

Project Name JAMAICA-Social Safety Net Project @

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Sector Social Assistance

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Borrower(s) JAMAICA

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1. Country and Sector Background

Declining Growth: Threat to Recent Improvements in Poverty Jamaica has been experiencing a difficult phase of low or negative economic growth, caused mainly by external shocks, the impact of a tight monetary policy adopted in 1995, and a continuing financial sector crisis. Although inflation has been reduced significantly from around 80 percent in 1991 to about 8 percent in 1999, GDP declined in real terms about 4 percent per year between FY 94/95 and FY 98/99. Accompanying this decline, Jamaica has experienced large fiscal deficits over the last five years due to a long term accumulation of outstanding debt, and more recently, the Government's bail out of large indebted banks during a financial crisis in 1997. These deficits averaged around 6 percent of GDP in the latter half of the 1990s and declined to 4 percent in FY1999/2000. At present, 62 percent of central government's budget is spent on interest and redemption payments. In order to balance the budget and curb the adverse debt dynamics fueled by the deficit, the government has committed itself to a further reduction in the fiscal deficit. As a signal of its commitment to this policy, the GOJ agreed on a Staff Monitored Program (SMP) with the IMF, one component of which is the strengthening of the SSN in order to protect the poor during this transition period. Despite negative growth during most of the period since 1995, many of the country's social indicators are still good and recent trends indicate declining poverty. In 1991, 44 percent of the population was poor (as defined by the poverty line) as compared to 17 percent in 1999. The forces which have worked to lower poverty during a period of sustained recession remain poorly understood and in need of rigorous investigation, but are attributed in part to the effects of

migration, remittances from abroad, and informal sector activities. However, these factors were also present prior to 1991, underscoring the importance of further research into the causes of the decline of poverty in the 1990s. Even though poverty did decline, the decline tapered off in 1997/1998 and in 1999/2000 poverty increased slightly. The challenge for the Government now lies in maintaining the achievements in poverty reduction. In addition, there are serious concerns relating to income and non-income dimensions of poverty and inequality. In Jamaica, the poor have disproportionately low access to quality educational opportunities, and are more exposed to violence. Perhaps more significantly, their age distribution -- almost half of the poor are under 18 and a further 10 percent are over 65 -- limits household strategies, making the need for effective and well-targeted social assistance programs critical. Poverty is overwhelmingly rural in character, with nearly 80 percent of the poor living in rural areas and less than 10 percent in the Kingston Metropolitan area. However, there are heavy concentrations of poor households in the violence torn inner city areas of Kingston. Although women head only 44 percent of Jamaican households, 66 percent of poor households are female-headed. Poor households are large, with 40 percent of poor families having six or more members and nearly one-fifth with 8 or more members. Sound health and education policies together with a well designed, targeted safety net are urgently needed to alleviate living conditions particularly for the poorest and most vulnerable groups.

I. Main Sector Issues

Jamaica's Social Safety Net: Need for Reform

Expenditures on the social safety net.

Jamaica has made a continuing commitment to the social sectors and, despite increasing resource constraints, real allocations to health and education have increased in recent years. The Government invested 6.2 percent of GDP in education and 2.5 percent in health (FY 2000/01), a considerable allocation compared to other middle-income countries in the region. However, expenditures on the social safety net programs - defined broadly to include programs that provide income support and access to basic services to the poor and vulnerable and/or those needing assistance after economic downturns, natural disasters, or household-specific adverse events that lower income - accounted for only 2.6 percent of GDP in FY2000/01 or approximately US\$78.4 million per year. This is well below the average in the Latin America and the Caribbean (LAC) region where expenditures on SSN range from a high of almost 9 percent in Chile to a low of 0.7 percent in Haiti.

Array of programs and lack of coordination.

