divided in: general rules, targeting, implementation and monitoring. The standard general rules are that the cash transfer is given to the mother, assuming women spend the money on the children; only families with children or pregnant women are beneficiaries; additionally, poor families are identified through targeting measures; beneficiary families have to meet conditions to obtain the cash transfer: children's attendance to school and to health facilities are the most common. If the families do not meet with the conditions, they are out of the program.

Targeting is one of the important rules and one of the strength points of CCTPs. It is made categorically and geographically. The categorical variables are demographic: some measure of poverty (adult illiteracy, expectancy of life, malnutrition, child mortality or some sort of compound index) and households with children in school age or under 18 years or with pregnant women. The geographic targeting is used to locate conglomerates of families with the demographic characteristics, i.e. to locate potential beneficiaries. Additionally, CCTPs uses Proxy Mean Tests and/or participatory approaches to target beneficiaries.

After choosing the targeting criteria and identifying the potential beneficiaries through research and surveys, the program is explained to them so the people who agree on the conditionalities (or co-responsibilities in the CCTPs' jargon) become beneficiaries. The cash transfer plus the conditionalities are incentives to the demand for health and education services, thus a critical issue for the implementer is strengthening supply: approaching and expanding schools and health facilities to beneficiaries. Otherwise, the program could fail or the expected results can be delayed. So a prerequisite of a CCTP is the existence of social

infrastructure to absorb the extra demand for health and education, thus low income countries may have an infrastructure limitation to implement these kinds of programs or will require complementary investments to tackle the problem.

Finally, program implementers monitor compliance of conditionalities, supply of services and progress in defined indicators. Because the cash transfer is related with compliance of co-responsibilities by the beneficiaries, CCTPs provide an effective incentive leading to positive results (like an increase in school enrolment, less drop outs, decrease of child mortality and morbidity rates). Co-responsibilities also work as a punishment for those beneficiaries that do not do their part: they receive discounts in the cash transfer or they are expelled from the program.

Many researchers and implementers of CCTPs disagree about co-responsibilities. They discuss whether conditionalities are important to meet the expected results of cash transfers or not. A recent research by Ponce (2008) shows that programs with conditionalities improved health and education indicators while a program of cash transfers in Ecuador (without conditionalities) did not; he concludes that conditionalities are a central element of Cash Transfer Programs with educational and health objectives. Besides, Braw and Hoddinott (2008) explain the smaller results in Mexico's *Oportunidades* among beneficiaries who are not monitored due to administrative shortcomings. Both findings may be because CCTPs' beneficiaries have different spending priorities than those encouraged by the programs.

The New York Times reported in January 3rd, 2004 comments from Nancy Birdsall, president of the Center for Global Development, saying that CCTPs are 'magic bullets' (Janvry and Sadoulet 2004: 1) but as Janvry and Sadoulet (2004) and others researchers demonstrate, they are far from being magic bullets in development (Handa and Davis, 2006; Rawlings and Rubio, 2005). Although they are not a panacea, CCTs in Latin America do achieve positive outcomes in terms of poverty reduction (higher consumption), less inequality, higher enrolment rates for both boys and girls, increase in nutrition monitoring and immunization rates, reduction of child morbidity and mortality among other indicators as many studies demonstrate or describe (Guerreiro Osório et al. 2007, Rawlings and Rubio 2005, Schady 2006, Soares and Zepeda 2007, Vera Soares et al. 2006, Zepeda 2006).

Researchers also suggest limitations and challenges of and recommendations to improve CCTPs. Standing (2007) points out that for low-income countries CCT schemes could not be implemented effectively due to low administrative capacity to run such programs as well as the lack of supply of health, education and transportation services in those countries and he argues for universal cash transfer programs (without conditionalities). Additionally, CCT are just part of a social policy and they never can substitute complementary macroeconomic policy and interventions to cap with inequalities (Britto 2006: 17)

Vera Soares and Britto (2007) describe current challenges for CCTPs like graduation rules, the tension between the short term objective of poverty alleviation and the long term

objective of breaking the intergenerational transmission of poverty through human capital formation, and shortages of institutional and financial support. Fonseca (2006 as cited in Britto 2006: 16) describes six challenges of CCTPs: designing effective exit strategies, supporting households upon exiting the program, making the programs work both as safety nets and springboards (e.g.: promoting access to social services and providing training and micro-credits), expanding program eligibility (e.g.: incorporating households without children and the elderly), combining targeted and universal programs in highly unequal societies and evaluating both outcomes and processes to learn more about what works and why.

Janvry and Sadoulet (2004) highlight the opportunity of doing more efficient CCT schemes through better calibration rules for the education conditionality. Schady (2006: 27) after reviewing the results of various CCTP in Latin America concludes that

‘Substantial long-term improvements in education, health and nutrition status are likely to require coordination between CCTs and (i) other programs that affect households choices and behaviours, and (ii) programs to improve the quality of services’.

1.1.2 The Concept of Poverty: Capabilities and exclusion

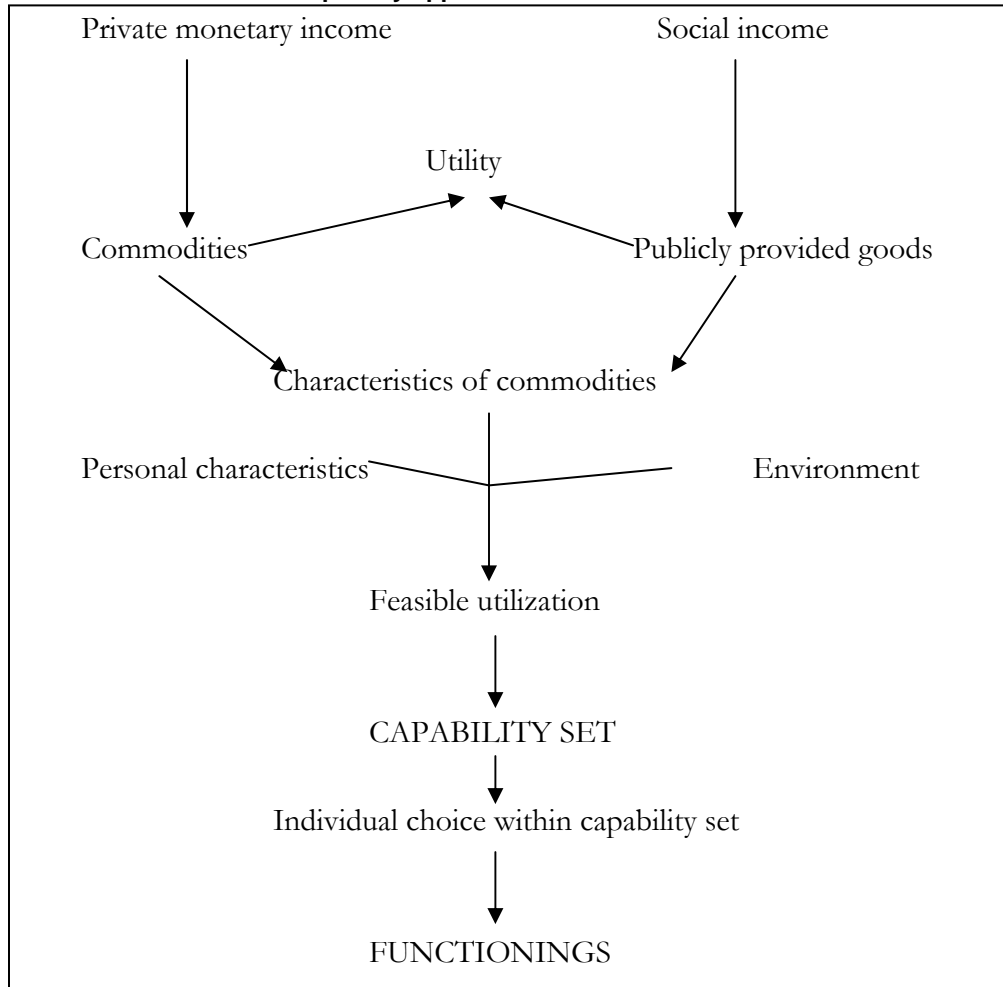
Explaining the concept of poverty behind CCTPs helps to understand them. Poverty is not understood as only income poverty in this kind of programs. For the Government of El Salvador, poverty in Solidarity Network (SN) is understood as lack of basic needs covered; those needs being education, health, potable water and sanitation among others (2005: 18). But CCTPs are closer with Sen’s capability approach in which poverty means the lack of capabilities to live the kind of life that is valuable for each person.

Poor families have less chance to choose the kind of life they want to have, so they are trapped in a poverty cycle; thus children in these families have higher probabilities to live in poverty while they grow up. To break the intergenerational cycle of poverty children need to develop the necessary capabilities to have a productive and healthy future life as well as a better judgment and opportunities to take decisions for their well being.

CCTPs provide an incentive to parents, especially mothers, to invest in their children’s capabilities. Money helps the family to cover opportunity costs of education, transaction costs (as transportation) and other basic expenses as food. Children receive better nutrition, vaccination, health controls and basic education, all goods and services that their elder brothers and sister and their parents themselves do not have or did not have the opportunity to consume in most of the cases.

Giving children all those services result in capabilities they can use in the future (a capability set) to have a different life, breaking the intergenerational poverty cycle. But the links between the provision and funding of goods and services, the personal characteristics of people receiving the goods and their environment determine the use of the capability set and in consequence the lives people decide to live. Ruggeri Laderchi et al (2003: 255) describe the links in the figure I reproduce below.

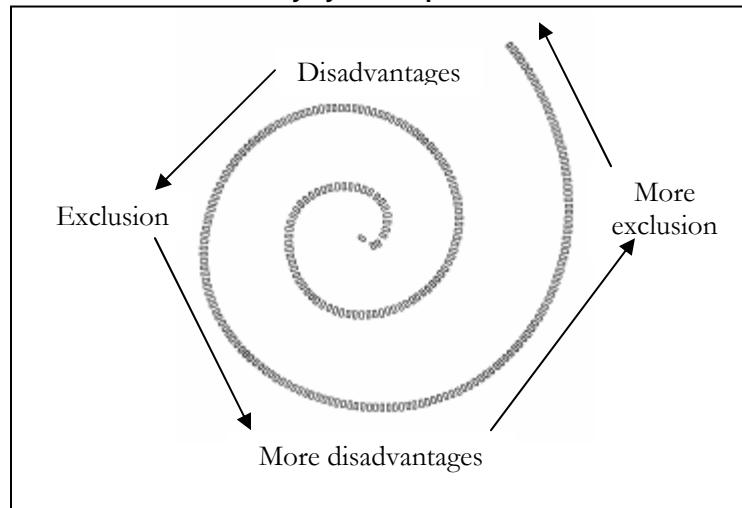
Figure 1
Capability approach –the links



Source: Ruggeri Laderchi et al, 2003: 255

CCTPs also have an understanding of poverty as social exclusion, in which poverty is seen as a multidimensional problem affecting particular groups in society that are excluded from full participation; e.g.: families without safe water or who are too far from health facilities are excluded from the rest because they can not benefit from basic services other people enjoy. An important element of the social exclusion approach to poverty is its understanding of the reproduction of poverty; this is the cycle mentioned in the previous page that works as a spiral: some disadvantages produce exclusion that produces more disadvantages in a perverse cycle. Breaking the intergenerational poverty cycle means creating a mirror image of the perverse cycle in which people’s opportunities in terms of education, health, nutrition, employment lead to inclusion, which in turn would lead to more opportunities and more inclusion in a virtuous cycle.

Figure 2
Poverty cycle –a spiral



Source: Own construction based on Ruggeri Laderchi et al (2003)

1.1.3 A sui generis Safety Net for Developing Countries

CCTPs' long term objective is to break the poverty cycle by creating capabilities in the future generation. But they have also a short term objective: alleviate poverty, working as part of a safety net for the worst off in society.

Safety nets are defined by the World Bank as 'non-contributory transfer programs targeted to the poor or those vulnerable to poverty and shocks' (2008). In the World Bank's view safety nets have two main roles: redistribution of resources among the poor and to help households manage risk. Target populations for a safety net are the chronic poor, the transient poor and people in especial conditions of vulnerability (World Bank 2008). This institutional view sees safety nets as complements of economic policy and as a kind of social insurance for the poor and vulnerable groups in society.

In developed countries with a solid formal sector absorbing employees, adequate social infrastructure, adequate public budgets and a majority of urban population, a safety net covers health, retirement and unemployment. In contrast, in developing countries with an important portion of informal workers, poor social infrastructure, limited public budgets and significant rural population, traditional safety nets do not cover a significant part of the population, leaving outside the worst off in society¹.

In that context of unprotected vulnerable populations CCTPs are an alternative for developing countries to extend some untraditional social security to poor families through the form of direct cash transfers together with the extension of health and education services.

1.1.4 Solidarity Network Programme

Box 1	
Poverty and rural population in El Salvador	
<u>National level</u>	
Headcount poverty (2002)	40.5%*
Population living with less than US\$1 (PPP) in 2002	19%*
Percentage of income earned by the poorest 20% of the population	2.7%*
Percentage of income earned by the richest 20% of the population	55.9%*
Gini coefficient	52.4*
Average annual GDP growth 1989-2002	4%*
<u>Rural population</u>	
Percentage of the population (2002)	41%*
Average annual agricultural growth 1989-2002	1.2%*
Crop production in 2002 as proportion of the average in 1999-2002	90%*
Unemployment	7.1%†
Seasonal employment	19.7%†
Employment in the informal sector	26.3%†
Illiteracy rate	26%†
Percentage of the population with some primary education	50.7%†
Percentage of the population with some degree of tertiary education	1.5%†
Morbidity rate	13.6%†
Proportion of households consuming safe water	50%†
Proportion of houses with sanitation	82%†
Proportion of houses with electricity	76%†
Proportion of houses with soil floor	40%†
Proportion of houses with inadequate ceiling	57%†
Proportion of houses with inadequate walls	49%†
* World Bank (2006)	
† Multi-Purpose Household Survey (DIGESTYC, 2006). Values are for 2006.	

Source: Own construction based on World Bank (2006) and DIGESTYC (2006)

Poverty is significant and inequality rampant in El Salvador. The Gini coefficient places the country among the most unequal ones in the world -position 16 amongst 127 countries. Also, poverty in rural areas is stronger than in urban areas. A gap between urban and rural areas has been growing over the years, leaving the rural households more vulnerable and marginalized.

Official data from the Multi-Purpose Household Survey (DIGESTYC, 2006) shows that in 2006 rural average monthly wages (\$158) and incomes (\$173) were 53% and 53.3% of urban average monthly wages and incomes. But the disadvantage is bigger amongst the 43.5% of the total rural employees dedicated to agriculture and livestock whose average monthly wage and income are \$110 and \$119 respectively. According to DIGESTYC (2006) only 46.9% of the rural Economically Active Population (EAP) has formal employment.

Illiteracy and low levels of education persists in the countryside as well as high morbidity rates in part caused by the low quality of rural houses.

