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The American University in Cairo

School of Global Affairs and Public Policy

Conditional Cash Transfer in Egypt: The need for proper financial and administrative controls

A Thesis Submitted to the Public Policy and Administration Department in partial fulfillment of the requirements for the degree of
Master of Public Policy and Administration

By

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Supervised by

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Public Policy and Administration Associate Professor and Chair, AUC

July 2011

Dedication

I am dedicating this research to Allah for all His good acts and plentiful grants that I have experienced throughout my whole life. It is also dedicated to the poor in my country. To my mother, who taught me that even the largest task can be accomplished if it is done one step at a time. This thesis is dedicated to my wife and children who have always stood by me and dealt with all of my absence from many family occasions with a smile. I also dedicate it to the rest of my family and friends for their sincere support.

I would like also to thank my supervisor Dr. Jennifer Bremer for being available, supportive and responsive during my thesis work, my readers Dr. Hamid Ali and Dr. Ghada Barsoum for their support and assistance. Due thanks go to my colleagues and professors at social research center (SRC) at American University in Cairo for their co-operation and support.

Abstract

University : The American University in Cairo

Thesis Title : Conditional Cash Transfer in Egypt: The need for proper financial and administrative controls

Name : Ahmed Fathy Badawy

Advisors : Jennifer Bremer, Ph.D.; Hamid Ali, Ph.D.; and Ghada Barsoum, Ph.D.

Conditional cash transfer (CCT) programs, as one of the most efficient social protection programs, use large amount of public resources. Such programs are prone to leakage of public resources due to risks from error, fraud, and corruption. Countries in Latin America have implemented CCT programs since the early 1980's and they have experienced leakages from error, fraud, and corruption (EFC) which requires use of mechanisms and a control system to tackle the risks of EFC. These mechanisms have been introduced in the World Bank toolkit on tackling error, fraud, and corruption. The recommended strategies to mitigate EFC address risks through three main strategies: prevention, detection strategies, and deterrence.

This study answers the main research question of what guidance does Egyptian and global experience provide as to what constitutes a proper control system for the implementation of conditional cash transfer programs to prevent error, fraud, and corruption? It provides a vision of what proper controls could be useful for implementing CCT in Egypt and other countries that share similar characteristics.

This broader perspective of protection mechanisms has been investigated through contacting global experts from different countries and local social inspectors who worked in the pilot project in Egypt. This combination takes advantage of global and local experiences recommend what could enable Egypt to have a proper control system to reduce EFC.

The study findings demonstrate that Egypt can apply proper administration and financial controls in its CCT program at each of its three main stages: eligibility, compliance, and cash disbursing. Recommended control mechanisms are developed around three building blocks of prevention; detection; and deterrence. Other recommendations are provided for CCT program in Egypt regarding interministerial cooperation, the required political support to CCT for program success, use of computerized systems in the verification processes, and a reconsideration of economic, political, and administrative challenges to CCT programs in Egypt.

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ABBREVIATIONS

ACRC	Anti Corruption Resource Center
ADB	Asian Development Bank
CCT	Conditional Cash Transfer
EFC	Error, Fraud, and Corruption
EG	Egyptian Government
GDP	Gross Domestic Product
IPC	International Poverty Center
LICs	Low-Income Countries
MDG	Millennium Development Goals
MICs	Middle-Income Countries
MIS	Management Information System
MOE	Ministry of Education
MOF	Ministry of Finance
MOH	Ministry of Health
MOSS	Ministry of Social Solidarity
NGO	Non Governmental Organization
SP	Social Protection
SRC	Social Research Center
UN	United Nations
UNDP	United Nations Development Program
UNICEF	United Nation Children’s Fund
WFP	World Food Program

INTRODUCTION

Social protection programs usually consume large amount of public resources. Egypt, for the last five decades, adopted in-kind subsidies as its primary approach to alleviate poverty and move toward economic stability. In its way to do that , Egypt perform phases of economic and social reform vary from the Egyptian government temptation to provide social economic model during Nasser’s era to the liberalization of Egypt economy and cut subsidies during Sadat’s era. Since 1991, subsidy policy has been partially reformed, and the Egyptian government even eliminates subsidies on many products. Currently, only basic foods, energy, transport and medicines are still subsidized by the government. In recent years the government has strategized to address the gradual reduction of subsidies primarily on basic food items and energy provision with medical services not considered a priority for liberalization.

The most recent controversy in regard to the restructuring plans for food subsidies is the transformation from the country’s ‘in-kind’ system to a cash payment system that would directly target those in Egypt that need it most. Since 2006, use of a “smart card” to manage some subsidized food distribution has been instituted and now covers 19 governorates. The concept behind this is to monitor and identify where cash welfare payments need to go and minimize the abuse of food subsidies, leakage to black markets, and maybe rationalize the use of other services provided in the future such as health insurance, transportation, and pension.

The immediate problem of this program is that the government will have difficulty reaching every citizen in need of subsidies as there is a severe lack of information on Egypt’s low income groups. At the same time both the government and public fear that transformation to a cash payment system will result in a high rate of inflation (Egypt: government initiatives for

subsidy reform, 2010). The source of fears may be coming from that the cash payment would not keep up with inflation, whereas amount of cash is constant while goods prices moving upward. The international community realizes the large needs for a mechanism that provide a social protection programs to the poor. Consequently, starts to focus on more effective and efficient social safety nets and in 2005 began to explore implementing the conditional cash transfer in Egypt.

As the name implies, conditional cash transfers (CCT) provide cash transferred to poor families, conditional on fulfilling a set of requirements that aim to create investments in human capital, such as sending their children to school and making health checkups at health centers. This program has been implemented successfully in different countries especially in Latin America and it proves its ability to achieve short-run goals in improving health, educational, and food nutrition in various countries such as Argentina, Brazil, Chile and other countries around the world. The context in which it has been applied differs from one country to another.

The success of the program implementation depends on the country administration capacity, and the program effectiveness depends on existence of strong financial controls and accountability mechanisms, which are critical to maximizing the expected outputs and targeting the human development as per the program design. This research assesses CCT system controls from administrative and financial perspectives in order to evaluate its ability to mitigate risks of errors, fraud, and corruption.

CHAPTER ONE: Statement of Problem and Study Rationale

Challenges that have been facing Egypt in its way to implement CCT program:

Although Egypt has tried out over recent decades several different social protection programs to improve the social status for poor families, most of those programs failed to get the poor out of poverty. The new trend around the world to implement conditional cash transfer comes as a result of the finding that these programs demonstrate ability to improve the health, education, and economic conditions of poor families. The cash transfer programs that have been growing most rapidly across the developing world over the last decade or so are CCTs, by which cash is paid to poor households on condition that they invest (in certain pre-specified ways) in the human capital of their children.

The challenges to implementation of social protection programs include leakage of public resources either because of market and/or administrative failures to allocate the resources to the intended beneficiaries. It is imperative to put in place tools and mechanisms that guarantee the efficient use of public resources to serve a large clientele. This research is trying to answer the questions: what could be proper controls and accountability in the implementation of conditional cash transfer in Egypt and what lessons could Egypt learn from other countries. To that end, the research looked at what the standard mechanisms that were implemented successfully in other countries' experiments.

CCTs in Egypt must be implemented in a way that responds to Egypt's realities, which may briefly be characterized as follows:

Overall about 44.4% of the Egyptian populations are in the range of extreme poor to near poor:
(The World Bank, 2007)

- 21% of the Egyptian population was near poor, meaning that about 14.6 million Egyptians can obtain their basic food requirements in addition to some basic services.
- 19.6% of the Egyptian population was poor, meaning that about 13.6 million Egyptians (one out of every five) had consumption expenditure below the poverty line and could not therefore obtain their basic food and non-food needs.
- 3.8% of the Egyptian population was extreme poor, meaning that about 2.6 million of the Egyptian poor could not obtain their basic food requirements even if they spent all their expenditure on food.

Poverty has a strong regional dimension in Egypt and concentrates in Upper Egypt region, both urban (18.6%) and rural (39.1%), while metropolitan areas are the least poor (5.7%). The government is currently employing recently completed poverty map as tool for geographic targeting of public resources.

That is why the Egyptian government over the past five decades has been trying to target the poor and alleviate poverty especially in Upper Egypt. The Egyptian government applied different methodologies to subsidize the poor and made different reforms (these will be covered in the literature review of this research), until it has been decided to implement CCT programs in Egypt. This effort has begun with a pilot project at a small scale in Ain El-Serra (a Cairo district) and a second, larger pilot project in Upper Egypt.

The implementation of CCT programs presents a large number of challenges. Although CCT was implemented successfully in different countries especially in Latin America and has proven its ability in achieving the short-run goals in improving health, educational, and food nutrition in various countries like Argentina, Brazil, Chile and other countries around the world, the context in which it has been applied differs from one country to another. As well, it includes large number of payments to poor families.

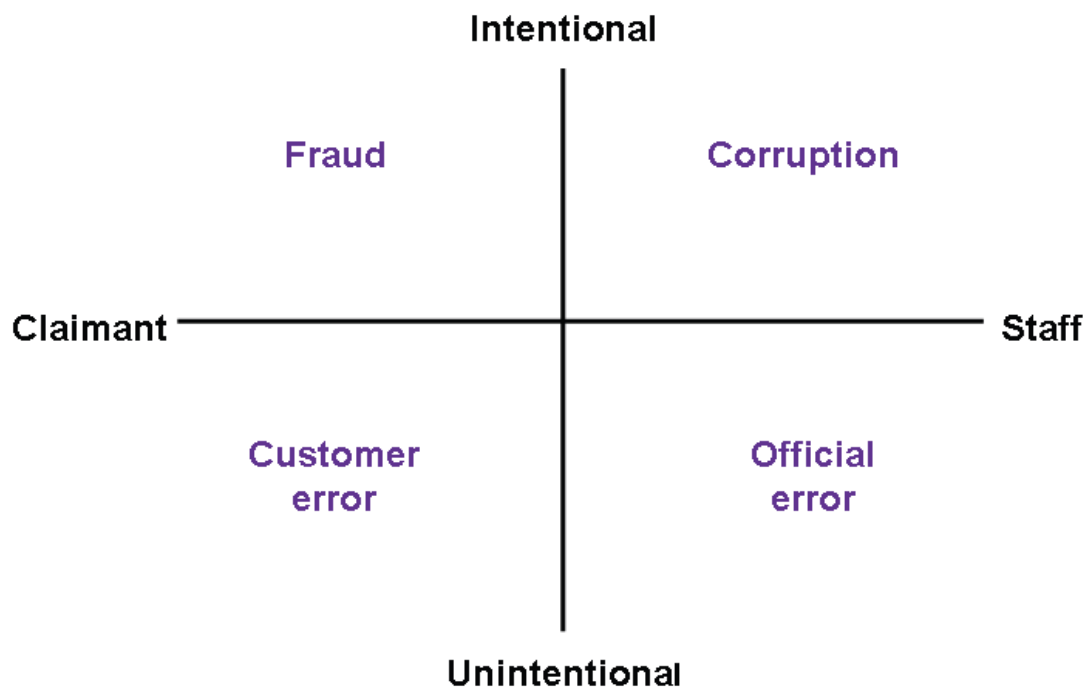
In Egypt, the program responsibilities are shared amongst various ministries, governmental units and departments within the country and multiple international organizations. Implementing a large project like the conditional cash transfer in Egypt needs a set of controls to prevent the program from leakages due to error, fraud, and corruption. Egypt suffered from the leakage of resources because of the poor targeting that is combined with system leakage such that only one third of the existing subsidy goes to the needy. Consequently, their implementation depends on country systems and its effectiveness depends on having sufficient planning, existence of strong financial controls and accountability mechanisms— and the continuous efforts to strengthen them as needed— which is critical to maximize the expected outputs and to target the human development as per the program design. Implementing CCT in Egypt without adequate controls on EFC will make the program more vulnerable to risks of fraud and corruption. To avoid the risks of EFC, there should be mitigation strategies and controls in CCT programs. These controls start at all stages in the program through the introduction of tighter checks and safeguards.

In the following section, three questions will be answered:

- What are the risks of Error, Fraud, and Corruption that interfere in the implementation of CCT programs?
- What do pilot and international experiences tell us about effective mechanisms in place to control EFC?
- How and whether such experiences could be applied within Egypt context?

What are the risks of Error, Fraud, and Corruption that interfere in the implementation of CCT programs?

Figure 1: Typology of fraud and error in benefit systems



Source: RAND Europe

According to the (The World Bank, 2007)”; the causes of this leakage can be defined as follows:

- **Error** is the unintentional violation of program or benefit rules, resulting in the wrong benefit amount or payments to an ineligible applicant. One can distinguish between official error due to staff mistakes, and customer error which occurs when a customer inadvertently provides incorrect information.
- **Fraud** occurs when a claimant deliberately makes a false statement, conceals or distorts relevant information regarding program eligibility or level of benefits.
- **Corruption** commonly involves manipulation of beneficiary rosters (e.g. registering potential beneficiaries for clientelistic purposes to garner political support); staff accepting illegal payments from legal or illegal beneficiaries; or diversion of funds to ghost or illegal channels.

Error, Fraud, and Corruption represent causes of the leakage of the CCT programs resources. Although there is no system immune from EFC, there are examples from developed countries showing the capability to reduce such leakage to acceptable levels. The leakages here mean that the resources are not transferred to the right beneficiaries, in the right amount, and in the right time.

“We do care about the EFC in social protection programs because even a small fraction of leakages of resources could be presented in a large amount of resources.” (The World Bank, 2007): On average, social protection (SP) spending represents 15.7% of GDP in developed

countries, 7.4% in middle-income countries (MICs) and 3.8% in low-income countries (LICs). The information from developing countries is scarcer, as only few programs and countries have taken measures to combat and/or measure the incidence of EFC. However, it is plausible to expect the share of funds affected by EFC be larger compared to developed countries. For example, in India a Government audit in 2003 found that 31.6% of Indira Awaas Yojana (IAY) (housing programs) and 53.5% of Swarnajayanti Gram Swarozgar Yojana (SGSY) (welfare program) funds did not reach the intended beneficiaries. In the case of the Sampoorna Grameen Rozgar Yojana (SGRY) (rural employment and food security initiative; India), an employment program, administrative data report that 31.3 million man-days of work were generated in 2001-02, while the National Sample Survey data for 2002-03 estimate this number as less than 3 million man-days, only 10% of the official figure.

What pilot experiences tell us about effective mechanisms in place to control EFC?

There are many developing and even developed countries around the world that have implemented the conditioning cash transfer; since the mid-1990's demand side programs linking cash to behavior have been widely adopted across a range of countries (Aber and Rawlings, 2011). According to the World Bank review of the control and accountability mechanisms in CCT programs in Latin America and Caribbean; it has noted positively that all programs incorporate several accountability mechanisms, which can be reinforced by reviewing institutional arrangements with attention to incentives, clarity of roles, and potential conflicts of interest. The Review also noted the importance of continued strengthening of quality control—in particular, feedback loops to enable continuous correction (The World Bank-Latin America and Caribbean Region, 2007)

The World Bank review provided the following facts that should be recognized:

- While comparisons are limited by differences in benefits and measurement standards, fraud and error rates in income support programs in the United Kingdom, Canada, and the United States generally range between 3.5 to 5.3 percent (UK National Audit Office, 2006).
- Adequate program accountability and control depend on a wide range of factors and mechanisms, as well as on crosschecks and feedback mechanisms among the related elements.
- These programs are not isolated within their respective countries' social policies, as they reflect the character of overall governance at the national level. The risk assessment for any program depends on its particular characteristics and national context; and any recommendation needs to factor in the costs and benefits of additional control activities.
- Finally, the external experts advised that definitions of “irregularity” must be considered carefully. It is important to distinguish between fraud and other kinds of problem, such as missing paperwork, administrative mistakes, MIS errors, and weak service quality.

The World Bank recommendations on control mechanisms that could be applied in Latin America and Caribbean countries

In light of the control and accountability mechanisms that was recommended by the World Bank to Latin America and Caribbean; a number of main recommendations could be applied most broadly to CCT programs including Egypt are:

- **Institutional design.** Provide polices that clearly defining the intergovernmental relationship between governmental units. This should cover the administration and service performance and alignment of incentives to good performer or penalties to whom not performing well.
- **Targeting and eligibility.** More efforts should be directed to possible exclusion errors (that is, eligible households not being included) and consider the need for more frequent recertification of eligibility.
- **Conditionalities.** Verifying the compliance to the conditionality is a heavy burden on the implementation of CCT, that's why a balance between accuracy and verification is highly required.
- **Payment processes.** Methods of cash-flow and monitoring how it is paid are an integral part in CCT monitoring and associated control procedures.

- **Internal quality control.** Expand process evaluation, feedback loops, and correction mechanisms within programs, particularly through spot checks.
- **Accountability.** Ensure appropriate mechanisms to handle complaints and appeals in a timely manner, and publish program data.
- **Financial management and auditing.** Define payment accounting and reporting requirements.
- **Focus audits on risks.** Include supreme audit institutions.

Topic:

This study examines the implementing of planning and accountability controls on the conditional cash transfer in Egypt. This research is investigating what should the measures be, based on the pilot experience and global experiences, to have necessary but not sufficient effective mechanisms in place to control Error, Fraud, and Corruption (EFC) at the three main points of eligibility determination, compliance verification, and cash distribution. By having adequate controls and mechanism of clear determination of accountability and responsibility amongst different parties within the CCT program processes, and a system to work on Error, Fraud, and Corruption; we may achieve the desired goals of CCT with minimum loss of resources.

Importance of topic:

Conditional Cash Transfer (CCT) Programs are adopted in different countries around the world; it targets the poor and becomes one of the most effective tools to alleviate poverty and provide mechanisms to build human capital among future generations. It creates an investment in human capital through creation of contractual agreement with poor families. This relationship set a partnership between poor families and government which was not known before in developing countries. Another important aspect is the CCT objective to break the intergenerational transmission of poverty. Studies of CCT programs have proven that these programs can be well targeted, reduce the poverty of the poorest households, and improve children's education and health status.

According to the Millennium Development Goals (MDG) set by the United Nations (UN) "The UN Summit on the Millennium Development Goals concluded with the adoption of a global action plan to achieve the eight anti-poverty goals by their 2015 target date and the announcement of major new commitments for women's and children's health and other initiatives against poverty, hunger and disease" (United Nations, 2010). The international community realizes the large needs for a mechanism that provide a social protection programs to the poor. The MDG is seeking to provide rights to the poor in the fields of food and nutrition, education, health, and women empowerment and equality. Many conferences and researches pays attention to the impact of conditional cash transfer as a tool for social protection, its strengths and weaknesses, and the way it impacted the communities and families dynamics.

Since Egypt is part of the International community, it started to focus on more effective and efficient social safety nets, the Egyptian government requested the World Bank in 2005 to

prepare a report on improving the system of in-kind subsidies and social safety nets. This request generated as part of the Egyptian government efforts to enhance its ability to provide the services to the poor. The World Bank report found that, “despite high and increased levels of social spending, poverty in Egypt continues to be relatively high....the existing in-kind subsidy programs – which form the basis of the current safety net - are costly, ineffective, create market distortions and inefficiencies, and that benefit the rich far more than the poor” and recommended that” the poor would benefit from a strengthening of the social safety net along the following lines:

- A significant expansion in the cash-assistance program to raise the benefit levels and expand the coverage
- Enriching the safety net with better targeting methods like proxy-means testing and greater use of geographic targeting in order to direct a substantial fraction of public resources to the intended beneficiaries, while minimizing the leakage to the wealthy
- The introduction of a conditional-cash transfer program that helps the poor enhance their human capital,
- The introduction of a workfare program at very low wages that provide temporary jobs for the able-bodied poor “ (The World Bank, 2005)

Although the Egyptian Government (EG) may not be able to shift into the cash assistance programs and replace the in-kind subsidy in short run, the conditioned cash transfer is a challenge for the Egyptian government as it needs more controls than in-kind programs.

Partially the success of the program in previous experiments, especially in Latin America's countries, showed that a large percentage of its ability to succeed relies on the quality of the government from the administrative perspectives and the financial and audit controls performed to guarantee that the program is moving toward the targets for which the program is designed.

According to the Anti Corruption Resource Center (ACRC, April 2010) report on corruption prevention strategies in cash transfer schemes; the absence of a systematic evaluation of the effects of CT on corruption, there is no conclusive evidence that these are more prone to corruption than payments in-kind (Marie, 2010).

Research questions

This study is going to provide an answer to the research question/s:

Main Question:

- What guidance does Egyptian and global experience provide as to what constitutes a proper control system for the implementation of conditional cash transfer program to prevent error, fraud, and corruption? Answering the following sub-questions will provide answer to the main question

Sub-Questions

- What are the administrative systems that would comprise a good implementation of conditional cash transfer in Egypt?
 - Eligibility
 - Compliance (met the eligibility)
- What are the financial and control systems that would maximize and provide the best basis of conditional cash transfer in Egypt?
 - Cash disbursement

CHAPTER TWO: Literature Review

This section covers the following points:

- Overview of social protection programs applied in Egypt.
 - Subsidization of commodities and services to support low-income brackets
 - Social Security ... Pension for those without a pension
 - Egypt CCT pilots: Funding and Partnership
- Why Conditional Cash Transfer may be appropriate for Egypt
 - Aspects of failure of the in-kind
 - Aspects of success of conditional cash transfer
- Conditional Cash Transfer (CCT) characteristics and global experience
 - Egypt context
 - Challenges facing conditional cash transfer

Overview of social protection programs applied in Egypt.

The Egyptian Social Security system basically relies on contributions by the government to support the poor. These contributions or subsidies took different forms in order to enhance the Egyptian social equity and to support the ability of Egypt's poor to balance between their low income and the increase in the cost of life. The forms of subsidization are many, some of which

are the subsidy of commodities including food basic items which known as in-kind subsidy and subsidization of medical services.

1. Subsidization of commodities and Services to support Low-Income Brackets:

Subsidization is one of the most essential tools for the Egyptian government to provide the commodities to the poor with reasonable and affordable prices. Started since the World War II and continue until present. In December 2005, a new ministry of social solidarity was established, taking the competences of supply and social affairs ministries; while social insurance affairs became under the competency of the Ministry of Finance

According to Egypt State of Information Services Year Book (2009)

- The percentage of subsidization against the Gross Domestic Product (GDP) was increased by a ratio of .2% from 2004-2005- 9% to 2008-2009 – 9.2%
- The per capita share of subsidization was doubled during the period 2004-2005, 2008-2009 to reach about EGP 1275 in 2008-2009 against EGP 686.5 in 2004-2005.
- The value of commodities and services subsidization in 2008-2009 reached about EGP 94 billion, of which EGP 21 billion went to supplies commodities, EGP 63 billion for petroleum products and EGP 10 billion for other programs such as housing and transportation
- Subsidy for supply commodities increased by 28% to reach EGP 21 billion in 2008-2009 against EGP 16.4 billion in 2007-2008.

In contrast to the CCT, subsidies are working from the supply side by the government without any action needs to be taken by the demand side which is the poor people. This approach is working in one direction which is to provide the poor with food items. It does not provide a mechanism on how to alleviate their living standards and transfer them from passive recipients of assistance to partners with the government in improving their condition. Under CCT programs the partnership will work for increase their living standards and break the poverty intergenerational cycle in the society.

2. Social Security ...Pension for those without a pension:

“The Ministerial Decree No 140 of 2005 stipulates that the minimum of social security pension shall be LE 60 monthly for one person, and gradually increase to LE 80 in view of number of family members, as of 1/7/2005. At that time, the number of beneficiaries hit 1 million families, with a total cost of LE 1 billion per annum. In addition, each family, benefiting from the social security pension, receives a monthly grant of LE 20 for each child enrolled in basic education during the academic year for 8 months as of 1/10/2005. In case of many basic education enrolled-children within the same family, each receives the grant with a maximum of LE 100. Social security system regulates the provision of the following services:

- monthly aid
- one-package aid
- assistance to retired employees
- relief aid
- Children Pension, benefiting about 53,000 children, with an annual credit of LE 20 million by average EGP 31 / Month” (Egypt State Information System, 2009).

