

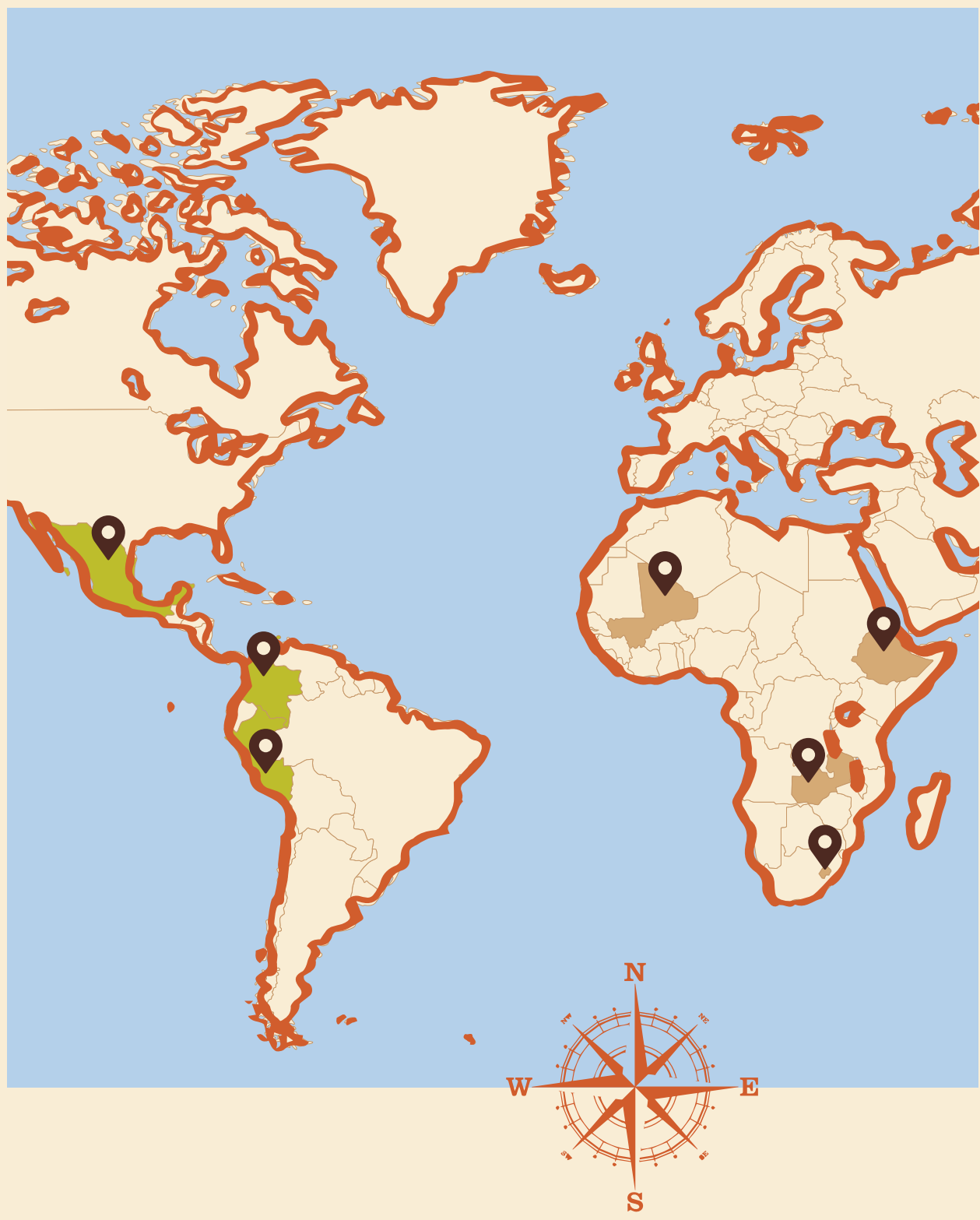


RURAL SYNERGIES



LATIN AMERICA

*Building bridges between social and
productive inclusion policies*



With the technical support of:

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Coordination between social protection and rural productive development programmes in three Latin American countries. Proposals to harness the potential of synergies

KEY MESSAGES

Coordination between social protection and rural productive development programmes can help poor and at-risk households escape the poverty trap and break its intergenerational transmission. This has been demonstrated by four studies carried out in Colombia, Mexico and Peru.