In addition to the comparatively low budget allocations to the social safety net, the modest amount is spent on an array of programs. The Government operates over twenty social safety net programs targeted to persons who are poor and/or vulnerable. At present, there are three income support programs, four education based transfer programs, two pharmaceutical programs, two feeding programs, three housing programs, three community-based safety net programs including a social fund, a variety of community based training programs and other (minor) programs. An overview of the main SSN programs, their beneficiaries and budgets for 2000/01 is provided in annex 11. Duplication of administrative systems and a lack of coordination increases both the direct costs of programs and the indirect costs to beneficiaries. Insufficient targeting and coverage. A recent assessment of Jamaica's social safety net revealed that it is not well targeted to the poor. Means testing criteria and procedures differ for the different programs despite the fact that many of them seek to reach the same population. Some programs are not targeted to the poor. Despite a large

number of programs, the existing safety net has a low coverage of the poor. Formal social insurance systems like the national pension system is limited to those with formal sector employment who have made contributions, excluding the majority of the elderly who do not have a contribution history. The biggest safety net program in Jamaica, the Food Stamp Program, provides benefits to approximately 170,000 individuals, but only reaches 15 percent of the poorest quintile, and 9 percent of the second poorest quintile. The Poor Relief Program reaches between 5 and 7 percent of households in the poorest quintile. While these programs are progressive in the distribution of benefits (largely due to the low level of benefits), there is still significant leakage. In the Food Stamp Program, for example, approximately one third of beneficiaries come from the three richest per capita household consumption quintiles. A high proportion of the poor appear to be unaware of the range of benefits available or unable to afford the direct and indirect costs (travel, time, etc.) to obtain benefits. Low level of benefits. Finally, Jamaica's social safety net programs provide beneficiaries with a very low level of benefits that does not adequately protect the poor. The Food Stamp program pays approximately US\$1.88 per child per month - only 1.2 percent of the basic food basket. The average monthly Poor Relief and Public Assistance benefits - mainly targeted towards elderly and disabled persons are slightly higher at US\$4 per person, but benefits are strictly rationed, coverage is low and eligibility criteria are not employed rigorously. The per capita value of all three transfers combined adds up to about 10 percent of the overall poverty line in Jamaica. The low level of benefits contributes to the high proportion of poor not applying for the benefit. Education and Health: Disadvantages of the Poor Favorable Social Indicators. Jamaica has made impressive progress in providing universal coverage in primary school enrollment and near universal coverage in junior secondary education (grades 7-9). Gender equity in access to education has been achieved. Furthermore, Jamaica was a pioneer in the development of primary health care. As a result, its social indicators are favorable compared to most countries at similar income levels in the region as reflected in the low infant mortality, high school enrollment rates, and long life expectancy. Persistent low school attendance. The social indicators mask a significant lack of access to education for the poor. Although they are enrolled, children (and particularly poor children) do not attend school regularly. In 1999, 35 percent of children from families of the poorest quintile attended school less than 15 days per month. The main reason given by poor families for school absence was "money problems". A primary coping strategy among families that are poor is to keep children home from school when money is short. Poor educational quality and low school attendance, particularly in schools in inner-cities and rural areas, combine for poor results--approximately 30 percent of 6th grade students are functionally illiterate. In addition, enrollment corresponds to economic status in upper secondary (grades 10 and 11) and tertiary education. At ages 15-16, enrollment rates among children from the poorest quintile fall to 67 percent, against a national average of 83 percent and 94 percent of the children from the wealthiest quintile. This gap between poor and non-poor widens further with age. Only 21 percent of children aged 17-19 from the poorest quintile are enrolled in school, as compared to 87 percent of the wealthiest quintile. The IDB and USAID are supporting primary education programs to improve the quality of primary education. The World Bank is providing funding, through its Reform of Secondary Education Project, for