Box 1: Subsidies and social safety net

According to World Bank (2006)

What is the Public Social Safety Net?

The public social safety net generally refers to the set of publicly-sponsored programs that provide income or in-kind support and access to basic social services to the poorest and most vulnerable in society. They are distinct from other forms of social protection including contributory social insurance such as pensions, as well as labor market regulations and interventions.

Typical programs in many countries include:

- Cash transfers (also known as social assistance) such as family assistance, noncontributory old age transfers or disability payments;
- In-kind transfers such as food rations and nutrition and feeding programs,;
- Price and tax subsidies for the poor;
- Targeted human-development programs/conditional cash transfers;
- Public workfare;
- Fee waivers for health, education or other basic services.

Egypt spends about 2 percent of its GDP on the core social safety net. It does not have every type of program above, but resources are devoted to :

- Consumer subsidies on food (1.7 percent of GDP);
- SFD programs (0.18 percent of GDP); and
- Social assistance cash transfers from MOISA (0.12 percent of GDP).

The largest share of resources, 8.1 percent of GDP, is spent on energy subsidies to producers and consumers which serve as an important safety net but also absorb resources that could be better directed to the poor.

Sources: MOISA, SFD, and other GOE officials.

According to (UNDP, 2010) ‘ The cash transfers, through social-solidarity-pension scheme, currently covers more than one million poor households with a total cost in excess of EGP one billion. The target is to double the number of households covered by this scheme within the year 2010/2011 at a total cost of EGP 1.6 billion allocated for this goal in the proposed budget. Another EGP 5 billion is, allocated within the 2009/10 budget for miscellaneous social assistances, aside from what the public budget allocates on an annual basis, as a government share

There are other organizations and institutions working to provide social assistance to the poor. A number of donors, notably UNICEF, WFP, UNDP played key technical roles in the establishment of CCT program in the country creating the perception that the program was donor driven and that its effort in partnership with government. Those international organizations support the CCT program from technical perspectives such as design of the program and providing consultation to the program team rather than financing the program which is fully financed by the government that shouldered the whole bulk of required resources.

Some of those institutions, organizations, and banking are as follows:

- Nasser Social Bank was established pursuant to Law No. 66 of 1971 with the aim of expanding the social solidarity base through granting soft loans and aid for low-income brackets. The bank is providing social assistance to the poor who do not have sources of income (divorced, widows, handicapped).

- There is also a social pension for non-contributive monthly benefit paid on a means-tested basis to the elderly poor aged 65 and over. These people fall outside the irregular employee and other pensions

3. Egypt CCT : Funding and Partnership

According to the operation manual of CCT in Upper Egypt (Sholakamy, Piloting CCT in Egypt, 2010), the budget for the conditional cash transfer program consists of two distinct parts. Firstly, the Ministry of Social Solidarity (MOSS) as the implementing agency is responsible for the budget and the payment of the transfers to families and for providing the social workers in order to implement the program. For its part, the Social Research Center (SRC) is fundraising to cover the research, monitoring and evaluation portion of the budget. Currently, the SRC has fundraised to cover the expenses until December 2010 and is continuing its efforts to ensure financing until the end of the two-year experiment.

The donors financing SRC activities within the Upper Egypt CCT include the Ford Foundation, UNDP Egypt and UNICEF Egypt.

UNICEF funds support the following activities:

- Support for the design of a child well-being component (health and education),
- Documentation of the process of design, experiment set up, training and initial implementation,
- Baseline results dissemination (workshops, conferences)
- Technical support provided to the Ministry of Social Solidarity.

UNDP grant provided to the MOSS will ensure the technical assistance of the SRC in the Upper Egypt pilot in the following areas:

- Training of social workers on CCT and building their capacity to work in the community and to participate in research.
- Designing the CCT package in accordance with the needs and resources of the villages and the region of Upper Egypt.
- Conceptualizing and implementing the experiment in a rigorous manner.
- Production of information packages, baseline, monitoring and self-monitoring tools and instruments that will enable the MOSS to implement the program.
- Research the impact of the CCT on individuals, families and communities using qualitative and quantitative methods.

UNDP is also exerting efforts to fight poverty in Egypt and it takes the initiative for a better understanding of how market-based approaches to human development can ‘do good’ for people living in poverty while also being good for business. It is founded on the premise that “inclusive markets” that offer the poor access to basic goods and services and empower them economically as consumers and producers can help lift them out of poverty. (UNDP, 2007)

A partnership with IPC-IG/UNDP Brazil has been formalized in order to provide econometric and statistical support to the design, randomization and evaluation components of the pilot. Furthermore, the SRC is actively seeking partnerships with other organizations and individuals working in Upper Egypt. Areas that need to be covered by potential partners include change in rural food markets and inflation (food, schooling, etc.).

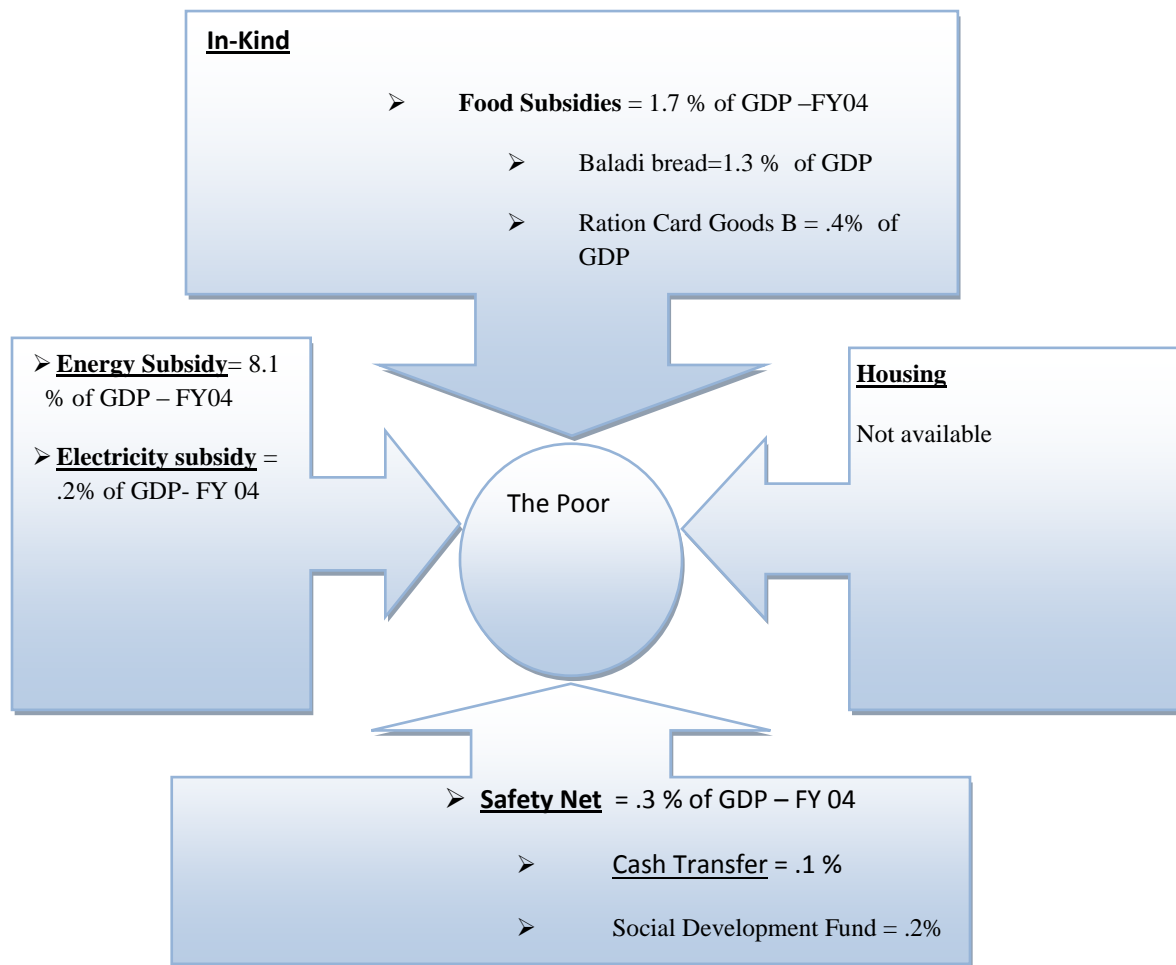
Currently, discussions of support are ongoing with World Food Program (WFP) for qualitative and quantitative evaluation as well as markets surveillance.

It is concluded (SRC, 2010) that the current social security system is not covering the whole poor families within the society. To get such assistance, poor families should follow number of

governmental procedures in order to prove the financial assistance conditions set by the government are met in their cases. One of these procedures is to have official documentation (birth certificate, social research by social workers to investigate their status of eligibility)

The following chart shows some of the currently exist social protection systems in the Egyptian:

Figure 2: Social protection systems in the Egyptian



Source (The World Bank, 2005): EGYPT - TOWARD A MORE EFFECTIVE SOCIAL POLICY: SUBSIDIES AND SOCIAL SAFETY NET

The social safety net in Egypt has a wide range of social provisions. Although the majority of workers are covered, there are gaps for casual and informal workers. The Egyptian government was using the in-kind transfer as one of the means to achieve the social justice during the past decades, however from the economic efficiency perspectives it has been experienced that the in-kind transfers was not successful to target the poor and work to alleviate the level of poverty amongst the poor and it could not break the intergenerational poverty in Egypt.

Why conditional cash transfer in Egypt? (Failure and Success)

1. Aspects of failure of the in-kind support

The failure of the in-kind comes from different aspects some of which are “When policymakers intervene to set prices that are different from the marginal social benefit or marginal social cost, as occurs in the case of in-kind transfer schemes, resources will be used inefficiently” (Blackorby, 1998). The intention of any government from in-kind transfer is to let people consume more than they would under market determined prices, however the inefficiency cited in the previous statement means that in-kind transfers are ill-suited in conditions of resource scarcity to give the maximum benefit from using these resources.

Another aspect is that in-kind transfer not only affects subsidized good prices but also influences the market price of nonsubsidized goods. This happens when producer of subsidized goods gain because they get the subsidized goods by lower prices from household and other nonsubsidized goods prices can't compete because it is not profitable enough for traders when compared to trading of subsidized goods in black-markets. Finally, and from a control

perspective the in-kind transfer failed to target only the poor (Eligibility) and the subsidy goes to both poor and non-poor families which influence the effectiveness of in-kind transfer programs. This occurred because the in-kind transfer programs did not have adequate controls and procedure to guarantee that only the poor families , will benefit from the program, assuming that it is directed to the poor only rather than the whole population,.

In-kind transfer led to an excess burden on taxpayers because the cost of the subsidy is greater than the value of the benefit received by the transfer recipient” (Raghbendra, 1995). This is known economically as deadweight loss where the cost paid by the funders, usually taxpayers, for in-kind subsidy, exceeds the benefits (going to the poor). The traditional social insurance programs received many critics that everyone can benefit from current subsidy system and because it lacks adequate monitoring, most of it goes to non-poor. On the other hand we can see that CCT experiments ensured that most of those who need assistance actually receive it.

2. Aspects of success of conditional cash transfer

Based on similarly disappointing outcomes from in-kind subsidy schemes elsewhere, alternative poverty alleviation programs emerged, notably “Conditional Cash Transfer” (CCT). According to the World Bank, "Conditional cash transfers provide money directly to poor families via a “social contract” with the beneficiaries – for example, sending children to school regularly or bringing them to health centers. For extremely poor families, cash provides emergency assistance, while the conditionalities promote longer-term investments in human capital." (Nigenda, 2005)

Conditional cash transfer (CCT) programs are increasingly perceived as an effective tool for poverty alleviation. CCT programs have been highly successful in Latin American countries,

and are increasingly perceived as a “magic bullet” for poverty reduction, according to the World Bank.

The Implementation of cash transfers in both developed and developing countries showed successful experiments especially that most of the traditional social insurance programs have failed to reduce poverty. Conditional cash transfer (CCT), placed itself as an important tool in the social safety nets because it started with the initiation to “provide recipients with greater freedom of choice and give recipients a higher level of satisfaction at any given level of income than is the case with in-kind transfers” (Hyman, 1999)

Well-known programs that follow this approach include (Opportunities) in Mexico, Bolsa Escola (School Allowance welfare program) and Bolsa Familia (Family allowance welfare program) in Brazil, Red Protection Social program in Nicaragua, Program for Assisting Poor Families in Honduras, Program of Advancement through Health and Education in Jamaica, Food-for-Education (FFE) in Bangladesh, and Subsidio Unico Familiar (Subsidize Poor Families) in Chile (de Janvry and Sadoulet 2006) . Most of these programs prove ability to break the intergenerational poverty and helps in increasing number of children educated and enhancing the health conditions of poor families.

Conditional Cash Transfer (CCT) Characteristics

➤ Conditional Cash Transfers: a Global Perspective

The transfer is a resource that allows families to access health and educational services at less of a burden. Although CCT programs are controversial in terms of the necessity of conditions and their efficacy in impacting some aspects of poverty, they have largely shown to be successful in alleviating health and education burdens, and since the 1990s, have been applied in dozens of countries around the world (Lagarde, 2007). CCT programs are suitable for middle-income countries with expansive infrastructure, like Egypt, due to the conditionalities requiring families to access health and educational services. Additionally, CCTs can be adjusted to fit the context in which they are applied: by changing targeting mechanisms, amounts transferred conditions, or method of transfer.

Several characteristics for the implementation of CCT generate benefits beyond those available in simple subsidy programs. First CCT programs target the poor and address gender bias, since the transfer usually goes to the female heading the family¹. Second, it builds human capital by requiring school attendance, food nutrition, and health checkups. Third, the level of cash transferred varies with the size of the family, number of children and their age and gender. For example, the amount of cash to secondary student may be greater than those for primary school because adolescent children are expected to have higher opportunity cost of attending school, particularly for poor families.

¹ For instance, Brazil's Bolsa Escola transferred monthly payments to poor households with children aged 6–

Most of the literature on CCT pointed out that in order to apply the conditionality on the cash and guarantee positive application of CCT, it is essential to ensure that the supply of social services for education and health is enough and able to match the demand of the beneficiaries. The prerequisites of implementing a successful CCT could be reconciled by providing schools, hospitals, teachers, medical staff, management information system, and banking system and postal offices.

According to the Asian Development Bank (ADB, 2008), the success of CCT programs in some countries is no guarantee that they can be reproduced in others with the same performance. For instance, in many developing countries, children, particularly in rural areas, face supply-related problems, i.e., there are not enough schools, classrooms, or teachers to offer adequate education to those who need or want them. In such circumstances, pouring resources into a CCT program may not be able to achieve the educational objective. Thus, in low-income countries with limited social service infrastructure, CCT programs should integrate demand-side with supply-side issues in order to avoid policy inconsistency and resource wastage (Hyun, 2008).

Egypt from piloting to large scale implementation of CCT

In this section the study discusses the experience with CCT in Egypt, including:

➤ **Egypt from piloting to scale up implementation of CCT**

The Egyptian government through implementation of different social policies and economic reforms has tried to achieve social justice and fighting the poverty. After the successful implementation of CCT programs in different countries around the world, Egyptian government represented by MOSS and MOF in cooperation with SRC decided to go through CCT experiment beside the other current social policies and programs in order to share its fruitful results. Experiments with conditional cash transfer program are being implemented in a slum in Cairo. The pilot program in the district of Ain El-Serra, under the administration of the Ministry of Social Solidarity aims at empowering women and alleviating poverty in one of the poorest areas within greater Cairo. SRC took initiative step and get an approval from the minister of social solidarity in Egypt, to apply a pilot study in partnership with the ministry.

The objective of the initial pilot project is to demonstrate a new approach that could shift social policies addressing urban poverty in Egypt to a more effective assistance model. Successful completion of the project may mark a departure from the existing government subsidy system to a comprehensive package that aims to empower families and break the cycle of dependency and poverty through improving their capabilities for self-reliance. In this strategy, conditional cash-transfers allow families to meet their basic needs but greater emphasis is placed on training and services offered by experienced mentors, advocates and specialists to identify and eliminate the root causes which sustain poverty. After completing its piloting project, SRC and MOSS prepared different studies and analysis in order to evaluate this experiment and to

plan for another large scale project in Egypt, targeting more poor families in the poorest villages, in Upper Egypt (Sholakamy, Piloting CCT in Egypt, 2010)

➤ **Ain El-Serra Experiment² of Egypt, 2010:**

The Egyptian CCT Pilot is being applied in two stages: in the urban slum of Ain El-Serra, located in Cairo and in the governorates of Assiut and Sohag in Upper Egypt. The Ain El-Serra pilot is being conducted as a small scale study.

Program Indicators

In 2007, the SRC conducted a survey of the informal housing community in Ain El-Serra, to better understand what indicators for poverty would most suit the area. Based on this study, three indicators were selected:

- Families have at least one child under the age of 15
- Families experience crowding, defined as more than three people to a room
- Families have high health burden

Institutionalization In late 2008, MOSS formed a committee to head the Ain El-Serra program, and to liaise with the team at the Social Research Center. Additionally, in October 2008, the MOSS nominated social workers from Assiut, Sohag, and Ain El-Serra to participate in the CCT program. The SRC trained the social workers on social policy, the CCT Program, computer literacy, questionnaire development and application as well as on how to communicate

² This section based on Operational manual of piloting project in Ain El Serra-Egypt

with clients. Of the social workers participating, the SRC chose seven to participate in the Ain El-Serra pilot.

Simultaneously, in late 2008, focus group discussions were carried out with women and men from the area, to learn more about the specific needs with regards to women’s work, costs of child education, and health-seeking behavior. Based on this study, and reviews of other programs, the following conditionalities were determined to be effective, amenable to monitoring, and not burdensome to comply with:

Box 2: Conditionality of piloting program in Egypt

Component	Conditionalities
Education Raise the educational level reached by children	Children < 15 years: later on becomes less than eighteen <ul style="list-style-type: none"> ▪ Enrolled in school ▪ Attend min 85% of school days/ month
Health Improve health status and utilization of health services	<ul style="list-style-type: none"> ▪ Regular preventive care for children and adults ▪ Children to complete immunization schedule by age 24 months ▪ Pregnant women to attend Antenatal Care and Postnatal Care (ANC, PNC) and give birth in health facility ▪ Male and female adults to attend health education sessions

Egypt Human Development Report, 2005 stated the interest of the Egyptian Government on setting an intervention for alleviating poverty in the country (Sholakamy, Piloting a Conditional Cash Transfer in Egypt, 2010). In order to achieve this goal the Egyptian Ministry of Social Solidarity (MOSS) launched a geographical targeting program to reach the poorest

residents of the poorest 1000 villages. The MOSS then planned and partnered with the Social Research Center of the American University in Cairo (SRC) to pilot a new social policy program, a Conditional Cash Transfer, in 65 of these villages located in the rural Egyptian context of the governorates of Sohag and Assiut³.

The Upper Egypt piloting project, now in the preparatory phase, will provide CCT to more poor families in Sohag and Assiut, both governorates that suffer from high concentrations of poverty (according to the poverty maps presenting the most poor villages and locations in Egypt).

Challenges facing implementation of CCT programs in general:

In the context of the increasing prominence of conditional cash transfer and its existence in the agenda of many of the developing countries, there is an urgent need to analyze the challenges related to the implementation of CCT programs. Also, there should be recommendations and solutions to overcome the challenges, some of which are as follows:

- I. Political challenges
- II. Economic challenges
- III. Administrative challenges

³ 32 in Assiut and 33 in Sohag

I. Political Challenges:

Policy makers usually support the implementation of social protection programs, to win votes, especially those for the poor and middle income families, but they are always focusing on the short term where the election and re-election periods are in place. The willingness is coming where policy makers promise that if elected they will focus on improving economic conditions and address the problems of the poor as one of their main agenda.

Another aspect is that transfer programs without long-term political support provide little more than stopgap assistance. When programs frequently stop and start, this weakens the public's confidence in the security of future benefits and undermines incentives to pay contributions (for insurance based programs) or to vote for existing budget-financed programs (Grosh, 1995).

Another aspect of the political challenges is where few of policy makers intervene in the selection of the beneficiaries and decided to whom cash should be transferred or not. This interference in the determination of who is eligible may open other kinds of discriminations against ethnicity, minority, refugees, districts, and religions. Any of the previous political interference will guarantee a failure of any conditional cash transfer program. In many cases, social assistance programs are launched in the aftermath of a "crisis." When a crisis strikes, politicians inevitably demand an immediate response. This can lead to the introduction of programs that are expedient but poorly planned (Subbarao, 1997)

II. Economic Challenges:

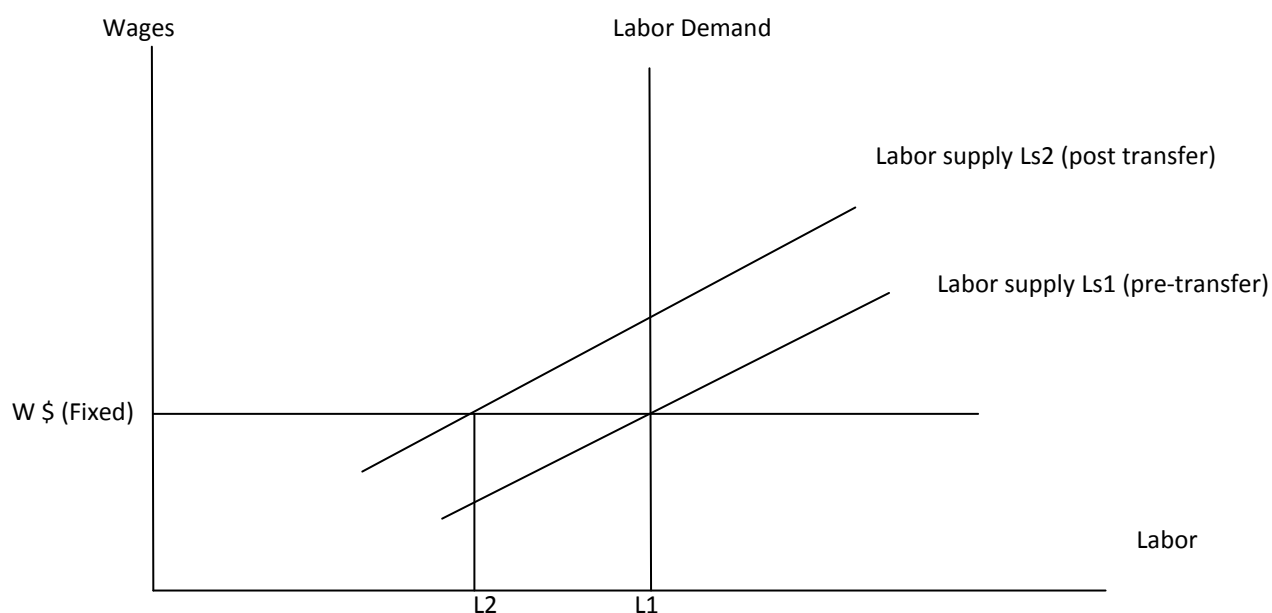
In order to break the intergenerational poverty, there should be clear understanding of the family's needs for utilities, education, and health. Without understanding how much a household could afford to get the commodities, to send their children to schools, and to receive healthcare, there is no hope to break the poverty cycle. Families need to understand that the purpose is that when their children have a better education and health, they will be able to earn better living, and will be better off compared to their parents. Studying the family from economic perspectives and verify their basic needs will assist in designing conditional cash transfer where all or part of those problem getting solved.

Usually cash transfers indexed to changes in the commodities prices, costs of living, or minimum level of wages. In case of inflation, the level of prices increases and following to that the index level increases which mean an increase of the cost of cash transfer. On the other hand, when the economy suffer from recession, more people tend to apply for cash transfer programs which put pressure on the outlay for cash transfer programs (Tanzi, 1997).

One of the most frequent complaints about both social insurance and social assistance in developing countries is that the sums provided are too small to eliminate poverty for the beneficiary groups (Van Ginneken, 1999.). This can be seen as a need to reconsider the amount of cash transferred. The value of the cash should provide reasonable value to people where they could be better off and less suffering from poverty and satisfy their basic needs.