Although these evaluations were performed before the socio-economic crisis caused by COVID-19, the results are promising in terms of their contribution to increasing households' resilience to external shocks. This constitutes an important argument in favour of promoting strategies of this nature in the economic reactivation of the rural sector.

The impact evaluation of some cases of coordination in Colombia and Peru in general show positive effects of the interaction between the analysed programmes, both in terms of production (i.e., income, assets and livestock production), and in strengthening people's soft skills, expectations and aspirations.

The results highlight the need to increase the endowment of public goods and infrastructure in the territories, address climate change factors and their impact on agricultural projects promoted by families, and provide tools for those environmental aspects associated with production.

The institutional analysis of the formal and informal mechanisms of institutional coordination shows that coordination efforts have had to tackle important obstacles, especially in terms of their design. However, many of these were successfully overcome at the time of implementation. At this level, it is worth mentioning the capacity and commitment of the programmes' local teams of managers, promoters or monitoring personnel, who, even without a clear mandate, often resolved problems at

territorial level, strengthening the potential for creating synergies between interventions.

Political will is necessary, but not sufficient in itself to achieve efficient coordination. A good design is not solved only with willingness, if the technical capacities of the teams and, above all, institutional inertia derived from an organisational culture accustomed to working with a sectorial and compartmentalised approach, are not taken into account. Although, in this respect, greater complexity in the design of the articulation does not guarantee successful coordination processes, as shown by the cases of Colombia and Mexico.

Nevertheless, there is a set of technical mechanisms that can help generate incentives and promote coordination, the most important of which are a budget, targetting and a clear definition of the target population. Coordination working groups and other similar formal components, especially if they involve a large number of stakeholders without real decision-making power, are only effective for the exchange of information, but not for decision-making on fundamental aspects of coordination.

In the context of Latin America, where the political and financial weight of social ministries is much higher than that of their agricultural counterparts, it is recommended to take advantage of the potential of synergies through the design of unique programmes that are institutionally anchored to the ministries of agriculture. Furthermore, a strong emphasis should be placed on skills-building in the beneficiary population for the best use of the productive options offered by this integrated programme. It is crucial, in this respect, to strengthen the priority assigned to the rural development agenda in agriculture.



Why is coordination between social protection and rural productive development programmes important?

Coordination between social protection and rural productive development can help poor and vulnerable households overcome the poverty trap and break its intergenerational transmission. While social protection provides cash support and helps to alleviate poverty conditions, productive development programmes foster the means for a sustained exit from poverty.

Coordination strategies of this type are particularly relevant in rural areas of Latin America and Africa, where the greatest number of people and households living in conditions of poverty are concentrated, and where opportunities for income generation through access to paid employment are scarce. At the same time, a high degree of informality prevails in terms of land tenure, trade, and income-generating activities in general, as well as a low degree of association and organisation among producers. As a result, the households of small farmers are subject to external risks and impacts, and present low resilience to such shocks. Moreover, they also face difficulties in accessing markets with their products, as these do not always function properly, or simply do not exist. The result is that small farmer households living in poverty tend to adopt low-risk, low-return strategies as livelihoods, which affect their income-generating potential and consequent food consumption. This, in turn, affects decisions regarding education and healthcare, which are given less priority over work and food, which usually results in the intergenerational transmission of poverty and vulnerability.

Thus, a strategy that addresses these different problems through an integrated approach engenders a positive transit towards a sustained exit from poverty. Such a strategy must provide immediate cash support; promote the participation of households in healthcare and education systems, through the conditions associated with cash transfer programmes; and build skills to help unleash the productive potential of poor households, while supporting them with assets and inputs to produce and market their goods.

CASE STUDIES: COLOMBIA, MEXICO AND PERU

Two case studies were performed in **Colombia**, on programmes that began to be implemented in 2011 to serve families that were victims of the armed conflict. The first study examined the Familias en su Tierra (FEST) programme and the Estrategia de Acompañamiento Familiar y Comunitario (Estrategia UNIDOS), both run by the Department for Social Prosperity. The second case study analysed the Programa Proyectos Productivos (PPP), run by the Special Administrative Unit for Land Management and Restitution (i.e., the Land Restitution Unit, URT), and its relationship with other social protection interventions.

For **Mexico**, the Proyecto de Inclusión Productiva Rural (PROINPRO) was analysed, both in its coordination with the PROSPERA – Programa de Inclusión Social -the main programme for conditional cash transfers, and is

administered by the Ministry of Social Development (SEDESOL)-, and with the productive development programmes (PDP) that are provided by different ministries at federal executive level.