Local governments (mainly located in the countryside) only received 6% of the national budget. Tax revenue is constrained by the low incomes of their residents and the scarcity of businesses. Thus, their investment capacity is limited despite the fact that the countryside needs resources to build basic social and economic infrastructure and implement social and economic policies just to close the development gap with urban areas. Emigration trends (mostly to the United States) and weak community organization complement the picture of rural poverty in El Salvador.

Both agency and capabilities of the rural population are seriously constrained by the scarcities mentioned above: wages, income, employment, agricultural production, education, housing characteristics, institutional constraints, emigration and community involvement. Subsequently, poverty has both, structural elements and agency features reinforcing each other in a negative cycle of poverty reproduction.

In addition, current trends in the world economy are affecting the rural poor in El Salvador, such as the global financial crisis, the coming recession in the U.S. –El Salvador’s first commercial partner-, food and fuel prices and unfair agricultural policies in the developed world, mainly agricultural subsidies.

Given the picture of marginality of the rural poor, in the last quarter of 2005 the Government of El Salvador (GOES) launched a social program with the purpose of reducing extreme poverty in the 100 poorest municipalities of the country, identified through a poverty map (Figure 3). The program, Solidarity Network (SN), has 3 components²: I) Conditional cash transfers (CCT) for extreme poor families, II) improvement of social infrastructure and III) a productive component combined with micro-credits. The first component was aimed to last for 3 years while the other two are supposed to have a longer-term horizon (GOES 2005: 11). The main objective of the program is to contribute to the achievement of the Millennium Development Goals (GOES 2005:10).

The poverty map, presented below, was a key input to geographically focalize the program. The map was developed by the Latin American Faculty of Social Sciences (FLACSO) in 2004. It shows the political division of El Salvador -14 departments and 262 municipalities. The colours within the territory of every municipality indicate the grade of extreme poverty experience in it: Red for severe extreme poverty, orange for high extreme poverty, and yellow and green for moderate and low extreme poverty, respectively. Using an Integrated Index of Municipal Marginality (which integrates three variables: poverty gap, lack of education and a compound index of housing) municipalities were cluster in those four groups. The municipalities targeted for SN are the 100 that are part of the severe and high extreme poverty clusters.

Figure 3
El Salvador's Poverty Map



Source: Taken from Solidarity Network official home page (<http://www.redsolidaria.gob.sv>)

This program, with a strong component of direct CCT to the poor and highly advertised by the Government, is new in El Salvador but is following the success of other Latin American programs as well as the standard practices described in a previous section. SN was born as a presidential program and is core element of a broader social policy in the Government's plan called *Oportunidades* ('Opportunities').

The program depends of the Technical Secretariat of the Presidency; the Technical Secretary and the National Coordinator for the Social Area -who is the head of SN- are the leaders of the Directive Council of SN which brings together the Ministries of Education, Health, Agriculture, Environment and Natural Resources, Public Works as well as the heads of ANDA, BMI, FISDL and RNPN, and the Executive Director of SN. The Directive Council takes the big decisions and FISDL is the Government agency implementing the program which counts with a Technical Committee dealing with practical issues of implementation. Municipal Committees were design to work at the local level coordinating actions of different actors in each municipality and following up progress; and Community Committees at the community level should support the program at the grass root level.

There are three types of CCT in SN: Type 1, for health, is US\$15 monthly and applies to households with children under 5 years and pregnant women. Type 2, for education and health, is US\$20 monthly and applies to households with the features of Type 1 families plus households with children under 15 years without having completed 6th grade. Finally, Type 3 is for households with children under 15 without having completed 6th grade and its monthly amount is US\$15. The money is given to the beneficiaries every two months during events organized by the NGOs for follow up in the towns' centres.

According to the program's³ official website, in 2008 Solidarity Network is increasing its coverage to benefit 89,000 families in 77 municipalities and had given more than US\$10 millions in CCT since it began until December 2007. The amount invested in social infrastructure (excluding investments in schools and health clinics) since 2005 until March 2008 is US\$36.97 million and includes roads, water and sanitation, and electrification.

BMI's official website⁴ reports that between May 2005 and December 2007, 9342 micro-credits were given in 187 municipalities in El Salvador, totalizing US\$18.05 millions in credits. The portfolio of loans in SN's municipalities was US\$16.4 millions (91% of the total) from which \$US4.15 millions were granted within the 32 municipalities in severe extreme poverty (23% of the total). The initiative is part of *Oportunidades*, is called *Tu Crédito* ('Your credit') and is integrated with SN under Component III.

1.2 Research Objectives and Research Questions

After 3 years, an assessment of SN can contribute to identify its strengths and weaknesses as well as lessons learned in order to improve its future impact. In addition, it is relevant to ask whether the other components of the program are good complements to alleviate and reduce extreme poverty in El Salvador or not.

Additionally, as a consequence of the global financial turmoil and the food crisis, the Government of El Salvador is considering introducing SN into urban areas as a mechanism of relief for vulnerable families. Thus, Solidarity Network has become a priority issue in the political agenda of the country and an evaluation of the effort made until now is important to improve policy decision-making.

Component I (CCT) is the core of the Program; therefore the research is concentrated in the assessment of Component I among the 15 municipalities where the program began in 2005.

1.2.1 Research Objectives

1. To identify, articulate and evaluate Solidarity Network's program logic.
2. To evaluate and explain the program's effectiveness in Component I within the 15 municipalities where it began.
3. Understand the complementary components of the program and identify other complementing programs to increase the effectiveness of Solidarity Network.
4. To suggest areas of improvement within the design and execution of the program.

1.2.2 Research Questions

Main research Question:

How can Solidarity Network become more effective?

Sub-research Questions:

1. What is Solidarity Network's program logic? In which aspects is it or is it not implementable and capable of delivering outcomes?
2. In which aspects is or is not the implementation of Solidarity Network's Component delivering outcomes? Why is it or is it not delivering outcomes?
3. Are Components II and III of Solidarity Network complementing Component I and increasing its effectiveness? In what ways can those components or other programs complement and increase the effectiveness of Solidarity Network?
4. What are possible areas of improvement in the design and execution of Solidarity Network?

Chapter 2

Analytical Framework: a ‘retroductive’ approach

Figure 4 below represents the scope of the research. The central element of analysis of SN is Component I, CCT. Afterwards, the program is assessed in two parts of the policy cycle: design and implementation. The key assumption is that a comprehensive, detailed and smart design with an efficient, effective and flexible implementation will deliver the expected outcomes of the program as well as unexpected ones. And, following the causality principle, that delivered outcomes are more likely to produce the long term/final impacts of the program if the causal links succeed in explaining and tackling the social problem identified in the program logic.

Programme Logic (PL) is analyzed with a combination of Scriven’s notions of logic in policies (Gasper 1996: 37-9, Scriven 1976) and the ideas, tools and frameworks of the Logical Framework Analysis⁵ (Gasper 1996: 41-5, Jackson 1998) and Hambrick’s (Gasper 1996: 41-5) and Leeuw’s (Leeuw et al 1999) formats, without applying any in particular in the analysis. Implementation and the program’s outcomes are assessed using two evaluation methodologies: responsive evaluation and process evaluation.

Figure 4
Analytical Framework

Level of focus	SN Design	SN Implementation	SN outcomes	SN impacts
SN	<ol style="list-style-type: none"> 1. Conditional Cash Transfers 2. Social Infrastructure 3. Micro credits and productive programs 		E.g.: Improve children’s education, nutrition and health	E.g.: Improve living conditions of children when they become adults
Product	Programme logic	Inputs and Outputs	Intended and unintended outcomes	Intended and unintended impacts
Methods	Scriven, LFA, Leeuw’s & Hambrick’s formats	Responsive evaluation and process evaluation through semi-structured interviews, focus groups and secondary data analysis		(Too early to know. Thus, not studied)
Sources of info	Secondary data	Primary data and secondary data		

Source: Own construction

I am applying retroduction –the interplay of induction and deduction- (Grix 2004: 114) mixing the deductive and abstract stance of program logic with the inductive and empirical character of both responsive evaluation and process evaluation. All the theory used is middle-range theory because it is ‘limited to, and developed for, a specific area of social concern’ (Neuman 2000: 51 as cited in Grix 2004: 111).

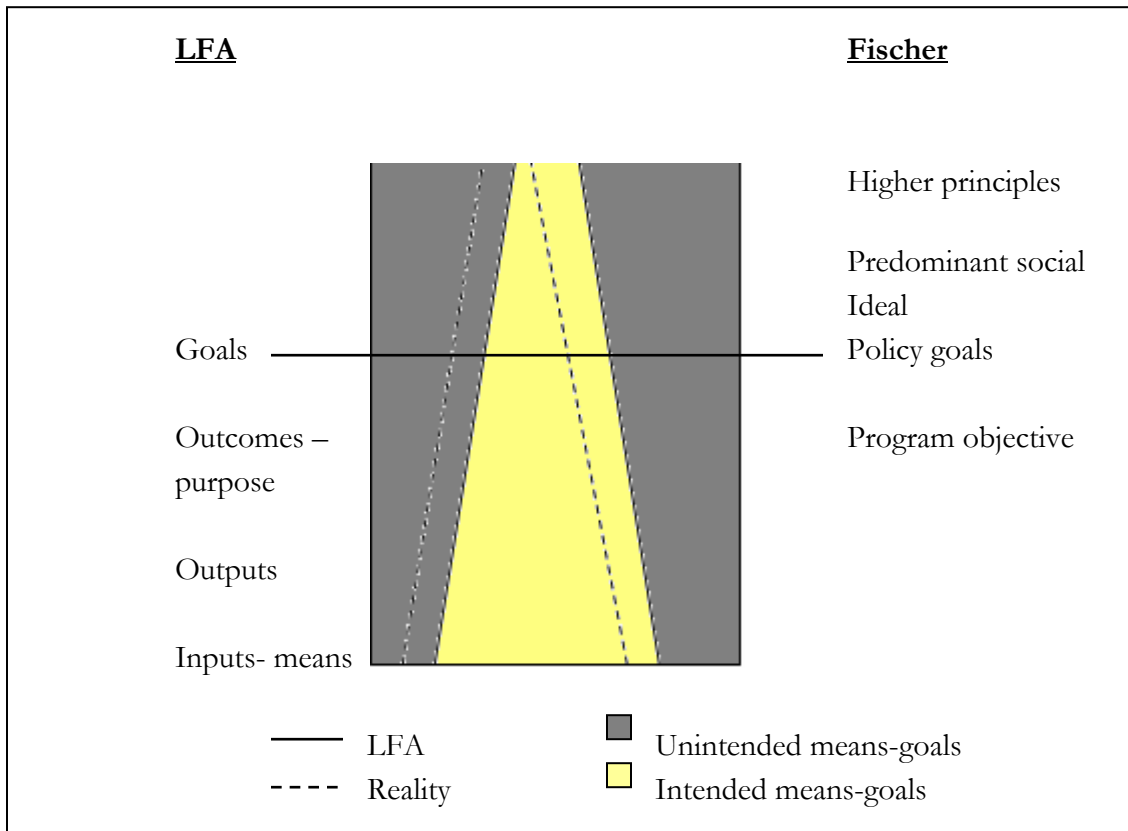
2.1 Program Logic

Gaspar (2008:1) suggests how to analyse policy arguments according with their level of complexity. Given that PL in Solidarity Network is of intermediate to high complexity Scriven’s procedure helps to identify the chain of arguments. But analysing policy arguments implies going beyond describing them; thus other methods are needed to complete the task.

In addition to Scriven’s schema, a modified version of the Logical Framework Analysis (LFA) is used. Gaspar points out many limitations of the LFA (2000), nevertheless this framework in combination with other methodologies for analysing policy arguments is insightful when it is used as a tool for assessment rather than as a design diagram. A detailed causal chain of Solidarity Network is deconstructed from reality using LFA; so instead of taking for granted the official LFA, it is presented one more consistent with the reality of implementing the program. Figure 5, an adaptation of Gaspar (1996:45), explains what I’m doing here.

The typical LFA in a program design document represents the yellow area until the line at the level of goals in the figure; this research reconstructs the area within the dotted lines from the inputs to the higher principles of the program. As it can be appreciated, that area includes also unintended means as well as unintended ends. This process represents a key contribution of this research paper and it has three steps: 1. Reproduce the official LFA of Solidarity Network. 2. Build a detailed Programme logic (PL) of the program and analyze it. 3. Compare the PL with the implementation on the ground. Steps one and two are developed in chapter 3 and step three in chapter 4.

Figure 5
Analyzing the LFA



Source: Adapted from Gasper (1996: 45)

2.2 Responsive Evaluation and Process Evaluation

Robert Stake developed responsive evaluation which is

‘orient[ed] to program activities rather than program goals, [it] respond[s] to audience information needs rather than predetermined information categories, and consider different values of people interested in the program when judging its adequacy. Questions and methods are not imposed but emerge from observing the program during the evaluation’ (Shadish et al. 1991: 270).

The research, in chapter 4, studies SN’s implementation, putting attention on processes and activities; it aims to respond directly to implementers of SN -and indirectly to two additional audiences: implementers of CCTPs in other countries and researchers of CCTPs-; the values of many stakeholders are considered: FISDL, NGOs for follow up, local governments, beneficiaries and researchers of SN.

Shadish et al. (1991: 280) describes responsive evaluation as a process guided by observation and flexibility and conducted in twelve steps (Shadish et al. 1991: 280):

1. 'Talk with clients, program staff, audiences.
2. Identify program scope.
3. Overview program activities.
4. Discover purposes, concerns.
5. Conceptualize issues.
6. Identify data needs, issues.
7. Select observers, judges; select instruments if any.
8. Observe designated antecedents, transactions, and outcomes.
9. Thematize; prepare portrayals, case studies.
10. Validate; confirm; attempt to disconfirm.
11. Winnow, match issues with audiences.
12. Format for audience use'.

Complementing Responsive Evaluation, Process Evaluation which is part of a wider set of evaluation practices named implementation evaluation is used. Implementation evaluation is focused 'on finding out if the program has all its parts, if the parts are functional, and if the program is operating as it's supposed to be operating' (Quinn Patton 1997: 196). One of its main objectives is provide information for action and decisions.

'Process evaluation focuses on the internal dynamics and actual operations of a program in an attempt to understand its strengths and weaknesses. Process evaluation asks: What's happening and why? How do the parts of the program fit together? How do participants experience and perceive the program?' (Quinn Patton 1997: 206)

Programs fail for many reasons: wrong or too ambitious and ungrounded PL, lack of resources, unresolved human conflict, discrepancies between theory and practice among others. Lipsky (1997) contributes to this discussion explaining the gap between program design and top management objectives and what happened at the bottom; he demonstrates why street level bureaucrats (the direct implementers) act differently from planned. Thus, by focusing on both the program logic and the implementation of Solidarity Network on the ground shows the gap between plans and actions, theory and practice.

2.3 Methodology

A field work phase was carried out in July and August of 2008 in El Salvador. Several semi-structured interviews, focus groups and observation during field visits were conducted (See Appendix A: List of interviews, field visits and focus groups). All the primary data collection was guided by responsive and process evaluation, thus the activities were focused on collecting hints about the implementation of SN.