Another key challenge for CCT is to balance the individual's need for assistance and their willingness to work while receiving cash payments. This dilemma is constructed from different factors such as the institutional characteristics of the labor market, the labor laws in effect, whether there are incentives to seek work and whether the incentives are strong enough, the labor taxes as well affecting the tendency of labor to work in regulated labor sectors or in the shadow economy (illustrated in Figure 3)

Figure 3: Labor Supply of the Poor and Transfers Cash



Source: (The World Bank, 2002)

“The labor supply curve of the transfer recipients shifts to the left, from Ls1 (pre-transfer) to Ls2 (post transfer) because they receive some income without working. The effect on employment depends on the nature of both labor demand and supply. If labor demand is perfectly inelastic (in other words, is not affected by the wage rate) and the wage rate is fixed, then employment falls from L1 to L2 with a maximum loss of output. It can be concluded that if the amount of cash transferred is not equal to the wages foregone, some families may still be

willing to keep their children in school and to reduce their labor somewhat". (The World Bank, 2002).

Presumably, all families will prefer the cash-plus-school option if the cash transferred is equal to or greater than the wage rate, and thus the labor supply will be more affected than is the case for lower payments. While this simplified model ignores important features of the labor market, it illustrates the risk that overly generous transfer programs will reduce employment".

III. Administration Challenges:

There are large administrative challenges facing the implementation of conditional cash transfer. As stated previously, the governmental capacity to provide services to the poor. There should a previously existing health, and education infrastructure and governmental personnel capacity in place.

Targeting the beneficiaries (eligibility) is one of the greatest administrative challenges in any conditional cash transfer programs. To do that, means tests and income tests are used to establish fair eligibility standards and criteria for cash distribution in developed countries but this method is difficult to apply accurately in developing countries and would likely exclude a large number of the poor. In addition, the selection criteria should be simple and understood by the poor because they may not apply if the procedures and criteria is complex.

Administrating the beneficiary data:

The need for strong management of information systems is very crucial before implementing CCT. Due to the inclusion in CCT of large payments of cash, leading to a need for

good cash management, it is very important to have information systems that are able to trace the eligible beneficiaries, keep track of their records, monitor the amount of cash transferred to each family, reduce the processing time for payments and reduce the opportunity for corruption. This situation gives rise to the need to use unique identification number for the beneficiaries such as the national ID numbers (“bitaqa”) amongst different social security programs, in order to avoid duplication in the process of providing the services to poor families. Allowing information sharing among the different MIS and different units within the government will reduce cost of operation and guarantee accurate data for planning and evaluation of social safety programs.

CHAPTER THREE: Methodology

Basic Aim of the Research

In order to address the research questions, this study is to conduct interviews, questionnaires, and focus group discussions which directed respectively to the CCT local consultants, global experts, and social workers in Egypt.

This study analyzed the standard contents and mechanisms of controls that were applied in the other countries' CCT programs and provide what could fit Egypt's context and constitute a proper control and accountability system. The following step examines the design of CCT from implementation standpoint and the implemented polices and procedure to guarantee that the program will target the poor and achieve adequate controls on both the administrative and financial perspectives. To do this, this study used the World Bank toolkit on tackling Error, Fraud, and Corruption as the basis for his research evaluation process at each of the CCT program stages eligibility, compliance to program conditionality, and cash disbursing to poor families.

The World Bank toolkit intent is to provide a concise but thorough resource for social protection practitioners on how to minimize error, fraud and corruption in their program(s). The World Bank in this toolkit provides a generic framework for combating EFC (Van Stolk, 2010), developed around four building blocks of prevention; detection; deterrence; and measurement. This study chooses measures of prevention, detection, and deterrence for combating EFC and excluded other measurement and monitoring since it is out of the scope of this research. The World Bank finds that it is useful to look at the EFC control strategies of developed countries.

These strategies tend to be the most comprehensive and evidence on their effectiveness exists. Developed countries' experience shows that reducing EFC is feasible and cost-effective

Other measures are added by this study to the list of measures surveyed and it was combined with those of the World Bank to introduce the list of measures that are surveyed in this research. The addition of these measures came from accounting and management principles that match accountability vs. responsibility. In this principle, this study has seen that, adding measures to make beneficiary, officials, and program staff accountable, would improve standards to reduce EFC in CCT programs.

This study is going to find which of the provided measures by the World Bank are implemented to mitigate EFC in the examined three stages and to which degree these measures could be implemented in Egypt. Further, the study is not only examining this, but also to introduce the other measures beside those of the World Bank and shed light on which would be most likely to work to avoid EFC in Egypt. The latter step covers different elements in order to evaluate the program plans, controls, checks and balances.

In summary, this study hypothesizes that other countries' successful application of mechanisms to control Error, Fraud, and Corruption could be useful and contribute to the implementation of CCT in Egypt. Successful cases of developing countries like Brazil, Mexico, Chile, and other countries might be worthy of emulation. In the next chapters the research will review and present different alternatives to filling the gaps of what Egypt has and what Egypt needs to control and protect the resources that are invested in its new CCT program.

The systematic qualitative assessment provides answers for the research questions and introduces a general set of recommendations to policy makers' and assessment of measures needed in the implementation of a CCT program in Egypt.

Design and data

This study is focuses on how to protect the conditional cash transfer in Egypt from Error, Fraud, and Corruption. Since the program is in its first phases and not matured enough, the examination of controls systems are very crucial and will benefit all the interested parties in the CCT program not only in Egypt but also for other countries that wish to implement such social welfare programs. Any system has its own components. The main components of the conditional cash transfer system could be presented as follows:

Government (G): Government needs to achieve some goals from implementing CCT and in order to achieve those goals, it employs its capacity to support the program in forms of planning, financing , implementing, monitoring, and using outputs in adjusting the plans . The implementation of CCT program in Egypt is presented under Egypt's Ministry of Social Solidarity (MOSS). MOSS is piloting the CCT in rural areas of Upper Egypt to test whether this innovative social protection program is an appropriate, effective and empowering tool within the Egyptian context. The outcomes of the two year pilot will inform the Government's decision on scaling-up to a nationwide level.

Poor Families (F): The poor families in villages of Sohag and Assiut governorates in Upper Egypt represent the customers that the government needs to serve. The main goal is to provide

those families with adequate capability and access to education, health services, and nutrition. On the other side, poor families need to do certain behavior as partners to ensure the success of the program and break the cycle of poverty.

Conditional Cash Transfer (CCT): This represents the program as a standalone unit that has its own design, policies, regulations, and operation. The cash transfers will be financed by the MOSS and the research expenses by the Social Research Center (SRC) grants. Implementation in the field will be executed by MOSS social workers that will receive additional training and supervision by SRC. The conditionality is coming from the enforced actions or behavior that should be followed by poor families in order to get the cash. Cash is transferred once the conditionality is met.

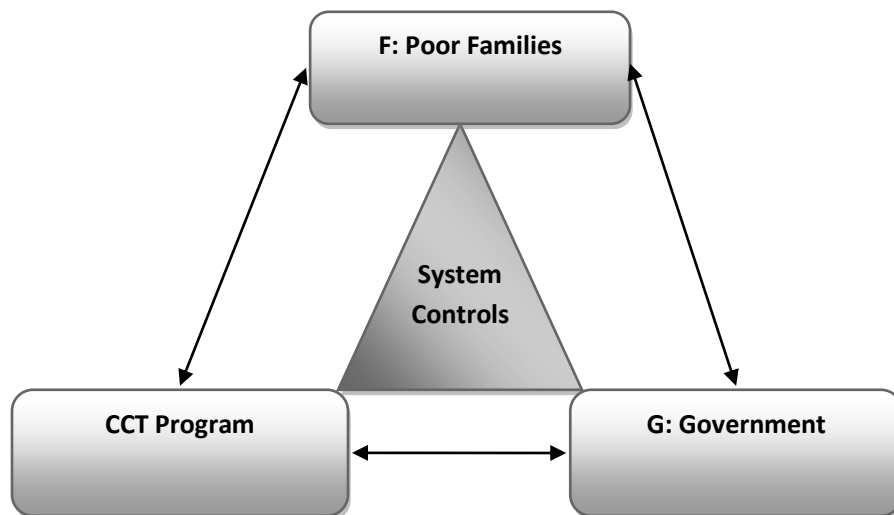
The three elements present the system or environment where the CCT is implemented. There is a large flow of resources that are moving from government to CCT program and finally ends to poor families. Because CCT includes transfers of large amounts of money and other public resources, there is the risk that these resources will not reach the intended beneficiaries. The risk may include intervention by some or all of the following risks factors; errors, fraud, and corruption. There is no guarantee that the interaction between the elements will produce the desired results unless there is a proper control mechanism.

Triangle Approach

The system could be presented in the form of triangle. This approach provides a triangle with three angles; each angle presents one of the system's three main elements; G, F, and CCT. The components of any system cannot work by its own without interacting with one another. The interaction between the elements may take one of the following forms:

- Interaction between G and F:
- Interaction between F and CCT:
- Interaction between CCT and G:

Figure 4: Triangle approach of CCT parties



A risk comes in absence of adequate controls on these interactions. Different forms of risk comes through the interaction process as described below

Risk at the interaction between G and F:

Risk of **Error**: This type of risk is related to eligibility of poor families, where the Government falls in an unintentional violation of the program rules, inclusion (to ineligible) or exclusion errors (of eligible) beneficiaries, transfer of cash methodology, and non effective validation system.

System errors: This includes the failure of payment system, failure of IT systems, problematic information management, and inadequate monitoring or reporting procedures

Risk at the interaction between F and CCT:

Two types of risks related to compliance (met the eligibility) come here;

Fraud: when families intentionally abuse the program. This could happen when families provide a false statement, risk of collusion, conceal or distort their relevant information especially the information regarding program eligibility (number of rooms, number of children, sources of income.etc) and compliance with the conditions.

Corruption: when program staff intentionally abuse the system rules for their own or others' benefits. Corruption here involves manipulation of beneficiary rosters (maybe for political reasons), receiving illegal payments or benefits from other parties, transfer of funds to nonexistent persons or illegal channels.

Risk at the interaction between CCT and G:

Risks are many some of which are government **errors**, such as inability to secure; management of funds, the disbursement of cash, which will be discussed thoroughly in this research, provide transparent criteria for eligibility where it is set clearly who is eligible and who is not. Also, errors may come from override internal controls or breakdown.

Program staff **corruption**, such as when program staff is involved in manipulation of the controls set by the government to achieve self interest (receiving illegal payment, or diverting payments to ghost beneficiaries). Monitoring, managing the large amounts of information, and finally the most important, from standpoint of EFC, ensuring existence of mechanisms of financial management and auditing.

Fraud as a result of the complexity of the social protection system: This includes cross-jurisdictional claims and complexity of rules and regulations

The assessment of system administration and financial controls and its ability to avoid errors, fraud, and corruption will reveal how effective the system is. Therefore, in this study, the research tools to make an assessment of the effective administration and financial controls and their ability to protect the system from EFC, will be used.

It may be that this research cannot cover and assess the whole scope of the risks around the implementation of CCT in Egypt due to the limitation of resources and time but the research will focus on the most important ones that must be addressed for the integrity of the program.

Method of Obtaining Information for the Data Items

The methods of obtaining information for such data items were the distribution of two types: (questionnaires and focus group discussion). The first type of questionnaires directed to global experts and local social workers in Egypt piloting program. It was modified to ask about respondent's background and program back ground. This modification to the expert questionnaire added more value to the other data collected about mitigation mechanisms of error, fraud, and corruption at the program three stages. Additional modification related to removal of repetitive meaning, phrasing, and those questions that looks very technical such those about auditing and accounting activities. Also, the questionnaire has been tested with one of Egypt's expertise in terms of language and adequate timing. The expert questionnaire divided into four sections:

Section A: Respondent Background characteristics

Section B: Program Background characteristics

Section C: program eligibility Criteria: 12 eligibility criteria have been used to test the complexity of eligibility criteria at different countries and its impact on the measures to mitigate EFC in CCT.

Section D: Measures that have been used to discourage error, fraud, and corruption in CCT programs at each of the following stages

- Deterrence: Seven measures to deter EFC in CCT
- Eligibility: cover the following measures:

1. Five measures to prevent EFC
 2. Four measures to detect EFC
- Compliance to program conditionality
 1. Five measures to prevent EFC
 2. Eight measures to detect EFC
 - Cash disbursement
 1. Three measures to prevent EFC
 2. Seven measures to detect

Survey-monkey website used to serve this type of questionnaire since it is easy and familiar to experts. Also, it is easy to analyze and extract the data from it.

The second type is interviews and focus group discussion directed to social workers whom served in Egypt local piloting project in Ain El-Serra. Since the pilot project in its early phases and were covering small number of beneficiary, the interview and focus group discussion are seeking social workers point of views on how best to implement conditional cash transfer programs in Egypt in the future on a larger scale focusing on mechanisms to mitigate error, fraud, and corruption, based on the experience in the pilot project, their professional knowledge, and to the best of their ability.

Method of Data Collection

Interviews:

In the preliminary research phase, interviews have been conducted by this study with experts from social research center at the American university in Cairo, besides expert from UNICEF- monitoring and evaluation unit in Cairo. I interviewed those experts as the topic needs expert matter persons in order to transfer the knowledge they get from the field and to get their advice based on their experience and knowledge about the Egyptian context.

Questionnaires:

The standard measures to mitigate EFC, have been taken from the World Bank paper on tackling EFC (Van Stolk, 2010) and have been used in the research surveyed questionnaire

The study of the previous country experiments that was previously introduced created a relationship between their pioneer experiments as “best practices”, which inspired other countries like Egypt to follow their experiences, and our expectation behind the implementation of same programs. It was also chosen since it was composed of simple phrases that could easily be translated to the Arabic language without causing confusion.

Providing another version of questionnaire to social workers who served at piloting local CCT program was very helpful. In addition, a focus group discussion was held with the social workers who worked in the Ain El-Serra pilot project to explore their future visions on how to improve CCT program in Egypt regarding EFC measures. Two job classes were involved in the focus group: program administrative director and five social workers.

The method of data collection depended on self-administered surveys; almost 40 measures are primarily distributed through online survey-monkey. This distribution method was chosen to ensure higher response rate and increased cooperation on the part of respondents, as well as the ability to choose participants that exactly fit the parameters of interest. However, this targeting was in no way biased or planned in advance.

Focus group discussion

The focus groups were conducted a few hours after the questionnaire to allow the participant's time to reflect on the topic. They were all conducted by this study to control for any differences that might occur. The focus groups were conducted using pre-specified questions that were prepared based on the global experts' responses to the expert questionnaire version.

Finally, the proposed recommendations and actions that have to be taken to improve the implementation of CCT program and achieve the required goals are presented and discussed from point of whether they are consistent with Egyptian law and procedures.

Emailing

Emailing global experts following to the questionnaire on their views of common risks of error, fraud, and corruption in CCT and their vision on how to mitigate such risks are obtained thorough e-mailing two questions serving these purpose. This methodology added valuable inputs from experts worked as consultants for CCT programs in other countries. The questions were as follows:

- Please tell me from your own perspective; what are the most famous causes for error, fraud, and corruption in CCT program?
- What is the most workable measure to mitigate error, fraud, and corruption in CCT program?

CHAPTER FOUR: Description of Data Collected

The research samples are directed to two main groups:

- Global experts and program managers from around the world countries such as Mexico, Brazil, Chile, other countries.
- Local experts from researchers, consultants, officials, and social workers who worked in piloting of CCT program in Egypt.

The research sample of global expert persons is limited but representative, it depends on expert matter from different programs and organizations. The questionnaire is distributed to more than 250 expert, consultant, program director, field worker, donors.etc, received 54 respond of which are 32 completed.

The research sample of local social workers (group of six persons and a head), presents 100 Percent of social workers worked in piloting in Ain El-Serra project. The social workers were not told that this was a study on fraud and corruption so as not to bias the results. Both questionnaires that were used composed of almost 40 questions excluding data on the respondent's background, program background, and eligibility criteria that was used. Questions regarding respondent's background and program background were seen as necessary group the sample within the same pattern of experience and background and find what the distribution of these groupings is.

A pretesting of the questionnaire was done on local expert in CCT and local social worker whom fit the parameters of interest, but no significant changes were made. The survey was done by using survey-monkey for global experts and visiting the local social workers at their local social unit in Ain El-Serra and it took around one month to collect the data required.

Each data item was assigned a specific number of questions included in the scoring sheet (Appendix 1 and Appendix 2) and respondents were asked to rate the measures of mitigating error, fraud, and corruption on an ordinal scale by giving their choice to one of the following answers:

- The measure is not used (Score of one has been assigned to this answer)
- The measure is used and was highly effective (Score of five has been assigned to this answer)
- The measure is used and somewhat effective (Score of four has been assigned to this answer)
- The measure is used with low level of effectiveness (Score of three has been assigned to this answer)
- The measure is used and not effective at all (Score of two has been assigned to this answer)
- Don't know/ Not sure (Score of Zero has been assigned to this answer)

Following the directions of the original questionnaire scoring key, answers were given scores of 0 to 5 that were later re-coded by multiplying the standard score of each choice by the total number of participants who chose this answer. To group respondents into high and low categories, those in the high category were respondents who answered “used and high effective” or “used and somewhat effective” , while those in the low category answered “used with low level of effectiveness” or “used and was not effective at all.” Answers of

“Not sure/ don’t Know” were excluded in subsequent analysis. This grouping was done due to the ordinal nature of the data.

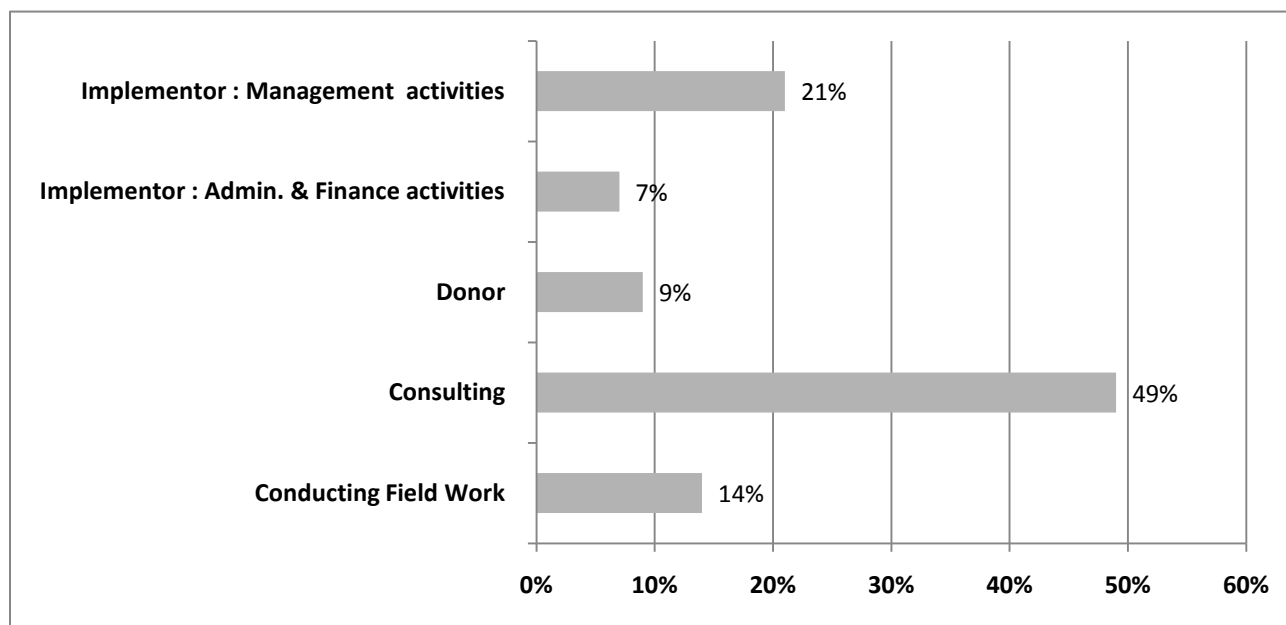
To identify the significant correlation, this study looked to the table of correlation coefficient at degree of freedom: $df = n-2$ (where n the number of surveyed experts), and level of significance= 0.05. The result is a value of correlation coefficient equal to .349. That means, if the absolute value of the correlation coefficient were less than .349, there is not a statistically significant correlation between provided measures and if it exceeds .349, it is assumed to have significance correlation between the two tested measures. This principle will be applied through the whole statistical analysis in this research.

To answer the research question/s, the research worked on the successful implemented financial and administrative elements in global countries that implemented CCT program. **To answer the sub-questions**, the research is worked on two separate sections for assessments. The **first section** is for the administrative elements, and it discusses avoiding EFC risks at stages of Eligibility and Compliance. The **second section** is for the financial elements, and it discusses avoiding EFC risks at Cash Disbursement. Each of which covered in the assessment process and how it impacts the program.

Respondents Background Characteristics: (covered by questions from Q # 1 to Q # 5)

The sample obtained was composed of 40% female respondents and 60% male respondents, most of whom (41% of participants) were between the ages of 35 and 55. Survey respondents broken down according to their experience with CCT programs activities are as follows:

Figure 5: Respondents distribution by activities



Translating these activities into job title of the participants and their role in the CCT program shows that the surveying was directed to a variety of experts from different backgrounds which enriched the inputs and added value to the analysis. Some of the participants job titles are; Monitoring and Evaluation Manager, Policy Specialist, Associate Professor, Director of Operations, Health Sector Consultant, officer in the national Social Cabinet, international consultant, Researchers, General Director Programming and Budget, Ministry of Finance. Full list of survey participants job titles, and role in the program presented in Appendix 3, and Appendix 4 respectively.

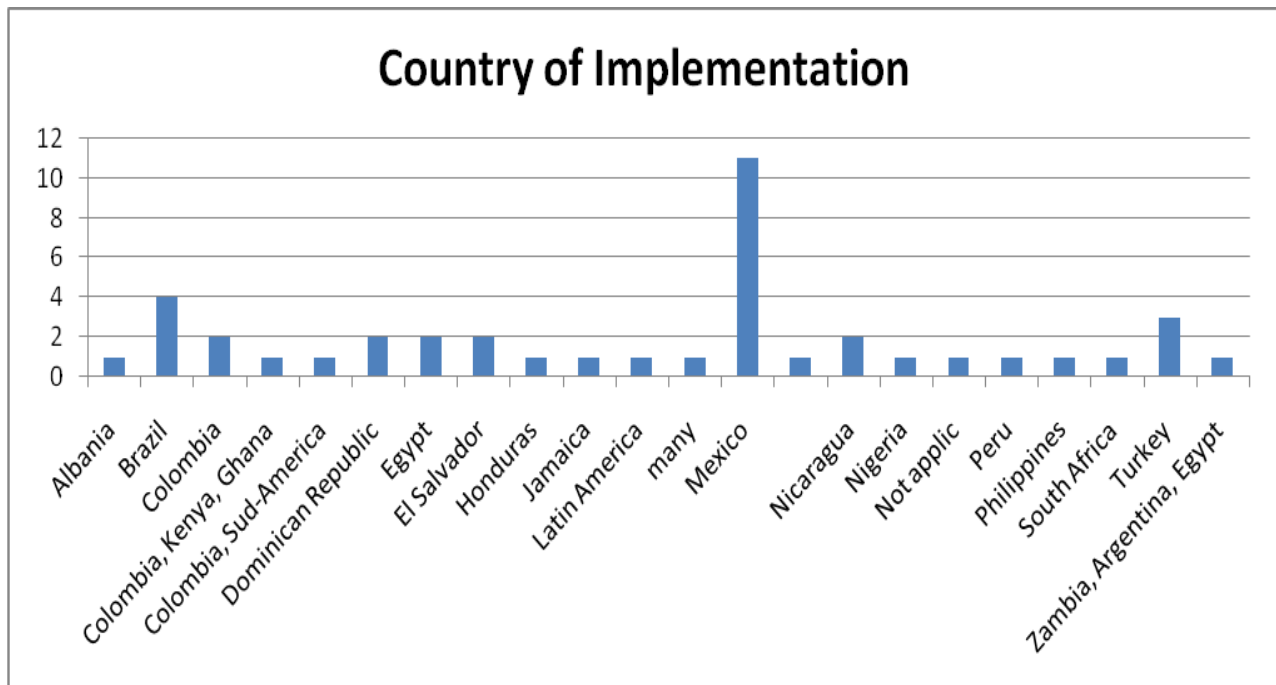
Program Background Characteristics: (covered by questions from Q # 6 to Q # 9)

Country of implementation

The respondents represented a variety of geographical areas where CCT programs have been implemented. This variety provided the different contexts of implemented controls in CCT programs. These geographical areas grouped and used in the data analysis to see whether cross sectional analysis of the applied mechanisms of control could provide information on patterns of applications and level of maturity on EFC controls.