initiatives to improve access to and quality of secondary education. Declining health indicators. There are increasing problems in maintaining health indicators. Immunization rates among infants from birth to eleven months are down from 93 percent in 1993 to 85 percent in 1999. Although most children are eventually immunized by the time they start primary school at age 6, the late receipt of vaccinations increases the risk of preventable illnesses. Increasing problems with prenatal care parallels the decline in on-time immunizations. Only 25 percent of mothers have their first prenatal visit during the first four months of pregnancy. Anemia in pregnancy affects approximately 50 percent of all pregnant women and is a contributing factor to the persistent incidence (10 percent) of low birth weight babies. The elderly have the highest rates of self-reported illness, of being ill for a longer duration of time and of decreased ability to carry out activities of daily living. At the same time, the elderly - and especially the elderly poor - are less likely than the general population to be covered by health insurance and more likely to need medical care. Changing family structure and increased migration have augmented the risk of social isolation and loss of or abandonment by relatives. Almost 10 percent of the poor are elderly. The 1991 Census data reported that approximately 5 percent of the population is disabled. Although not all disabled persons are poor, inequities in access to education, training and employment increase the risk of poverty among the disabled.

II. Government Strategy

Jamaica's most recent Poverty Eradication Strategy is summarized in Ministry Paper #13, signed by the Prime Minister in 1997, which sets broad guidelines for programming in this area. Key features of the strategy include a focus on more development oriented programs that especially target families with small children and youth, better overall targeting of programs, and rationalization to increase cost effectiveness where possible. In recognition of the serious weaknesses in the social safety net, Cabinet asked the Planning Institute of Jamaica (PIOJ) and the Office of the Prime Minister (OPM) in 1998 to take the lead in developing a comprehensive reform proposal for the social safety net including a suitable process to address the Government's concern about the SSN shortcomings. The objective of the reform proposal was defined as "developing a well-crafted integrated safety net program aimed at empowering the poor and vulnerable to achieve and maintain a satisfactory living standard. Such a program should be effective, efficient and participatory." The complexity of the assignment to improve both the effectiveness and efficiency of the SSN prompted the PIOJ to invite the World Bank and the IDB to engage in a collaborative process to develop a SSN reform proposal (for more detail on the reform process supported by the Bank, see section D4). Five objectives for the SSN reform were defined a priori: (i) to tailor programs more specifically to risks and conditions associated with poverty and vulnerability and to develop an associated targeting mechanism; (ii) to integrate programs in order to reduce delivery costs; (iii) to ensure a comprehensive range of benefits to address different conditions (including age-specific factors) associated with poverty and vulnerability; (iv) to introduce flexibility in programs (for up- or down-scaling as needed); and (v) to ensure efficiency and fiscal sustainability of programs, notably by maximizing complementarity and partnerships with Non-Governmental Organizations (NGOs). Government has identified the following as target groups of the overall reform: children in poverty, youth at risk, the elderly poor, the disabled, poor single-parent households; large poor (rural) families; the long-term unemployed; and victims of social or

natural disaster or HIV/AIDS. Special priority is to be given to children and youth. As a result of the collaborative process, Government developed a sector-wide approach for the SSN reform, encompassing all existing programs targeted to the poor. The proposal, approved by Cabinet, addresses institutional, administrative, managerial and programmatic changes. Among the key reform measures proposed is the development and implementation of a universal targeting system based on a proxy means test. The system is to be used by the main safety net programs in order to increase transparency in the selection of beneficiaries, reduce the administrative costs associated with having each program carry out its own assessment of eligibility, and improve targeting. The proposal also calls for the unification of the three cash/in-kind transfer programs into one unified benefit, thereby reducing fragmentation and duplication. Cost-savings are to be translated into a higher benefit level, in order to improve the impact of the program on poverty levels. In addition to restructuring the income support programs, the proposal also aims at reforming the various school-based and other programs, improving their targeting, efficiency and impact. Finally, the reform places emphasis on the development of monitoring and evaluation systems for the various programs, building on existing instruments, such as the yearly Survey of Living Conditions. The GOJ's strategy to reform the social safety net, its implementation plan and the respective targets will be detailed in a Policy Letter, which is attached as an Annex to this PAD (See Annex 16).