Direct access with FISDL was obtained facilitating the coordination of field visits, the organization of focus groups and interviews with different agents of SN, participation in SN's presentations and access to documents and evaluations of the program. However, access to data series of education, health and nutrition that are collected by the Ministries of

Education and Health was not acquire nor was it possible to interview the personnel from schools and health clinics within the sample.

In a first phase exploratory field work in 3 municipalities that are not part of the universe of study but that are part of SN was done. During those visits conversation were held with beneficiaries, a Mayor, a boss in a health clinic, personnel of SN and other people involved in the program. The information collected was used to identify areas of interest for me and the people interviewed that were related with the research questions. Then questions for interviews and focus groups were elaborated for a second phase of data collection (See Appendix B: Guide topics and questions for interviews and focus groups⁶).

Interviews with people involved in SN's implementation at different levels and within different institutions (e.g. SN and FISDL personnel, local governments and an NGO for follow up) were made with the purpose of throwing light about many aspects of the program's implementation.

Three focus groups in three different municipalities within the 15 poorest, according to the poverty map, were also conducted to explore implementation of key elements of SN (co-responsibilities, training sessions, community participation among others). Those municipalities are: Torola, Guatajiagua and Nueva Granada and were chosen for two reasons: They are part of the universe of study and because there were payments for beneficiaries schedule during my field work facilitating interviews with many people from different institutions and organizing focus groups with beneficiaries on the same visit.

The field work gave me an insight on the implementation of SN in the three municipalities studied, finding many unexpected things some of them positive for the effectiveness of the program and some negative. In chapter 4, I comment on those surprises and their implications. With all the information collected I build an assessment of the implementation of Solidarity Network and then I draw lines for the program's improvement.

2.4 Limitations and Boundaries

An important limitation in the research concerns the supporting elements to sustain the findings, for three reasons: a limited support of data and indicators about the program's implementation, the sources of data, and a limited sample of 20% of the target municipalities (three out of fifteen). Data series of the program's indicators would help to support findings, my own arguments and suggestions for improvement but I could not have access to them. In addition, the research done on SN so far could be biased because almost all was contracted by FISDL therefore it could highlight more the positive than the negative aspects of the program. Finally, with a bigger sample not only my findings would be stronger but also my understanding of the weight that local conditions have in the implementation of the

program (how social and political dynamics affect the implementation of SN within a municipality).

Therefore conclusive evidence of SN's implementation and general applicable recommendations for the program's improvement are outside the boundaries of the research. However, I support my claims and recommendations on arguments sustained using a full range of the information available. Thus, the vertebral column of the research is built by cross checking hints from the interviews and focus groups, data from previous studies and evaluations of SN, observation and a limited use of data -especially from component II, investment in social infrastructure.

Chapter 3

The Theory: Identification and Analysis of Program Logic

This chapter presents the Logical Framework Analysis of Solidarity Network as it is in a technical document of the Government of El Salvador (2007). Then it reconstructs an extended version of the causal chain to see in detail the program's assumptions, links and qualifiers, using four figures; the first one identifying the actors of the program and the other three explaining each of SN's components. Finally it analyzes the extended version of the program logic from a theoretical stance. My own assumption here is that with a well structured, qualified, not too extended causal chain a program is more likely to deliver its outcomes and goals.

3.1 The Official Program Logic

Gaspar (1999: 7) notes that logical frames are usually included in technical documents as a demand from donors or lenders, as it must have likely happened with the one presented in Table 1 below. Therefore too frequently they are not accurate or do not follow the real PL. This logical frame in Table 1 is the official PL of SN and it contains some flaws, inconsistencies and overlaps. For instance, specific objective 1 overlaps with specific objectives 2, 3 and 4. At the same time, specific objectives 3 and 4 are a necessary condition to achieve specific objective 1.

In addition, during the implementation there are areas not covered as it will be explained in the next chapter. Specific objective 5 even when it is within component I is not an integral part of it and of any of the other components, thus there are missing activities to cover that objective. And on the ground there are no activities at the moment to fulfil that objective.

Being Figure 1 not reliable for the purposes of this paper, I prefer to reconstruct a PL that incorporates the detail causal links of each component of SN and is presented in the next section.

Table 1
Summary of Solidarity Network's Programme Logic

End	To reduce the intergenerational transmission of poverty in the Salvadorian population						
Purpose/ General Objective	Improve living conditions of families in extreme poverty in the rural sector in the mid and long term, through an intervention in net with integral character in the 100 municipalities prioritized by their poverty level						
Outcomes/ Specific Objectives	1. Family Transfer: Contribute with the interruption of the poverty cycle, promoting an improvement in educational levels and health of children living in extreme poverty	2. Conditional Cash Transfer: Strengthen familiar responsables in extreme poverty in their responsibility and incidence in familiar and communal development	3. Health and Nutrition: Improve health and nutritional conditions of rural population, prioritizing the population between 0 and 5 years and pregnant women	4. Access to education: Improve access to education of the rural population in school age in kinder 6 and primary school.	5. Basic infrastructure : Remove barriers and improve externalities and basic living conditions	6. Legal security: Provide legal security through the verification and/or regularization of identities among the beneficiary population	7. Sustainability: Provide tools for household's economic sustainability, through productive projects, labor training and micro-credits
Outputs for the 100 municipalities	1.1 Increase school enrollment and school assistance in children between 6 and 14 years. 1.2 Complete coverage of growth controls and development and vaccination among children minor 5 years. 1.3 Complete coverage in controls and attention of qualified personnel during childbirth of pregnant women	2.1 Compliance of educational agreement of beneficiary families. 2.2 Compliance of health agreement of beneficiary families. 2.3 Women's participation in local organizations. 2.4 Citizen's participation and organization	3.1 Reduce child mortality. 3.2 Improve nutrition of children less than 5 years. 3.3 Reduce mortality of children less than 5 years. 3.4 Increase coverage of prenatal inscription. 3.5 Increase childbirth attention by qualified personnel	4.1 Increase of kinder and primary school enrollment. 4.2 Increase of literate population especially among the young (15-24 years)	5.1 Expand coverage of potable water and sanitation services. 5.2 Improved strategic infrastructure to eliminate the physical barriers for health and education. 5.3 Expand coverage and attention of health improving equipment and infrastructure. 5.4 Improve connectivity to the national net (roads)	6.1 Documentation of children with birth certificate and adults with DUI (Identification document)	7.1 Expand micro-credit's supply in Solidarity Network's municipalities. 7.2 Income generation, food security and employment through development of socio-productive infrastructure
Inputs	Component I: Conditional Cash Transfer				Component II: Social infrastructure	Component I: CCT	Component III: Productive projects, training and micro-credits

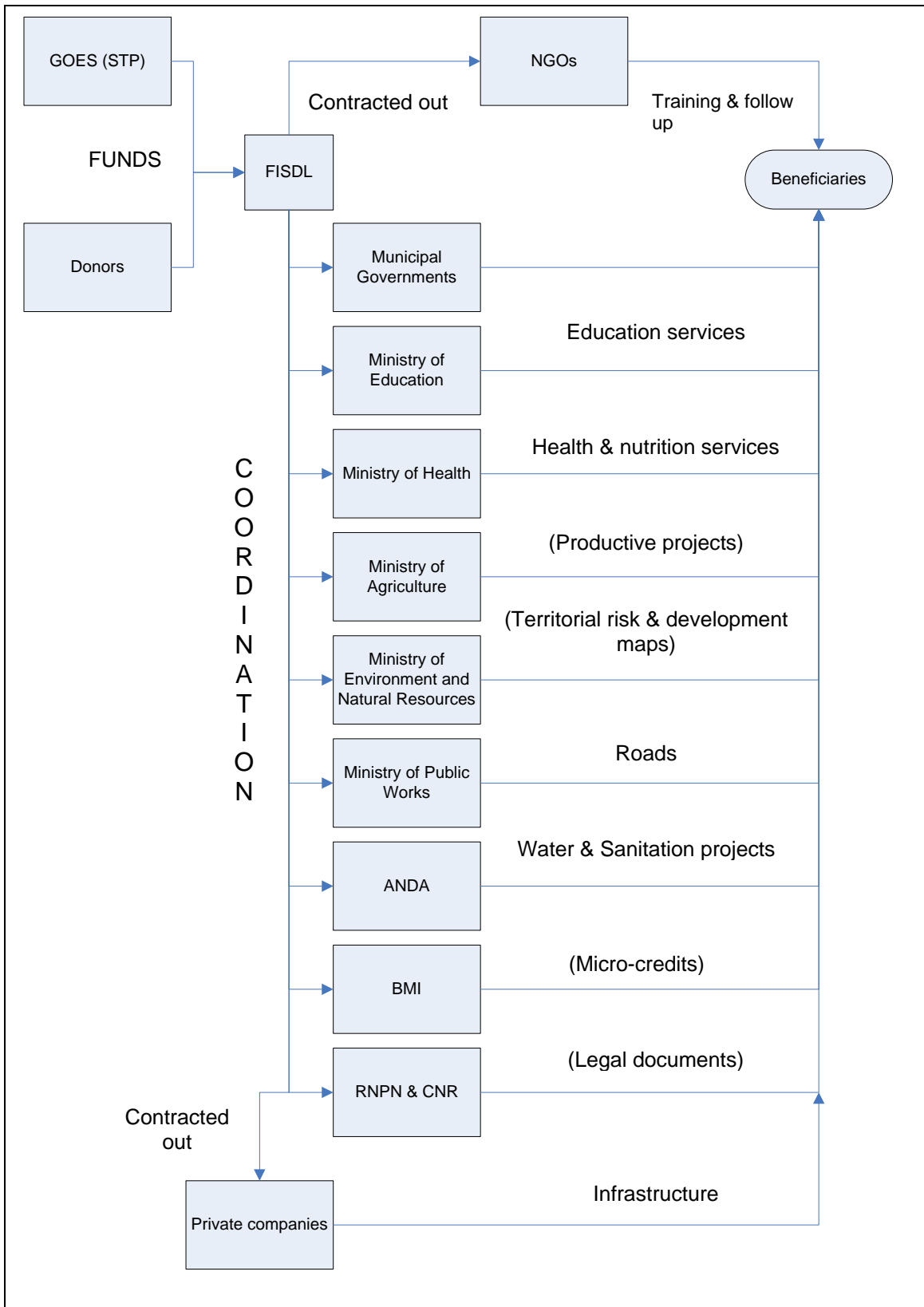
Source: Elaborated based on GOES, 2007: 149⁷

3.2 Reconstruction of Solidarity Network's implicit and detailed Program Logic

Given that the official PL of SN is too broad and presents the problems indicated above, in this section I build a detailed program logic, using diagrams that show the different actors and their relationship and the causal chain from activities to ends, drawing the links between each point for each component of the program.

Figure 6 shows the relationship between different key actors in SN program. Funds from SN come from GOES and donors like the European Union. FISDL is the central agency implementing the program because it coordinates with the different ministries and government agencies on a regular basis through the Directive Council of SN⁸ which is chaired by the Technical Secretary of Presidency and the National Coordinator for the Social Area, both part of the Technical Secretariat of Presidency (STP). The ministries and agencies involved with the implementation of SN provide specialized services and infrastructure within the targeted municipalities as the figure shows. Some of those services are in parenthesis because the provision is minimum or apparently non-existent as will be explained in the next chapter. In the case of the Municipal Governments the role they play in SN is limited (e.g.: participate in the Municipal Committee, prepare carpets of infrastructure projects and propose them) and there is little information in the official documents of the program about their task. Most of the infrastructure is contracted out to private companies through public bidding processes carried out by FISDL or the ministries and agencies themselves. Finally, FISDL contracted out NGOs for follow up also through public bidding processes, which deliver training for beneficiaries and follow up co-responsibilities.

Figure 6
Actors of Solidarity Network



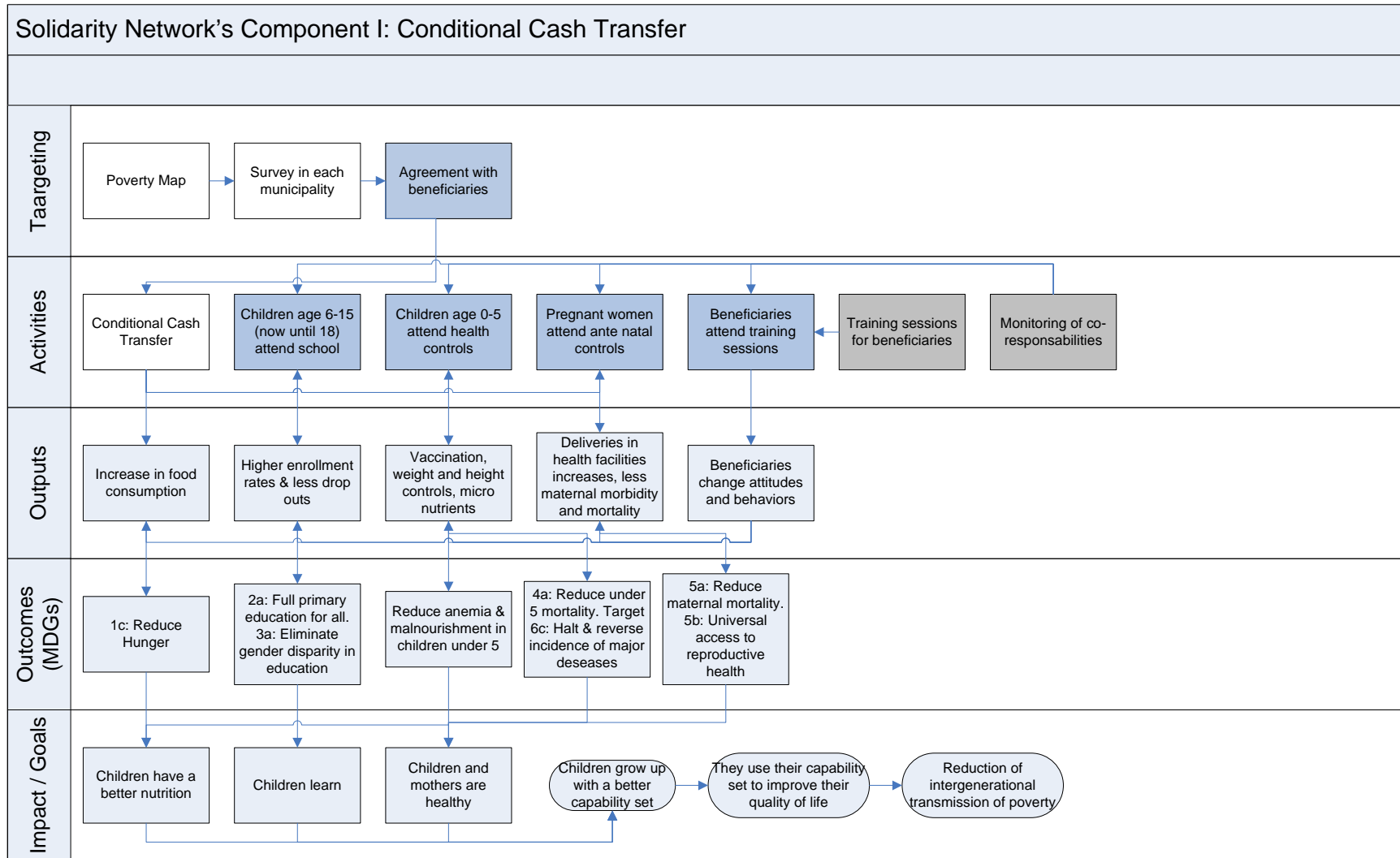
Source: Own construction based on GOES (2005, 2007)

Figures 7, 8 and 9 present the causal links for each component of SN. Regarding the terminology used, white boxes represent Government ministries and agencies, blue is for the beneficiaries, dark gray for the NGOs for follow up, light gray for Municipal Governments, yellow for private companies and light blue for outputs, outcomes and impacts. The figures describe activities, outputs, and expected outcomes and goals. Some unexpected consequences of the intervention are discussed in the next section in this chapter. The arrows in the diagrams show the causal relation between links. And last but not least, the oval boxes at the level of impacts represent the final goals of the respective component of SN.

