How effective are CCTs in low income settings?

A review exploring factors impacting on programme outcomes in Honduras and Nicaragua

STEPHANIE DIEPEVEEN, CHRISTIAN VAN STOLK

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Executive summary (Abstract)

Conditional cash transfer (CCT) programmes have been evaluated extensively and show by and large an increase of consumption amongst beneficiaries resulting in sometimes substantial reductions in poverty. Nonetheless important questions remain outstanding. CCTs have very heterogeneous impacts in different contexts. This paper presents the findings of a systematic review of papers looking at evidence of effect of CCTs in Nicaragua and Honduras. In particular, this review wanted to look at wider contextual factors and their relationship with programme outcomes. These factors were: household characteristics and intra-household relations; programme design and delivery; supply side conditions; wider political, social and economic factors. The review included 13 papers and found that:

- Household, programme and wider contextual factors shape the size and nature of programme effects;
- Poorer households and communities tend to experience greater relative effects on school enrolment, and a reduction of child working hours;
- Programme effects are greater when economic conditions are favourable;
- However, CCTs also help to lessen the effect of economic shock on household consumption;
- How external factors (e.g. economic shock) affect nutrition and health outcomes remains unclear;
- Real and perceived dimensions of programme implementation affect participants’ incentives to comply with conditionalities.

The paper further suggests that a key gap in existing knowledge is better knowledge of the causal pathways through which different household and economic factors affect the outcomes experienced.