

Abstract

■ Background and Aim of Research, and Overall Structure

Since 1990's the interest in development assistance for poverty reduction has been increased among international organizations and aid communities. Above all, development assistance for education has been a central issue. Education for All (EFA) is one of the main goals of Millennium Development Goals (MDGs), which were adopted in 2000. However, attaining EFA by 2015, the target year, is a still long road, despite international effort including Japan.

Conditional Cash Transfer (CCT) program, which began in Latin America as a social security tool, is currently attracting attention due to its effectiveness in improving school enrollment and attendance rates of children. However, the same understandings of its effectiveness and sustainability have not been shared among aid community in Japan.

The aim of this study, therefore, is to analyze whether this new CCT program will be an effective and efficient education assistance tool, by looking at factors including the system and the achievements.

This study report is composed of five chapters. Chapter 1 describes the outline of this research. Chapter 2 gives an overview of the background to the emergence of CCT, current implementation of CCT in the world, and trends of CCT cases in the education sector. Donor assistance towards CCT and Japan's cooperation in the education sector are also examined. Chapter 3 points to some key factors of the mechanism of CCT, organizing the characters and implementation trends. Current discussion concerning CCT is also presented. Chapter 4 displays examples of achievements and impacts of CCT in the education sector, and raises issues for the improvement of its effects. In chapter 5, points of consideration are presented for when Japan conducts CCT for bilateral development assistance for education, by examining the achievements and issues presented through chapter 2 to 4.

■ Overview of Conditional Cash Transfer (CCT)

CCT programs transmit cash directly to poor households for certain conditions involving accumulation of human capital, such as sending children to school or vaccination of children. Due to its achievements in Latin America countries, CCT programs have been introduced in many countries in Asia and Africa. CCT benefiting education sector are conducted in most of these countries, and there is a diverse range of scales and conditions.

Assistance is conducted by international financial institutions such as the World Bank, the Inter-American Development Bank, and the Asian Development Bank by granting funds for CCT through loans, and by technical assistance such as program design and evaluation. Financial contributions are also made by bilateral donors, including the United Kingdom and Germany, to basket funds such as sector funds. Bilateral institutions have also made great contributions to the improvement of capacity of the implementing institutions in the target country, the fostering of South-South dialogues between the

pioneering CCT countries and countries new to CCT, and the research concerning CCTs.

■ **Design of the Conditional Cash Transfer (CCT) Program**

In implementation process of CCT program, a range of efforts must be made including system construction and technical innovation. In particular, targeting process is the one that most closely related to the effect and efficiency of the program. There are arguments on with or without condition; however, the effects of condition are basically being recognized. The verifying method and penalty of compliance with conditions varies depending on the capacity of implementing agency and program size. The evaluation which examines the effect of CCT program is not only clarify the effectiveness and impacts of CCT program themselves but also serves as a political tool to garner support from a wide range of groups in the countries. The design of CCT, however, does not have versatility; therefore, it has to be designed in accordance with the situation and technical capacities of the implementing county.

■ **Achievements and Effects of Conditional Cash Transfer**

A good performance and effects are recognized in terms of enrollment and attendance rates in many CCT programs. However, the educational effect of CCT has not cover the “quality” of education confirming from the fact that grade attainments are not improved. A long term educational impact on poverty reduction and employment promotion is presumed to be seen after CCT programs; however, there is not enough experimental evidence to verify such long term impact since CCT is still a new approach. CCT is, therefore, not a “magic bullet” for improvement of education as a whole. Nevertheless, the effectiveness of CCT would be improved with conducting complimentary programs which enforce the “quality” of education, long term support from donors in view of considering sustainability and flexibility of the CCT design for urban cities and low income countries such as Sub-Saharan Africa.

■ **Recommendations and Points of Attention**

(1) Consideration for sustainability

As CCT programs serves as national social security, donors should offer long-term assistance mechanism. In determining the term and level of support under the long-term commitment, it is necessary to make a prior evaluation of how long CCT programs can be implemented by the country independently.

(2) Aid Modality

Usually bilateral donors commit their financial contribution to CCT programs through basket fund. When Japan supports CCT programs financially, the modality can be either through budget support to the CCT implementing county by yen loan or through contribution to the basket fund in relevant sector by “Grant aid for poverty reduction strategy”, depending on the assistance criteria of the country.

However, it should be noted that the assistance will be more effective if technical

assistance such as sending Japanese experts to the related sector is combined with the financial assistance. In addition, co-financing should be considered with international financial institutions for enhancement of the aid complementarities as well as for having shared a lot of knowledge on CCT.

(3) Enhancement of institutional capacity for CCT implementation

CCT programs require high-level administrative capacity. It is important to enhance CCT implementing institution especially those countries where the administrative capacity is low. The key areas of technical assistance will be development of targeting system of identifying beneficiaries and monitoring system to verify compliance of conditions.

(4) Implementation of complementary programs as Program Approach

CCT program alone cannot achieve education improvement comprehensively despite the fact that the short-term achievements are produced. It requires the improvement of “quality” of education. Such complementary programs as expansion of school construction and equipment, improvement of quality of teachers and awareness raising of parents are considered. Japan has been conducting such activities in many developing countries. The combination of these activities with CCT assistance as a program approach to education sector will become more effective approach.

(5) Focus on roles of Monitoring and Evaluation

From the past CCT experiences, monitoring and evaluation serve as very useful roles for verify the effectiveness and improvement of the programs. It should be considered that effective monitoring and evaluation including third-party evaluation should be incorporated into the program from the initial design. It is also important to enhance the capacity of implementing institution of the country on these functions.

(6) Application of CCT to low-income countries (Sub-Saharan Africa)

In introducing CCT programs to low-income countries including Sub-Saharan Africa, the institutional capacity building is very important point. Besides, it is necessary to consider different approaches such as having flexibility of imposing conditions and implementing complimentary programs.

(7) Further study on CCT programs

There have been relatively little research and study on CCT in Japan. CCT programs are not only related to the education sector but also health and nutrition sectors are involved. Therefore, it is necessary to conduct research and study on CCT effects and impacts as well as conditions on these sectors. In addition, technical study on targeting system and verifying method of conditions in low-income countries in Asia and Africa will be beneficial. Case studies on CCT in those countries should be also useful for effective assistance of CCT.