2. Objectives

The proposed project will support the government's efforts to transform the Social Safety Net (SSN) into a fiscally sound and more efficient system of social assistance for the poor and vulnerable. Specifically, the project seeks to provide better and more cost-effective social assistance to the extreme poor. To this end, the project would: (a) consolidate major income transfer programs into a Unified Benefit Program (UBP) that ensures (i) a meaningful level of benefits, (ii) cost-efficient and accessible delivery system, (iii) access to benefits linked to desirable behavior changes for promoting investment in the human capital development of the poor, especially children, and (iv) effective targeting of social assistance to special groups; and (b) strengthen institutional capacity to (i) operate the program effectively and efficiently, and (ii) implement overall social safety net reform elements, including a transparent targeting mechanism.

3. Rationale for Bank's Involvement

This project is part of an overarching reform plan for the social safety net in Jamaica. The World Bank's value added consists of: Transferring the experience from similar projects (Mexico, Honduras, Colombia, Brazil, Armenia, Russia) in project design and implementation; Technical Assistance (through Japanese Grant funding) on the content and process of the SSN reform and its implementation; Technical assistance on the targeting mechanism and scoring formula; Monitoring and Evaluation and necessary adjustments in the delivery mechanism; Coordination with other donors (particularly IDB, DFID, EU and CIDA)

4. Description

The projects would support part of the comprehensive SSN reform agenda developed by the Government of Jamaica. It would focus on the following areas of the safety net reform agenda: (1) Child Assistance Grants

component. The first component (US\$ 47.87 million) will finance conditional grants for poor children age 0-17 eligible under the program (see table 1). These grants will finance direct costs to keep poor children in school and healthy. The receipt of benefits will be conditioned on regular health clinic visits for children age 0-6 not enrolled in school, as well as on school attendance for children age 6-17 (see details on conditions in Annex 2). Eligible and registered beneficiaries will receive the grants for as long as they comply with the agreed requirements. The benefit will be paid to the family representative which in general would be the mother; in case the mother is not available, the person taking care of the child would be determined as the family representative. Payments will be made bimonthly with health and educational conditionality compliance checked at least three times a year. Based on the Government's decision to phase increases, the average monthly benefit per person will be J\$250 (approx. US\$6) in the first year, J\$375 (approx. US\$7.5) in the second, and J\$500 (approx. US\$9) during and after the third year of program implementation. Table 1: Projected number of children receiving transfers

Beneficiaries of Child Assistance Transfers	Children 0-6 (not enrolled in school), for health clinic visits;	Children 6-11, for primary school attendance	Children 12-14, for lower secondary school attendance	Children 15-17, for upper secondary school attendance	Total
	53,300	55,600	27,400	23,700	160,000

(2) Social Assistance grants to Adults component. The second component (US\$ 16.94 million) will finance conditional grants to poor pregnant/lactating mothers, elderly poor over 65, poor disabled and destitute adults under 65 eligible under the program. The receipt of benefits will be conditioned on regular health clinic visits for the adult beneficiaries. This component will be financed entirely with Borrower's counterpart funds as expressed in the project's cost table (see below). The average monthly benefit per person will be the same as for the child assistance transfer and increase accordingly over time. Table 2: Projected number of adults receiving transfer

Beneficiaries of Adult Assistance Transfers	Pregnant and lactating women	Elderly poor over 65	Poor disabled	Adults under 65 poorest	Total
	9,000	26,700	15,300	6,000	57,000

The selection of grant beneficiaries and the verification of compliance with requirements of their receipt will be done in accordance with procedures and criteria described in the Operations Manual.