Figure 5, in chapter 2, includes in the right column two additional levels of PL that in Fischer's view are 'predominant social ideals' and 'higher principles'. The stated principles of SN are seven (GOES 2005: 31): a. equity. b. integrality of actions c. closer supply to the demand d. focalization e. transparency f. co-responsibility and g. monitoring and evaluation. I grouped those principles as follows: principles of effectiveness (b, c, d), principles of sound management (e, g) and social principles (a, f). A suitable conclusion is that effectiveness of the program was a key objective of SN's design. And a possible interpretation of the implicit predominant social ideal is that the State has a subsidiary role to attend the poor in order to pursue a more equitable society, but that it also recognizes the individual responsibility of people with their own lives and families and in consequence believes that State and individuals each have responsibilities (co-responsibilities). This topic opens a big discussion which is outside of the objectives of this paper.

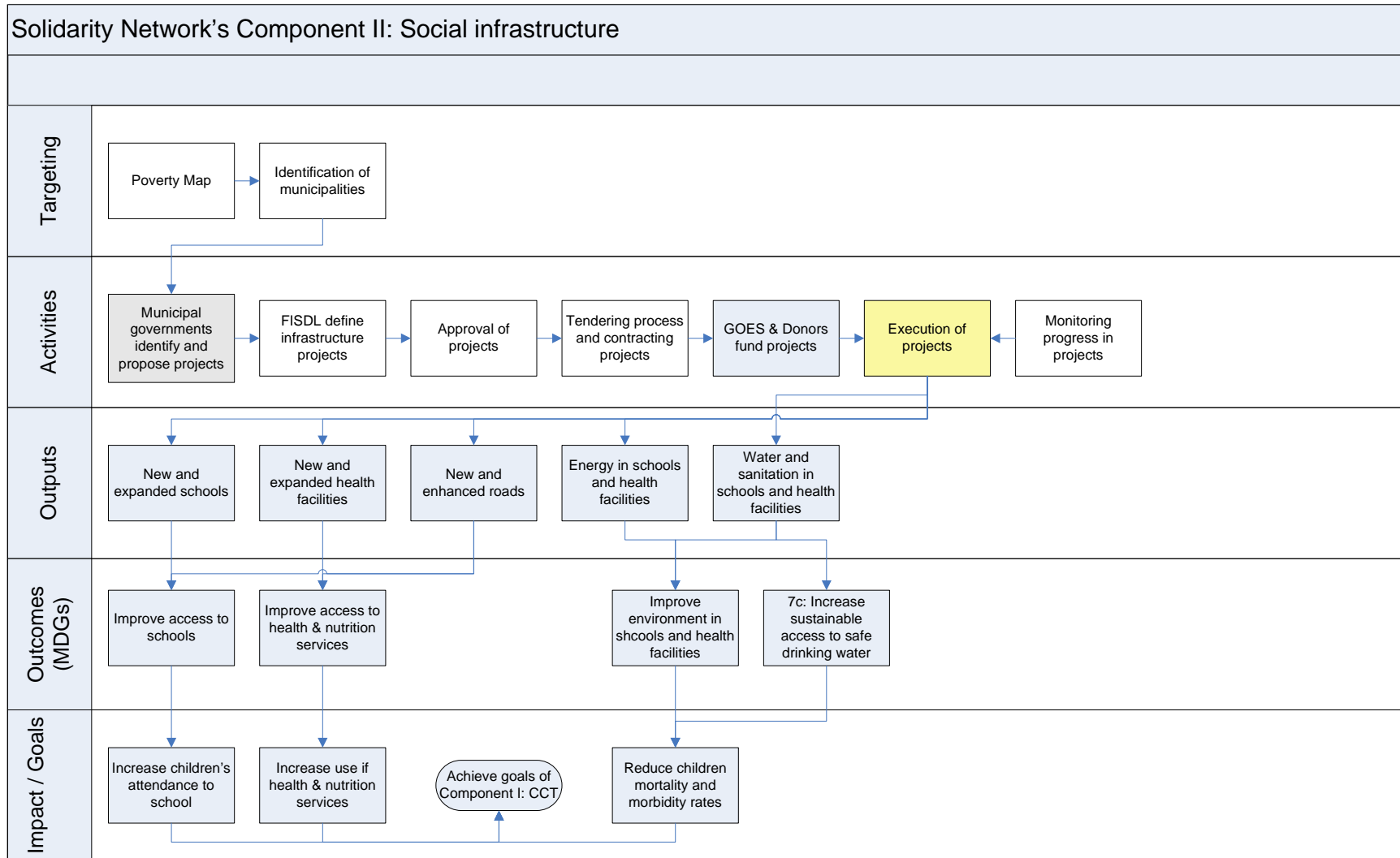
I present the PL for the three components of SN below, assuming that the figures are clear and self explanatory. But in the next section I proceed with the analysis of the figures, clarifying their interpretation.

Figure 7
PL of Component I of Solidarity Network



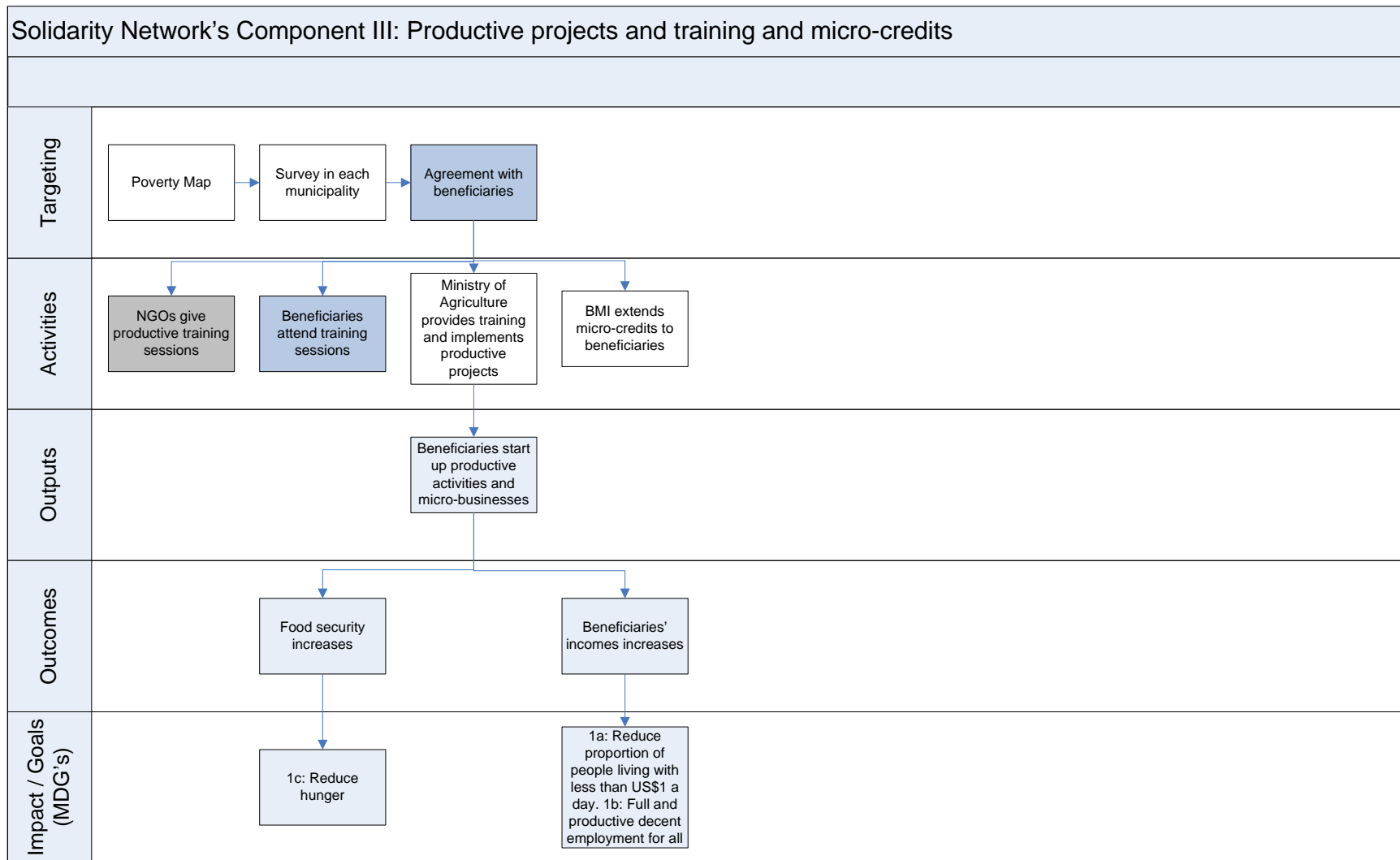
Source: Own construction based on GOES (2005, 2007)

Figure 8
PL of Component II of Solidarity Network



Source: Own construction based on GOES (2005, 2007)

Figure 9
PL of Component III of Solidarity Network



Source: Own construction based on GOES (2005, 2007)

3.3 Analysis of Solidarity Network's Program Logic

The analysis that follows integrates the discussion of CCT schemes⁹, in general, and SN in specific, putting attention on those links whose assumptions are problematic for the achievement of the long term objectives of the program. Even though some conclusions are outside the scope of SN, the analysis highlights their importance, thus it suggests the inclusion of some of them within the program. The analysis draws on many aspects of SN's PL, but the emphasis is on the ones whose impact is considered bigger on its effectiveness. In the following paragraphs an explanation of both strong and weak points of SN's PL in general and then for each of its components is developed.

3.3.1 General Issues

First, SN does not attack some structural causes of poverty in the rural area. While it incorporates education, nutrition and health as core objectives it does not consider the root causes of the development gap between urban and rural El Salvador. The fact is, as was explained in chapter 1, that rural households are excluded from development reinforcing the poverty cycle that was also explained there. Little public and private investment goes to the countryside, formal and permanent employment covers only 46.9% of the EAP (DIGESTYC 2006) and average wages and income are just 53% of the average ones in the urban area. Without a major scale investment and massive and formal employment creation in the rural area SN will become no more than a relief scheme for households and as an uphill opportunity for the future generation.

While SN does not tackle all structural causes of poverty its logical chain is long enough to have doubts about the likelihood of delivering the final impacts, especially for the CCT component. With so many links between activities and final goals the likelihood of achievement appears weak because there are too many factors involved and preconditions and assumptions in each link. I elaborate on this point when I analyse PL of Component I in sub-section 3.3.3.

Figure 7 evidences that complexity of inter-institutional coordination and action is a third limitation of SN's PL. At least 10 Governmental agencies are involved, the 15 local Governments of the municipalities included in this research (plus the 85 extra that are or will be also part of the program), NGOs for follow up, donors, private companies building dozens of projects every year, among other institutions with minor interventions, all of them are involved during implementation. This is the first enterprise of this kind and level of complexity started by the GOES. Without previous experience in CCT and inter-organisational coordination at the level required for implementation, the scenario is challenging for SN.

In addition, SN has major unstated objectives within its own logic and causal chain that are not 'official' and that I discuss in the following chapters: redistribution of income and obtaining political gain. The CCT together with the other components of SN transfer

resources to rural El Salvador and to poor families, thus it is likely to have a positive impact in income and inequality indicators; evidence from *Oportunidades* in Mexico, *Bolsa Familia* in Brazil and *Chile Solidario* in Chile shows that CCTs do have a positive redistributive effect (Soares et al. 2007, Soares & Zepeda 2008, Vera Soares et al. 2006). On the other hand, politicians are tempted to use the program for political profit, through advertisement and the establishment of clientelistic relationships with beneficiaries with the intention to gain their political support in elections, as Britto explains citing the cases of Brazil and Mexico (2004: 44).

3.3.2 Targeting

Having noted general limitations of SN's PL, now I will explain its internal theoretical strengths and weaknesses starting with the targeting mechanisms. An assumption in the PL is that the poverty map and the rest of targeting mechanisms identify the potential beneficiaries of SN. A failed targeting scheme could lead to errors of inclusion and errors of exclusion. The first refers to the inclusion of people who are above the extreme poverty criteria defined. Errors of exclusion are when people below the extreme poverty line criteria are left out. In addition, the poverty map is based on the Multi-Purpose Household Survey, which had a mistaken projection of the population of El Salvador. A recent census shows a different picture of El Salvador's inhabitants¹⁰; as a result the chances of errors of inclusion and errors of exclusion become more evident. Moreover, targeting for urban areas of the selected municipalities is made with Proxy Means Test which is a technical method with limitations and based on the Multi-Purpose Household Survey. A final remark with targeting is that potential beneficiaries have to confirm their participation in the program by signing an agreement with the GOES creating the risk that some reject the program for political, religious or other reasons.

3.3.3 Component I: CCT

Having analyzed targeting of SN let's consider its components, starting with Component I of CCT. Component I assumes that children's health, nutrition and education will improve with the intervention. A core assumption is that money provides incentives to beneficiaries to accomplish some responsibilities. But the links between a CCT and more educated, nourished and healthy children are much more complicated than just an exchange of money for a behavioural change. If schools and clinics are not adequately equipped, they are not bigger or closer enough to cover demand, and if the personnel are not delivering quality services, the program's expected outputs and outcomes will not be delivered.

Component II of social infrastructure and 'Effective Schools Network' program of the Ministry of Education cover some of those supply needs but an important issue is left out or not attended to properly: quality of services which affect learning and effectiveness of preventive health and nutrition measures for children. Let's take the case of quality of education; Hawley et al. (1984) summarize findings of more than 3000 studies on quality of education and achievements of children, identifying key variables and concluding that two of them in particular (teachers' behaviours and principals' leadership) are important and

positive contributors of school achievements. Also Simmons and Alexander (1978) found that in developing countries school inputs (learning conditions in schools) was the single most important variable in an educational production function explaining school achievements, having bigger impact during primary school.

Not only supply for those services is a key element of success, also demand side conditions are important. Some examples clarify assumptions made regarding beneficiaries. In education, in view of the living conditions of the beneficiaries a considerable quantity of children could have a disadvantage -caused by under nourishment- requiring especial attention at school, otherwise they will not learn or will have higher failure rates or over-age as their peers with no disadvantage¹¹. A study conducted in four villages in Guatemala for a 20 year period (Pollitt 1993) explain that children that received a protein supplement during prenatal life and within the first 2 years of postnatal life score better on psycho-educational tests and processed information faster concluding that nutrition explained the difference between the control group and the treatment group. However, the positive side is the recognition of the strong correlation between nutrition at an early age and long term education achievements as well as the future general development of people¹², within SN's PL because taking care of pregnant women and improving children's nutrition are two key objectives of the program and there are activities mainly under Component I to achieve them.

