

Cash Transfers and Social Protection



Interview with Milagros Pérez, General Director of Social Protection in Nicaragua

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In this interview Milagros Pérez comments on the financial difficulties in expanding the cash transfer programmes in Nicaragua. She also discusses the creation of the *Hambre Cero* program and how it will be co-ordinated with the existing *Red de Protección Social*.

IPC: Milagros, Nicaragua has two conditional cash transfer programs. The *Red de Protección Social* (Social Protection Network), which began in 2000, and the *Sistema de Atención a Crisis* (Crisis Management System) that began in 2004, but that will soon terminate. What are the plans of the new administration regarding these programs and what changes is it planning to make?

Milagros Pérez: Well, we have to point out that there is a new administration, that we are starting a new government, and that one of this new government's priorities is the social policies. Under this premise the Family, Youth and Childhood Ministry of Nicaragua is reinitiating the programs of social protection, in this case, the *Red de Protección Social*, which is on its third phase, and *Sistema de Atención a Crisis*, a program that we are phasing out; nevertheless, the Social Protection Network has an "emergency assistance" component.

IPC: What are the changes that need to be done in the *Red de Protección Social*?

M. P: We are evaluating the payment of the benefits vis-à-vis our current budget. Last year the *Red de Protección Social* had a budget of 88 millions of Cordoba; this year we only have 29.9 millions of Cordoba. That implies considering, firstly, the benefits in relation to the integral package of the program, the reduction of the number of families that will join the *Red de Protección Social* – in this case only 3,000 families from 8 new municipalities will be incorporated – and finally, the search for alliances and new resources, alliances at a community level, at municipality level, and new resources through negotiations with international cooperation agencies.

IPC: Why was the budget reduced?

M. P: Basically when we arrived, the arrangements that needed to be done last year with the potential financing partners, in this case, the World Bank, which has been supporting us, had not been finished on time. Therefore, we only have now resources from the treasury. What we will now do is to initiate the management of resources so next year we would be able to have more of these resources and, consequently, incorporate more families.

IPC: Will it be necessary to reduce the number of beneficiary families?

M. P: This year there will be fewer beneficiaries in the new municipalities, because we will have to reduce the usual percentage of beneficiary by municipality.

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IPC: Has the supply-side component been affected?

M. P: No. In this case we also have, together with the *Red de Protección Social*, the *Programa de Solidaridad para el Desarrollo* (Solidarity Program for Development) which consists mostly of a system that puts in place the country's social protection policy. Therefore, its role is to articulate the central and the municipality levels in order to articulate the efforts being held in the municipalities by the programs of social protection. The fact that *Solidaridad para el Desarrollo* will be initiated in the same municipalities will help this articulation and the optimization of resources at local level, and that will favour us.

IPC: What is your opinion regarding the selection process of beneficiaries for the social protection program?

M. P: Well, we are using the same mechanisms that had been used in the past. At this moment the field work for the beneficiary census is being held in 8 municipalities with the same questionnaire used on the previous phases. The criterion to choose the municipalities was already defined: eight of the poorest municipalities in the country are here included. Another criterion, very clear to us, is that there is a program called *Hambre Cero* (Zero Hunger) which will be held in all the municipalities of the country: 153 municipalities. *Hambre Cero* is strongly related to poverty reduction in the country, and one of the conditions for a family to be eligible for the program, is to have at least a plot of land. Why? Because it is a program that will contribute to reduce the poverty by helping the families to generate, from a productive point of view, capacities for them to be able to help themselves in a developmental perspective. In this case, *Hambre Cero* will donate a US\$ 2,000 transfer in kind a year to each family which has at least a plot of land. The equivalent of the US\$ 2,000 will be delivered in cows, pigs, chickens, hens, cocks that will be given to the families, in a way for them to have the tools, so that in a short period of time they could be able to produce and generate with the surplus economic and social processes.

IPC: Is there any condition?

M. P: No. The only condition is that the families must have at least a plot of land. So, what is going to happen with the network? We have to highlight that the network will cover families that do not have this plot of land, which are obviously the poorest families; because a family with a plot of land, at least has where to grow a crop. Therefore, the *Red* will include the families that do not have a plot or with such a small plot so that they do not have the requirements to be eligible for *Hambre Cero*. Nevertheless, these two programs will complement each other. We have been working in coordination with the Ministry of Agriculture and Livestock to help creating the *Hambre Cero* program. For the *Hambre Cero* program, via the *Red*, has to fulfil the demand of trained personnel for the technical assistance that each of these families will require to produce on their land. Therefore, the *Red* will strengthen these occupational trainings that Zero Hunger demands.

IPC: And will the Zero Hunger program be financed with own resources or with loan resources?

M. P: Right now we are searching for resources, but in the beginning, it has been financed with own resources.

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IPC: And what is the target population of this program?

M. P: Well, the 153 municipalities, 75,000 families in 5 years, which means 15,000 families a year. That is the target.

IPC: And the transfer amount is?

M. P: The equivalent of US\$2,000. It is very important to know about this program, because it has an important participation of the civil society. The ones responsible of executing, and administrating the program on every municipality are civil society organisations and from those US\$2,000, US\$ 500 will be provided to these organizations, that is, 25%; the rest will be destined to benefit the families.

IPC: Thank you very much for the interview.

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