From the below graph, although the survey has been distributed to various experts around the world, we can conclude that the majority of respondents are form Mexico, Brazil and Turkey. This may refer to level of transparency and maturity in these programs and real willingness from these program experts to share their experience and results with the rest of the world.

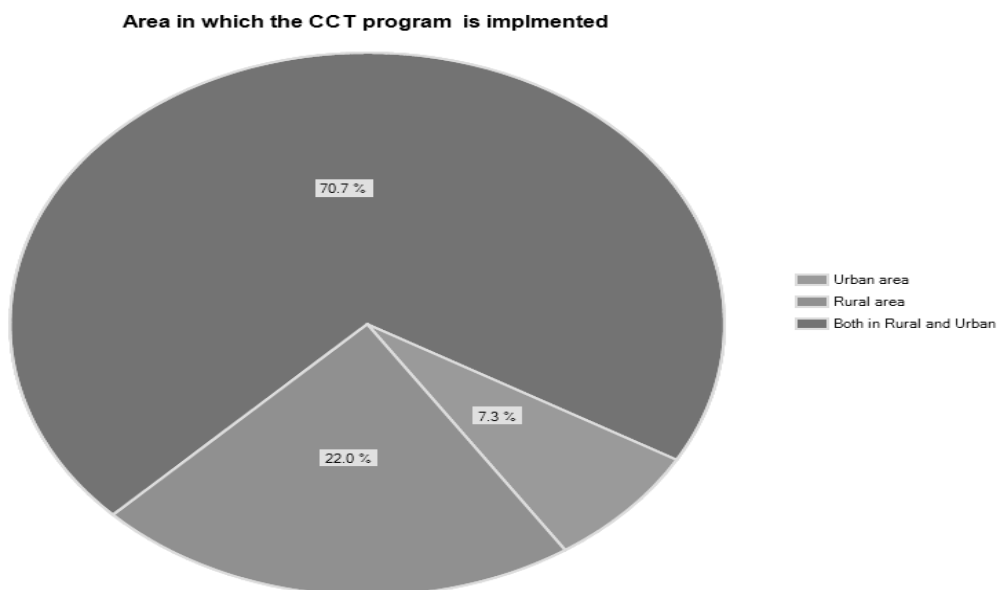
Figure 6: Respondents categories by country of implementation



Area in which the CCT program is implemented

72 Percent provided that the program is implemented in both rural and urban areas, 20 Percent in rural areas only and only 8Percent provides that CCT is implemented in urban areas only.

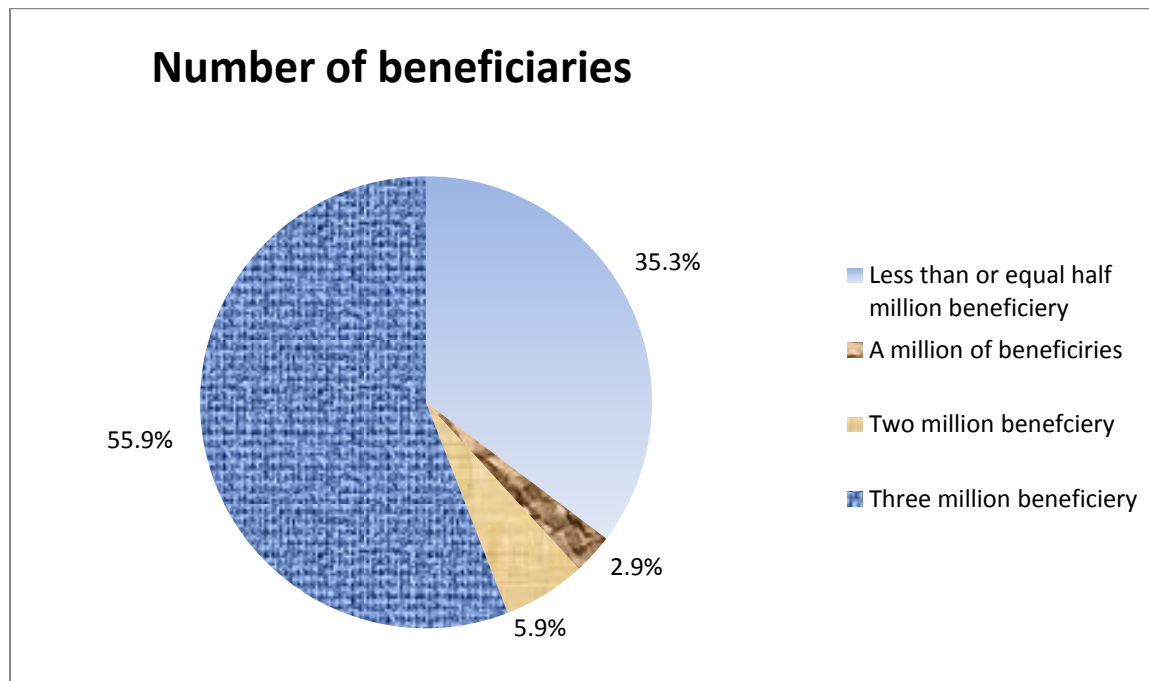
Figure 7: Respondents categories by area of implementation



Total number of beneficiaries covered by the program

The number of beneficiary was very important characteristic because it tells us how the applied controls worked in countries with large number of beneficiaries. 56Percent of the survey participants provided their responses on EFC controls in countries with more than three million beneficiaries including some (5 countries) up to 50 million beneficiary, 35Percent with less than half million, 3Percent falls between .5 and 1 million, and 6Percent reported that 2 million beneficiary

Figure 8: Number of beneficiaries household covered by the program



“Summary about Conditional Cash Transfer Programs in some countries are provided in Appendix 5”

Research Limits:

Subject limits:

1. The limited published papers about the implemented pilot program in Egypt, most of the published sources are in forms of presentation, slides, newspapers articles, and little from official sources.
2. The challenge and risk beneath a comparison of two different programs being implemented in different environments, program level of maturity, geography, timing, political, and economic conditions.
3. The information from developing countries is scarcer, as only few programs and countries have taken measures to combat and/or measure the incidence of EFC

4. The implementation of the CCT in Egypt still in its early phases
5. As well the subject of this research is new to Egypt and still not matured; thus this study faced some sensitivity in discussing EFC. This sensitivity caused some difficulties in gathering full details and information about the mechanisms, financial and control polices (Lawaaeeh') that are already prepared but not yet published.
6. Limited access to data through governmental and official employee from MOSS and MOF.
7. The analysis of data collected is limited to data gathered from global program expertise and social workers working in Egyptian piloting program in Ain El-Serra.
8. Local social workers pointed their views on mechanisms to mitigate error, fraud, and corruption, based on their experience in the pilot project, their professional knowledge, and to the best of their ability.

CHAPTER FIVE: Analysis of Data

In this chapter, the results obtained from the questionnaires, interviews, e-mails, and the focus groups are reported. They are organized in a question-answer format, where the results obtained from each question are reported with the aid of some illustrative charts. The results are divided into three sections:

1. Questionnaire, which includes the results obtained from two sources ; the experts and social workers
2. Focus Groups, which includes the results obtained from the focus group discussion with local social workers
3. Emails received form CCT experts viewing their visions on risks of EFC and visions on how to mitigate these risks.

The data derived from questionnaires analyzed through use of MS-Excel (Add-in) data analysis functions. Variables were described in terms of frequency and percentage. The tests conducted included correlation analysis to examine the relationship between provided measures to control EFC in CCT programs. In addition, the descriptive statistics such as mean values is used.

Examining of eligibility criteria that was used into CCT programs (global Vs local context) Covered by questions from Q# 10 to Q# 21

This study main goal in comparing the eligibility criteria that was used in global CCT programs, and compare it with same criteria that was used in Egypt is to determine whether Egypt can benefit from other countries experience on setting eligibility criteria to avoid targeting error.

According to the World Bank “The extent of targeting errors indicates whether the program achieves its (poverty alleviation) objective or not. These errors may be due to program design (when, for administrative feasibility, the program uses imperfect poverty proxies to identify poor beneficiaries) and to program implementation (when eligibility decisions diverge from the program rules). The later errors are, in turn, due to error, fraud or corruption” (Toolkit on Tackling Error, Fraud and Corruption in Social Protection Programs, 2010)

The input from both global experts and Egypt local social workers on the questions on whether any of the following eligibility criteria have been used or not, can be explored in the following schedule:

Schedule A: Comparison of used eligibility criteria between global experts vs. Egypt Piloting CCT

Eligibility criteria	Global experts		Egypt – Piloting CCT project of Ain El-Serra	
	Used	Not Used	Used	Not Used
Eligibility criteria description				
dwelling unit size / number of rooms	28 %	72%	100%	
Number of people per room (crowding)	29.0%	71.0%	100%	
Marital status of the household	25.0%	75.0%	20%	80%
Whether a family has	90.0%	10.0%	100%	

children less than 18 years of age				
Whether any of the household head has a health burden	25.0%	75.0%	100%	
Whether household head is working	39%	61%		100%
Whether there is a social security payment received by household	37.0%	63.0%	100%	
Was there an accessibility of the household to social protection schemes	41%	59%		100%
Whether the family has child labor	15%	85%		100%

The above schedule show the eligibility criteria that was used in different CCT programs around the world and those criteria that was used in Egypt piloting CCT program. The use of the housing indicators (dwelling / number of rooms, the crowding per room), was considered one of the eligibility criteria in Ain El-Serra piloting project. Also, the criterion of whether the household suffers from a health burden was used, and both criteria's are somewhat different from global practice. This may explained in that the Egyptian programs is at early

implementation phase (still a pilot) and may be different when scaled up. In addition, this approach may suit the Egyptian context in geographical areas such as Ain El-Serra.

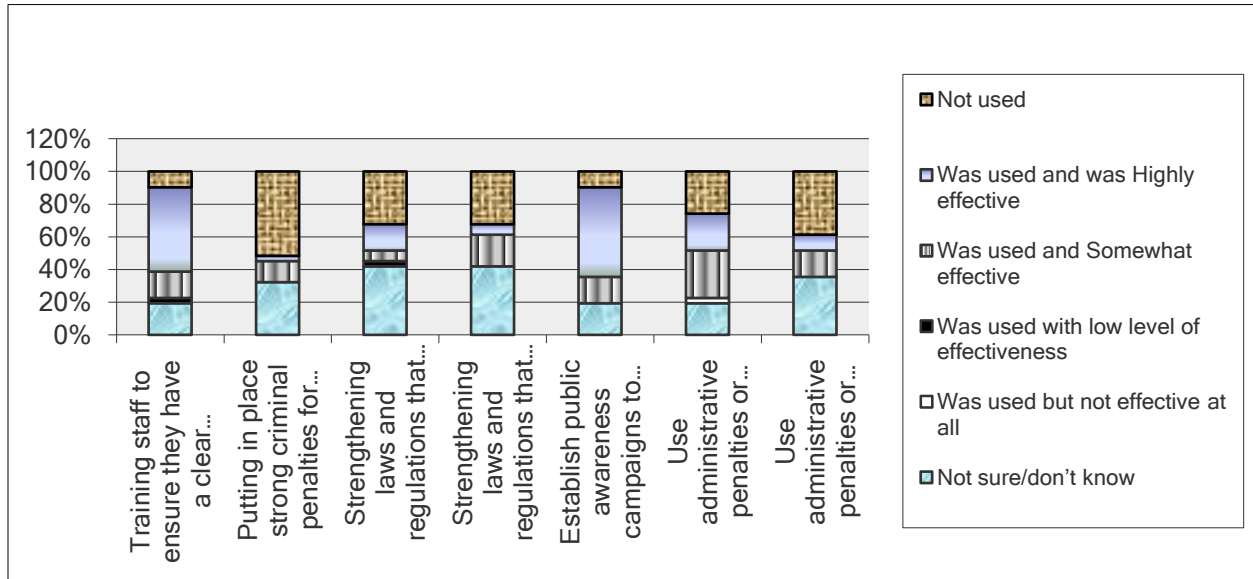
Some of the global experts provided that they have used other eligibility criteria that are formed by 17 variables to categorize households socioeconomically, and then targeting specific households. Others provided methods like number of school-age children, whether the household has a dirt floor, and whether the family has a car and other appliances (refrigerator). Another programs uses proxy means test that includes many variables of demographic characteristics of the family, education, labor participation and income of family

In general, to avoid targeting error where poor families may be excluded from the program, the eligibility criteria should be simple and understood by families. The simplicity of eligibility criteria will reduce the targeting errors and support the program efforts to avoid fraud action by non eligible families who try to gain access to the program benefits.

Examining of deterrence measures applied into CCT programs Covered by questions # 22

Under this section, program use of seven possible measures to deter and discourage EFC in CCT program was explored. Possible answers included that the measure was not used, was used with different degrees of effectiveness (Highly effective, somewhat effective, low level of effectiveness, not effective at all), or was unknown to the respondent.

Figure 9: Deterrence measures used in CCT programs



The **descriptive analysis** of data set shows the following (Appendix # 6)

- The measure “**Establish public awareness campaigns to ensure beneficiaries and community members understand how the program will deter fraud and corruption**” has got support by most of CCT program experts since it was used with high effectiveness and got a high score of 58Percent.
- However, the measure of “**Training staff to ensure they have a clear understanding of what constitutes error, fraud, and corruption**” came in the second level of preferences and it was scored 55Percent as it was used with high effectiveness.
- On the third level of scoring the measure of “**Use administrative penalties or formal cautions directed to clients who provide incorrect compliance information**” with

only 31Percent of the respondents confirmed that it was used and somewhat effective to mitigate EFC.

- A low scoring are recorded for the following measures :
- **Putting in place strong criminal penalties for fraudulent actions by program staff or beneficiaries ;**
52 Percent not using this measure compared to only 3Percent use this with high effective and 15Percent using it with somewhat effective
 - **Strengthening laws and regulations that govern punishment for fraud or corruption by beneficiaries;**
33 Percent not using this measure compared to only 15Percent use this with high effective and 6Percent using it with somewhat effective
 - **Strengthening laws and regulations that govern punishment for fraud or corruption by program officials;** 33 Percent not using this measure compared to only 6Percent use this with high effective and 21Percent using it with somewhat effective
 - **Use administrative penalties or formal cautions directed to school officials who provide incorrect compliance;** 27 Percent not using this measure compared to only 21Percent use this with high effective and 30Percent using it with somewhat effective

The previous measures are scored as not used measures in most countries except in the older programs such as Brazil and Mexico where these programs tend to use these measures at a higher rate. , Other reasons of not using such measures might include social or political unacceptability of punishing these people, or fear of losing the cooperation of school officials or others needed for the program to succeed.

Furthermore, and according to the World Bank toolkit to control EFC report; “the deterrence controls in general “underutilized” in developing countries CCT programs. The reasons of underutilization vary, some because of lack of laws and regulations of overpayment cases, and the absence of clear definition of fraud in social security systems”. Further investigation may be requested to stand for reasons of not using such measures”.

Table 1: Descriptive analysis of deterrence measures

	Training staff to ensure they have a clear understanding of what constitutes error, fraud, and corruption	Putting in place strong criminal penalties for fraudulent actions by program staff or beneficiaries	Strengthening laws and regulations that govern punishment for fraud or corruption by beneficiaries	Strengthening laws and regulations that govern punishment for fraud or corruption by program officials	Establish public awareness to ensure beneficiaries understand how the program will deter fraud and corruption	Use administrative penalties directed to clients who provide incorrect compliance information.	Use administrative penalties or formal cautions directed to school officials who provide incorrect compliance
Mean	3.52	1.27	1.42	1.48	3.58	2.61	1.52
Median	5.00	1.00	1.00	1.00	5.00	4.00	1.00
Mode	5.00	1.00	-	-	5.00	4.00	1.00
Sum	116.00	42.00	47.00	49.00	118.00	86.00	50.00

Table 2: Correlation analysis between deterrence measures

Deterrence measures	Training staff to ensure they have a clear understanding of what constitutes error, fraud, and corruption	Putting in place strong criminal penalties for fraudulent actions by program staff or beneficiaries	Strengthening laws and regulations that govern punishment for fraud or corruption by beneficiaries	Strengthening laws and regulations that govern punishment for fraud or corruption by program officials	Establish public awareness campaigns to ensure beneficiaries and community members understand how the program will deter fraud and corruption	Use administrative penalties or formal cautions directed to clients who provide incorrect compliance information.	Use administrative penalties or formal cautions directed to school officials who provide incorrect compliance
Training staff to ensure clear understanding of what constitutes EFC	1.00						
Putting criminal penalties for fraudulent actions by program staff	0.33	1.00					
Strengthening laws and regulations for FC by beneficiaries	0.26	0.36	1.00				
Strengthening laws and regulations for FC by program officials	0.40	0.66	0.68	1.00			
Establish public awareness campaigns to ensure full-understanding on how to deter FC	0.73	0.12	0.33	0.20	1.00		
Use administrative penalties or formal cautions on who provide incorrect compliance info.	0.24	0.31	0.26	0.34	0.37	1.00	
Use administrative penalties to school officials who provide incorrect compliance	0.36	0.28	0.41	0.49	0.35	0.25	1.00

Correlation and descriptive statistical analysis are conducted on the seven measures showed a positive relationship as follows:

- A significant correlation exist between **“Training staff to ensure they have a clear understanding of what constitutes error, fraud, and corruption”** which tend to be paired with higher scores on the other measure to establish **“public awareness campaigns to ensure beneficiaries and community members understand how the program will deter fraud and corruption”**. This indicate that CCT programs tend to train its staff on understanding what are EFC and as well works on the second dimension which is public awareness. From the data set, this might be considered one of the strategies that commonly used in CCT. Many programs in Mexico, Brazil, Philippines, El Salvador, and Egypt combined both measures as effective measures to mitigate EFC in CCT programs.
- The mean value of the above correlated measures shows that the two measures are the most commonly used that describe program tendency in using deterrence mechanisms in CCT programs.
- Also, an indication of significance correlation between the measure of **“Putting in place strong criminal penalties for fraudulent actions by program staff or beneficiaries”** and its relation to the other two measures; **“Strengthening laws and**

regulations that govern punishment for fraud or corruption by program officials” and “Strengthening laws and regulations that govern punishment for fraud or corruption by beneficiaries”

Although these measures were not supported by most of the surveyed countries but they have significance correlation since they are all dealing with regulation and putting in place accountability action toward EFC actions.

This could be explained in the context of countries that are old in implementing CCT like Mexico and Brazil since those are the countries implementing these measures. For other countries that are not using these measures , this could refer to lack of laws and regulations that govern EFC in social protection programs, or it could be that they prefer not to use these measures for policy reasons.

Examining of measures that have been used to prevent EFC at eligibility stage Covered by questions # 23

Under this section five measures to prevent EFC in CCT program at eligibility stage. The following measures are used with high effectiveness to prevent CCT programs from EFC:

Figure 10: Preventive measures used at eligibility stage

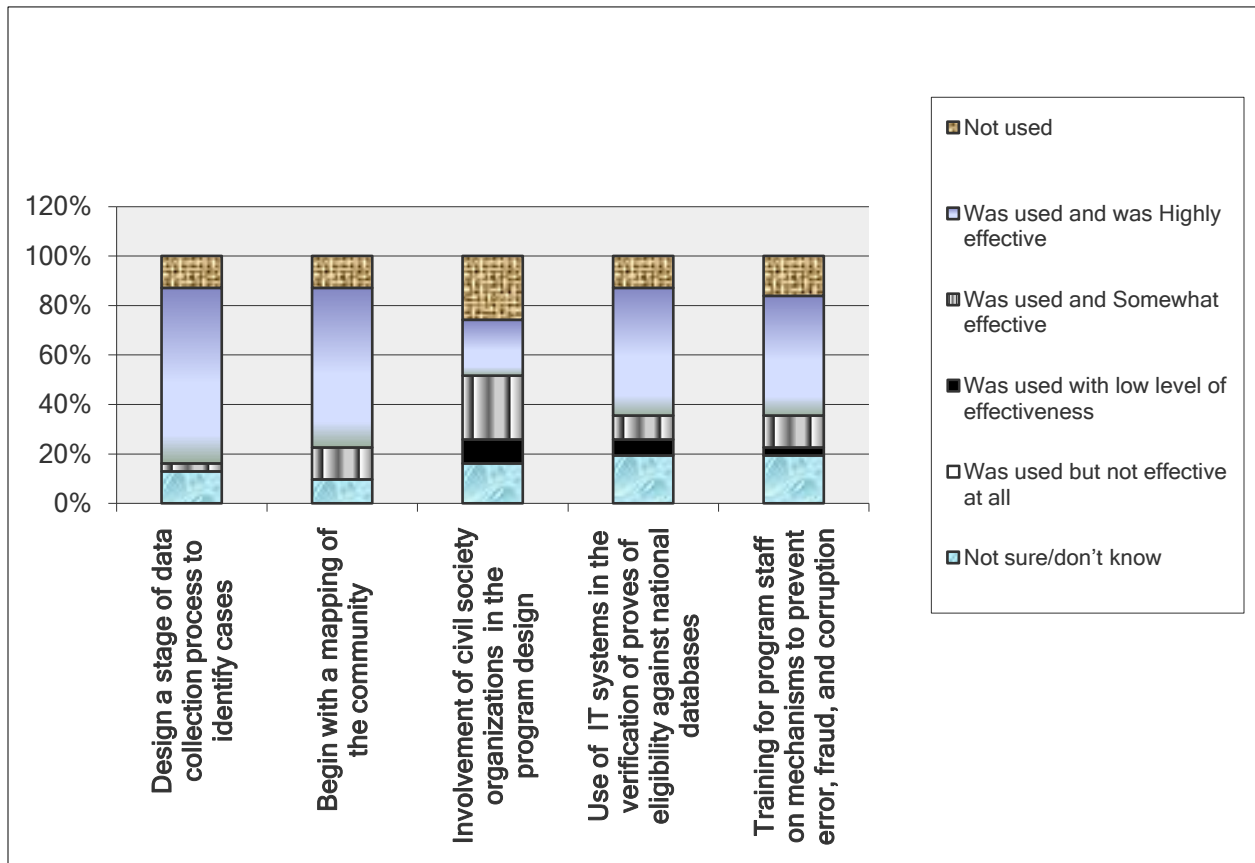


Table 3: Correlation analysis between prevention measures at eligibility stage

Prevention measures	Design a stage of data collection process to identify cases	Begin with a mapping of the community	Involvement of civil society organizations in the program design	Use of IT systems in the verification of proves of eligibility against national databases	Training for program staff on mechanisms to prevent error, fraud, and corruption
Design a stage of data collection process to identify cases	1				
Begin with a mapping of the community	0.74	1			
Involvement of civil society organizations in the program design	0.41	0.29	1		
Use of IT systems in the verification of proves of eligibility against national databases	0.37	0.17	0.21	1	
Training for program staff on mechanisms to prevent error, fraud, and corruption	0.68	0.47	0.53	0.24	1

- **“Design a stage of data collection process to identify cases”:**
A high scored measure which heavily emphasis the importance of the design phases when it comes to prevention. Also, a strong significant correlation to **“mapping of the community”** has been proven the importance of the mapping to prevent from errors of inclusion and exclusion of poor families into the program.
- **“Begin with a mapping of the community”:** This measure used as highly effective measure and favored by most of the participants which introduce an important role to the mapping of community and identifying who should included and provide maps for areas and families who deserve the program coverage.
- **“Use of IT systems in the verification of proves of eligibility against national databases”:** more than half of the respondents confirmed the importance of using IT solutions in the verification process , this is because experiments of those countries shows how the use of IT solution in the verification is highly effective and cost effective when used . Also, correlate to design stage; this would facilitate use of IT since the early phases.
- **“Training for program staff on mechanisms to prevent error, fraud, and corruption”:** This measure got high support by respondents since training program staff is important to

rationalize the investment in CCT. Program staff who got training on what is considered error, fraud, and corruption has more ability to succeed in their mission. Also, it has a strong correlation to the measure of **“design of data collection process”**. This correlation may refer to tendency of the program administration to train program staff first on how to prevent EFC actions, then how to identify them when happening. This preventive mechanism of learning would support and set sense of prevention inside program staff rather depending only on setting only mechanisms of identifying EFC.