Regarding nutrition, mothers have to take their children to checks of height and weight, undernourished children receive micronutrients, mothers receive training on food and nutrition and an amount of money to spend in food (the cash transfer); However even when mothers spend the money in food and follow the advice, if they have many children and they do not have enough income from other sources, they can not buy the proper food to feed and nourish their children properly, therefore the amount of the cash transfer is important as well as mechanisms to improve people's incomes. A positive aspect of SN's PL is that income generation activities are included under Component III.

Regarding health, environment conditions affect health of people; within the household two critical conditions are quality of water and house features, thus even when families have access to health facilities if they do not consume safe water, do not have proper sanitation or live in a house with soil floor parasites and gastrointestinal diseases will continue to threaten children's and adult's health. According to the World Health Organization (2002 as cited in Peterson and Kremer 2007: 1-2) and Kosek et al. (2003 as cited in Peterson and Kremer 2007: 1-2) diarrheic diseases caused by poor quality water kill 2 million children a year in developing countries and that child mortality can drastically reduced providing safe water and sanitation.

Environment plays an important role in children's development. Certain dynamics within a household do not favour children development, for example in cases of domestic violence, gender discrimination and addictions, children are less likely to benefit from the program. Among families afflicted with these kind of problems is likely to see more drop outs, under nourishment and morbidity rates. In addition, an important number of beneficiary households could present those characteristics. Simmons and Alexander (1978)

found that in developing countries family socio-economic characteristics are important determinants of children's school achievements. Thompson (2001: 23) points out the importance of an adequate environment for the development of children under 3 years old.

Going one step forward, let us suppose the majority of beneficiary children effectively attended school, are nourished, healthy and graduated from primary education, once the CCT finishes i.e. SN delivered the expected outputs and outcomes. How does all these capability set expansions translate into better living conditions? First, a degree of primary education is not a guarantee of learning, especially given the limitations of poor children and public schools in El Salvador. Then, it can not be concluded that what children learned will be useful and that they will use it¹³. Besides, the labor market characteristics play a key role in what educated people can achieve. As Britto (2006: 16) points out:

'In the long run, the translation of higher educational attainment into higher earnings cannot be taken for granted. It depends on the quality of education, rates of employment, absorption of skilled labor in the economy and general rates of return to education'.

Therefore, breaking the poverty cycle is not a sure thing even with SN in place. Even in the oldest CCT programs there is no conclusive evidence about the impacts in terms of breaking the intergenerational cycle of poverty because they are too recent¹⁴.

Another assumption is that combining training and a money incentive plus better living conditions through the intervention will produce change in beneficiaries' behaviour and in the medium to long term in people's cultural patterns. The likelihood of sustainability of cultural change and beneficiaries' behaviour are uncertain. For example, whether they will continue taking their children to school and health controls after the cash transfer finishes or not. This is an important point because according to a SN's technical document CCT will last for 3 years (GOES 2005: 11). Thus, enrolment rates and child mortality and morbidity rates could then have a setback, putting at risk the accomplishment of SN's purpose.

Last but not least, CCT in general and SN's Component I faced the pitfall of creating dependency among beneficiaries. This happened when the cash transfer works as a perverse incentive, causing a decrease in income generation activities among beneficiaries.

The previous paragraphs demonstrate that CCT schemes per se present many limitations; but Solidarity Network has advantages: it consider two critical issues that were incorporated as components of the program: supply for social infrastructure (schools, health clinics, water and electricity supply, roads) and an initiative for a long term solution of income poverty for beneficiaries. SN's design takes into consideration one of Fonseca's issues in her list of challenges for CCTPs when including Components II (investment in social infrastructure) and III (productive training and projects combined with micro-credits): 'it is necessary also [in CCTP] to promote access, supply and quality of services like education, health, vocational training and micro-credits' (2006 as cited in Britto 2006:16). However, the causal links of these components also include important assumptions for the accomplishments of the program's goals.

3.3.4 Components II and III

A positive aspect of including Component II in SN's PL is that this solves a trade-off between quantity (of demand) and quality (or supply inventory); while Component I is likely to increase enrolment rates and higher use of health facilities, Component II supplies additional resources to schools and health clinics. However this analysis examines possible pitfalls and limitations in the PL of Component II.

Implementation of Component II requires important sums of financial resources. Therefore, a first assumption is that the GOES has and will have enough money to build the social infrastructure that the target municipalities require both to deliver services to an increasing demand and to do it well. Second, Component II should precede Component I in implementation, precisely because CCT are likely to produce an increase in demand for education and health; but the PL establishes that both Components I and II start at the same time.

Another weak point of Component II is that it only focuses on public schools and health clinics as targets for water, sanitation and electrification projects. As previously indicated, potable water and sanitation within households are important assets preventing children mortality and morbidity. Therefore, the accomplishments of health objectives are limited by the scope of water and sanitation coverage projects. Moreover it also affects the accomplishments of educational goals, notably rural Salvadoran children spend considerable time every day to pick up water from natural water springs and rivers. Thus lack of water in the household is an opportunity cost for education. In addition, electricity at home favours the time children spend in study.

Furthermore, additional social infrastructure does not necessarily equal better social infrastructure and services. This is especially important in education and health. More equipped classrooms in a school do not translate immediately in more educated children. It can favour enrolment rates but the teachers, the learning environment as well as the learning methodologies are determinant of what children learn¹⁵. With health personnel the rationale is similar, the amount of doctors, nurses and other qualified health personnel as well as good designed health protocols focused on prevention are as important as the availability of health facilities and medicine. Furthermore, a water tap within the schools or even within households is not a guarantee of drinkable water.

With Component III of SN there are also considerations. A first issue is regarding the nature of the intervention, because Component III is closer to an economic policy than with a social policy. Then it has to be seen as such, and it has to be strategically implemented and linked with the general economic policies of the country. For instance, if the Government is promoting tourism and export of nostalgic products to the Salvadoran community in the United States, then the micro productive projects in the municipalities should connect with those macro policies.

Additionally, the three projects within this component should be linked: productive training, productive projects and micro-credits to produce better results. If training is focus in a different direction than the productive projects and if the scale of the micro-credit scheme is too small, the micro and macroeconomic results as well as the sustainability of the initiative could not be enough to accomplish the long term objective of improving beneficiaries' incomes. Again, the coordination of the parts involved is important: Ministry of Agriculture, FISDL, BMI, NGOs for follow up among other institutions.

In addition, when implementing Component III a production diagnosis of each municipality is necessary as a first step to identify profitable activities, potential markets, and strengths of the municipality to undertake the initiatives. Otherwise the effort could not be sustainable or it could produce marginal results.

3.3.5 Summary

I presented in this chapter a theoretical analysis of Solidarity Network's Program Logic. After showing the links between the different components, activities, outputs, outcomes, goals and the agents involved in each part, I developed a detailed analysis of the likelihood of implementing and delivering the whole range of elements, from particular activities until major goals, making explicit key assumptions and possible pitfalls. The next chapter explores the implementation process of SN on the ground, based on empirical evidence and with a focus on processes and usefulness of the findings for the implementers; and is complementary with this chapter since it can confirm, rebut or/and explain many of the ideas presented here.

Chapter 3 has discussed many aspects of Solidarity Networks's PL, however I'm concentrating in key issues for which I have obtained information during both my literature review and field work for my further analysis and recommendations. The key issues are: 1. Length of the PL. 2. Structural causes of poverty are set aside. 3. Complexity of inter-institutional coordination. 4. Targeting of SN, i.e. errors of inclusion, exclusion and calibration rules. 5. Need to strengthen social infrastructure before introducing CCTs. 6. Supply and quality of social services. 7. Investment requirements in social infrastructure. 8. Coordination and alignment of component III. 9. Political use of SN. Now the following chapter explores those issues based on the evidence found within my sample of municipalities and explores additional topics that came out during my field work.

Chapter 4

The Experience: Implementation -achievements and limitations

Field work and literature review about SN evidence a good implementation in the municipalities studied but as noted in the analytical framework, given its limitations and boundaries this research can not claim that conclusion for the entire program¹⁶. Many of the issues discussed in the previous chapter were managed properly in the studied municipalities thus, in part this chapter is a summary of lessons learned that could be used by implementers of CCTP in other countries as an example of how a program with limited resources delivered outputs. But this chapter is also to highlight some of the limitations found in SN that are the starting point to suggest some improvements in chapter 5. What follows is a summary of findings divided in three sections: targeting of SN, the CCT component and the Components II (social infrastructure) and III (productive training and projects and micro-credits)¹⁷.

4.1 Targeting

In August 2008 IFPRI-FUSADES presented in San Salvador a research about targeting of Solidarity Network. First it noted the targeting mechanisms used in SN (IFPRI-FUSADES 2008: 6) which reflect the standard practices of CCTPs in Latin America and thus there are considered adequate. The research concludes that SN has a good and simple targeting, above the average of Latin America (IFPRI-FUSADES 2008: 30). By a standard indicator to measure CCTPs' targeting, the Coady-Grosh-Hoddinott index¹⁸, El Salvador's SN is the third best country for CCTP targeting out of 10 Latin American countries, having an index of 2.94 for the 20% poorest population (IFPRI-FUSADES 2008: 29). Inclusion errors for the 15 municipalities where the program started are slightly bigger than in the rest of municipalities but are inside an efficient range, while the exclusion errors are close to the program's average (IFPRI-FUSADES 2008: 12-4).

While in rural areas of the targeted municipalities all the households with the demographic characteristics for the program are eligible, in the urban areas Proxy Means Test (PMT) is used to target households. Reasons are cost-effectiveness and social cohesion. Using a more sophisticated targeting mechanism in rural areas such as PMT implies higher costs but the majority of the extreme poor households lived there and it can cause social conflict within the communities. On the contrary, in urban areas live less extreme poor households making cost-effective the use of PMT targeting mechanism. Even when targeting in urban areas was politically sensitive, the procedure was technical and not subject to manipulation.

During field work I could find three hints for errors of exclusion in SN. First, political reasons, because when the program took off, some militants of the major opposition party, FMLN, refrained from participating in it. Second, some people did not

participate as beneficiaries for religious and other cultural issues; e.g.: it was reported in focus groups and interviews that some women did not report that they were pregnant during the survey conducted to target households because they felt ashamed. Finally, potential beneficiaries that were not at home when personnel of the program did the household survey were left out, a fact that was also reported in focus groups. However the significance of those circumstances is unknown and requires a further investigation. Errors of exclusion have not been solved since the targeting process and the inscription of beneficiaries was done once initially.

Also during field work a perverse incentive of SN was discovered. During the household survey in San Simón, Morazán (ranked 18 in the poverty map and classified as a municipality in severe extreme poverty) a municipality included into SN in 2006, more than 30 young women became pregnant just to be included as beneficiaries, however they were not included. I did not get more reports of this type of behaviour in other municipalities, but it is clearly a pitfall of the program.

One final comment about targeting is that while SN is well targeted there are important portions of the extreme poor population in El Salvador who are not part of it. In particular, a group of people that fulfil the profile (the demographic characteristics) to be elected to the program but live in the 162 municipalities not included. And a second group of extremely poor people that live in all El Salvador's municipalities who do not fit with the categorical criteria to be eligible (e.g. the elder, families without children and people with disabilities).

4.2 Component I: CCT

A total of 48,646 households in 47 municipalities were part of the program by December 2007 and the accumulated amount of money transfers between October 2005 and December 2007 was US\$10,767,390 (GOES 2008b: 3), being the annual transfer per household US\$180 or US\$240 depending on the type of CCT received. The cash transfer reached 11,862 households in the first 15 municipalities with severe extreme poverty between October 2005 and the present.

SN reports a rate of compliance of beneficiaries' co-responsibilities in the 32 municipalities of severe extreme poverty of 99.5% in health and 94.1% in education by 2007 (GOES 2008b: 3). Beneficiaries said they used the cash transfer to buy food (91.5%), clothes (44.5%), medicine (56.8%) and in less extent school materials for their children (18.5%) (Góchez 2008: 23).

A research of beneficiaries' perceptions of SN in those 32 municipalities reports that beneficiaries are satisfied (96.4% of respondents answered 'very happy' and 'happy') with the program and they consider that their living conditions have improved (94.1% reported that their economic situation improve) (Góchez 2008: 20, 24). The beneficiaries perceived Cash Transfer as the single most important service provided by SN helping to improve their living conditions; among the reasons they said that children are eating better, getting sick less often

and attending school everyday (Góchez 2008: 22-23). These data is coherent with the fact that before SN one of the main reasons parents did not take their children to school was the cost (Góchez 2008: 32) and with an NGO for follow up manager's opinion that without the cash transfer beneficiaries' co-responsibilities would not work.

Table 2
School attendance of children within SN by sex and age

	Attendance	
	Male	Female
4 – 6	49.8%	42.9%
7 – 9	96.4%	97.7%
10 -12	98%	97.1%
13 -15	90.4%	82.5%
Total	82.6%	79.7%

Source: Adapted from Góchez (2008: 31)

Table 2 shows that school attendance is higher among boys and girls between 7 and 9 years old and that the rate decreases among elder children, especially girls. Additionally, enrolment in pre-school is still relatively slow (children 4 to 6 years). The positive results in terms of education are: more school enrolment and attendance, less drop outs and parents' commitment with the education of their children (whether it is due to a change of attitudes or for a fear to receive a discount in the cash transfer); a negative impact of SN in the short term is saturation of classrooms and a challenge is to maintain enrolment and attendance rates once the CCT finishes (Góchez 2008: 37-9).

During focus groups came out that some beneficiaries are having problems with school attendance, which deepens when they have many children or the children are over-age. Numerous families are affected by this phenomenon because if one of the children is not attending school, discounts in the cash transfer apply; these families are the poorest amongst the beneficiaries as reported by interviewees. Moreover, an interviewee reported problems with teachers in schools and personnel in health facilities. Apparently some school teachers are failing in their job with non assistance, delays and psychological and violent abuse to children. Some health personnel in public clinics, especially secretaries and nurses denigrate beneficiaries' social background and status.

Attendance of children between 0 and 5 years to health controls is 98.2% while 72.8% of pregnant women attend their checks (Góchez 2008: 36). In addition, more than three quarters of beneficiaries think that the family gets sick less often (Góchez 2008: 37). The reported effects on health indicators suggested cost-effectiveness of SN and are: more population covered, higher rates of health controls in children and pregnant women, improved nutrition of children, less children mortality rates, more births attended in hospitals. And additional positive side effect is that SN has contributed to undertake extra health activities (e.g. family planning) (Góchez 2008: 38-9).

Participation in the monthly training sessions is high among beneficiaries (assistance of 97%) (Góchez 2008: 33). Beneficiaries remember many of the training topics and they consider them useful (they become more responsible, know about new topics, take care better of their children, their home has improve) as Góchez reflected (2008: 33-4) and my focus groups confirmed.