(3) Institutional strengthening component. The third component (US\$ 11.92 million) will strengthen the institutional capacity of the MLSS and others involved to operate a streamlined and efficient social safety net in Jamaica. To this end, it will provide support for: Targeting mechanism and enrollment. (US\$ 1.39 million). The bulk of this component will be spent on the enrollment mechanism, including the necessary information technology equipment and software, and to cover the cost of temporary employees hired for data processing of applications. Additionally, this component includes a small amount of technical assistance on the scoring formula. A preliminary scoring formula based on data of the Survey of Living Conditions has been developed for the targeting mechanism. However, during the early years of program implementation, the scoring formula will require periodic review and refinement. The project will provide for local and international consultants and technical assistance for periodic review of the targeting mechanism. Information System (US\$ 1.28 million). Appropriate information technology (hardware/software) will be introduced to support efficient management of the program. The envisioned system will require computer workstations in the parish offices, the ministry offices

and in the Computer Services Department. Appropriate training in handling the system will be ensured.

Training and Promotion (US\$ 3.01 million). This will help to strengthen technical, administrative (e.g. procurement and financial management), and social work capacity in the MLSS to implement the new Unified Program. MLSS staff directly involved in the management and implementation of the Program, and beneficiaries will receive training to ensure that they fully understand their role, requirements and procedures defined for the new program. Education and health staff will be trained in the rationale, requirements and procedures of program implementation. In addition, a public information campaign will be carried out aimed at creating awareness of the Social Safety Net reform, among the general public, potential beneficiaries, and other stakeholders (staff in the agencies involved), focusing on the advantages expected from the unified benefit program. The campaign is expected to last approximately 6-9 months. Activities will be carried out through television, radio, and print media (newspapers as well as posters, brochures, billboards, etc.). Project Management (US\$ 5.58 million), to finance the design and implementation of the Unified Benefit Program. This includes financing of incremental professional staff (at MLSS central office and 13 parish offices), vehicles, and administration cost of the Implementation Unit. The component costs furthermore include service fees, estimated to be US\$ 1.61 million or 2.5% of the total amount of transfers, charged by financial institutions in Jamaica to deliver the transfers to poor families. Monitoring & Evaluation System (US\$ 0.66 million) to measure the outcomes and impact of the program. This will include a baseline survey, regular beneficiary consultations, periodic operational audits, an MIS system as well as an external evaluation of program outcomes (for details, see annex 1).

5. Financing

Total	(US\$m)
GOVERNMENT	37.5
IBRD	40
Total Project Cost	77.5

6. Implementation

The Government of Jamaica as part of the Medium Term Economic and Social Policy Framework, is committed to reform Jamaica's safety net to improve targeting for the poor, relevance and effectiveness of welfare, and related programs and efficiency in the delivery of services. The proposed reform will involve, primarily, the Ministries of Labour and Social Security, Local Government and Community Development, Health, and Education. During project preparation, an institutional assessment was carried out to identify pending issues related to the consolidation of the existing transfer programs. Based on this assessment, under the leadership of the Office of the Prime Minister, a Management Consulting firm has been contracted to determine the institutional arrangements to deliver the welfare benefits to the needy, and to make recommendations on the most effective and efficient manner to deliver social assistance, including an analysis of the legal implications of the proposed safety net reform. The study will include an action plan and a time table to implement the proposed changes. As part of the implementation strategy of the SSN reform, the government has decided to establish a Unified Benefit Program, under the MLSS, to replace three existing income transfer programs. The