Table 4: Descriptive analysis of prevention measures at eligibility stage

	Design a stage of data collection process to identify cases	Begin with a mapping of the community	Involvement of civil society organizations in the program design	Use of IT systems in the verification of proves of eligibility against national databases	Training for program staff on mechanisms to prevent error, fraud, and corruption
Mean	3.88	3.94	2.73	3.39	3.27
Median	5.00	5.00	3.00	5.00	4.00
Mode	5.00	5.00	1.00	5.00	5.00
Sum	128.00	130.00	90.00	112.00	108.00

The mean value of the above first four measures shows that those measures are the most commonly used ones among the programs surveyed for prevention mechanisms from EFC at eligibility stage.

The fifth measure was used more rarely.

- **“Involvement of civil society organizations in the program design”**: have taken the least score by 24Percent said that it is

used and highly effective, 24Percent used and somewhat effective, and 27Percent confirmed it is not used.

The analysis of the prevention measures that was used in the eligibility stage showed that most of these measures were used by CCT programs in Mexico, Brazil, El Salvador, and Egypt to build a block to combat EFC at early stage of the program. This is less costly than trying to defeat EFC in later stages and an effective method to ensure the proper procedure and capacity are in place. The absence of such measures in early implementation phases would leave risks of EFC unmanageable and put the program at high risk.

The comments that were made on preventive measures at eligibility stage by the participants in the **focus group discussion** that was held with the local social workers could be analyzed as follows:

➤ Measures need to be considered at eligibility stage and would help to reduce EFC:

Increase the role of social workers in determination of families' eligibility

“Although this is a very important measure, there is no consideration to social workers inputs in the eligibility stage. His role is important since he is the most capable person to describe families' social status”

Social workers have seen that their inputs at eligibility stage should be added and have reasonable weight in process of determining families' eligibility. This may add value since social workers inputs is coming from real valuation to poor families status and judgment of whether they really need to be covered by CCT program or not. This may raise the argument of cost benefit analysis which will be discussed later in the research implication.

- Total number of people per room (crowding) criteria as one of the major eligibility criteria needs reconsideration

“The crowding measure is not that important to be put in the first priority to choose the eligible families. I will tell a lot about families who are not suffering from crowding but so needy because they have ill family members or family members suffering from chronic diseases”

Social workers have seen that the crowding criteria should not take heavy weight in the assessment process of families' eligibility. Social workers provided stories on one family who tried to defraud their investigation of family social status during the visits by social workers to determine whether families are eligible or not. The family invited their relatives to show that they have crowding and have many children. On the second following visit, the real count of family members was discovered and the family excluded from the list of potential families for eligibility to CCT program.

The view of the social workers is that crowding is a valid measure but should have lower weight compared to other standards. In addition, some poor families have no crowding and still in position of being eligible due to their very low social status. The data collected from global experts' surveys supports this view as the crowding criterion is only used in 28Percent vs. 72 Percent that are not using it along all the countries that have been surveyed.

On comparing the data obtained from global expert's visions about involving civil society organization into the design stage, the data indicate that the Egyptian model does not involve NGOs into the design stage. One possible reason is that in Egypt some NGOs may be subject to a lot of conflict of interest or political pressure. It is believed by some of the participants that

some NGOs can be used to pressure the poor to vote in support of certain political parties during the election.

One of social workers provided that:

“Before involving civil society organization into the social protection programs, there must be awareness session to Egyptian people on how to use their rights and how to deal with the civil society organizations. Some civil society organizations try to pressure on the poor for getting their votes before election by promising that they will provide them with financial aid and Ramadan package (in-kind holy month package of sugar, food oil, and other food items)”

There is a higher possibility after the Egyptian revolution of January 25th of preventing political intervention in the program design or in the determination of targeting. It is hoped that the revolution will preserve the rights of all Egyptians to feel freedom when choosing their representative and will provide mechanisms to prevent such political intervention.

Examining of measures that have been used to detect EFC at eligibility stage Covered by questions # 24

This section focuses on mechanisms of checks and balance, review of eligibility, and methods of verification of information provided by participated families in the program.

Figure 11: Detection measures used at eligibility stage

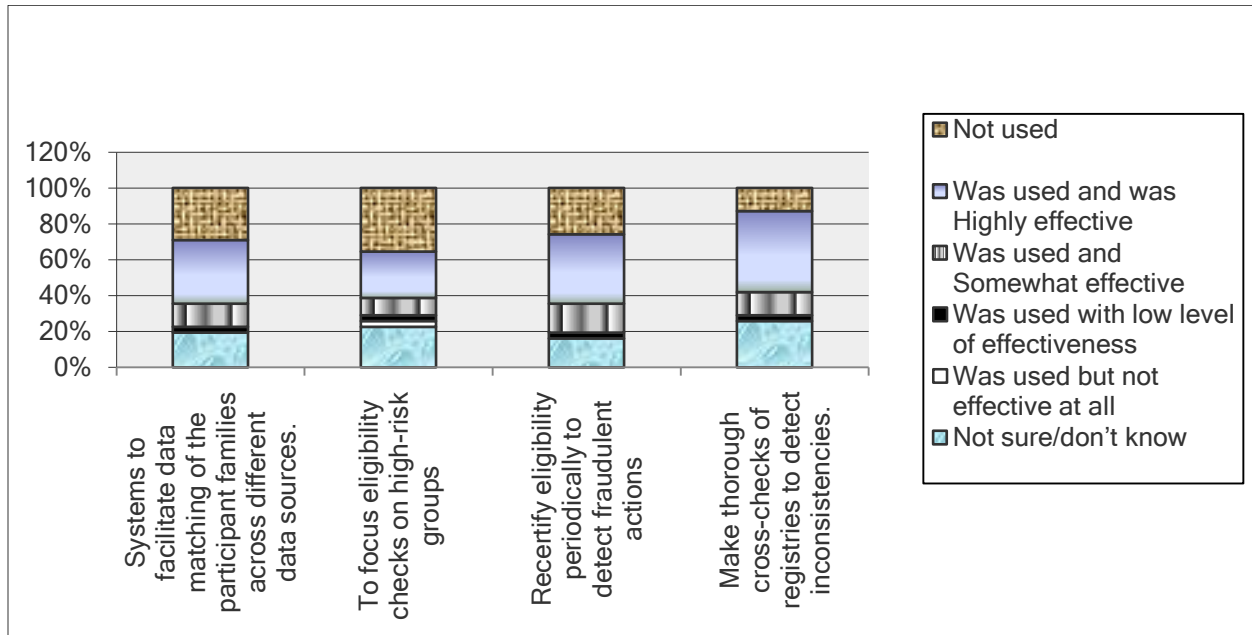


Table 5: Descriptive analysis of detection measures at eligibility stage

	Systems to facilitate data matching of the participant families across different data sources.	To focus eligibility checks on high-risk groups	Recertify eligibility periodically to detect fraudulent actions	Make thorough cross-checks of registries to detect inconsistencies.
Mean	2.82	2.36	2.94	3.00
Median	4.00	1.00	4.00	4.00
Mode	5.00	1.00	5.00	5.00
Sum	93.00	78.00	97.00	99.00

Table 6: Correlation analysis between detection measures at eligibility stage

Detection measures	Systems to facilitate data matching of the participant families across different data sources.	To focus eligibility checks on high-risk groups	Recertify eligibility periodically to detect fraudulent actions	Make thorough cross-checks of registries to detect inconsistencies.
Systems to facilitate data matching of the participant families across different data sources.	1			
To focus eligibility checks on high-risk groups	0.52	1		
Recertify eligibility periodically to detect fraudulent actions	0.38	0.51	1	
Make thorough cross-checks of registries to detect inconsistencies.	0.53	0.55	0.49	1

Four measures are presented under this section and shows positive correlation as follows:

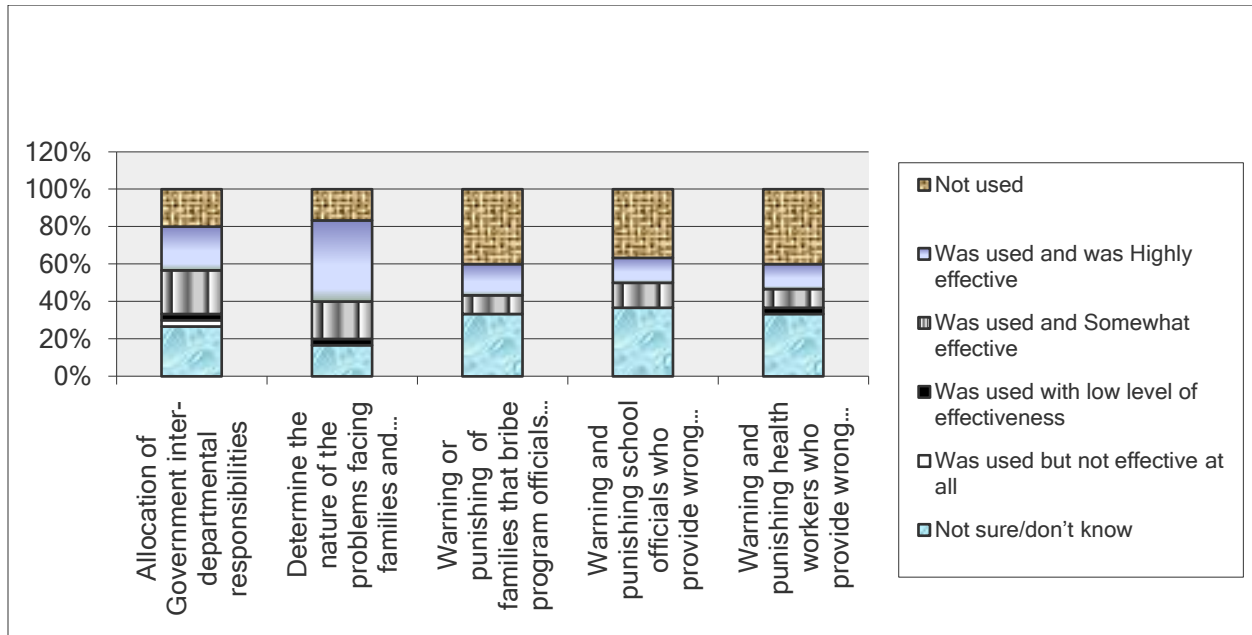
- Although one third (33Percent) of respondents reported that the measure of **“To focus eligibility checks on high-risk groups”** was not used, it shows positive correlation with two other measures: **“Recertify eligibility periodically to detect fraudulent actions”** and **“Make thorough cross-checks of registries to detect inconsistencies”**. This could be understood in the context that the latter two measures would work to update program with families’ status, and detect any inconsistency in families’ records. Combining the use of the recertification of families’ eligibility besides the cross-checks of families registry might be more likely to be in use by CCT program administration because it is less costly than using eligibility

checks on high-risk groups' mechanisms. **“Make thorough cross-checks of registries to detect inconsistencies”**: This measure has got the highest score by 46Percent as “was used and highly effective” measure and at same time has got the highest mean which present a commonly applied measure to detect EFC in eligibility stage.

Data collected from Focus Group discussion that was held with social workers in Egypt confirmed that the pilot program in Egypt did not relay too much on using IT solutions to detect any inconsistency in poor families' data. Also, this study recommended establishing direct link between local social unit and government official database. Such link would facilitate the work of social workers when verifying family's eligibility and detecting and reporting any cases of incompliance to program conditionality.

Examining of measures that have been used to prevent EFC at compliance to program conditionality stage Covered by questions # 25

Figure 12: Preventive measures used at compliance stage



On this stage only two measures out of five were supported to prevent EFC at the compliance stage. The first measure is “**Determine the nature of the problems facing families and support the family**” which scored by 47Percent as used and highly effective measure, whereas the second measure “**Allocation of Government inter-departmental responsibilities**” has got average scoring as one of the prevention measures at compliance. Other measures were having lower support by program managers and consultants as an indication to that the program design is not focusing on the prevention measures that set the involved parties accountable for their fraud and corruption actions. Again, setting different parties accountable and punish them still not supported by surveyed programs. Punishing lack support because it may be seen as a tool that causes mistrust and fears from participated parties.

Table 7: Descriptive analysis of prevention measures at compliance stage

Prevention measures at compliance	Allocation of Government inter-departmental responsibilities	Determine the nature of the problems facing families and support the family	Warning or punishing of families that bribe program officials to falsely confirm compliance with program conditionality	Warning and punishing school officials who provide wrong compliance verification.	Warning and punishing health workers who provide wrong compliance verification
Allocation of Government inter-departmental responsibilities	1				
Determine the nature of the problems facing families and support the family	0.56	1.00			
Warning or punishing of families that bribe program officials to falsely confirm compliance with program conditionality	0.63	0.39	1.00		
Warning and punishing school officials who provide wrong compliance verification.	0.63	0.40	0.89	1.00	
Warning and punishing health workers who provide wrong compliance verification	0.62	0.42	0.89	0.99	1.00

The following measures achieved positive correlation since **“the determination of problems faced by families”** measure needs cooperation between **“inter-governmental units and departments”** in order to prevent falling into these problems and to solve them when they happen.

Although the other three measures **“Warning or punishing of families that bribe program officials to falsely confirm compliance with program conditionality”**, **“Warning and punishing school officials who provide wrong compliance verification”**, and **“Warning and punishing health workers who provide wrong compliance verification”** in average scored as “Not used” and “low effective”, there is high significant correlation amongst those measure and the allocation of inter- governmental and departmental responsibilities since warning program officials, schools, and health officials needs clear allocation of inter-governmental responsibilities as pre-requisite to warning actions. In addition, if there is a willing to be tougher enforcement, it will require more coordination between government and, as the program may lack the appropriate authority.

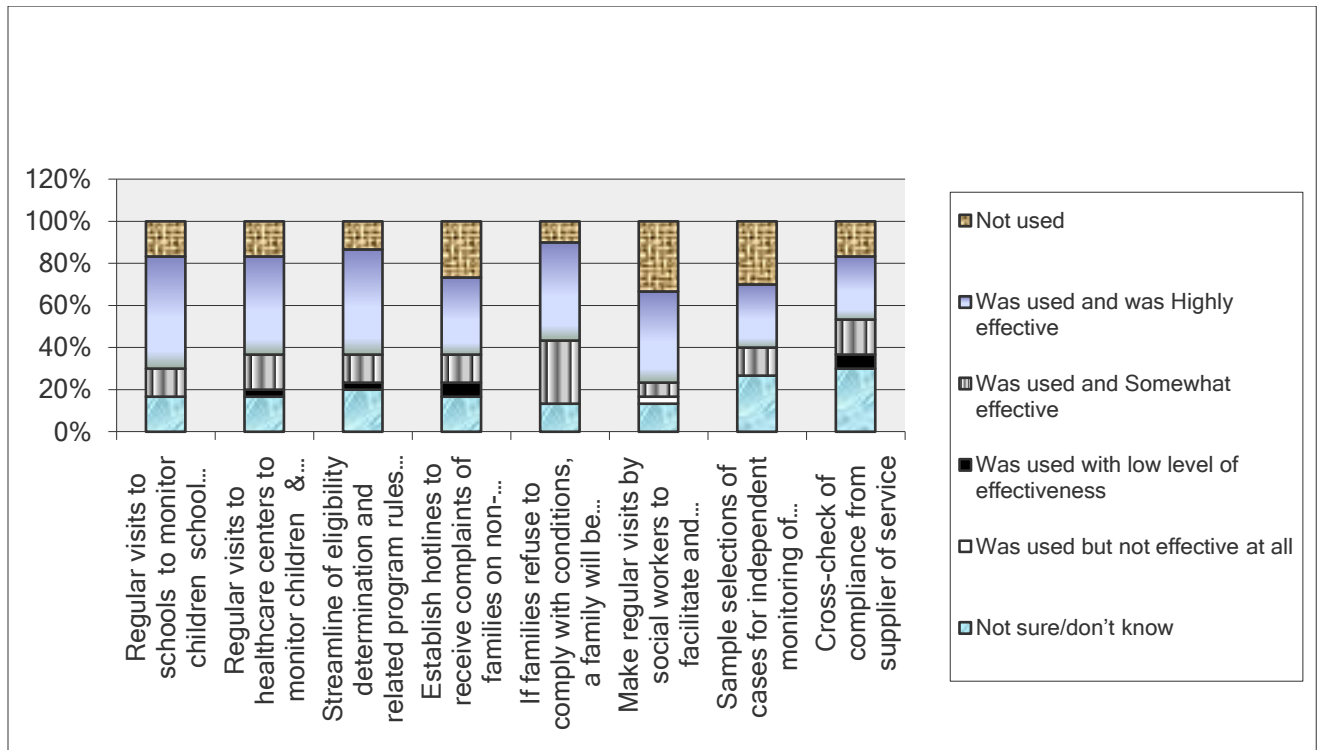
Not only within the intergovernmental coordination is required but existence of political support, up to the president, is a key factor to the success of the program because the interministerial coordination, in large, are acting and interpreting the president’s needs. Also, establishment of an entity with sufficient power to coordinate the various participants in the program, and the mechanism for controlling the program compliance verification is very crucial to the success of the program. There may be set of incentives to coordinate and encourage the cooperation between government officials, program officers, and

Focus group discussion that was held with the local social workers in Egypt provided the following on the prevention mechanisms of EFC in the compliance stage:

- Social workers have seen that lack of cooperation and coordination between inter-governmental units would led to inefficiency in achieving the program goals
- “We have faced difficulty with governmental units to cooperate and provide the public services....when scaling the program more cooperation and coordination is required as for the good of the program future”
- There is a trend in the piloting project on avoiding threatening families by punishments if they abide by the program rules. Some of the participating families don’t believe that there will be punishments, and they have seen that applying terms of social contract is limited to cutting the cash and terminate them from the program.
- The piloting program social workers provided that by investigating of families failing to comply with program conditionality, they may be more bale to understand and analyze the reasons behind these withdrawals’. Analyzing the reason would help the social workers and program administrators to understand whether the reasons related to program design or conditionality and if related the program administrators could work on improving the conditions that causes the problems.

Examining of measures that have been used to detect EFC at compliance to program conditionality stage Covered by questions # 26

Figure 13: Detection measures used at compliance stage



Eight measures have been proven positive and significant correlated and achieved high scores as in application measures with high effectiveness (ranged from 34.4Percent to 53.1. Percent) .

Same measures have got high scores as they have been used and were somewhat effective (ranged from 6Percent up to 19Percent). So, the detection measures are classified as high category measures.

These results show that the detection measures at compliance stage have given more attention by the CCT program administration at most of the globe than to prevention measures.

Table 8: Correlation analysis between detection measures at compliance stage

Detection measures of compliance	Regular visits to schools to monitor children school attendance	Regular visits to healthcare centers to monitor children & family health checkup records	Streamline of eligibility determination and related program rules to reduce level of ambiguity	Establish hotlines to receive complaints of families on non-compliance issues	If families refuse to comply with conditions, a family will be excluded from the program	Make regular visits by social workers to facilitate and encourage family compliance	Sample selections of cases for independent monitoring of outcomes to detect problems	Cross-check of compliance from supplier of service
Regular visits to schools to monitor children school attendance	1							
Regular visits to healthcare centers to monitor children & family health checkup records	0.62	1						
Streamline of eligibility determination and related program rules to reduce level of ambiguity	0.36	0.45	1					
Establish hotlines to receive complaints of families on non-compliance issues	0.30	0.46	0.58	1				
If families refuse to comply with conditions, a family will be excluded from the program	0.48	0.57	0.74	0.42	1			
Make regular visits by social workers to facilitate and encourage family compliance	0.54	0.48	0.46	0.38	0.62	1		
Sample selections of cases for independent monitoring of outcomes to detect problems	0.52	0.48	0.55	0.44	0.59	0.48	1	
Cross-check of compliance from supplier of service	0.40	0.39	0.52	0.52	0.35	0.41	0.37	1

As per data obtained on the eight measures, there are more correlated measures some of which are as follows:

- **“Regular visits by social workers to schools”** correlated to **“regular visits to healthcare centers”** since both are complementing one another and reporting the progress that children of poor families have for schooling and getting healthcare services.
- **“Streamline eligibility rules to reduce ambiguity”** strongly correlated to **“families exclusion from the program whenever non-compliance reported”**. In this context, if the program rules are clear and simple, it is easier to exclude families that do not comply.
- **“If families refuse to comply with conditions, a family will be excluded from the program”** correlated to **“Make regular visits by social workers to facilitate and encourage family compliance”**. This indicates that social worker visits are being used to give the families a chance to comply, but then those who still do not comply are excluded.

Table 9: Descriptive analysis of detection measures at compliance stage

Detection measures of compliance	Regular visits to schools to monitor children school attendance	Regular visits to healthcare centers to monitor children & family health checkup records	Streamline of eligibility determination and related program rules to reduce level of ambiguity	Establish hotlines to receive complaints of families on non-compliance issues	If families refuse to comply with conditions, a family will be excluded from the program	Make regular visits by social workers to facilitate and encourage family compliance	Sample selections of cases for independent monitoring of outcomes to detect problems	Cross-check of compliance from supplier of service
Mean	2.42	3.24	3.27	2.88	3.61	2.88	2.42	2.61
Median	1.00	4.00	5.00	4.00	4.00	4.00	1.00	3.00
Mode	-	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Sum	80.00	107.00	108.00	95.00	119.00	95.00	80.00	86.00

Providing that this is the first time that a group of measures are almost indicated as used and effective which probably could be translated into more interest by program administration to focus on compliance stage, since that is an essential element of the program. The literature calls attention to another aspect of the importance of detection measures, which is that some families would try to provide fraudulent information on their compliance or involve program staff in corrupt actions at this stage in order to move into the cash disbursing stage and get the money.

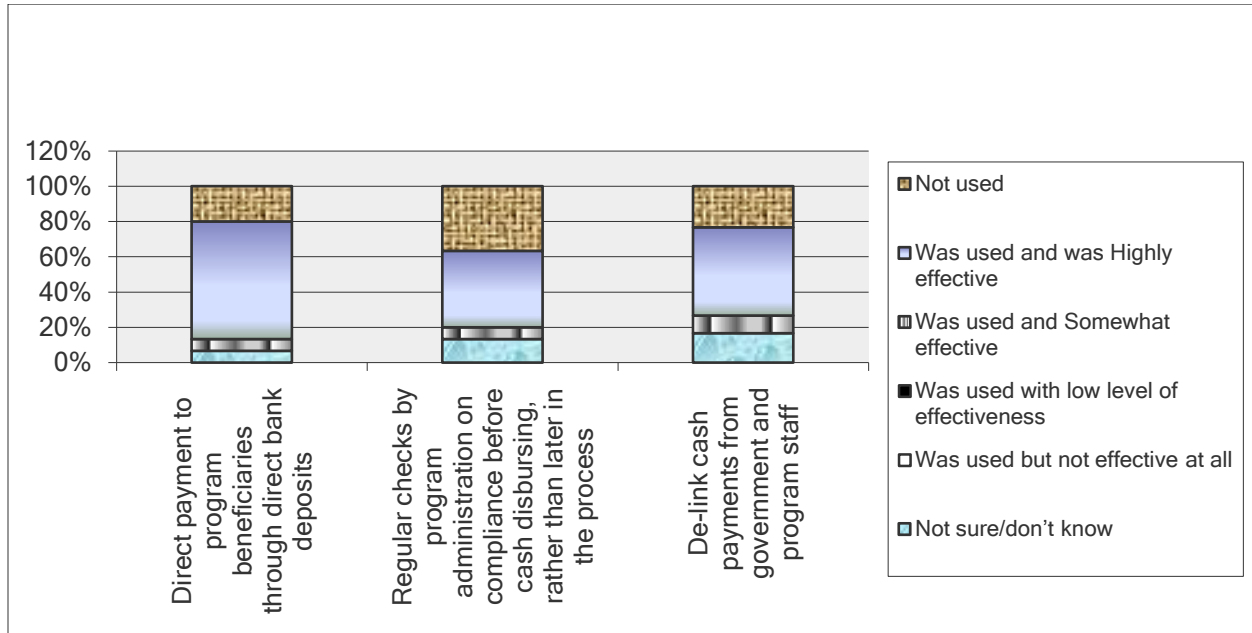
Focus group discussion with Egyptian social workers adds more clarification on this point as follows:

- The monthly visits helps to discover cases of fraud by family on crowding, number of rooms, social status
- The contract signed with families confirm that there will be gradual deduction from cash transferred as one way to penalize families that do not comply with program conditionality

- Investigation of families' withdrawal reasons would help to identify measures needed to strengthen the program, such as a need to fill in missing services.