Interviewees evinced and reported that training sessions in the municipalities under study are likely to produce positive attitudinal and behavioural changes due to facilitators that come from the community, good learning methodologies, focus on application and follow up of beneficiaries through household visits. However measuring the real impact of training is one of the missing areas in evaluation and monitoring until the moment. The changes are likely to follow a path in which time is an important factor as was demonstrated when visiting municipalities with less time within SN and in which behavioural changes found are minimum.

A limitation of training activities is the lack of men's participation since topics are gender related (e.g. women and children rights, family violence). So the persistence and reproduction of gender differences is not completely tackled even though women feel empowered with the cash transfer and training. Delivery of those topics presents a challenge because are sensitive or too boring for beneficiaries and because including men is an opportunity to bring faster cultural changes in favour of women and children rights.

'Literacy circles' were set up as complement of training within the local communities to promote adult literacy. The circles have three different levels and are targeted to the community as a whole (beneficiaries and non-beneficiaries). However, according with interviewees they have low assistance rates and both complicated text books and didactic materials. Among the reasons given by beneficiaries of non-attendance are time, visual problems and they are not qualified for the level that is being given.

Besides the outputs achieved and/or perceived by beneficiaries, reported in the studies of GOES (2008) and Góchez (2008), I found during the field work that there are adaptability and flexibility in the program's implementation. One piece of evidence is that according with the original design children covered under SN were up to 15 years old, but now the children covered are up to 18 years old. Another example is that at the beginning the required academic profile of the municipal coordinator of the NGO for follow up was a high school degree, now it is technician or bachelor degree showing a concern for the quality of services provided by NGOs; there were also rules and lines of action for especial cases put in place, among other changes. These measures are in line with the long term objectives of the program and with a criterion of effectiveness.

A common comment is that the cash transfer is too small. Mayors, personnel of NGOs for follow up, beneficiaries and even researchers think that the amount is not enough. For instance, Britto (2007:17-8) talks about transportation costs for school attendance that SN could not cover. From the focus groups is clear that there are transportation costs for school attendance and during the cash transfer delivery as well as

indirect costs and opportunity costs for education that are bigger for children in higher grades. Table 2 shows a drop in school attendance among elder children.

A positive unintended effect of SN is an incentive to the local economy. Since beneficiaries have more money to spend, consumption increases producing a multiplier effect within the municipality and its surroundings. During field work was observed an intense commercial activity during delivery of the cash transfer in the three municipalities visited.

The evidence collected indicates that CCTs in SN program within the three municipalities visited are delivering the activities and outputs described in the PL. Some limitations at the beginning of the implementation were access to schools and health facilities and limited supply for those services. With the implementation of Component II, some of those constraints have been solved¹⁹. Nevertheless, there are minor struggles. Amongst the problems reported by interviewees are: lack of attitudinal changes among beneficiaries which is deeper when the main beneficiary works and it is the co-responsible who attends training sessions and due to men's non-attendance to training sessions. In addition, small income of households could be limiting deeper attitudinal and behavioural changes; for instance, beneficiaries in a focus group reported that now they know better how to feed their children however they lack the means to buy enough fruits and vegetables. Municipal committees are weak in some municipalities with scarce participation from the Mayor, poor community representation, negative attitudes and manipulative political behaviour.

A degree of political manipulation of the program is clear, e.g. in Góchez (2008) a common comment of the interviewees is that they are thankful to the President for his support to them through SN; this conclusion was confirmed during focus groups and informal talks with beneficiaries; thus the perception of beneficiaries is that SN is a presidential program even though it is a public initiative of the GOES. One of the interviewees said that a challenge of SN is turning a presidential program into a State policy and another complained about the big amount of money spent in television spots to publicize the program that could be invested in one of its components. Interviewees also reported that in municipalities governed by the main opposition party, the FMLN, some incidents were noted during take off because potential beneficiaries mistrusted SN causing their rejection or entering with caution; but when they start receiving the benefits they trust the program.

After almost 3 years of SN in the 3 municipalities visited I noted that Mayors use the program to promote their Administration trying to link infrastructure projects and other benefits with their agency. According with an interviewee, the problem is bigger when the Mayor is part of the same party in the Central Government because they behave as owners of SN and try to manipulate rules in their favour (e.g.: appointing personnel at the local level, interceding for beneficiaries who are not fulfilling conditionalities). But not all is negative, because the tendency has resulted in local governments' complementary activities with SN. E.g.: Nueva Granada's Mayor provides transport to school for children; in Torola school material packages are provided. However, the criteria used by Mayors to benefit households who are part of SN are not clear.

A missing element of SN is the legalization of adults and children issuing identity documents. According with the GOES in 2005, 9.8% of the population did not have legal status within the targeted municipalities (2005: 17). The reason behind is the lack of funding for this project. The Government was going to contract loans to fund SN and other projects but those were not approved in Congress. A loan of the World Bank of US\$21 million for SN included US\$4 million for this particular project (World Bank 2005: 13-4). A second missing output are the maps that the Ministry of Environment and Natural Resources through the National Service of Territorial Studies was supposed to deliver as described in the conceptual document of SN (GOES 2005: 46). From the research done it is likely that the Ministry is not coordinating the delivery of those maps.

Finally, many interviewees think that one of the challenges of the program is better inter organizational coordination. Thus, even when coordination is allowing a good implementation of SN in the municipalities under study it could be strengthened.

4.3 Components II and III

Although Components II and III of SN are not the focus of this research, I'm evaluating also the implementation of these components for their complementary relation with Component I. My assumption is that implementation of these components affect the implementation as well as the likelihood of obtaining results in Component I. I'm beginning with Component II: social infrastructure.

From table 3 below is possible to conclude that in the 15 municipalities under research access to water and electricity has extended but at a different rhythm. There are municipalities with important changes like Cuisnahuat in which water coverage grow almost 700%, Jutiapa where it doubled or San José Cancasque that virtually achieves full coverage. And there are municipalities in which changes are much more modest like Caluco in which coverage of water is still below 50% despite an increase of more than one third or Nueva Granada in which both coverage of water and electricity had only small changes. Whether changes are due to the level of commitment of Mayors and Municipal advisors of FISDL (which was reported as a key factor for the extension of social infrastructure), political factors or any other cause deserves further investigation. In addition, table 4 shows low levels of coverage of safe water, a measure that takes into account quality of service, highlighting the importance of the variable quality as it was analyzed in chapter 3.

Table 3
Changes in coverage of Water and Electricity in the 15 poorest municipalities of El Salvador 2005-2008* (%)

Position in Poverty Map	Municipality	Water		Electricity	
		2005	2008*	2005	2008*
1	Torola	43.9	75.3	37.7	86
2	San Antonio del Mosco	65.5	75	35.3	62.6
3	Cuisnahuat	9.3	64.9	46.8	61.7
4	Guatajiagua	44	93.1	39.6	80.7
5	Caluco	30.2	42.1	25.8	80.5
6	Nueva Granada	46.5	49.9	72.7	77.4
7	San Fernando	65.2	99.9	69.1	90
8	Jutiapa	33.1	68.4	70.2	96.4
9	Gualococti	92.2	94.9	39.3	81
10	Carolina	65.9	79	50.7	68.2
11	San Isidro	94.4	94.9	72.5	91.2
12	Cinquera	57.5	71.7	79	95.8
13	San José Cancasque	62.6	99.8	91.8	99.7
14	Joateca	46.6	77	26	46.1
15	Guaymango	53.57	80	44.25	80.64
Average municipalities with SN		57	79	59	81

*Until March 2008

Source: Own construction based on data from SN's official website (consulted in October 2008)

A finding enforcing the fact that SN's implementation is flexible (and sound) is that the original target of full coverage of electricity, water and sanitation in schools and health clinics was expanded to full coverage of those services in households of SN's municipalities as was confirmed by the data showed above and FISDL personnel.

Umaña (2008) presented a diagnosis of basic infrastructure and investment requirements for the 100 municipalities included in SN. The report includes a description of the social infrastructure of the municipalities until December 2006, divided in five areas: roads, electricity, safe water, sanitation and healthy floor within the house²⁰. For the 15 municipalities studied the data is the following:

Table 4
Diagnostic of Social Infrastructure

No.	Municipality	Inhabitants	Houses	% Houses with access to Roads	% Houses with electricity	% Houses with safe water	% Houses with sanitation	% Houses with healthy floor
1	Torola	2744	631	64%	66%	27%	73%	15%
2	San Antonio	6218	1173	17%	64%	0%	44%	8%
3	Cuisnahuat	14997	2377	65%	49%	0%	49%	29%
4	Guatajiagua	8771	2068	66%	35%	36%	48%	27%
5	Caluco	9575	1910	82%	85%	63%	87%	47%
6	Nueva Granada	8298	1834	90%	93%	100%	87%	71%
7	San Fernando	2267	511	43%	80%	17%	69%	16%
8	Jutiapa	7740	1596	58%	71%	25%	65%	57%
9	Gualococti	3688	762	98%	87%	89%	77%	15%
10	Carolina	9888	1785	23%	78%	100%	55%	43%
11	San Isidro	2583	502	64%	93%	48%	39%	34%
12	Cinquera	1228	249	84%	87%	87%	63%	51%
13	Cancasque	1480	312	100%	79%	82%	63%	38%
14	Joateca	3307	692	92%	55%	5%	75%	36%
15	Guaymango	18036	3639	50%	58%	0%	74%	98%
Total / average for 15 municipalities		100820	20041	61%	67%	37%	66%	49%
Total / average for 100 municipalities		884929	189081	76%	76%	57%	74%	62%

Source: Based on Umaña (2008: 8)

Table 4 shows that households in the 15 poorest municipalities had significant shortcomings in terms of access to basic infrastructure at the end of 2006 and that in average their situation was worst than in the average 100 poorest municipalities included within SN. The shortcomings are especially deep in two areas: safe water and healthy floor, which have consequences in preventing child mortality.

Umaña's diagnosis also includes the state of health facilities and schools regarding the four areas of social infrastructure. The main concern is again access to safe water, the situation difficult being in San Antonio and Cuisnahuat where none of the health facilities and schools had access to safe water by December 2006. Table 5 summarises the findings.

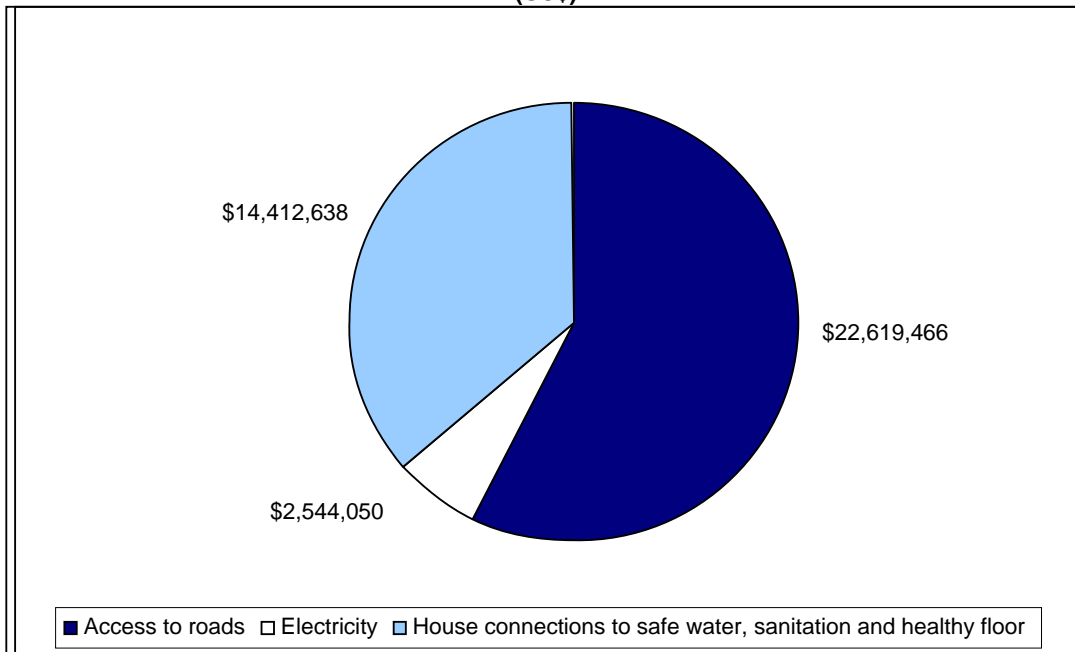
Table 5
Diagnostic of social infrastructure for health facilities and schools in the 15 poorest municipalities until December 2006

Facility	No.	% access through roads	% with electricity	% with safe water	% with Sanitation
Health clinic	28	89%	79%	64%	82%
School	168	61%	86%	55%	77%

Source: Based on Umaña (2008: 11-5)

To give access to basic social infrastructure in the 15 poorest municipalities required US\$39.5 millions at the end of 2006 according to Umaña (2008:18). Discounting what was invested in 2007 and the first quarter of 2008 -US\$9.1 millions and US\$2.1 millions, respectively- (GOES 2008a) there are still US\$28.3 millions in the pipeline. 57% of that money should be invested in roads, 36% in safe water, sanitation and healthy floors within houses and the remaining 6% in electrification. For the 100 municipalities, investment requirements in Component II rises until US\$201.6 millions being 49% for water, sanitation and healthy floors (Umaña 2008: 20-1). Discounting the US\$23.7 millions and US\$4.9 millions invested in 2007 and the first quarter of 2008, respectively (GOES 2008a) funds needed for infrastructure are US\$173 millions equivalent to 5.2% of the Government budget for 2008 or to 29.7% of the projected public investment for the same year.

Figure 10
Social infrastructure investment required in the 15 poorest municipalities of El Salvador (US\$)



Source: Based on Umaña (2008:18)

Donors have supported SN's Component II with millions of dollars and euros. During the period 2006-2009 the European Union supports the sub-program *Programa de alivio a la pobreza* (Poverty relief program) with €37 million. And the Great Duchy of

Luxembourg brings US\$22.1 millions in 13 municipalities in the departments of Usulután and San Miguel on the west El Salvador through the sub-program *Programa de apoyo a Red Solidaria* (Support Programme to Solidarity Network). This last sub-program includes US\$3.6 for productive projects under Component III of SN. The injection of donor's funds plus the experience of FISDL²¹ and the other Ministries and agencies executing infrastructure projects contribute to explain the completion of 370 projects and an investment of US\$19 millions in the 15 municipalities studied since the beginning of the program until the first quarter of 2008.

Having detailed implementation advances of Component II, let's inquire the execution of Component III which has three parts: productive training, productive projects and micro-credits. In general, my field work indicates that is the weakest element in SN's implementation. Neither beneficiaries are exposed to most of those activities nor have interviewees reported successful results.

NGOs for follow up provide productive training; the topics are bakery, tailoring and embroidery; and it is very limited for all the beneficiaries. Only literate people in groups of 20 can receive the training. Even when women learn from it, they do not receive support to produce what they learned. However women during focus groups demonstrated desire to start up small businesses and demanded access to credits or support to do the initial investment.