MLSS has had a long standing experience in the implementation of similar programs (for example Food Stamp Program), and is currently adjusting its institutional structure and management arrangements, to implement the new program. A management study will be undertaken during the first year of implementation of the UBP to develop the optimal organizational structure for program implementation. The management study will assess administrative, policy and planning capacity of the MLSS and identify required adjustments to strengthen service delivery. The organizational structure in the MLSS will be adjusted in accordance with the results of this management study. At the Bank's request, the Government of Jamaica, through the Attorney General's office, provided a legal opinion stating that there are no legal impediments to giving recipients a single cash payment under the three existing transfer programs. Executing agencies: Ministry of Labour and Social Security (MLSS) and its 13 parish offices at the local level (see annex 14), which are equipped and motivated to initiate the program. Project management: Overall responsibility for project management lies with the Director of the Social Protection and Development (SPAD) division supported by the Financial Management and MIS Divisions within the MLSS, for program financial and procurement matters respectively. Procurement issues: Only a small percentage of the loan would be used for procurement of goods and services. Nevertheless, a procurement capacity assessment was carried out during project preparation. According to the assessment, the MLSS is not yet well enough equipped to carry out project procurement activities but, based on this assessment, the Government agreed on a plan of actions to strengthen its implementation capacity and has already taken important actions, namely: (i) selected personnel with adequate capacity to carry out procurement activities, and (ii) prepared a draft Procurement Manual. The Bank will ensure that (i) training on Bank procurement methods and procedures is provided, and (ii) technical assistance is provided for major procurement activities (information technology, contract with consulting firms etc.). In addition, regular procurement reviews will be carried out as outlined in Annex 6. Financial management issues: During project preparation, the Bank finalized its Country Financial Accountability Assessment (CFAA) of Jamaica. This assessment, which concluded that the country's financial management framework was generally sound, was taken into consideration when designing the FM arrangements for the project. Based on the CFAA findings, and in response to Borrower's desires, an effort was made to utilize existing government financial management mechanisms whenever such mechanisms would not require significant strengthening during the project's life. For example, it has been decided by GOJ and accepted by the Bank that the Auditor General will carry out the annual financial audits of the program. Project financial management in Jamaica has been generally adequate, and has seen improvements in recent years. Compliance with audit covenants has sometimes not been achieved (reports being received in some cases many months after the deadline), and disbursement applications have sometimes not been sent on a regular and/or timely basis. These risks will be mitigated by significant efforts to establish and build FM capacity prior to the launching of the project. Still, regular (twice annual) financial management reviews by Bank staff are considered necessary until such time as the project has established a good record of financial/disbursements reporting.

7. Sustainability

The sustainability of this project has to be analyzed from various angles: (i) financial sustainability; (ii) sustainability of behavioral changes; and (iii) sustainability of institutional strengthening. (i) The proposed project is intended to protect the human capital of the poor. During the four-year project period, the World Bank will finance approximately one-half of the costs of the safety net reform program, which includes not only the new benefits, but also the institutional strengthening and development. Already during the project years, the Government will have to increase the budget allocations to the UBP. These allocations are expected to be provided inter alia through reallocation of funds from other, less effective or efficient SSN programs. The contributions of the Government and World Bank are shown in the table on fiscal impact in Section E.2. Furthermore, the IDB is planning to support the implementation of the SSN reform through a sector loan conditional to the successful introduction of the UBP, which would provide additional funds to the Government of Jamaica. The total amount of counterpart funding necessary during project implementation is US\$ 37.5 million. After project completion, the Government will take on the full responsibility for financing the transfers. It is expected that by then, growth rates would recover and debt service would decrease due to the financial sector reform supported by IDB, CDB, EU and World Bank. Therefore, additional funding should be available to cover the full cost of the new income transfer program. In 1998, the Government of Jamaica spent J\$616 million (US\$15.4 million) on the three income transfer programs combined. By the third year of the UBP, it is envisioned to cover 217,000 beneficiaries with a monthly benefit level of US\$9. To sustain the program, Jamaica would need to spend about US \$8 million more on the unified benefit program than was paid out in 1998. This amount should be re-allocated from less targeted or efficient SSN programs. (ii) Experience with cash benefits linked to school attendance indicates that behavioral changes encouraged through participation in the program will continue even if the transfer is discontinued, as children will have formed the habit of attending. Furthermore, successful implementation of the proposed project would provide Jamaica with a suitable mechanism to provide the needed assistance to the poor that could be scaled up or down, depending on economic conditions. (iii) The project includes a significant component of institutional development to implement the safety net reform, including consolidation of cash transfer programs, the establishment of a targeting mechanism, and the establishment of a management information system and a monitoring and evaluation system. This significant increase in capacity of Jamaica's social safety net will continue beyond the life of the project.