Examining of measures that have been used to prevent EFC at cash disbursement stage Covered by questions # 27

Figure 14: Preventive measures used at cash disbursing stage



This stage, which relates to whether respondents apply prevention measures at cash disbursement stage, shows much more use of direct deposit method and on the other measure of **“Regular checks by program administration on compliance before cash disbursing, rather than later in the process”**, there is some favoring the “use” of regular checks on the compliance and others to provide that it is “not using” for the same measure.

Due to its importance, the **“Direct payment to program beneficiaries through direct bank deposits”** measure scored 66Percent as “used and highly effective”. Additional 6 Percent “somewhat effective use” compose larger support to using direct payment to beneficiaries’ accounts. This is because cash in general considered one of the resources most subject to fraud, and corruption actions; thus direct payment to beneficiaries’ bank accounts better controls cash disbursement stage in CCT program.

Table 10: Descriptive analysis of prevention measures at cash disbursing stage

Prevention measures	Direct payment to program beneficiaries through direct bank deposits	Regular checks by program administration on compliance before cash disbursing, rather than later in the process	De-link cash payments from government and program staff
Direct payment to program beneficiaries through direct bank deposits	1		
Regular checks by program administration on compliance before cash disbursing, rather than later in the process	0.39	1	
De-link cash payments from government and program staff	0.39	0.45	1

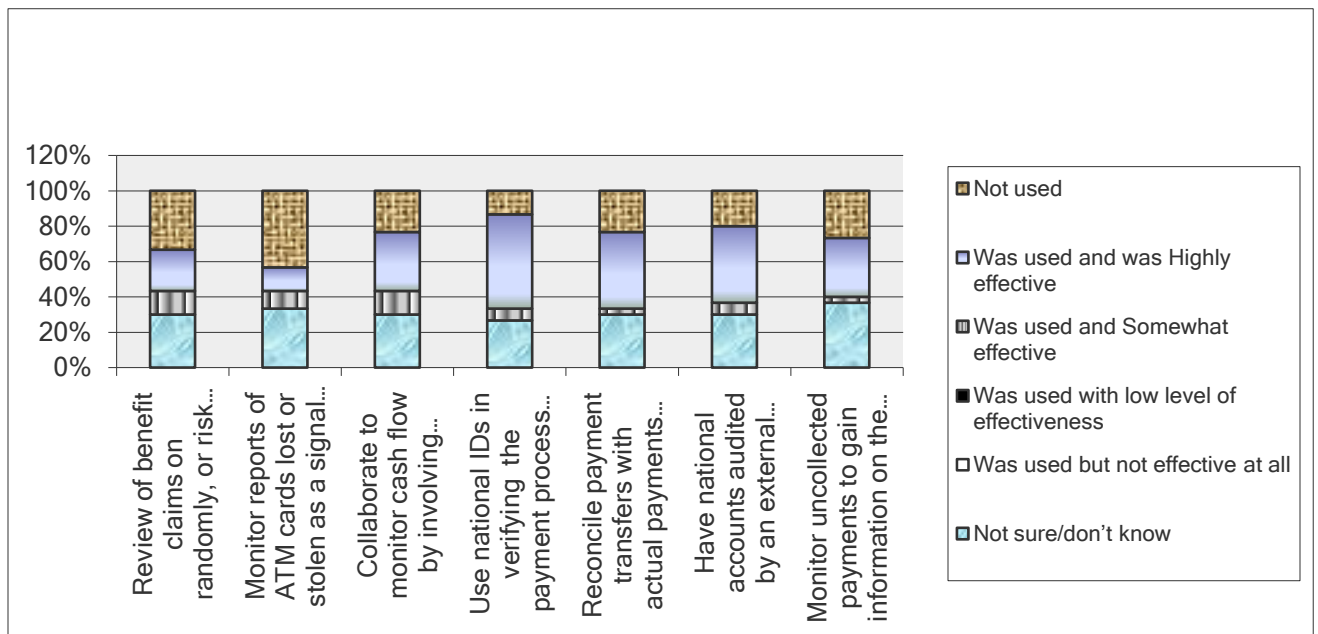
There is positive correlation among the other three prevention measures. Apply the measure of **“Direct payment to program beneficiaries through direct bank deposits”** reduces the risk of fraud governmental official or post offices employees since it provide the cash through secured channels to beneficiaries. In addition, it lowers the transaction cost in payment process through reducing the total number of employees required to handle the cash to beneficiaries.

The second measure of **“Regular checks by program administration on compliance before cash disbursing, rather than later in the process”** would support efforts to mitigate error occurrence through the payment process and till it reached the beneficiaries. This would work as filtration process to cases may not comply or involved in risks of providing wrong data about their compliance, participated in fraud actions, or intentionally make corrupted actions.

“De-link cash payments from government and program staff” is one of the crucial measures to avoid fraud and corruption because the existence of intermediate person in the payment process giving a chance for bribing or pay to ghost persons. Also, this measure is considered an indicator on program quality in accuracy of processing and payments.

Examining of measures that have been used to detect EFC at cash disbursement stage Covered by questions # 28

Figure 15: Detection measures used at cash disbursing stage



These groups of measures (seven measures) are applied in order to detect EFC at the cash disbursing stage. On the top of the measures that were applied “**Use national IDs in verifying the payment process to match data of beneficiaries and improve detection efforts**” by percentage of 56Percent , this is one of the most measures to verify the payment process and investigate who gets what and how much money disbursed. There might be low level of ATM’s available everywhere, so that this may explain low use of automatic teller machines in delivering the payment. Some countries, especially in South Africa, uses armed

forces to protect cash vehicles while it moves between villages because lack of local banks or post offices. Others use finger prints instead of ID's as method of verifying cash deliver by using ATM's. One of the advanced features that were applied in CCT piloting project in Egypt is the use of national IDs "bitaqa" in the payment and verification process and use if ATM's by poor families.

The following measures are applied and marked as used with high effectiveness:

- **Reconcile payment transfers with actual payments on a regular basis**
- **Have national accounts audited by an external audit institution**
- **Monitor uncollected payments to gain information on the quality of controls and validate CCT cash payments**
- **Collaborate to monitor cash flow by involving national and external audit units**
- **Review of benefit claims on randomly, or risk basis**

The above group of measures covers two types of detection strategies (The World Bank, 2010):

Intelligence: by empowering program staff to refer cases of EFC to specialized people from independent audit bodies. Also, improve the joint effort with other governmental units and ministries.

Investigation: by introducing cases of EFC to independent review that looks at all facets of a case and provide recommendation that would support the program in designing controls. As well, it introduces methodology to apply guidance to how to conduct investigation on EFC indicators such monitoring un-collected cash.

Only two measures were used slightly and not used in large compared to other measures:

- **Review of benefit claims on randomly, or risk basis;** This measure may not be used because it's costly to identify risk groups and it needs more investment in IT solutions.
- **Monitor reports of ATM cards lost or stolen as a signal of possible fraud;** since its one of difficult measures to detect use of ATM cards, 47Percent not use it at all and 20Percent use it with high effective and somewhat effective. Also, missing of collaboration among service providers of cash, such banks, and program administration. Especially that bank doesn't involve in transaction that may lead to disclose its customer's confidentiality. Finally, this special arrangement may not be applicable in some programs as it may be against law.

Correlation analysis provides that six out of the seven measures have positive significant correlation and moving toward a control system to detect EFC at cash disbursing stage.

Table11: Correlation analysis between detection measures at cash disbursing stage

Detection measures	Review of benefit claims on randomly, or risk basis	Monitor reports of ATM cards lost or stolen as a signal of possible fraud	Collaborate to monitor cash flow by involving national and external audit units	Use national IDs in verifying the payment process to match data of beneficiaries and improve detection efforts	Reconcile payment transfers with actual payments on a regular basis	Have national accounts audited by an external audit institution	Monitor uncollected payments to gain information on the quality of controls and validate CCT cash payments
Review of benefit claims on randomly, or risk basis	1						
Monitor reports of ATM cards lost or stolen as a signal of possible fraud	0.60	1					
Collaborate to monitor cash flow by involving national and external audit units	0.43	0.38	1				
Use national IDs in verifying the payment process to match data of beneficiaries and improve detection efforts	0.54	0.26	0.66	1			
Reconcile payment transfers with actual payments on a regular basis	0.46	0.28	0.57	0.29	1		
Have national accounts audited by an external audit institution	0.37	0.16	0.55	0.41	0.56	1	
Monitor uncollected payments to gain information on the quality of controls and validate CCT cash payments	0.35	0.32	0.58	0.42	0.59	0.29	1

It's worthy to note that the mean of the six measures are equally distributed and that refer to equal tendency to use them all to detect and control EFC at the cash disbursing stage.

Cross-Tabbing analysis :

A grouping to the participants according to their geographic area (Latin America's , Africa, Asia, and Europe countries) have been tested to make cross-tabbing analysis to check on whether they may be variance application of control mechanisms according to the regions. It has been found that the collected data points and variability within regions were not conducive to reaching useful findings. Future studies with larger samples could explore these differences further.

Emailing program experts and scholars found to add useful information about EFC mitigation methods that works. The following short messages have been received:

A few numbers of experts have been communicated through e-mails to enquire about common types of errors, fraud, and corruption. Also, the emailing was enquiring about their personnel visions on how to mitigate these types of risks. Some preferred to be anonyms and other approves to prevail their identity. Their comments were valuable and useful to this research.

According to Professor (A), the common risks that may face CCT programs as follows:

“There are errors of under-inclusion where eligible people are not selected and errors of over inclusion where non-poor households are selected. Selection involves three activities: information about the program, eligibility tests, and registration. People who should be included might not know about a program, or their may know but they believe wrongly that they are not eligible or the test is applied wrongly by the program agency, and they may know and know they are eligible but they are not able to register because they don't have identity cards or other documentation or because they cannot reach the registration location. I guess the most 'famous' cases are situations in which groups are excluded because of racial, ethnic, gender or class actors. The best way of reducing error is by acting on all three activities.”

Professor (A) has an experience as Senior Researcher and Research Coordinator for Insecurity, Risk and Vulnerability-Chronic Poverty Research Centre provided his experience on inclusion and exclusion error since these types of errors commonly exist in CCT programs. Government efforts to achieve transparency and facilitate issuing identification for poor families who do not

have ID's will solve part of the program. Accurate targeting mechanisms and awareness sessions on the program terms and conditions will also support the success of the program.

Professor (A) adds;

“Fraud arises because the program agencies have too much discretion in the management of the program. The Unemployed Heads of Household Program in Argentina did not have effective eligibility tests because of the emergency at the time in that country; however ex post assessments suggested the program was reasonably well targeted...

The best way of dealing with fraud is to restrict the discretion of program agencies, ensure processes are transparent, and the agencies are accountable”.

Lessen the discretion in CCT program is discussed in many literature and discretion has been consider as a reasons behind a higher level of fraudulent actions. Ensuring accountability to program members (staff, beneficiaries, officials) will reduce fraud action. In addition, transparency in targeting is a high priority for effective implementation.

Finally, Professor (A) concluded that:

“Corruption is unusual in cct's because transfers are fairly transparent and financial controls make it harder to appropriate funds. Nevertheless it does happen at the local level. Manipulation by beneficiaries to secure transfers or by program agencies to divert funds is the main sources of corruption...

The best way of addressing corruption is to ensure financial control and supervision, do random tests, and keep centralized lists of beneficiaries”

Another professor (B); added

“Error caused by poor work ethic, incompetence on job; **fraud**: by greed/corruption;
corruption: sudden access to funds not accessible under the former system”

Professor (B) suggested that in order to avoid these types of risk there should be mechanisms that work to instill a better work ethic among the program team.

Third, is Professor (C) who shares same causes of EFC with the other two professors:

“The **causes of corruption** in any CCT system always link to the same issue – that of discretion (i.e. the ability to choose between individuals). As soon as you give discretion to an individual to make decisions, no matter how tightly drawn your rules are, that person will always be able to choose how to apply the rules. The official may then receive money from an applicant, or may make a decision according to the political allegiance of the applicant – so in many cases it is not poverty but ability to pay a bribe, or hold the right political party card which makes the difference.”

“Regarding fraud, any system which is conditional enables applicants to cheat the system. We see this in the benefit system in the UK, where it has been impossible to eliminate fraud – so people will claim unemployment benefit while having a job (or in some cases, several jobs!). It is difficult to say how widespread this problem is in any country”

Professor (C) sees the solution as follows

“The most workable measure to mitigate errors as far as pensions goes is to have a universal transfer. In other words everybody receives the pension, with age as the only qualification. If the objection to this is that people who don’t “need” a pension will still receive one, the government has the option of taxing the pensions of more wealthy recipients. So poor people get 100Percent untaxed pensions, whereas the wealthiest pay (for example) 90Percent tax on the pension.”

“This system removes all discretion, except proof of age. It still has drawbacks, especially in countries where older people do not have birth certificates. There are ways round this – for example, HelpAge in some countries has assisted older people to get recognition of their age from the law courts”

Professor (C) summing up his vision on what are workable measures for CCT controls:

“So the most workable measure is (as always) to simplify the system. The more complicated the system, the more you give opportunities for both officials and recipients to break the rules. Even where they don’t, systems with many rules are also more prone to mistakes and inefficiencies. Universal systems are not perfect, but they do eliminate many of the problems of conditional transfer.”

Professor (D) introduces a very good equation for causes of fraud and corruption

“The more discretion is, the more opportunity for fraud. And the amount of discretion is a function of how clear the rules are, and how many people have decision-making power, with respect to who does and does not become a beneficiary, how many people can get access to the funds, and what kinds of controls there [are] on each of these points.

Unclear rules + many people able to make decisions about who becomes a beneficiary + few controls to make sure rules are followed = lots of room for discretion, which means the CCT program, will be used to reward political allies/voters/cousins etc. Similarly, if funds are handled by many officials and controls are weak, money will in all likelihood disappear.”

Most of the provided mechanisms are justified by experts and scholars; however some of the provided solution may not be applicable due to constrained funds or due to pre- requisite needs of administration capacity or social considerations.

CHAPTER SIX: Study Findings

The following findings were reached through examination and analysis of the previous data and answer the main research and investigative sub-questions of this thesis. Also, other findings of challenges that may face the implementation of conditional cash transfer on large scales have been reached through a number of interviews and focus group discussions

Challenges facing implementation of CCT in Upper Egypt:

It should be noted that the challenges facing the CCT in Upper Egypt are differ from that in Ain El-Serra due to the following factors::

- Geographically: Ain El-Serra is a slum urban area, whereas in Upper Egypt the program is targeting 65 villages located in rural areas.
- Identification of poor areas: in Ain El-Serra it was much easier than in Upper Egypt because the poor slum areas in greater Cairo had already been identified by a Geographical and Information System (GIS) study by Dr.Zinab Khedr while in upper Egypt there was not easy to identify boundaries of areas suffering from poverty, which is widespread throughout upper Egypt (El Saadany, 2011).

Political Challenges:

As noted in the Egyptian context, some policy makers may resist geographical targeting set by the government and put pressure in favor of some villages that are located outside the target area but inside their parliamentary district. (A: field work expert, 2010).

Economic Challenges:

The opportunity cost for families to send their children to schools and have health checkups for their children should be equal to or less than zero when compared to sending children to work; otherwise those families will compare between the amount of cash transfer and the amount of wages which their children could earn if they work. Unless there are other points of attraction to families who see that educating their children and keeping them healthy is worth the sacrifice of income from work, families will choose not to participate. So, the idea is to incentivize families to pay for short term high opportunity cost and long term financial benefits of educate their children.

Administration Challenges:

One of the challenges that face CCT implementation in Egypt is that to train social workers on how to contact poor families, explain the CCT program terms and its goals, and encourage them to participate in the program. To do that, it is important to understand the poor family's needs, direct those families to service providers, and encourage families to use their rights to get the services.

Improving wellbeing of families with regards to access to education, health, and nutrition is one of the strong challenges to social workers. (Sholakamy, Piloting CCT in Egypt, 2010). Fiscal pressures prevent increasing the number of social workers, and thus may limit their ability to reach all eligible beneficiaries and to offer adequate counseling and follow up on the services provided to the recipients.

The need for monitoring, performance benchmarking, and stakeholder consultations is very important to implement CCT program in Egypt. To protect for Error, Fraud, and Corruption (EFC), there should be tightened polices and procedure, policy for monitoring, evaluation, and correction separated from the responsibilities for delivery of cash and services to protect from

corruption, setting and clarification of fraud detection system to discover beneficiary or staff fraud, and ensure that there is a solid process audit to protect from errors (Dennis, 2010).

Examination of control mechanisms provided by global experts:

Upon examination of the data obtained on control and accountability mechanisms used by CCT program experts, and after analyzing the correlation between those measures, the following major findings were reached on Prevention, Detection, and Deterrence mechanisms:

Prevention measures

These groups of measures were used successfully in the three stages. Most of the emphasis in prevention of benefit fraud and error in CCT programs is placed on the following:

- **Design a stage of data collection process to identify cases**
- **Begin with a mapping of the community**
- **Involve civil society organizations in the program design**
- **Use IT systems in the verification of proof of eligibility against national databases**
- **Train program staff on mechanisms to prevent error, fraud, and corruption**
- **Allocate Government inter-departmental responsibilities**

- **Determine the nature of the problems facing families and support the families**
- **Direct payments to program beneficiaries through direct bank deposits**
- **Make regular checks by program administration on compliance before cash disbursing, rather than later in the process**
- **De-link cash payments from government and program staff**

Feedback obtained from focus group discussions with local social workers in Egypt, indicated that there is lack of sufficient cooperation with regard to education and health services for children and poor families, making support to families and follow-up on conditionality more difficult.

On the focus group discussion: although the social workers agreed on the importance of most of the above measures of preventions, they raised objections to involving civil society organization in the designing of eligibility criteria as preventive action against EFC. Their concern is that some of civil society organizations in Egypt have it own goals that may not be aligned with those goals of CCT program. Also, may open doors for more discretion in the program as they will judge on families' eligibility.

Less extensive emphasis has been given to the following measures to strengthen prevention of EFC:

- a) **Warning or punishing of families that bribe program officials to falsely confirm compliance with program conditionality**
- b) **Warning and punishing school officials who provide wrong compliance verification.**
- c) **Warning and punishing health workers who provide wrong compliance verification**

The above measures have been added by this study to the World Bank toolkit to control EFC in CCT programs as an additive to World Bank application to see whether it could work

This is one of the important findings of this study. The success of CCT program to achieve its main goals, as discussed earlier, depends to large extent on the coordination and clear lines of authority and accountability between institutions providing such services.

Considerations to control error may be differ from those for fraud and corruption; for example the actions that include error might be avoided by implementing simple administration prevention measures while fraud and corruption may require more structured measures and more verification actions.

Preventive measures in the long run have a low cost in terms of resources and efforts as they protect the program from leakage in public resources. For instance preventive measures of direct cash payments to beneficiaries reduce errors when processing cash.

Training program staff members on how to identify EFC is a very important tool to reduce error, fraud, and corruption and it would help staff to do better job.

The study finds that, although the CCT program in Egypt has only been launched in a pilot version, there will be a need in future expansions of the program for more attention to communication and enforcement of the cooperation protocol to organize cooperation between CCT program administration with Ministry Of Education and Ministry Of Health.

Detection measures

Most of which were used successfully in the three stages. The main detection activities that were used by CCT programs are as follows:

- **Implement systems to facilitate data matching of the participant families across different data sources.**
- **Recertify eligibility periodically to detect fraudulent actions**
- **Make thorough cross-checks of registries to detect inconsistencies.**
- **Make regular visits to schools to monitor children school attendance**
- **Make regular visits to healthcare centers to monitor children and family health checkup records**
- **Establish hotlines to receive complaints of families on non-compliance issues**

- **Streamline eligibility determination and related program rules to reduce level of ambiguity**
- **Exclude families from the program if they refuse to comply with conditions**
- **Make regular visits by social workers to facilitate and encourage family compliance**
- **Select a sample of cases for independent monitoring of outcomes to detect problems**
- **Cross-check compliance with suppliers of service**
- **Collaborate to monitor cash flow by involving national and external audit units**
- **Use national IDs in verifying the payment process to match data of beneficiaries and improve detection efforts**
- **Reconcile payment transfers with actual payments on a regular basis**
- **Have national accounts audited by an external audit institution**
- **Monitor uncollected payments to gain information on the quality of controls and validate CCT cash payments**

Two other measures were not supported by the respondents:

- a) **Focus eligibility checks on high-risk groups:** It may be that this step is technically difficult to apply since identification of high risk groups (risk profiling) within highly dispersed communities is a difficult process and needs considerable resources in the field.
- b) **Monitor reports of ATM cards lost or stolen as a signal of possible fraud:** It may be difficult to implement since it needs special arrangement with banks and, in any case, it is not applicable in all programs and may not match local laws and regulations.
- c) **Review benefit claims on random or risk basis:** 35Percent responded that this measure is not used, while 37Percent applied this measure and 28Percent did not know about it.

The above measure has been added by this study to the World Bank toolkit to control EFC in CCT programs as an additive to WB application to test whether it could work

There may be different reasons for that that may require more investigation in future studies. Data matching measures, investigation measures, and IT and intelligent solutions are all effective measures as provided by experts. These measures will have a variety of mechanisms to create standards and tools of investigation to detect EFC and also strengthen the accountability within a program.

Deterrence measures

The data obtained from the global experts provided that the sanctions that are used against those who obtain benefits fraudulently are limited. They reported less effort was

directed to penalize the fraud and corruption actions performed by program participants, school officials, and health workers.

Most of the deterrence actions directed by the program managers to:

- **Train staff to ensure they have a clear understanding of what constitutes error, fraud, and corruption**
- **Establish public awareness campaigns to ensure beneficiaries and community members understand how the program will deter fraud and corruption**
- **Use administrative penalties or formal cautions directed to school officials who provide incorrect compliance reporting.**

The literature calls that the benefit offices will seek to recover the overpayments identified through the courts without an additional penalty or fine.

The related practice, working to strengthen laws and regulations to govern punishments for fraud and corruption actions, was given low scores, either not used or not identified or known. Other measures that have low scoring as follows:

- **Putting in place strong criminal penalties for fraudulent actions by program staff or beneficiaries**
- **Strengthening laws and regulations that govern punishment for fraud or corruption by program officials**
- **Strengthening laws and regulations that govern punishment for fraud or corruption by beneficiaries**

➤ **Use administrative penalties or formal cautions directed to school officials who provide incorrect compliance**

It is quite possible that these measures have low scores and the program managers chose not to include sanctions because they thought it would scare some people away or lead to dishonesty, rather than more compliance.

The above measures have been added by this study to the World Bank toolkit to control EFC in CCT programs as an additive to WB application to determine whether they are being used and what are the results.