The case study for **Peru** focused on ‘Haku Wiñay’¹, a productive development programme, and its coordination with the Programa Nacional de Apoyo Directo a los más Pobres – Juntos, which is a conditional monetary transfer programme. Both initiatives fall under the Ministry of Development and Social Inclusion (MIDIS). The impact evaluation studied Haku Wiñay’s effects on Juntos beneficiaries, and on a supplementary Soft Skills Programme, also given to these beneficiaries.

Summary of the cases analysed in Latin America

Country / case study	Type of political-institutional architecture	N° of programmes	Intentionality	Analysis undertaken
Colombia FEST + UNIDOS	Different programmes, with complementary objectives, run by the same institution	2	Non-intentional	<ul style="list-style-type: none"> • Impact evaluation • Institutional analysis
Colombia PPP + FeA	Different and independent programmes, run by different institutions, that target (coincidentally) the same population	2	Non-intentional	<ul style="list-style-type: none"> • Impact evaluation • Institutional analysis
Peru Juntos + Haku Wiñay - Soft Skills Programme	Programmes with a complementary design, run by the same institution, forming an integrated strategy	2	Intentional	<ul style="list-style-type: none"> • Impact evaluation • Institutional analysis
Mexico PROINPRO + PDP	Different programmes, with complementary objectives, run by different institutions that coordinate with each other	14	Intentional	<ul style="list-style-type: none"> • Institutional analysis



¹ The programme’s name has been translated into Shipibo-conibo as Noa Jayatai and into Spanish as Vamos a Crecer (We will Grow).

RESULTS OF THE PROJECT

COLOMBIA. FAMILIAS EN SU TIERRA AND THE ESTRATEGIA UNIDOS

The evaluation found that **FEST generated positive and direct effects on productive variables**. Specifically, a positive impact was found on the variables of productive assets and daily dedication to work in secondary activities, showing an increase of 3.7 hours per week. The Estrategia UNIDOS also contributed to generating these changes, mainly through its indirect role, which allowed beneficiaries to access the provisions offered by the State. Finally, when comparing FEST households with households that did not receive another intervention, no changes were found in the income level of the targeted households.

Regarding synergies, effects were found in variables such as informal savings, food security, perception of well-being and social capital. In terms of savings, a positive effect of 9 percentage points was observed in informal savings for FEST households. Additionally, a synergy was identified when the household was served jointly by the two programmes. Although this effect can be largely attributed to FEST, the qualitative study found that households mentioned the role of co-managers as advisers on savings issues, and the creation of savings groups thanks to the Estrategia UNIDOS. Likewise, a synergy was observed between FEST and UNIDOS with respect to the variable of informal-type loans, which translated into a reduction of 4.9 percentage points in the use of usury loans paid back on a daily or bit-by-bit basis (i.e. borrowed from loan sharks).

Synergy was also identified between the two interventions in terms of the food security variable. FEST contributes to the reduction of severe food insecurity

and the migration of a percentage of households to mild food insecurity. This reflects a transition towards food security for households that were FEST beneficiaries. In those households that were beneficiaries of both programmes, an increase in the percentage of households experiencing mild insecurity was observed, confirming the transition towards food security. Although the effect of UNIDOS on food security variables is indirect, the talks given by the co-managers of UNIDOS reinforced healthy eating habits, which were also strengthened through the implementation of the kitchen gardens promoted by FEST, thus managing to combine efforts.

Indirect impacts were identified for the two programmes in terms of subjective variables, such as aspirations and expectations. The two programmes operated thanks to the fact that the participants have improved their situation and, consequently, they feel more at ease, comfortable and animated. Regarding social capital, both FEST and UNIDOS, through their community work in FEST projects, as well as in the meetings and training sessions of the social organisations fostered by UNIDOS, seem to have positively affected the perception of joint work, support and cooperation among the participants.

The results of the institutional analysis indicate a low level of coordination between the two programmes, despite the fact that the implementation of the two interventions analysed is coordinated by a single institution (the Department for Social Prosperity), and that FEST prioritises serving UNIDOS households.