BMI is supporting with micro-credits in the countryside but from the field work I could not find a direct connection and coordination between what the bank is doing and SN. As it was noted in chapter 1 only US\$4.15 million have been disbursed in the 32 poorest municipalities, the amount being even smaller for the 15 under study in this paper. Moreover, the recipients of loans are not the beneficiaries of SN.

As recently as September 2008 SN's official website reported an agro-market in Potonico (municipality rated 32 in poverty map) showing evidence of a productive project. During field work interviewees reported that the Ministry of Agriculture is driving a productive project through the National Center of Applied Technology (CENTA) in which agricultural inputs and technical support have been provided to peasants for crop production and animal farming. The aim of this project is to increase crop production and bring food security to the countryside. But it was reported that there is no coordination or alignment with SN to run the project. As well, a Mayor and an NGO official reported during interviews that the official party, ARENA was doing political campaign with the deliveries of seeds and fertilizers with the support of the Ministry of Agriculture. Newspaper reports also showed the same problem. E.g.: La Prensa Gráfica reported on April 14th 2008 that CENTA would be audited for irregularities in the distribution of seeds and fertilizers; Mayors from the main opposition party, FMLN, complained that the inputs were being distributed just to sympathizers of the ruling party.

It can be noted that productive training, micro-credits and productive projects are not aligned under component III and the entire component is not aligned with the rest of

SN at least within the municipalities under research. Moreover it can be seen from the evidence that the resources, coordination and interest placed in Component III are still insufficient in the municipalities under study. In addition, there is a need to connect clearly the efforts in Component III with macro economic policies and the strategic lines of the economic development plan in El Salvador. Even when the intention is stimulate agriculture and increase food security, the effort has to be strengthening and extended to cover other sectors (e.g.: tourism which is one GOES' bets).

4.4. Conclusions

From the description of implementation, the data showed and from the analysis in this chapter it is possible to draw some conclusions for the municipalities under study in connection with chapter 3, remembering the elements highlighted there.

1. *Length of PL*: the evidence shows that so far SN is delivering outputs and outcomes in Components I and II, with some limitations (e.g.: maps and legal documents) but not in Component III. In addition, Component III is likely to be disconnected from the other components in SN and from broader economic policies in El Salvador. Finally, long term effects of SN -and CCTPs in general- are a question without answer in Development Studies since it is too soon to evaluate those long term effects even in the oldest CCT schemes.

2. *Structural causes of poverty are set aside*: even when SN's aim is to cover the social and infrastructure gap between rural and urban areas and to increase human capital, other social and economic policy interventions are needed to cope with the disparity. This issue implies the extension of SN and the implementation of other programs.

3. *Complexity of inter-organizational coordination* and 8. *Coordination and alignment of Component III*: It can be noted that the level of coordination in the municipalities studied allows the implementation of SN, but it is limited for Component III. Thus, strengthening coordination and alignment in Component III is an important challenge of the program.

4. *Targeting of SN*: the research conducted by IFPRI-FUSADES demonstrates that targeting is efficient and adequate and that is well ranked amongst CCTPs in Latin America. Some hints about cultural, political or administrative causes of errors of exclusion were highlighted but a deeper research is needed to measure its size and significance.

5. *Need to strengthen social infrastructure before introducing CCT*. 6. *Supply and quality of social services* and 7. *Investments requirements in social infrastructure*: I explained that at early stages of the program there were shortcomings in the supply of health and education that were resolved later, indicating the need to initiate with the strengthening of social infrastructure before the introduction of CCT. Moreover, I explained that quality of services is an important variable that deserves action and monitoring, but that is not included in SN. I noted that the support of donors together with expertise of Government ministries and agencies is supporting the

achievement of the infrastructure goals. But additional funds to sustain the rhythm in the following years are needed.

9. *Political use of SN*: it is clear that there are intentions from the official party, ARENA, as well as from the opposition party, FMLN to manipulate information and use the program as a political tool. Nevertheless beneficiaries and key personnel working in the implementation of SN are less interested in the hidden political agenda of the political parties and more preoccupied with the implementation and effectiveness of the program. Positive and negative effects were observed due to the political side of SN. Definitely 'politics' do play a role in SN.

From the analysis of implementation other important issues arise:

10. *'Graduation' strategy*: this is a challenge of CCTPs in general and of SN in particular that can be resolved defining the core objective of the program (the long or the short term objective, my suggestion is the long term one), phasing the program and strengthening Component III.

11. *Introduction of calibration rules*: studying the tendency of school attendance showed a drop-out of students in secondary education. Thus calibration rules can help avoid such tendency. Besides, if the program is introduced in the future in urban areas the understanding of educational patterns and the application of calibration rules can increase the effectiveness of the program in a context of limited resources.

12. *Gender perspective*: Even when the program takes into account women, the likelihood of obtaining cultural and behavioural changes in terms of respect of women and children rights is diminished by the fact that men do not attend training sessions. There is an opportunity to increase results in this field by involving more men with the program.

Chapter 5

Solidarity Network: Lessons, recommendations and challenges

While chapter 3 looked at strengths and weaknesses of SN's Program Logic (PL), chapter 4 analyzed implementation and looked at evidence to confirm or reject the comments on the PL. From both PL and implementation is clear that SN is a well designed and implemented program that has areas for improvement. This chapter is devoted to suggest ideas and measures to improve it and is divided in three sections, highlighting positive experience and results, focusing on improvements of PL and implementation and describing challenges. Table 6 summarizes this chapter.

Table 6
Summary of the analysis in chapters 3 and 4

Chapter 3: Analysis of PL	Chapter 4: Implementation of SN	Lessons / challenges / recommendations
1. Extension of the PL	SN in the municipalities under study has delivery outputs in Components I and II but not in Component III	Challenge: Measure long term effects and review the evidence in older CCT schemes
2. Structural causes of poverty are set aside	SN is investing in the countryside both in infrastructure and human development, but there are structural causes of poverty set aside	Challenge: A comprehensive strategy of poverty reduction and social policies. Recommendation: Extend the boundaries of SN to cover more people.
3. Complexity of inter-institutional coordination	Until now coordination amongst the ministries, agencies and other actors in SN's implementation is functional with the exception of Component III	Lesson: SN manages the coordination complexity. A pilot effect could increase the likelihood of success Recommendation: Integrate effectively Component III
4. Targeting of SN	Evidence shows that is good. Of course there could be errors in the process that deserve a further investigation	Lesson: Following the best practices in CCTPs resulted in a good targeting of SN
5. Strengthening social infrastructure before introducing CCT	There were shortcomings in the supply side of the program, thus phasing the program to start with social infrastructure could improve	Recommendation: Investment in social infrastructure should precede CCT.
6. Supply and quality of		Recommendation: The

social services	the PL. The importance of quality of services is essential to achieve outcomes and impacts, therefore, it has to be improved and monitored.	likelihood of achieving long term objectives increases if quality of services are monitored and improved
7. Investment requirements in social infrastructure	Even when funds from donors had supported investment in social infrastructure additional funds are needed	Lessons: Extension of water, sanitation and electricity to all households in the 15 municipalities studied is on progress. The support of donors has helped to cover limited funds from GOES. Challenge: Ensure funds
8. Coordination and alignment of component III	Evidence from the municipalities studied shows the need for more coordination and alignment of Component III with the rest of the program	Recommendations: Integrate component III with the Government's broader economic policy. Allocate enough funds. Take advantage of people's empowerment. Strengthen inter-institutional coordination
9. Political use of SN	Politics do play a role in the program. But implementers and beneficiaries concerns are focus on the effectiveness of SN.	Lesson: SN is used with electoral and political objectives but the gains for politicians could be small because both beneficiaries and implementers are not interested in the politics behind the program
	10. 'Graduation' strategy	Recommendation: Put the long term objective of SN as the core, phasing the program and strengthening Component III to use it as an exit strategy
	11. Introduction of calibration rules	Recommendation: Introduce calibration rules, especially if the program is extended to urban areas.
	12. Gender perspective	Recommendation: Include men in training sessions and other areas of the program

Source: Own construction

5.1 Lessons learned

SN, within the municipalities under study, does manage the complexity in terms of coordination for Components I and II. Commitment at all levels, adequate funds and political support could create a ‘pilot effect’ leading to a good implementation. But also the expertise and level of institutionalization of FISDL, Ministry of Education and Health and other government agencies could allow such result. All these issues deserve a deeper investigation.

Following the best practices in CCTPs resulted in a good targeting of SN as it was demonstrated in the study of IFPRI-FUSADES. In general, targeting was made professionally and apolitically following the Poverty Map and starting with the poorest Municipalities. Although there is always opportunity for improvement as some findings in this research suggest.

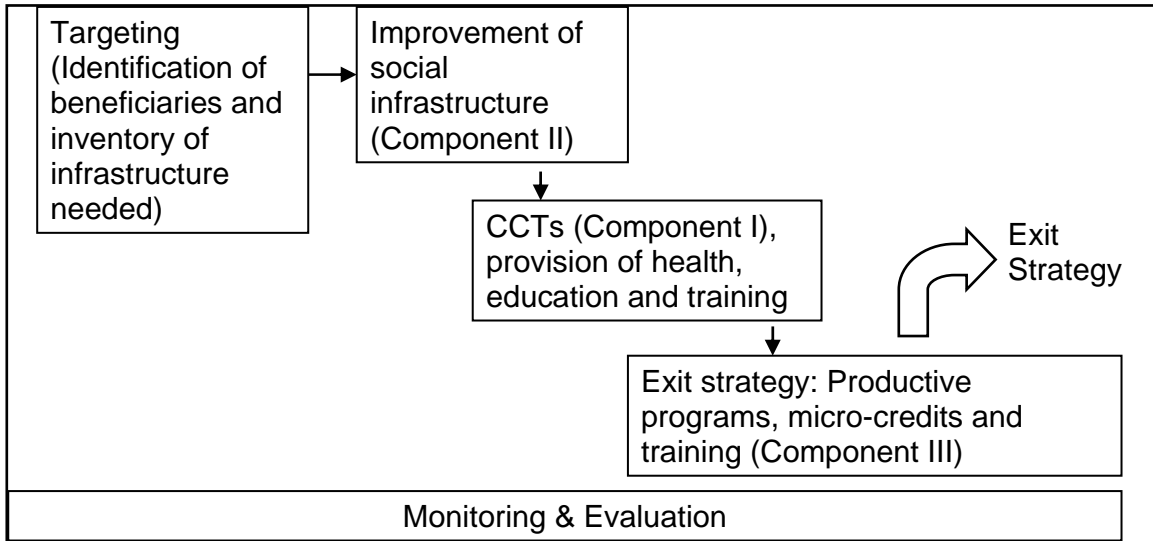
The flexibility in managing the program has translated in actions such as the goal of full coverage of water, sanitation and electricity within the Municipalities in Severe Extreme Poverty. Extending those goods and services it is likely to produce positive returns in terms of health and education contributing to achieve the objectives of SN.

CCTPs are appealing to donors and in the case of SN the component requiring more funds it has being supported by the European Union and other donors. Without those resources SN would not had the same progress in building social infrastructure due to the fiscal limitations faced by the Administration. Thus it would face supply side shortcomings reducing the outputs of Component I.

5.2 Improving program logic and implementation

A first suggestion to improve SN’s PL is phasing the three components. If the program continuous to be implemented in the remaining 100 municipalities targeted until 2009 and later on includes more beneficiaries (i.e. extending the program to major urban areas), then starting up with Component II (Social infrastructure) according with projections of demand for health and education as well as access to schools and health clinics, potable water and electricity before targeting beneficiaries could be more effective. Then introduce CCTs (Component I) and some time later implement Component III of family sustainability as an exit strategy for the Government and as beneficiaries’ graduation from the program. This phasing should allow some degree of overlap in the implementation of the three components.

Figure 11
Recommended Phases of Solidarity Network



Source: Own construction

Other area of improvement refers to quality of services. Component II should include measures to raise the quality of education, health, potable water and for the continuous improvement and sustainability of those services and the underlining infrastructure that support them. Among the activities that could be implemented are: training for teachers; pilot programs to test teaching methods, innovative contents and didactic materials; introduction of comprehensive preventive health protocols for households; training for health personnel; technical support for water schemes managed by communities and many others. Monitoring and evaluation schemes play an important role in the achievement of better quality.

Include coverage of safe water, sanitation and healthy floors as objectives of Component II is also necessary. FISDL recognises as SN's objectives full coverage of potable water and electricity in the targeted municipalities. This is a positive extension to the boundaries of the program that would include also sanitation and healthy floors within households. The correlation between these elements and health is strong, thus the likelihood of achieving the health targets are higher when included. The investment required so far within the 15 poorest municipalities is US\$14.4 millions. And for the 100 poorest municipalities are US\$99.5 millions.

A progressive weight of community participation together with more aggressive efforts for community organization and empowerment could be introduce as an annex during implementation of Component III (because beneficiaries are empowered) giving leverage to this component and increasing the prospect of sustainability of results and of increasing impact. Similarly, a progressive involvement of Municipal Governments in SN could foster understanding of local needs and dynamics as well as sustainability of the program.

El Salvador has one of the less educated populations in Latin America and is one of the countries that invest less in social issues in the subcontinent (GOES 2005: 16, 20-1). Therefore the achievement of the Millennium Development Goals although an accomplishment on the right direction is not enough to close the gap El Salvador's has in human development. The next administration has to commit more resources to invest in social issues. Therefore, the long term objective of SN, namely build human capital to break intergenerational poverty is of core importance.

In line with the program's long term objective is necessary to extend SN to include pre-school education and until 9th grade (secondary school) and the complete cycle of children's health controls (until 8 years). To reduce the educational gap of El Salvador primary school (equivalent to six grades of schooling) is not enough.

I also recommend strengthen Component III linking the measures with macro economic policies and food security. This implies, more funds, better coordination between FISDL, Ministry of Agriculture, BMI, municipalities and NGOs and the inclusion of the Ministry of Tourism in the initiative. This is in line with the actual context, in which the GOES is stimulating agricultural production with the triple purpose of increasing food security, improving household's incomes in the countryside and reducing the impact of the global crisis. Apart from agriculture, GOES is stimulating the tourism industry and many municipalities had potential in this area because for their natural beauty they are suited for adventure and ecological tourism. Third, SN has had a positive unexpected effect in local economies, thus strengthening Component III can raise the effect, contributing to create small and micro-businesses to attend local demand for products and services.

The conceptual document of SN (GOES 2005) already contemplated a second phase of the program, from 2010 to 2015 in which coverage would be extended to all the households in extreme poverty in El Salvador. I strongly support full coverage of SN in El Salvador. But an extended safety net has to be set up to cover vulnerable and extreme poor population that are set aside with SN: the elderly, extreme poor families without children in school age and the disable.

If the program continues its coverage of the 100 municipalities and in the future is introduced in major urban areas the inclusion of calibration rules are a measure of efficiency. Given that in less poor areas and cities the population is more educated, the amount of the CCT has to take into account educational patterns and opportunity costs. A practical result of applying such rules could be that the amount of the CCT is smaller for children in the first and second grades of primary education and grows for higher grades. It also can contribute to eliminate gender differences in education; i.e. if girls drop out school more than boys, then the amount of the CCT should be bigger for families with girls. Janvry and Sadoulet (2006) explain in detail how calibration rules could be applied.