The data obtained from **focus group discussion** confirmed this result. There is an absence of clear legal definitions on what constitute fraud, error, and corruption in the social protection system in Egypt. Thus, there is a limited legal base from which to apply sanctions. In addition, the social protection programs have not taken actions against employees or beneficiaries, who have taken benefits by fraud or corruption actions.

In general, most country programs do not use severe sanctions and increased levels of prosecutions as a deterrent. There might be variety of reasons on why program administration is not for the use of sanction measures; program managers don't use it to gain more level of trust of participated families in the program. Also, families' heads may not participate in the program as they have seen potential risks on their family members. When comparing the findings of this study with that of World Bank toolkit (Van Stolk, 2010), it was found that global practice is generally in line with the recommended measures for controlling error, fraud, and corruption in CCT programs.

The study findings agrees with the World Bank finding that very limited use of deterrence is observed with program administrators being reluctant to apply sanctions to fraudulent claims. The deterrence measures that penalize fraud/ corruption by beneficiaries and/or officials are not used in an assertive way. Without consideration of clear definition of fraud actions in social security programs there will be little legal actions toward those participated in fraud and/or corruption actions, and this would affect trust of the participants and staff in the program and their willingness to be honest with each other and with the program management as well. To sum, legal definitions of fraud needs to be aligned with the program policy to mitigate EFC.

Positive trends on prevention, detection, and deterrence have been emerged from the respondents on the use of more advanced verifications tools, awareness sessions, and use of IT solutions, cross-checks and direct payment methods. All of these measures support good systems to prevent EFC from happening.

Additional findings include proposed measures by this study on prevention, detection, and deterrence measures. The proposed measures especially those related to penalties, punishments to fraud, corruption actions may not be applicable to the context of the countries covered in this research, and however they may be useful in other context such in Egypt.

Feedbacks from local social workers in Egypt provide that there may be needs for such laws or regulation especially when scaling up the program. This study supports this view and recommends using these measures based on other countries experiences.

As presented in the data analysis, the data collected on measures of prevention and deterrence of both eligibility and compliance answer the first sub-question; what are the administrative systems that would comprise a good implementation of conditional cash transfer in Egypt? The measures of prevention and deterrence of cash disbursing answer the second sub-question; what are the financial and control systems that would maximize and provide the best basis of conditional cash transfer in Egypt?

The previously mentioned findings therefore provide an answer to the study's main research question. Based on the data provided from the sample of global experts and Egyptian social workers, the prevention, detection, and deterrence measures compose a control system that mitigates risks of error, fraud, and corruption when implementing conditional cash transfer systems.

Finally, the results of this study can be applied to CCT program in Egypt. These controls could work in Egypt as they were used successfully in other countries' programs, especially given that there are no local laws or regulations that contradict these measures. This research cannot say, however, that these findings apply to all other CCT programs, because there may be some measure that would not work in different contexts or might not fit with laws and regulation in other countries. Moreover, although there might be an underlying assumption that the CCT context everywhere is quite similar and therefore the controls suggested would apply, the specific context for error, fraud, corruption actions may

differ. Additionally, it would be preferable to repeat the survey with a larger sample than was feasible within the time and resource constraints faced by the author.

CHAPTER SEVEN: Implications of the Findings and Recommendations

The successful implementation of CCT programs depends to large degree on the control mechanisms applied to avoid error, fraud, and corruption. These in turn depend primarily on improving the institutional capacity of programs that serve poor communities. The findings of this research agree with those recommendations of the World Bank toolkit to control error, fraud, and corruption in CCT programs. This finding supports the study goal of identifying a proper control system that is in application in order to use it for CCT program in Egypt. It also finds that not all of the recommended measures are in application. The reasons behind this may need additional analysis and investigations to find why these controls are not in place.

Under this chapter, two sections will deal with the study implications and recommendations:

First section will deal with general recommendations on control mechanisms to mitigate EFC.

Second section will introduce what Egypt should learn from global experiences?

General recommendation on control mechanisms to mitigate EFC:

Introducing recommendations on measures to mitigate EFC is very important to reduce leakage of public resources. The provided findings introduce useful information about measures that are in fact applied. Some of these measures put on the top by majority surveyed, especially those measures of prevention at eligibility and cash disbursement. Also, the high support by the surveyed to detection measures at compliance stage, since it is very important at this stage to detect families compliance to program conditionality to determine whether they will continue and passed to cash disbursing or not. Generally, it is important to keep the country context in mind.

According to the World Bank toolkit, any recommendation for improvement needs to pass the test of feasibility, suitability, and acceptability. In other words:

- How feasible is a recommendation given the institutional architecture and administrative capacity of the country;
- How suitable or effective are the actions to address the particular EFC problem; and
- How acceptable are these actions likely to be to policy-makers, administrators, the claimants and wider stakeholders?

These three filters are important as ‘good practice’ is only relevant if it can be applied and effective in tackling the EFC problem.

The measures provided in this research are useful for programs with complex eligibility criteria where there is more intend to have higher levels of EFC. Also, the research worked on programs that lack of comprehensive strategy to reduce EFC i.e. focus on some control mechanisms and missing other controls. The research looks at administrative capacity since it is very crucial to the program successful implementation. The capacity has number of aspects that are considered when introducing control measures like Staff training, mapping the community, and consider design stage to identify cases of EFC. Furthermore, use of IT to verify eligibility is part of the program administrative capacity and helped in most of the surveyed countries to reduce EFC.

What Egypt should learn from global experiences?

The details obtained from local social workers in Egypt demonstrated that there is a need to consider the social worker inputs in the determination of poor families' eligibility. They have confronted the discussion that, in future, the program eligibility criteria should include section for social worker input when determining poor families' eligibility. This would balance between the current eligibility criteria that focus on community mapping plus other characteristics without social workers' inspection criteria to define eligible families. On this point different arguments by program experts who strongly advise against this. This is exactly the "discretion" that is identified as a source of corruption by some experts.

In addition, this study supported that there is no way to balance between social workers request as to include their inputs in eligibility criteria and costs associated with this option such adding supervisor's oversight. It will just add to cost of screening, and not necessarily reduce corruption. The real need is to balance the simplicity of the criteria with the problem of excluding needy families. Also, adding social workers inputs will add discretion to the program as for identifying families' eligibility.

The co-operation between program administration and governmental institutions, especially those providing health and education services, will facilitate the program mission. Without this co-operation and co-ordination the program would lose public resources with lower achievement of its main goals. For this reason, when scaling the program up in Egypt, enforcement of such co-operation through regulations and protocols is a must in order to reach desired goals. Findings on this point show a need for interministerial cooperation between governmental units where additional and official protocols are needed.

Also, a political support of the coordination will improve the process since all the governmental units will seek to support the program whenever it has a high degree of support from politicians. This willing of cooperation supported the CCT program in Mexico when the support was coming from the president himself (Santiago Levy, 2006)

Some consideration to eligibility criteria need to be considered when scaling up CCT in future in Egypt. Adding child labor in the criteria since it is one of CCT program main goals is to educate poor families' children and encourage poor families to send their children to schools. Although this is one of CCT main goals, it is not taken into consideration in the eligibility criteria and it should be included as a sign of poverty.

Re-consideration of eligibility criteria is recommended. For example, crowding as one of the already exists criteria need to be re-considered when determine the families' eligibility in CCT program. International experts and local social workers have given different examples for families excluded from the program because they do not meet the crowding criteria but meet all the other eligibility tests.

The use of computerized systems by the program in verifying data and processing data matching measures would support program administration in detection of EFC actions. Improvements in technology and using application of new technologies in terms of communicating with the public, processing of benefits, making payments to beneficiaries, and matching data would largely improve the mechanisms of controls and would also benefit the program administration of the beneficiary data management. Literature on this point refer to that the investment in IT solutions over time compensated through reduction in public resources saved through EFC reduction.

Other challenges to CCT programs, as discussed previously in the literature, and in study findings include political, administrative, and economic challenges. These challenges may be improved and even work in favor of poor families and program administration if there is good implementation of the CCT control mechanisms introduced in this research. Control mechanisms on EFC would improve CCT capacity to direct the program resources to target the poor and work on improving their economic, educational, and health status. These considerations needs more work and studies to evaluate the impact of CCT controls on these challenges.

Implication on future research includes methods to measure volume of error, fraud, and corruption in CCT programs. A mechanism to measure the level of EFC would facilitate the comparison between different programs in level of EFC and would help to direct efforts to areas where risk of EFC is high in terms of cost and severity. The scope of future studies could also cover how CCT control mechanisms impact the poor families' consumption level of program public services. Do control mechanisms increase poor families' consumption of health services or vice versa? How can CCT controls encourage poor families to believe that they have the rights to get the governmental services instead of being a passive recipient?

This gives rise to other important research questions that could be explored in future studies including: what are the specific barriers facing CCT implementation in Egypt? How do existing policies, rules and procedures limit their success? What policy efforts are being made to overcome such barriers and what facilities exist to help CCT program administration to overcome such barriers? A final important question to address is whether differences between programs in maturity, number of beneficiaries, and budget affect efficiency of the proposed CCT control mechanisms?

Some of the recommendations of this study indicate that a future study can be done adopting a different sampling technique that would be based on larger total number of respondents. This would better allow for generalization on a larger scale. Better access to information can also allow for a more representative sample size to be drawn based on the total population figures needed. The scope of this study could also be either expanded within the CCT program that is going to be implemented in Upper Egypt on larger scale, or applied when designing programs in other countries, taking into consideration their individual characteristics. For example, some countries may already have in place a strong system of general systematic control mechanisms and would not need to introduce as many CCT-specific measures. Further study on these issues could allow us to generalize the results or provide more insights on how EFC controls can influence program outcomes.

In conclusion the following chart summarizes the recommended mechanisms that constitute a proper control system that could be implemented in CCT program in Egypt.

Figure 16: What constitute a proper control system to mitigate EFC in the implementation of CCT

Prevention Mechanisms

- Design a stage of data collection process to identify cases
- Begin with a mapping of the community
- Direct payment to program beneficiaries through direct bank deposits
- Use of IT systems in the verification of proves of eligibility against national databases
- Training for program staff on mechanisms to prevent error, fraud, and corruption
- Involvement of civil society organizations in the program design
- Determine the nature of the problems facing families and support the family
- De-link cash payments from government and program staff
- Regular checks by program administration on compliance before cash disbursing, rather than later in the process
- Allocation of Government inter-departmental responsibilities

Detection Mechanisms

- Regular visits to schools to monitor children school attendance
- Regular visits to healthcare centers to monitor children & family health checkup records
- Streamline of eligibility determination and related program rules to reduce level of ambiguity
- Establish hotlines to receive complaints of families on non-compliance issues
- If families refuse to comply with conditions, a family will be excluded from the program
- Make regular visits by social workers to facilitate and encourage family compliance
- Sample selections of cases for independent monitoring of outcomes to detect problems
- Cross-check of compliance from supplier of service
- Systems to facilitate data matching of the participant families across different data sources
- Recertify eligibility periodically to detect fraudulent actions
- Make thorough cross-checks of registries to detect inconsistencies

Deterrence Mechanisms

- Training staff to ensure they have a clear understanding of what constitutes error, fraud, and corruption
- Establish public awareness campaigns to ensure beneficiaries and community members understand how the program will deter fraud and corruption
- Use administrative penalties or formal cautions directed to clients who provide incorrect compliance information

CHAPTER EIGHT: Summary and Conclusion

Several studies indicate the positive impact of CCT programs on poverty reduction, especially when incorporating health and education considerations. The main goal of CCT programs is to provide social protection to poor families who are trapped in the cycle of poverty.

As indicated earlier in the introduction of this research, CCT programs can consume a large amount of public resources. In addition, implementation of CCT programs includes various types of risk: risk of error, risk of fraud, and risk of corruption. These types of risks represent causes of the leakage of the CCT programs resources. In order to avoid risks of EFC and run an effective CCT programs, issues of controls must be associated with CCT programs implementation. Implementing accountability and control systems cannot completely eliminate EFC risks, since there is no system immune from EFC, but it would help to reduce level of EFC at CCT program stages.

This research has addressed ways to control the risks associated with error, fraud, and corruption facing global CCT programs and identified successful mechanisms that were recommended by international organization to mitigate those risks. Specifically, this research has clarified the practices actually used in global CCT programs to reduce level of EFC in CCT programs. This information enriches our understanding of such measures and how they can strengthen CCT programs, including those in Egypt, since new programs need to benefit from other countries' experiences before moving forward to scale up CCT.

The research has found varying levels of application of the tools recommended to mitigate EFC introduced in the World Bank toolkit released in 2010. The research both clarifies which tools

are in use and the degree of effectiveness as assessed by experts in the field in order to answer the central research question: what constitutes a proper control system in implementing CCT program to reduce the risks of EFC?

In this research different methods of data collection have been used to examine the use of mechanisms at each of the program's three stages of eligibility, compliance to conditionality, and cash disbursing so as to mitigate risks of EFC. The data collected on these control mechanisms shows variety and preferences of tools and controls used in CCT programs; some of which were more effective in the view of practitioners, while others were not used at all. Then, in the data analysis section, the mechanisms are classified and grouped into three groups: mechanisms used to prevent EFC, mechanisms to detect EFC, and mechanisms to deter EFC in CCT programs.

Although the dataset is of limited size, it nonetheless provides valuable information on the actual field practice in the application of control mechanisms in CCT programs.

In the findings section of this research, different mitigation strategies were discussed, based on those in application in the majority of implemented CCT programs

The finding shows that deterrence strategies to discourage EFC actions are not in place. Little of developed countries apply sanctions since they have clear legal definitions of what constitute EFC. Deterrence actions related to criminalizing fraud actions or penalizing program staff for fraud or corruption are not in use except administrative penalties. Being in early phases of CCT could explain why CCT program administration don't want to discourage families to participate in the program by enforcing criminal penalties by law when discovering EFC but in

the matured program such in Latin America, there is no clear reason behind freezing such penalties. When households do not initially perceive that being involved in EFC would put them in jail may encourage them to involve in such action since the penalty is limited to deduction of amount of cash or termination from the program.

Study finding from focus group discussion with Egyptian social workers participated in piloting of CCT program in Egypt; bring more attention to intergovernmental co-ordination In CCT program. There is lack of clear protocol enforcing this coordination among different parties MOE, MOH, and Program administration that represent MOSS. Without an enforcement of coordination, CCT program will be a program of financial assistance rather introducing package of services to enhance the educational and health status of the poor. In addition, the quality of services introduced to poor families should have more studies to ensure it supports program goals. Level of quality needs to be addressed to ensure that children are learning important skills in critical thinking and creative process learning which are necessary for success in much higher income occupations.

To conclude, the goal of this study is to introduce proper control system that could be part of the success factor of CCT implementation. At the first sight, successful experience of Latin American countries to implement control measures to mitigate EFC might seem to be a good example to follow. As well the provided for toolkit tackling EFC is very useful. However, it would be extremely challenging if not impossible to apply Latin American and World Bank experience to Egyptian context. First of all, important consideration in the Egyptian governments should be given to its capability to deliver governmental services. Administration capacity of the

program to deliver good design of the program where transparency and methods of verification is valid. Other mechanisms for monitoring and oversight are definitely required.

Another important reason is that program administration and scaling up any program requires large amount of resources, especially as the literatures indicates that as much as 20 percent of monies allotted to conditional cash transfers must be reserved for administrative cost. This cost may reach higher than the 20Percent due to weaknesses in the program administrative and financial controls. Therefore, if considered the question of effectiveness in program administration though control mechanisms still needs more thorough evaluation of what can be done to increase efficiency and effectiveness.

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A. Introduction

This questionnaire is part of my thesis work on Cash Transfer Programs at American University in Cairo- Egypt. The questionnaire addresses preventive mechanisms on the overflow of work of the implementation of CCT programs. Its purpose is to provide guidance to the implementation of CCT in Egypt and to support the researcher's thesis work. The questionnaire focuses on mechanisms applied during each of the three basic stages in the implementation of conditional cash transfer at the local level:

- I. Determination of family eligibility
- II. Determination of compliance with conditionality requirements
- III. Cash disbursement

I would appreciate if you would take time to fill out the survey below; your feedback is valuable to me and to my research outputs.

When answering the questionnaire, you are asked to provide information based on your experience and knowledge to the best of your ability.

B. Privacy Statement:

All answers and information given will remain private. No names of individuals or identifying information will appear in the resulting research report. All data collected will be maintained separate from identifying information to preserve individual confidentiality. No risks of participating in this study have been identified. We very much appreciate your assistance in helping Egypt to develop an effective CCT program.

For further follow up please contact:

American University in Cairo - School of Global Affairs and Public Policy
Ahmed Fathy Badawy
Mobile: 010-1640872

Due to time constraints, kindly send responses in electronic format no later than 30th of May, 2011 to:

E-mail: a_fathy@aucegypt.edu

I appreciate if you allow me to send you a reminder on your feedback to my questionnaire's

Kindly answer the following questions:

➤ **Section A : Respondant Background characteristics**

- **Your Gender :**
 - Male

- Female
- **Your Age:**
 - 25-35
 - 35-45
 - 45-55
 - 55-65
 - Over 65
- **You experienced CCT through which of the following activities:**
 - Donor
 - Implementor :- Management activities
 - Implementor :- Admin. & Finance activities
 - Conducting Field Work
 - Consulting
 - Other, please fill in the space (-----)
- **Your Title:** please specify: (-----)
- **Your role on the process :** please specify (-----
-----)

➤ **Section B: Program Background characteristics**

- **Country of implementation:** (-----)
- **How many phases the program has taken for implementation,** please specify (-----
-----)
- **Area in which the CCT program is implemented**
 - Rural area
 - Urban area
 - Both in Rural and Urban
- **Total number of beneficiary household covered by the program (ranges)**
 - Less than half million beneficiary
 - A million of beneficiaries
 - Two million beneficiary
 - More than three million beneficiary

➤ **Section C: Was any of the following program eligibility criteria used?**

1. dwelling unit size / number of rooms
 - Yes
 - No
2. If yes, what was the criterion? Please specify (-----)
3. Number of people per room (crowding)
 - Yes
 - No
4. Marital status of the household
 - Yes
 - No
5. If yes, select from the following
 - a. Married
 - b. Widowed
 - c. Divorced
 - d. Never married
 - e. Sparated
6. Whther a family has children less than 18 years of age
 - Yes
 - No
7. Whther any of the houshold head has a health burden
 - Yes
 - No
8. Whther houshold head is working ?
 - Yes
 - No
9. Whther there is a social security received by houshold
 - Yes
 - No
10. Was there an accessibility of the houshold to socail protection schemes
 - Has access to pension schemes for the poor
 - Has no access to pension schemes for the poor

11. Whether the family has child labor

- Yes
- No

12. If you have other innovative eligibility criteria, please specify (-----,-----
-----,-----,-----)

➤ Section D : please select the best answer for the following questions:

		Not used	Was used and was Highly effective	Was used and Somewhat effective	Was used with low level of effectiveness	Was used but not effective at all	Not sure/ don't know
Group 1 : Eligibility		1	5	4	3	2	0
1	In your experience, which of the following measures have been used to <u>discourage</u> error, fraud, and corruption in CCT programs?						
1-1	Training staff to ensure they have a clear understanding of what constitutes error, fraud, and corruption						
1-2	Putting in place strong criminal penalties for fraudulent actions by program staff or beneficiaries						
1-3	Strengthening laws and regulations that govern punishment for fraud or corruption by beneficiaries						
1-4	Strengthening laws and regulations that govern punishment for fraud or corruption by program officials						
1-5	Establish public awareness campaigns to ensure beneficiaries and community members understand how the program will deter fraud and corruption						
1-6	Use administrative penalties or formal cautions directed to clients who provide incorrect compliance information.						

1-7	Use administrative penalties or formal cautions directed to school officials who provide incorrect compliance						
2 In your experience, which of the following measures have been used to <u>prevent</u> error, fraud, and corruption at the eligibility stage?							
2-1	Design a stage of data collection process to identify cases						
2-2	Begin with a mapping of the community						
2-3	Involvement of civil society organizations in the program design						
2-4	Use of IT systems in the verification of proves of eligibility against national databases						
2-5	Training for program staff on mechanisms to prevent error, fraud, and corruption						
3 In your experience, which of the following measures have been used to <u>detect</u> error, fraud, and corruption at the eligibility stage?							
3-1	Systems to facilitate data matching of the participant families across different data sources.						
3-2	To focus eligibility checks on high-risk groups						
3-3	Recertify eligibility periodically to detect fraudulent actions						
3-4	Make thorough cross-checks of registries to detect inconsistencies.						
Group II : Compliance to conditionality during the program							
1 In your experience, which of the following measures have been used to <u>prevent</u> error, fraud, and corruption at the compliance stage?							
1-1	Allocation of Government inter-departmental responsibilities						
1-2	Determine the nature of the problems facing families and support the family						
1-3	Warning or punishing of families that bribe program officials to falsely confirm compliance with program conditionality						
1-4	Warning and punishing school officials who provide wrong						

	compliance verification.						
1-5	Warning and punishing health workers who provide wrong compliance verification.						
2 In your experience, which of the following measures have been used to <u>detect</u> error, fraud, and corruption at the compliance stage?							
2-1	Regular visits to schools to monitor children school attendance						
2-2	Regular visits to healthcare centers to monitor children & family health checkup records						
2-3	Streamline of eligibility determination and related program rules to reduce level of ambiguity						
2-4	Establish hotlines to receive complaints of families on non-compliance issues						
2-5	If families refuse to comply with conditions, a family will be excluded from the program						
2-6	Make regular visits by social workers to facilitate and encourage family compliance						
2-7	Sample selections of cases for independent monitoring of outcomes to detect problems						
2-8	Cross-check of compliance from supplier of service						
Group III : Cash disbursement methods							
1 In your experience, which of the following measures have been used to <u>prevent</u> error, fraud, and corruption at the cash disbursement stage?							
1-1	Direct payment to program beneficiaries through direct bank deposits						
1-2	Regular checks by program administration on compliance before cash disbursing, rather than later in the process						
1-3	De-link cash payments from government and program staff						

2	In your experience, which of the following measures have been used to <u>detect</u> error, fraud, and corruption at the cash disbursement stage? ?						
2-1	Review of benefit claims on randomly, or risk basis						
2-2	Monitor reports of ATM cards lost or stolen as a signal of possible fraud						
2-3	Collaborate to monitor cash flow by involving national and external audit units						
2-4	Use national IDs in verifying the payment process to match data of beneficiaries and improve detection efforts						
2-5	Reconcile payment transfers with actual payments on a regular basis						
2-6	Have national accounts audited by an external audit institution						
2-7	Monitor uncollected payments to gain information on the quality of controls and validate CCT cash payments						

A. Introduction

This questionnaire is part of my thesis work on Cash Transfer Programs at American University in Cairo- Egypt . It addresses preventive mechanisms on the overflow of work of the implementation of CCT programs. The questionnaire focuses on mechanisms applied during each of the three basic stages in the implementation of conditional cash transfer at the local level:

- I. Determination of family eligibility
- II. Determination of compliance with conditionality requirements
- III. Cash disbursement

When answering the questionnaire, you are asked to provide information based on your experience and knowledge to the best of your ability.

B. How to answer the questionnaire

When answering the questionnaire, you are asked to provide your views on how best to implement conditional cash transfer programs in Egypt in the future on a larger scale, based on the experience in the pilot project, your professional knowledge, and to the best of your ability.

On the following pages is a list of items that may be used to support a good system to implement CCT program. This is not a test of your knowledge or an assessment of the pilot program. It simply asks you for your advice on how to implement a good control system in the future, based on your knowledge of these programs and your knowledge of Egypt.

C. Time Allocation:

Please allot 20 minutes for answering this questionnaire.

D. Privacy Statement:

All answers and information given will remain private. No names of individuals or identifying information will appear in the resulting research report. All data collected will be maintained separate from identifying information to preserve individual confidentiality. No risks of participating in this study have been identified. We very much appreciate your assistance in helping Egypt to develop an effective CCT program. No information on your individual answers, your name, or contact information will be provided to anyone for any purpose.

