



**Asia-Pacific
Economic Cooperation**

2011/FMP/FIIWG/007

Session 3

Conditional Cash Transfer: A Tool to Fight Extreme Poverty

Submitted by: Chile



**APEC Financial Inclusion Working Group
Meeting
Bangkok, Thailand
21-22 July 2011**

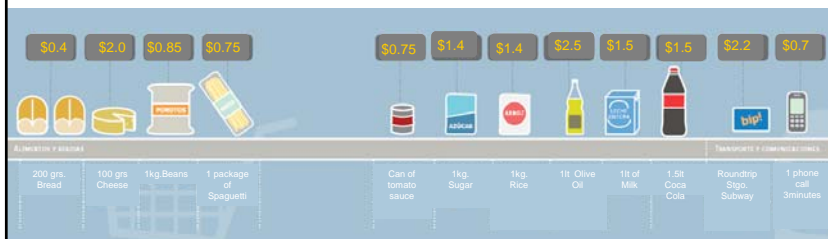
Session III. Conditional Cash Transfer: A Tool to Fight Extreme Poverty



Gobierno
de Chile

¿What does it mean to be poor in Chile?

\$4.5 USD per day = Poverty
\$3.0 USD per day = Extreme Poverty



MAIN GOAL: To Have Less Than 1% of The Population Living Under **Extreme Poverty by 2014.**

Policy measure

To complement cash transfers with other policies that will enable poor people to get out of poverty by their own.



Chile Oportunidades: Two Stage Conditional Cash Transfer Program

- 1st Stage: **Asignación Social** (Year: April 2011-Dic 2011)

- Cash Transfer composed by:

a) Fixed component

b) Additional component if one of the following conditions is fulfilled:

- Child medical control
- School enrollment
- School attendance
- Women employability



Chile Oportunidades: Two Stage Conditional Cash Transfer Program

- 1st Stage: **Asignación Social** (April 2011- Dic 2011)

Family A

Targeting: Poorest third part of families

Fulfillment of conditions:

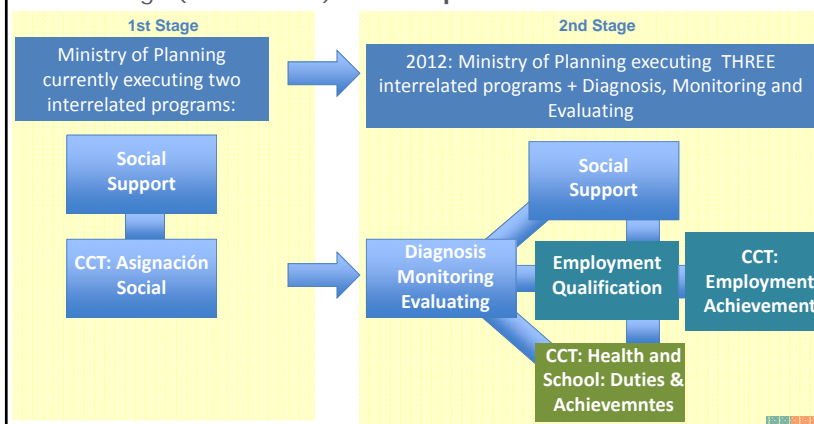
| | Women (28) | Men (32) | Child (9) | Child (5) | Monthly | # Payments | Annual |
|-----------------------------|------------|----------|-----------|-----------|-------------|------------|------------------|
| Fixed Component | \$16USD | \$16USD | \$16USD | \$16USD | \$64USD | 9 | \$576 USD |
| School Enrollment | - | - | ✓ | - | \$10,6 USD | 2 | \$21,2 USD |
| School Attendance | - | - | ✓ | - | \$10,6 USD | 7 | \$74,2 USD |
| Child Med Control Component | - | - | - | ✓ | \$10,6 USD | 9 | \$95,4 USD |
| Women Employability | ✓ | - | - | - | \$109,7 USD | 1 | \$109,7 USD |
| Total Annual | | | | | | | \$351 USD |

Enrollment: Yes
Attendance > 85%: Yes
Child Med Control: Yes
Women Employability: Yes

Extreme Poverty Line: \$63,2 USD monthly per capita.

Chile Oportunidades: Two Stage Conditional Cash Transfer(CCT) Program

- 2nd Stage (Starts 2012): **Chile Oportunidades**

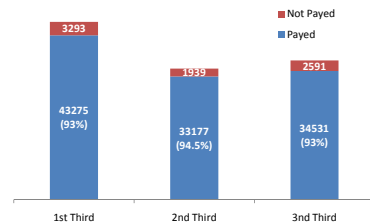


Gobierno de Chile | Ministerio de Planificación

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Chile Oportunidades: Two Stage Conditional Cash Transfer Program

- Success of the 1st Stage:
- % coverage of the target



- Payments:
99% Face to Face
1% < Electronic

Conditional Cash Transfers & Financial Inclusion

Huge Potential:

Use Conditional Cash Transfers as an Incentive to Promote Financial Inclusion.