COLOMBIA. PROGRAMA PROYECTOS PRODUCTIVOS

The evaluation results for the **Programa Proyectos Productivos** suggest that it **generated positive effects on different variables**. It was found that the greatest growth achieved by households was associated with the **value of assets**, which happens when they are close to consolidating the Productive Project and that this becomes stable once participation in the programme has concluded. It was also found that the number of livestock products increases along with the time of exposure to the programme. Contrary to this result, households were found to reduce the amount of agricultural products over time. Despite the above, during the third year of the project, an upward trend was again noted in the diversification of both agricultural and livestock products, which suggests that crop reduction was a temporary strategy while the productive system was being organised.

The study also **identified positive results in terms of poverty and food security**. On average, households witnessed a reduction of between one and two deprivations of the Multidimensional Poverty Index (MPI)² during the implementation of the programme and following their participation in it. Regarding Food Security, the analysis showed that during their time of exposure to the programme, households seemed to be transitioning from moderate insecurity to mild insecurity. After the 40th month, both types of insecurity were found to be reduced.

Regarding the effects related to financial services, it was observed that **households reduced their probability of using informal (usury) loans** by, on average, 30% and increased their probability of increasing formal loans by 20%. The qualitative evaluation analysed selected funding pathways to explain the results on access to loans and the absence of effects on savings, i) it was found that

various households spent their savings reinvesting in their productive ventures while others had to use them to deal with external problems; and ii) through the analysis of rulings issued by land restitution courts, it was found that a number of these (17) were aimed at favouring access to loans by reinstated households for the development of enterprises and the recovery of their productive capacity, through special lines of finance aimed at the victim population.

Finally, **participation in the programme or other interventions was identified to have a positive and significant impact of the households' subjective perception of well-being**, social capital and empowerment.

The institutional analysis also identified the presence of other programmes that benefited households, such as the Red de Seguridad Alimentaria (ReSA), Familias en su Tierra (FEST) and Familias en Acción (FeA), which could have synergistic impacts. However, despite the fact that there is an interinstitutional coordination mechanism, such as the National System for Comprehensive Support and Reparation for Victims of the conflict (SNARIV), there is no institutional design that allows for a conceptual and operational strategy of formal coordination. On the contrary, coordination has occurred mainly in informal spaces at local level, which has led to better results in the implementation of the PPP in terms of social capital, savings and the possibility to market the goods deriving from the productive projects.



² The Multidimensional Poverty Index consists of fifteen deprivations related to the educational conditions of the household, conditions of childhood and adolescence, work, healthcare, and access to public services for households and housing conditions. In this case, a reduction in the MPI indicates that some of these conditions improved.

PERU

The results of Haku Wiñay have been positive in various dimensions. The programme revealed an **increase in annual income** of almost PEN 1,400 (US\$ ppp 803). This is a considerable rise in income that represents an increase of more than 30% compared to that of households in population centres that were not initially assigned to the programme.

Changes were also observed in the technologies used to develop agricultural activity, with programme beneficiaries able to adopt new technologies. Conse-

sequently, the results point to an increase in vegetable cultivation, in the use (more than in the preparation) of fertilisers, in sprinkler irrigation, and in the area of pastures cultivated. Positive impacts were also noted with respect to the use of sheds for the rearing of small animals. While these results underline the programme's success and partly explain the observed change in income, it remains to be seen whether the use of these technologies will continue in the future. Most of these changes are the result of using and applying the programme's elements and teachings, so it is not possible to determine whether the use of these technologies will persist over time, or whether the captured effect is solely due to the transfer of assets and supervision implemented throughout the programme.

Finally, regarding the **evaluation of the soft skills programme** -an additional component targetting selected Haku Wiñay beneficiaries- the results suggest that there are no indirect psychological impacts (externalities) on neighbouring households (that did not participate in the coaching) compared to the households that did participate. **The women who did participate in coaching and Haku Wiñay increased their score in the Hope Index.** This result is relevant, as the soft skills programme had a gender component that encouraged women's participation in taking decisions within the households regarding the future.

With respect to coordination between Juntos and Haku Wiñay, the institutional analysis draws attention to two key elements that serve as lessons to strengthen coordination mechanisms. Firstly, it shows the difficulties that result from interinstitutional coordination, which are observed in a first and failed attempt to coordinate Juntos with the rural productive development programmes of the Ministry of Agriculture and Irrigation (MINAGRI). Secondly, it shed light on the limited formal coordination mechanisms that do exist, even after it was decided to create Haku Wiñay within the Ministry of Social Development and Inclusion (MIDIS) and, therefore, that both analysed programmes fall under the same institution (MIDIS). However, it should also be noted that, through informal coordination, especially thanks to the role played by the local managers of Juntos, unresolved issues regarding the articulation and coordination of programmes at central level are resolved at local level.