8. Lessons learned from past operations in the country/sector

The lessons learned and incorporated into project design were drawn from experience with similar projects financed by the Bank in Latin America and other regions. This experience demonstrates that successful projects in providing incentives for human capital investment will include the following key elements: (a) a targeting mechanism that will identify the poorest; (b) a management information system to monitor program pay-out and eligibility status; (c) linkage of benefit receipt to changed behavior; (d) consultation with beneficiaries and local civil society (see annex 12). Similar programs in the region have had positive results. The PROGRESA program in Mexico has been determined to have a positive impact on school enrollment, promotion and attendance rates. A preliminary

evaluation found that the overall lower-secondary education enrollment rate increased by 4.9 percent, but for PROGRESA households, this rate increased by 19 percent. Brazil has a school stipend program (Bolsa Escola) that also had these positive results, while in Honduras, the Beca program demonstrated a primary school enrollment rate increase of 12 percent in participating areas, as opposed to an annual increase of 3 percent. School performance improved by nearly 12 percent and repetition rates declined by an average of 3 percent. PROGRESA was also found to have significant positive health impacts in Mexico, where utilization of public health clinics for preventive care increased by 60 percent among PROGRESA families. These preventive visits enabled the PROGRESA beneficiaries to reduce the number of inpatient hospitalizations by more than half among children and adults, suggesting that PROGRESA lowered the incidence of severe illness. At the same time, there was no reduction in the utilization of private providers, indicating that the increased utilization at public clinics did not substitute public care for private care. Finally, PROGRESA children had a 14 percent lower incidence of illness and adults had a 12 percent reduction in the number of days unable to perform daily activities due to illness. In a recent World Bank survey about Targeted Conditional Transfer Programs (TCT Programs) in several Latin American countries, preliminary evidence suggests that the programs have been reasonably successful in targeting, though some aspects need attention. Evidence from Brazil and Mexico on program targeting (based on comparisons of beneficiary and control populations) suggests that these programs target well. Leakage rates (i.e., the non-deserving benefiting from the program) have been low. However, under-coverage rates (the deserving populations that are missed by the program) have been high. In decentralized programs such as Bolsa Escola, this is partly due to a lack of finances; some municipalities have had to ration coverage within the qualifying group to the poorest. The Jamaican program therefore wishes to target the very poor, i.e. approximately the poorest 15 percent of the population, to guarantee adequate financing. On the other hand, surveys show that excessively stringent criteria for selection of families can lead to exclusion of the needy. In Brasilia for example, because some of the programs explicitly focus on poor families with children in school age, poor families with only pre-school and adolescent children are excluded. The Jamaican program will use a scoring formula that is based on a targeting mechanism to identify persons with the lowest consumption level. In this way an effort is made to prevent unintended exclusion of some groups. Another important conclusion from the study is that perhaps the biggest hindrance to the successful implementation and growth of decentralized programs is their fiscal affordability. Not only are some of the programs in other countries implemented at the municipal level, but their financing also has to come from local sources. This has created a particularly perverse problem in that the poorest municipalities are the ones that need these programs the most (since they have a high incidence of poverty) but are unable to afford them (since they also have low local revenues). The problem is avoided in the Jamaican program as it will be financed from the national government's general revenues by reallocation of funds from other, inefficient safety net programs or from the social expenditure budget.

9. Program of Targeted Intervention (PTI) Y

10. Environment Aspects (including any public consultation)

Issues : None

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Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.

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