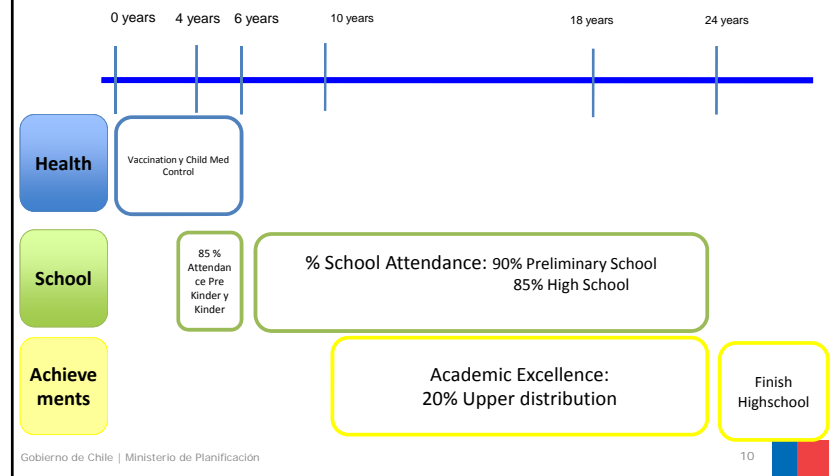
Ministry of Planning has a center role in achieving Financial Inclusion → Coordination of other Stakeholders.

Thank you



Chile Oportunidades

Conditional Cash Transfers associated to Health and School Duties and Achievements

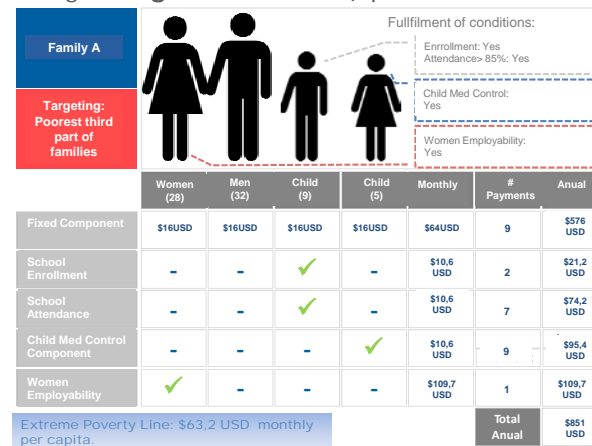


Session IV: Outcomes and Outreach:Asignación Social & Chile Oportunidades



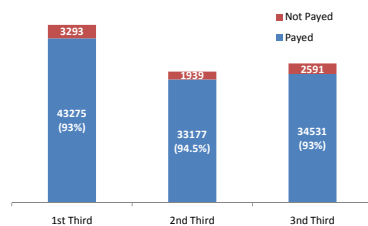
Chile Oportunidades: Two Stage Conditional Cash Transfer Program

- 1st Stage: **Asignación Social** (April 2011- Dic 2011)



Chile Oportunidades: Two Stage Conditional Cash Transfer Program

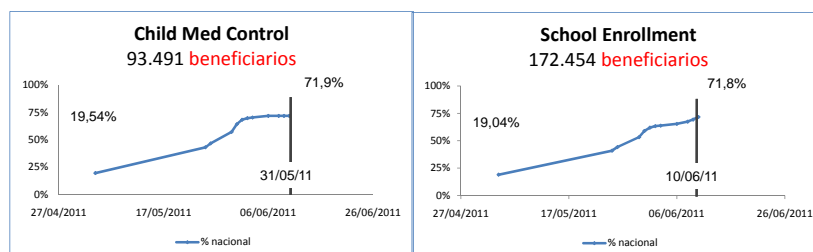
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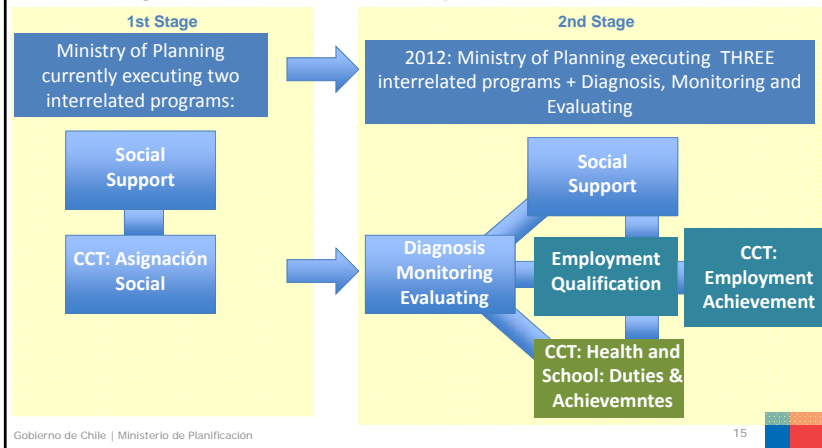
Chile Oportunidades: Two Stage Conditional Cash Transfer Program

- Success of the 1st Stage:
- Requirements fulfillment



Chile Oportunidades: Two Stage Conditional Cash Transfer(CCT) Program

- 2nd Stage (Starts 2012): **Chile Oportunidades**



Chile Oportunidades: New Law Audience to execute this program and pay CCT's electronically

Ministry of Planning needs to coordinate:

- President
- Congress
- Ministry of Finance
- Public Budget Office
- Ministry of Labour
- Ministry of Education
- Ministry of Health
- Municipalities
- Payment Institution
- Social Stakeholders
- Bank System Regulator