SYNTHESIS OF THE MAIN RESULTS OF THE IMPACT EVALUATION



PRODUCTIVE

FEST

- + productive assets
- + dedication to work in secondary activities

PPP

- + productive assets
- + livestock products
- food crop products

Haku Wiñay

- + new technologies



INCOME, POVERTY AND LOCAL ECONOMIC DEVELOPMENT

PPP

- poverty

Haku Wiñay

- + income



FOOD SECURITY AND EDUCATION

FEST + UNIDOS

- severe food insecurity
- + mild food insecurity

PPP

- moderate food insecurity
- + mild food insecurity



FINANCES AND RISKS

FEST + UNIDOS

- + savings
- informal loans

PPP

- + formal loans
- informal loans



PSYCHOLOGICAL AND SOCIAL

FEST + UNIDOS

- + subjective well-being
- + expectations
- + social capital

PPP

- + empowerment
- + subjective well-being
- + social capital

Haku Wiñay

- + locus of control

Haku Wiñay + Soft Skills Programme

- + internal locus of control
- powerful others index



MEXICO

In the case of Mexico, and due to the early termination of PROINPRO in 2017, it was not possible to carry out an impact evaluation. In this case study, the main results have emerged from the institutional analysis. The principal coordinating mechanism between PROSPERA's productive inclusion strategy, one of whose pilot programmes was PROINPRO, and the productive promotion programmes based within other ministries, was the Technical Subcommittee on Employment, Income and Savings (STEIA). The poor performance of this initiative, and as a consequence of PROINPRO and the other three productive pilot projects, was one of the reasons that PROSPERA argued for closing the project prematurely.

The failure of STEIA highlights the need to complement political support with a viable and timely technical design, which are aspects that PROSPERA's strategy of productive inclusion lacked, thus affecting the capacity of intervention by PROINPRO and other pilot projects. These technical aspects include:

- As in many conditional transfer programmes in Latin America, the education and healthcare components of PROSPERA had a budgetary component assigned by the Federation's Expenditure Budget and coordinated their actions one by one with the respective ministries, thus ensuring the healthcare and educational benefits associated with the transfer package. When the new productive inclusion component was incorporated into the programme, the same design was not adopted, with the consequent lack of incentives for productive development programmes to join the strategy proposed by SEDESOL.
- Even though the productive promotion programmes prioritised in the strategy incorporated a paragraph in their operating rules, which sought to give priority to the support given to PROSPERA families, this did not translate into modifications in their design that would facilitate access for PROSPERA-PROINPRO beneficiaries. Consequently, they had to take part in the respective calls for projects just like any other beneficiary. The PROSPERA target population barely met the requirements for participation and access to the productive supports offered by these programmes.

An additional important element to consider is that of institutional inertia, which in Latin America represents a strong tendency to promote a rationale of sectoral and compartmentalised working practices. In the operational activities of STEIA, such inertia was noted as institutional jealousy on the part of the representatives of the agricultural sector regarding the capacity of the social sector to operate productive projects, as well as the beneficiaries of social programmes to adequately respond to the participation requirements of programmes provided by the Ministry of Agriculture and Rural Development (SAGARPA).

RECOMMENDATIONS

The positive results of the evaluation undertaken encourage us to persist in the search for synergies between social and productive programmes, such as those described.

One aspect that plays a fundamental role in promoting coordination efforts is the political support of government authorities. Even so, the evidence indicates that this is not sufficient by itself to ensure that the different sectors and their institutions work in a coordinated manner and manage to generate joint cooperation agreements.

There is a need to complement political willingness with adequate technical conditions that make coordination possible. In this sense, budgetary aspects play a key role in the processes of articulation and coordination of policies and programmes, especially when those involved hold different views on institutional work and coordination is viewed as a cost rather than a benefit. In this sense, greater complexity in the design of coordination does not guarantee successful coordination processes, as shown in the cases of Colombia and Mexico.

Other critical aspects for a design that promotes coordination are the targeting and definition of the target population. In the experiences analysed, there appears to be a reoccurring lack of willingness to adapt the instruments of productive support to the most vulnerable groups of the rural population. Solving these problems requires addressing a set of institutional issues, especially at the design level, so as to ensure adequate incentives that promote coordination. In order to move in this direction, significant efforts will be necessary to understand and transform institutional cultures that resist collaborative work.