From the research I found that women are changing attitudes and are more empowered. Training sessions could play a key role in this cultural change. Therefore there is

an opportunity to accelerate cultural changes by including men in the training sessions, especially in topics related with women and children rights.

5.3 Challenges

A comprehensive strategy of poverty reduction and social policy in El Salvador should include a CCTP like Solidarity Network but also unconditional cash transfers for vulnerable groups in society, programs to guarantee food security, environmental sustainability, and formal employment creation, among other elements. Such strategy should start from a Human Rights Based Approach in which education, health, employment, food, housing, are not only seen as 'good things' for individuals and society but as individuals' rights and Government's duties.

Ensuring funds for SN is another challenge as the future looks complicated in the World (and El Salvador) due to the global financial crisis. Extension of the program's coverage into more municipalities, more groups of population and including more health and educational services implies more resources. Therefore, guaranteeing the allocation of funds for the program is a top priority. Taking into account the impact of the global financial crisis and the slow down in the global economy, the position of El Salvador with the United States as their main commercial partner, the millions of Salvadorians sending remittances representing 17% of the GDP, and a country totally dependent on oil and other basic commodities now the investment in the social area and the extension of a safety net for the poor is becoming imperative. It is a moment in which the country needs the consensus of the most powerful sectors and of the political forces that might be translated into a law approved by Congress establishing a minimum of social investment in the annual budget of El Salvador for the next presidential period (2009-2014).

Last but not least, reviewing the evidence and tracking impact evaluations in older CCTPs as well as measuring the long term effects of SN is important. First it could help to improve the program taking from the experience and lessons in older CCT schemes. Secondly, it can help to evaluate whether CCTPs are more effective than other interventions in alleviating poverty and building human development or not. Finally, is information of vital importance for implementers of CCTPs, the academia, Governments in the developing world and multilateral organisations.

Chapter 6

Conclusions

The paper explored Solidarity Network, a Conditional Cash Transfer Programme implemented in rural El Salvador since October 2005 by the Central Government. Its purpose was to assess SN focusing on the first component of Conditional Cash Transfers within the 15 municipalities where it began to pick up lessons and draw recommendations to improve the effectiveness of the program. It explained the features of CCTs in general and of SN in particular and explored the nature of the concept of poverty behind this kind of programs as well as their feature of being a sui generis safety net for developing country. Then developed an analytical framework to assess SN in two aspects: its program logic and its implementation using ideas and tools of program logic as well as both responsive and process evaluation. It compared PL and implementation identifying the strengths of the program and potential major areas for improvement. Finally, it described lessons learned and elaborated ideas and measures to improve SN's effectiveness.

After reviewing the evidence on the 15 municipalities where the program started and reviewing literature about CCTPs, I conclude that the design of SN is strong and could be effective because covers both demand and supply for education, nutrition and health services and includes a component aimed to graduate families –which is one of the main challenges of CCT schemes-.

The paper explains how the components are being implemented on the ground noticing a problem of sequence as well as of weak execution of Component III. After analysing the secondary data collected together with my field work I found that in the 3 municipalities visited Components I (CCT) and II (social infrastructure) are being effective but not Component III (micro-credits and productive projects and training). Implementation is characterised by good targeting, a focus on results, commitment of managers and personnel involved with the program, political support at the highest level and flexibility to adapt the PL to reality. But the third component has to be aligned and strengthened. Nevertheless more research is needed to judge the relative success of the program because a 'pilot effect' could be the cause of such results. Because the program started as a pilot in 15 municipalities it is likely that it receives a strong support by the President and the Cabinet, resources, that there was more commitment and desire to deliver results on the part of the implementers; but that with the incorporation of more municipalities the momentum lost its power. This issue deserves a deeper investigation.

The general conclusion is that both PL and implementation of SN are effective in the municipalities explored in this paper and in that sense I summarized lessons accounting the positive effects; but that there are important areas to improve the program. Regarding PL, I recommended phasing the three components in the way of filling first the gaps of the expected extra-demand caused by the CCT with the supply (Component II), then start with the CCT (Component I) once the investment in social infrastructure is on the way; and finally, implement the exit strategy (Component III), taking into account the empowered beneficiaries through processes of active participation. A second area of improvement for

the PL is the incorporation of quality of services under Component II, this means a focus to monitor, evaluate and improve the quality of education in schools and health and nutrition services in clinics because the impacts of the program depend on the quality of those services. Chapter 5 explained all the recommendations, describes lessons learned and highlights key challenges faced by the program.

Given the financial constraints of GOES to run SN is surprisingly positive seeing on the ground how women gained self-confidence and awareness of the importance of their children's health and education. Also positive is the attitude and commitment of the 'street level bureaucrats' implementing the program and the completion of co-responsibilities by beneficiaries. Now is time for ensuring the sustainability of those positive changes; people is ready to take more responsibility but they need opportunities. Thus, ensuring funds and setting up SN's Component III within the municipalities studied is essential.

But the GOES has to be conscious of the limitations of SN: the program is not a 'magic bullet'. SN is necessary but not sufficient to tackle structural poverty in rural areas of the country. Complementary programs as well as additional social policies are needed to include the included in the process of development. Policy 'basics' like employment programs, ambitious educational programs –like *Plan 2021* implemented by the Ministry of Education- together with the resources for implementation, stimulus of economic activities and social safety nets have to be deployed in rural El Salvador.

In terms of assessment tools this research applies retroduction –the interplay of induction and deduction- recognising the importance of both theory/design and experience/implementation. Both are crucial elements in policies, programs and projects and when conducted carefully and based on a good assessment of reality, interventions are more likely to produce results.

Impact evaluation answers yes/no questions regarding the effectiveness of interventions without explaining how and why these interventions produced results. Therefore, my analytical framework and methodologies can be used in understanding other programs after an impact evaluation has judge their results without exploring the 'black box' which is the program's implementation, increasing implementers' readiness to accept and use the results of such an evaluation. Or it can be used in exploratory research before an impact evaluation improving its design because it can help researchers to identify areas of interest or hypothesis to be tested.

Currently an impact evaluation of SN is being conducted, and in that sense this research paper is a potential source of information and explanation for researchers and implementers. And is potentially useful for others researchers and agents in the field of development with a focus on result-oriented implementation of interventions.

Finally, the limitations of this work lead me to think of a deeper exploration and understanding of Solidarity Network, which might be conducted after the results of the impact evaluation are released at the beginning of 2010. Using this work and the impact

evaluation as starting points, more conclusive lessons can be drawn as well as solid and general recommendations for improvement of the program.

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Appendix A

List of interviews, field visits and focus groups

Interviews

- Cinzia Innocenti, Specialist of the Social Area, Solidarity Network
- Morena Valdez, Specialist of Social Visibility, Solidarity Network
- María Elena Rivera, Technician in monitoring and evaluation, Solidarity Network
- Raúl Bonilla, Municipal Advisor (in Santa Clara), FISDL
- Denny Alirio González, Municipal Advisor (Corola), FISDL
- Elmer Antonio Guardado, Municipal Advisor (Guatajiagua), FISDL
- Miguel Ángel Baires, Municipal Advisor (Nueva Granada), FISDL
- Jorge Romero, Zone Coordinator, SOMOS‡
- Macaria Hernández, Municipal Coordinator (Torola), SOMOS
- Elisa Osorio, Training Coordinator and Zone Coordinator, SOMOS
- Karin Carolina Rendón, Municipal Coordinator (Nueva Granada), SOMOS
- Saúl Rosa, Major of Santa Clara
- Maris Ramos, Consultant for training in children's rights within Solidarity Network, UNICEF

‡ NGO contracted for follow up of beneficiaries' co-responsabilites and training sessions

Field Visits

<i>Rank in the Poverty Map</i>	<i>Clasificación (in Poverty Map)</i>	<i>Municipality</i>	<i>Department</i>
1	SEP*	Torola	Morazán
4	SEP*	Guatajiagua	Morazán
6	SEP*	Nueva Granada	Usulután
21	SEP*	Santa Clara	San Vicente
35	HEP**	Lislique	La Unión
45	HEP**	Monte San Juan	Cuscatlán

* SEP: Severe Extreme Poverty

** HEP: High Extreme Poverty

Focus Groups

<i>Municipality</i>	<i>Amount</i>
Torola	1
Guatajiagua	1
Nueva Granada	1

Other Activities

- Presentation of Baseline, Impact Evaluation of Solidarity Network, IFPRI-FUSADES

Informal chats

- Boss of the Public Health Clinic in Lislique
- Major of Torola
- Major of Nueva Granada
- Beneficiaries in Monte San Juan, Lislique and Santa Clara

Appendix B

Guide topics and questions for interviews and focus groups

Interviews

- Roles and functions within SN
- Municipalities in which you work or had worked
- Data and information about follow up of beneficiaries' co-responsibilities
- Participants in Municipal Committees, meetings and agendas
- Beneficiaries' participation in Municipal Committees
- Strengths of SN
- Weaknesses of SN
- Suggestions to improve SN

Focus Groups

- What is SN?
- Why are you beneficiaries of SN?
- What do you have to do to be part of the program?
- What difficulties do you face to meet your co-responsibilities?
- How do you face those difficulties?
- What are the tasks of the NGO of follow up?
- Do you know about the Municipal Committee? What are the tasks of the Municipal Committee?
- Is there a local Committee in your community? What are its tasks?
- What do you like of SN?
- What do you dislike of SN?
- Who managed the money from the CCT?
- In what do you spend the money from the CCT?
- How frequent are the training sessions?
- What are the topics?
- What had you learn from the training sessions?
- What had you put in practice from the training sessions?

Appendix C

Unexpected findings collected during field work

Even when I am not discussing all the issues presented below, they are shocking and/or surprising and some of them deserve further research. Amongst the unexpected things discovered during field work are:

- A *'pregnancy effect'* in San Simón. During an interview was reported that in San Simón a SN's municipality, after the survey to target beneficiaries many young women got pregnant with the hope to be included in the program.
- *Empowerment of women* who are the main recipients of Cash Transfers and training in SN's municipalities. From the three focus groups conducted I could notice confidence and empowerment in the beneficiaries of SN, most of them women. They demonstrate commitment with their children's education, want to be involved in productive projects and ask for more productive training.
- *Mayor's poor criteria to manage resources*. In one of the visited Municipalities, during an informal conversation with a Mayor he explains how he manages some funds. E.g. giving money to people to finance funerals of dead relatives.
- *Political manipulation of Mayors*. During one of the focus groups I was interrupted by the Mayor, who is from the opposition party, and complained about some aspects of the program's implementation. After the incident beneficiaries belied some of the Mayor's comments.
- *Telecommunication companies try to sell cell phones* to beneficiaries during delivery of the cash transfer. Given the amount of the cash transfer they could divert the money from buying more basic products as food.
- During focus groups some beneficiaries said they do not attend alphabetization circles adducing *vision problems, complexity of texts and lack of courses according to their level*.
- One beneficiary reported a serious *domestic violence* problem in her family including problems of alcohol and drug abuse and serious violations of children rights. The case was shocking because I never knew about the availability of drugs in remote areas of El Salvador and the consequence is that the likelihood of this kind of cases repeating are not an exception.
- An interviewee reported *irregularities of school and health personnel*. She said that many teachers and nurses maltreat children and patients and that some teachers do not attend work everyday. This hint deserves further research.
- A very *proactive and committed stance* in many of FISDL's personnel interviewed.
- Component III of productive training and projects and micro-credits has a *limited level of implementation* within the municipalities visited as it was confirmed by interviewees and beneficiaries.

Notes

¹ For example, Nancy Argueta (2007:7-8, 22-4) points out the poor coverage of the social protection system in El Salvador and the extent of informality within the economy.

² The components' (or 'shafts') official names are: I) Solidarity net for families, II) Net of basic services and III) Net of sustainability for families.

³ <http://www.redsolidaria.gob.sv> (Consulted in September 2008).

⁴ <http://www.bmi.gob.sv> (Consulted in October 2008).

⁵ Logical Framework Analysis refers to a very popular policy/program/project design or evaluation tool widely used by donors, governments and consultants. The tool consists in developing a 'problem tree' or causal chain of a problem; then a mirror image, called 'objective tree'; and finally, a 'strategy tree' (Jackson 1997). Table 1, in chapter 3, is the 'strategy tree' developed to tackle the problem of intergenerational poverty in El Salvador and describes the causal chain of Solidarity Network, which is the strategy suggested.

⁶ The topics and questions were the guidelines for the interviews and focus groups but when an interesting topic came out from the conversation I explore it with additional questions.

⁷ The figure translates from Spanish to English what is in the technical document and adds the first column who categorize each level (inputs, outputs, outcomes and so on) and the last row which refers to conglomerates of activities under each component of SN.

⁸ See section 1.1.4 for an explanation of the participants and main role of the Directive Council of SN.

⁹ See section 1.1 for a refreshment of topics in the discussion of CCT schemes.

¹⁰ The Census was conducted in May, 2007 and establishes the population of El Salvador in 5.74 millions. The result was unexpected and shocking because according with the population projections of the Multi-Purpose Household Survey in 2006, El Salvador would had 6.9 millions inhabitants in 2007.

¹¹ See for example Currie (2001) who studies the effects of programs for children (3-4 years old) with disadvantages and concludes that those programs have significant short and medium term benefits.

¹² Ross Thompson (2001) explains the important physical, emotional and cognitive developments that occur in the first three years of age and highlights important variables that allowed a proper development like health and nutrition of the mother while she is pregnant, nutrition of children, healthy environment and positive experiences and relationships with care takers.

¹³ See Figure 1 for a graphical representation of the links between different elements based on the capability approach to poverty.

¹⁴ See for example an impact evaluation of *Oportunidades* (de la Torre 2005). It presents positive results in education, health, nutrition and consumption but it can not say if those achievements are breaking or will break the intergenerational cycle of poverty. *Oportunidades* started 12 years ago and it is the eldest national CCTP.

¹⁵ See the discussion about determinants of school achievements in pages 38-40.

¹⁶ See section 2.4 in pages 27-28.

¹⁷ See also Appendix C which contains unexpected findings collected during field work. Some of those findings are used in the analysis of chapter 4 while others are written down because could be of interest for CCT's researchers and implementers.

¹⁸ The Coady-Grosh-Hoddinott (CGH) index measures the percentage of cash transfers that receive the X% of the poorest population. A common practice is to take the 20% of the poorest to calculate the index. The higher the value the more the transfers reach the poor. $CGH = \% \text{ of transfers receive by the } X\% \text{ of the poorest population} / X \%$.

¹⁹ See Table 3 in page 49 that shows positive changes in water and electricity coverage.

²⁰ Safe water refers to drinkable water while health floor means 'not soil floor'.

²¹ The institution born in 1990 as a Social Investment Fund with the purpose of reducing the social impact of programs of structural reform initiated by the Government through investments in small scale infrastructure projects in social areas; in 1996 changes its mission to become the agency for local development investing in infrastructure in municipalities in the countryside (GOES 2008d).