When these aspects are not adequately resolved at design level, they translate into problems at the time of implementation. However, and in most of the cases analysed, the multiple relationships and interactions that are established in the management of the programmes in the field, end up compensating for the lack of coordination at the design level. This finding encourages us to highlight the importance of the local level and its stakeholders in the success of the interventions.

In this regard, **impact evaluations not only provide evidence of the benefits of coordination, but also show that several of these synergistic results were possible thanks to the existence of informal coordination opportunities between programmes.**

Accordingly, consideration of a more useful and effective operation of these programmes requires greater knowledge by the programme designers and implementers, of the context pertinent to the potential beneficiaries, as well as of their basic individual needs. However, basic aspects for the operation of productive programmes are taken for granted, such as access to land for productive projects, and the possibility of product marketing and supply –which depends on goods and public infrastructure that provide greater connection and reduce costs–, while crucial aspects, such as climatic factors that can affect agricultural activities, are ignored.

Furthermore, the experiences of Colombia and Peru underline the complementary effects in relation to psychological and social variables, which are elements that should be considered fundamental depending on the programmes' target population. This is because they favour both the results of the productive programmes and the generation of human capital.

The results of the impact evaluations also highlight the need to increase the endowment of public goods and infrastructure at territorial level, to address climatic factors and their impact on agricultural projects promoted by families, and to provide tools so as to deal with the associated environmental aspects of production.

In spite of the pending difficulties and challenges, the positive results of single or integrated programmes within a single ministry, show that it is possible to take advantage of the potential of synergies.

In this respect, we propose **promoting the design of multidimensional programmes that integrate the social and productive dimension into a single design managed by a single team.**

Given the widespread coverage of conditional transfer programmes in the region, their social dimension should not focus on transfers, but rather on generating capacities in the beneficiary population in order to make better use of the productive options being offered to them by this integrated programme, and to connect them to the social programmes and services in each country.

An additional recommendation is to try to locate these programmes in the ministries of agriculture rather than social development ministries. This would avoid interinstitutional jealousy and budgetary differences, which are due to the greater relative weight that social ministries have in Latin America with respect to their agricultural counterparts, and that go against the visibility and potential priority assigned to the programmes. The challenge lies in how to integrate the ministries of agriculture in these dynamics so as to promote processes of comprehensive rural development, as this would allow the most vulnerable sectors to be integrated into the production and marketing chains in a sustained manner and over time.

TECHNICAL SHEET

The Project

Over the past few years, the International Fund for Agricultural Development (IFAD), together with Universidad de Los Andes and the Food and Agriculture Organization of the United Nations (FAO), have been analysing the potential synergistic effects of interventions on rural households that involve social protection programmes and productive rural development projects. IFAD and Universidad de Los Andes have implemented this project through the “Conditional Cash Transfers and Rural Development in Latin America” grant (www.sinergiasrurales.info/); and FAO through the project entitled “From Protection to Production: The role of Social Cash Transfers in the Promotion of Economic Development” (PtoP) (www.fao.org/economic/ptop). Some evidence of such synergies and complementarities has been identified, but the evidence has also raised new questions. These inquiries are related to the types of synergies and how to take advantage of them, the correct sequencing of programme rollout, the institutional reforms that need to take place and the political economy behind these options, and thus improve the results of the programmes.

To answer some of these questions, the project entitled “Improving the Coordination between Social Protection and Rural Development Interventions in Developing Countries: Lessons from Latin America and Africa” - which is being developed by Universidad de Los Andes (UNIANDES), through its Centre for Economic Development Studies (CEDE), and financed by the International Fund for Agricultural Development (IFAD) - seeks to gather evidence of the benefits of such coordinated interventions.

The goal of the project is to gather evidence for policymakers and donors of the benefits of the coordinated interventions that could provide inputs regarding the appropriate institutional and operational design, and enable them to use these inputs as a basis for improving anti-poverty interventions targeted at rural households, thus helping small farmers to take a proactive part in rural transformation.

The main objective of the project is to try to influence governmental institutions related to rural development and social protection (anti-poverty) policies, so they can take advantage of identified synergies between social protection and productive initiatives. The project was implemented in seven countries, three in Latin America and four in Africa.



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