E. DIRECTIONS:

- i. READ each item carefully.
- ii. THINK about different measures described by the item.

iii. DECIDE whether that measure is :

Strongly Agree	Agree	Undecided	Disagree	Strongly disagree	Not sure/don't know
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iv. DRAW A CIRCLE around **one** of the six options following the item to show the answer you make.

For further follow up please contact:

American University in Cairo - School of Global Affairs and Public Policy
Ahmed Fathy Badawy
Mobile: 010-1640872

Due to time constraints, kindly send responses in hard copy or electronic format no later than 15 May, 2011 to:

E-mail: a_fathy@aucegypt.edu

Kindly answer the following questions:

➤ **Section A : Respondant Background characteristics**

- **Your Gender :**
 - Male
 - Female

- **Your Age:**
 - 25-35
 - 35-45
 - 45-55
 - 55-65
 - Over 65

- **You experienced CCT through which of the following activities:**
 - Donor
 - Implementor :- Management activities
 - Implementor :- Admin. & Finance activities
 - Field Work
 - Consulting
 - Other, please fill in the space (-----)

- **Your Title:** please specify: (-----)

- **Your role on the process :** please specify (-----
-----)

➤ **Section B: Program Background characteristics**

- **Country of implementation:** (-----)
- **Area in which the CCT program is implemented**
 - Rural area
 - Urban area
- **Total number of beneficiary household covered by the program (ranges)**
 - Less than half million beneficiary
 - A million of beneficiaries
 - Two million beneficiary
 - More than three million beneficiary
- **How long the program take for implementation?**
 - 1-3 years
 - 4-6 years
 - More than 6 years
 - Other ; please specify (-----)

• **Section C: Was any of the following program eligibility criteria used?**

1. dwelling unit size / number of rooms
 - Yes
 - No
2. If yes, what was the criterion? Please specify (-----)
3. Number of people per room (crowding)
 - Yes
 - No
4. Marital status of the household
 - Yes
 - No

5. If yes, select from the following
 - a. Married
 - b. Widowed
 - c. Divorced
 - d. Never married
 - e. Sparated

6. Whther a family has children less than 18 years of age
 - Yes
 - No

7. Whther any of the houshold head has a health burden
 - Yes
 - No

8. Whther houshold head is working ?
 - Yes
 - No

9. Whther there is a social security received by houshold
 - Yes
 - No

10. Was there an accessibility of the houshold to socail protection schemes
 - Has access to pension schemes for the poor
 - Has no access to pension schemes for the poor

11. Whther the family has child labor
 - Yes
 - No

12. If you have other innovative eligibility criteria, please specify (-----,-----
-----,-----,-----)

		Strongly Agree	Agree	Undecided	Disagree	Strongly disagree	Not sure/don't know
	Section One : Social Workers	5	4	3	2	1	0
A	Which of the following measures do you agree would help social workers improve their ability to screen families?						
A-1	More detailed guidelines on eligibility						
A-2	More training for social workers						
A-3	Detailed manuals that social workers can follow						
A-4	More briefing for beneficiaries on eligibility						
A-5	More supervision to catch errors						
A-6	Revisiting families every 3 months to confirm eligibility						
B	Which of the following measures do you agree would improve the ability to determine eligible families?						
B-1	The civil society organizations to share in setting the design of program eligibility						
B-2	To provide participants with more information and training so that eligibility criteria are clearly understood by applicants						
B-3	Use technology to match the data provided by the participant families to official government databases more quickly and						

	thoroughly.						
B-4	Introduce more verification measures as the program expands, to be prevent families from presenting inaccurate information to gain access to benefits						
B-5	Communicate the program requirement to poor families to reduce the instances of poor families who are eligible but excluded because they do not understand what information to present						
B-6	Include incentives to social workers who make efforts to prevent fraud, or corruption in the program						
B-7	Take measures to avoid incorrect eligibility determinations that diverge from the program rules						
C	Which of the following measures do you agree it would improve families' compliance to the program conditionality?						
C-1	Provide informative sessions to poor families on compliance to encourage them to meet the requirements						
C-2	Avoid any ambiguity in the conditionality criteria to make it						

	easy for families to comply to the conditionality						
C-3	Conduct regular visits by social workers to facilitate and encourage participating families to comply						
C-4	Recertify family eligibility to determine if families remain eligible and to avoid fraudulent actions						
C-5	Provide a range of penalties for families who are not in compliance, begin by warnings up to termination from the program						
C-6	Increase checks to reduce fraud by claimants in compliance						
C-7	Analyze the causes of dropout rates after registration and determine why it is not attractive to some families to comply to the program requirements						
C-8	Develop a complaint system to resolve beneficiary problems with program administration						
C-9	Improve Government inter-departmental co-operation to enhance the compliance verification						

	procedures						
D	Which of the following measures do you agree would improve the CCT program procedures for making payments to participants who comply with the conditionality?						
D-1	Ensure there is transparency in the payment process to fight corruption						
D-2	Delink cash payments from government and program social staff						
D-3	Make direct payment to beneficiaries bank accounts						
D-4	Use national ID-bitauca in verifying payment process to match data on beneficiaries and improve detection of wrong payments						
D-5	Using IT solutions (such as ATM cards) in the payment process to reduces opportunities for theft or diversion						
D-6	Impose criminal penalties for fraud such as payment to ghost beneficiaries						
D-7	Monitor uncollected payments to gain information on whether controls and systems are working						
D-8	Audit accounts at the program level audited by an external audit institution						

What are other innovative methods you suggested to improve the program implementation in Egypt? Please specify

Conditional Cash Transfer in Egypt: What Can Constitute a good implementation controls?



Your Job Title	
	Response Count
	47
answered question	47
skipped question	7

Page 2, Q4. Your Job Title

1	Manager of Beneficiaries an Money Transfers	May 27, 2011 3:09 AM
2	Monitoring and Evaluation Manager	May 25, 2011 8:10 PM
3	Policy Specialist	May 24, 2011 10:48 PM
4	Program Coordinator	May 24, 2011 11:28 AM
5	Associate Professor at the A.U.C. and Cairo University	May 22, 2011 3:56 PM
6	Professor	May 22, 2011 2:33 PM
7	Former Director Of Operations of Solidarity Program, Health Sector Consultant, Social Cabinet Of Dominican Republi	May 21, 2011 1:21 AM
8	Coordinadora Unidad de Promoción y Desarrollo Social	May 20, 2011 11:27 PM
9	Senior economist	May 20, 2011 6:53 PM
10	Assistant Professor	May 20, 2011 5:00 PM
11	International consultant	May 19, 2011 4:51 PM
12	Technical Director of the Social Policies Cabinet, Dominican Republic.	May 19, 2011 4:45 PM
13	Senior Research Fellow	May 19, 2011 9:54 AM
14	researcher	May 18, 2011 10:18 PM
15	Professor	May 18, 2011 8:33 PM
16	Social Protection Specialist	May 18, 2011 8:20 PM
17	Prof	May 18, 2011 11:47 AM
18	Social Protection Specialist	May 18, 2011 11:44 AM
19	Advisor	May 18, 2011 10:35 AM
20	Researcher	May 18, 2011 10:13 AM
21	Professor	May 18, 2011 7:47 AM
22	Professor of Economcis	May 18, 2011 6:56 AM
23	Professor	May 18, 2011 2:58 AM
24	General Coordinator	May 18, 2011 12:01 AM
25	Sector Manager (currently -- not when advising on CCT)	May 17, 2011 6:07 AM
26	Monitoring and Evaluation Officer	May 17, 2011 5:29 AM
27	assistant professor	May 17, 2011 1:22 AM
28	Senior Researcher	May 17, 2011 12:25 AM

Page 2, Q4. Your Job Title

29	Consultant	May 16, 2011 7:33 PM
30	Senior Researcher	May 16, 2011 7:28 PM
31	Professor Emeritus	May 16, 2011 11:00 AM
32	Social Policy Specialist	May 16, 2011 10:08 AM
33	General Director Programming and Budget, Ministry of Finance. Treasurer of Mexico, Ministry of Finance. Consultant.	May 15, 2011 9:46 PM
34	Researcher	May 15, 2011 11:14 AM
35	Executive Director	May 14, 2011 5:47 AM
36	Director of Evaluation of Oportunidades in Mexico	May 13, 2011 10:17 PM
37	Senior Consultant, Halcrow Group Ltd, London UK	May 13, 2011 7:47 PM
38	Economist	May 13, 2011 6:00 PM
39	Senior Economist	May 13, 2011 5:54 PM
40	Associate Professor	May 13, 2011 12:34 PM
41	Economist	May 13, 2011 2:43 AM
42	Project Manager	May 13, 2011 1:35 AM
43	Coordinator - Strategic Addressing Unit	May 12, 2011 11:59 PM
44	Researcher	May 12, 2011 6:56 PM
45	Director	May 12, 2011 9:17 AM
46	Chief Economist	May 12, 2011 3:58 AM
47	President, Social Assessment, LLC	May 12, 2011 2:27 AM

Conditional Cash Transfer in Egypt: What Can Constitute a good implementation controls?



Your role on the CCT prograam

	Response Count
	46
answered question	46
skipped question	8

Page 2, Q5. Your role on the CCT program

1	Adminsitration of program beneficiaries an money transfers, administration of information technologies (IT)	May 27, 2011 3:09 AM
2	Follow the actions and the result indicators	May 25, 2011 8:10 PM
3	External researcher	May 24, 2011 10:48 PM
4	The principal responsibility is to prepare the field logistics for the research projects conducted by SRC, including participation in the design of interview schedules, supervision of data collection, and data processing on numerous projects, in the last three years he is working as a coordinator for the conditional cash transfer program (CCT) in collaboration with the Ministry of Social Solidarity in three different governorates (Cairo, Assuit, Sohag).	May 24, 2011 11:28 AM
5	Developing the elegibility criteria	May 22, 2011 3:56 PM
6	Design, monitoring, and evaluation	May 22, 2011 2:33 PM
7	Former Director Of Operations of Solidarity Program, Health Sector Consultant, Social Cabinet Of Dominican Republi	May 21, 2011 1:21 AM
8	Coordinadora	May 20, 2011 11:27 PM
9	evaluator	May 20, 2011 6:53 PM
10	none	May 20, 2011 5:00 PM
11	Research, analyzing lessons learned	May 19, 2011 4:51 PM
12	The Social Policies Cabinet coordinates the formulation and implementation, monitoring, follow up and evaluation of all social programs in the DR, including our CCT Program, Solidaridad.	May 19, 2011 4:45 PM
13	question is unclear	May 19, 2011 9:54 AM
14	research activities	May 18, 2011 10:18 PM
15	I evaluated a CCT program in Honduras	May 18, 2011 8:33 PM
16	Advise Governments on design and implementation of Social Cash Transfer Programmes	May 18, 2011 8:20 PM
17	academic analysis	May 18, 2011 11:47 AM
18	Costing and projection	May 18, 2011 11:44 AM
19	Statistical analyse	May 18, 2011 10:35 AM
20	Desk Study	May 18, 2011 10:13 AM
21	evaluator	May 18, 2011 7:47 AM
22	Evaluated effects of CCT programs	May 18, 2011 6:56 AM
23	Evaluator	May 18, 2011 2:58 AM

Page 2, Q5. Your role on the CCT program

24	I was part of the designing group of the program, performing research on the amount of transfers, the mechanism to identify families in poverty. Then I was in charge of operational planning and evaluation and eventually was the General Coordinator in charge of directing the program as a whole	May 18, 2011 12:01 AM
25	Technical partner / advisor to program from donor agency, partnering with Ministry that was operating program (we were financing & providing TA)	May 17, 2011 6:07 AM
26	<ul style="list-style-type: none"> • Consolidates and prepares Quarterly, Semestral and Annual Regional Accomplishment Report • Prepare draft Regional Annual Thrusts and Priorities based on the National thrusts and Priorities • Provides technical support in the preparation of the Regional Work and Financial Plan • Provides technical support in the implementation/conduct of Spot Checks, Impact Evaluation and other research activities • Conduct field monitoring as required by the Regional director • Submits periodic and special reports as needed • Recommends policies and/or strategies pertaining to planning, monitoring and evaluation, and research as needed • Assist in the conduct of Regional PREW • Focal person in updating and maintaining the Regional Internal Monitoring System 	May 17, 2011 5:29 AM
27	researcher	May 17, 2011 1:22 AM
28	Project manager	May 16, 2011 7:33 PM
29	Directed an evaluation project	May 16, 2011 7:28 PM
30	What process? I have participated in a cross-country survey on the impact of cash transfers on wellbeing and development in poor households	May 16, 2011 11:00 AM
31	manager of the project " Assessment of effectiveness of cash assistance scheme in Albania"	May 16, 2011 10:08 AM
32	Participation in the design and implementation strategy of CCTs; as well as in the more general poverty alleviation strategy these programs should be part of, for Mexico in a very significant role. For other countries as consultant. In Mexico, a very Evaluation. Consultant for different countries and international organizations.	May 15, 2011 9:46 PM
33	assessment	May 15, 2011 11:14 AM
34	User	May 14, 2011 5:47 AM
35	Coordinating the impact evaluation from within the CCT program in Mexico's Oportunidades	May 13, 2011 10:17 PM
36	Reviews if social protection programmes in Asia and the Caribbean	May 13, 2011 7:47 PM
37	Project officer	May 13, 2011 6:00 PM
38	Designed the CCT system, developed the targeting system, supervised implementation & national rollout	May 13, 2011 5:54 PM
39	Impact evaluation	May 13, 2011 12:34 PM
40	Project Design	May 13, 2011 2:43 AM
41	Coordinate project implementation	May 13, 2011 1:35 AM

Page 2, Q5. Your role on the CCT program

42	Monitoring and Evaluation, Finances Planing, Information System, Citizens Advice, (complaints, claims, news), Payment Processing	May 12, 2011 11:59 PM
43	Conducting impact evaluation	May 12, 2011 6:56 PM
44	Advised World Bank and other governments on cash transfer program design	May 12, 2011 9:17 AM
45	Research	May 12, 2011 3:58 AM
46	research and coordination	May 12, 2011 2:27 AM

Summary of CCT programs implemented globally

Ref.#	Prog.Name	Country	Year launched	# of beneficiaries in latest year	Total budget	Implementing org.	Prog.conditionality	Stipend per family
1	Bolsa Familia	Brazil	Oct.2003	reach 11.4 million families by 2006	Budget: R\$10.4 billion (\$5 billion) in 2005 (0.36% of GDP) Administrative cost: 4% of program budget	Government through decentralized federation	<ul style="list-style-type: none"> • 85 % school attendance for school age children • Update immunization cards for children up to six years old • Regular visits to health center for breast feeding or pregnant women 	R\$50 (\$42 ppp)/ moth each+ every additional child , up to three, or pregnant women R\$15 (\$13ppp) : therefore R\$95 (\$ 91 ppp) is the highest amount transferred to a family
1	Chile Solidario	Chile	May.2002	225,000	Budget: 0.3% of social protection spending (0.08% of GDP; 2005) Administrative cost: 20% of program costs, half of that being the cost of the social worker accompaniment	National Government through social solidarity investment fund in partnership with municipalities	Selection criteria based on a score derived from Ficha CAS-2 , which generates a multidimensional ranking index; the highr the score , the worse is the situation of families	If the family meets the target after one year; it's automatically excluded from the program. If not the value of transfer decreases after the first year and over the first six months started with 10,500 pesos (\$ 33ppp) and for the last six months ends by 3,716 pesos (\$12ppp)
1	Oportunidades	Mexico	2002	By 2004, 5 million	In 2002 around Mex\$18 billion (US\$1.8 billion)	Government	<p>Selection of beneficiary follows three stages:</p> <ul style="list-style-type: none"> •Municipalities are chosen according to an index of marginality •Households within 	The transfer has three basic components two of which are conditional and third one is unconditional: <ul style="list-style-type: none"> • Unconditional transfer 250 pesos (\$ 32 ppp) per elderly adult

¹ (Institute of Applied Economic Research, IPEA, 2007)

							<p>the municipalities selected according to a socio-demographic study</p> <ul style="list-style-type: none"> • Feedback received from communities in order to check eligibility 	<ul style="list-style-type: none"> • Conditional food support by attending training session on nutrition and health equal to 189 pesos (\$ 24 ppp) • Conditional scholarship to children in grades between 3 to 12 by attending schools and health centers with amounts ranged between 120 pesos (\$ 15 ppp) to 760 pesos (\$ 98 ppp) <p>1,855 pesos (\$141) is the maximum amount that household can obtain</p>
²	Juntos	Peru	2005	June 2008 - 453,823	Budget: S/. 300 million (\$100 million) in 2006 (0.11% of GDP)	Peru-Governmental institutions	<ul style="list-style-type: none"> • Health: Regular health visits for pregnant women and for children less than 5 years old • Education: School attendance of at least 85% for children aged 6-14 who have not completed elementary education • Other: Participation in the Mi Nombre (My Name) program by all families with children who lack birth certificates and/or are older than 18 years and have no 	S/. 100 (\$33) per month for 4 years

² (The World Bank , 2011)

							identification card	
	Familias en Acción	Colombia	2001	1.7 million households by end of 2007	Budget: \$200 per month (0.2% of GDP; 2007) Administrative cost: 5.0% of program budget (1.0% is for materials related to verification of compliance), plus 3.4% in banking commissions	Gov. Presidential Agency for Social Action and International Cooperation, local program offices	<ul style="list-style-type: none"> •Meet the growth control and development checkups scheduled every 2 months for children aged 0-1, 3 times a year for children up to 2 years, and 2 times a year thereafter up to 7 years •At least 80% school attendance in a 2-month cycle (maximum of 8 unjustified absences in a 2-month period) 	<p>Education subsidy: in elementary school, Col\$15,000 per month (approximately \$8) for each minor attending grades 2-5 in high school, Col\$25,000-60,000 per month (approximately \$14-33) per minor attending grades 6-11</p> <p>Health subsidy: Col\$50,000 per month (approximately \$3,028) per family with members less than 7 years</p>
	Pantawid Pamilyang Pilipino Program (4 P's)	Philippines	2008	Total beneficiaries: approx. 380,000 households - Poor households in 140 of the poorest municipalities and 10 cities	US\$ 471 million over 5 year period (2009-2013)	Department of Social Welfare and Development acting as executing agency, in partnership with Departments of Health and Education	<ul style="list-style-type: none"> •Children and pregnant women attend health centers and posts to get regular preventive health check ups and immunizations, according to the Department of Health's protocol •Children enroll in schools and attend over 85% of school classes 	<p>Health transfer currently set at PhP 500 (US\$11) per household per month (for a period of 12 months/year) regardless of the number of children</p> <p>Education transfer is of PhP 300 (US\$7) per month (for a period of 10 months/year), up to a maximum of 3 children</p>
³	Piloting CCT in Egypt	Egypt	2008 in Ain El Serra & should start in Upper Egypt by 2011	approximately 46,069 families were deemed eligible for application	The cost of this program if applied in all villages and their appended rural units, would cost 1888 million	Government: financed by the MOSS and the research expenses activities by the Social Research Center (SRC)	<ul style="list-style-type: none"> • Birth registration •Agree to receive a monthly social worker visit and cooperate •Children at age 5- 	The amount suggested is 244 EGP for each family

³ (Hania, 2010)

					EGP yearly	grants from UNICEF and another grant for MOSS by UNDP	<p>6 must enroll in primary school</p> <ul style="list-style-type: none"> •Children between ages 6 and 15 who are enrolled in school must attend 85% of school days each month •Children who never enrolled but are too old to start primary school - enroll in remedial education •Obtain ration card, with help of social worker •All members of the family to attend preventive health visits according to MOHP protocol, including child growth monitoring, immunizations and deworming •Mothers to attend ANC, PNC and deliver in health facilities according to MOHP protocol 	
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Conditional Cash Transfer in Egypt: What Can Constitute a good implementation controls?

1. In your experience, which of the following measures have been used to discourage error, fraud, and corruption in CCT programs?

	Not used	Was used and was Highly effective	Was used and Somewhat effective	Was used with low level of effectiveness	Was used but not effective at all	Not sure/don't know	Response Count
Training staff to ensure they have a clear understanding of what constitutes error, fraud, and corruption	9.1% (3)	54.5% (18)	15.2% (5)	3.0% (1)	0.0% (0)	18.2% (6)	33
Putting in place strong criminal penalties for fraudulent actions by program staff or beneficiaries	51.5% (17)	3.0% (1)	15.2% (5)	0.0% (0)	0.0% (0)	30.3% (10)	33
Strengthening laws and regulations that govern punishment for fraud or corruption by beneficiaries	33.3% (11)	15.2% (5)	6.1% (2)	3.0% (1)	0.0% (0)	42.4% (14)	33
Strengthening laws and regulations that govern punishment for fraud or corruption by program officials	33.3% (11)	6.1% (2)	21.2% (7)	0.0% (0)	0.0% (0)	39.4% (13)	33
Establish public awareness campaigns to ensure beneficiaries and community members understand how the program will deter fraud and corruption	9.1% (3)	57.6% (19)	15.2% (5)	0.0% (0)	0.0% (0)	18.2% (6)	33
Use administrative penalties or							

formal cautions directed to clients who provide incorrect compliance information.	27.3% (9)	21.2% (7)	30.3% (10)	0.0% (0)	3.0% (1)	18.2% (6)	33
Use administrative penalties or formal cautions directed to school officials who provide incorrect compliance	39.4% (13)	9.1% (3)	15.2% (5)	0.0% (0)	3.0% (1)	33.3% (11)	33
answered question							33
skipped question							21

Conditional Cash Transfer in Egypt: What Can Constitute a good implementation controls?



2. In your experience, which of the following measures have been used to prevent error, fraud, and corruption at the eligibility stage?

	Not used	Was used and was Highly effective	Was used and Somewhat effective	Was used with low level of effectiveness	Was used but not effective at all	Not sure/don't know	Response Count
Design a stage of data collection process to identify cases	12.1% (4)	72.7% (24)	3.0% (1)	0.0% (0)	0.0% (0)	12.1% (4)	33
Begin with a mapping of the community	12.1% (4)	66.7% (22)	12.1% (4)	0.0% (0)	0.0% (0)	9.1% (3)	33
Involvement of civil society organizations in the program design	27.3% (9)	24.2% (8)	24.2% (8)	9.1% (3)	0.0% (0)	15.2% (5)	33
Use of IT systems in the verification of proves of eligibility against national databases	12.1% (4)	54.5% (18)	9.1% (3)	6.1% (2)	0.0% (0)	18.2% (6)	33
Training for program staff on mechanisms to prevent error, fraud, and corruption	15.2% (5)	48.5% (16)	15.2% (5)	3.0% (1)	0.0% (0)	18.2% (6)	33
answered question							33
skipped question							21

Conditional Cash Transfer in Egypt: What Can Constitute a good implementation controls?



3. In your experience, which of the following measures have been used to detect error, fraud, and corruption at the eligibility stage?

	Not used	Was used and was Highly effective	Was used and Somewhat effective	Was used with low level of effectiveness	Was used but not effective at all	Not sure/don't know	Response Count
Systems to facilitate data matching of the participant families across different data sources.	27.3% (9)	39.4% (13)	12.1% (4)	3.0% (1)	0.0% (0)	18.2% (6)	33
To focus eligibility checks on high-risk groups	33.3% (11)	30.3% (10)	9.1% (3)	3.0% (1)	3.0% (1)	21.2% (7)	33
Recertify eligibility periodically to detect fraudulent actions	27.3% (9)	39.4% (13)	15.2% (5)	3.0% (1)	0.0% (0)	15.2% (5)	33
Make thorough cross-checks of registries to detect inconsistencies.	15.2% (5)	45.5% (15)	12.1% (4)	3.0% (1)	0.0% (0)	24.2% (8)	33
answered question							33
skipped question							21

Conditional Cash Transfer in Egypt: What Can Constitute a good implementation controls?



1. In your experience, which of the following measures have been used to prevent error, fraud, and corruption at the compliance stage?

	Not used	Was used and was Highly effective	Was used and Somewhat effective	Was used with low level of effectiveness	Was used but not effective at all	Not sure/don't know	Response Count
Allocation of Government inter-departmental responsibilities	21.9% (7)	25.0% (8)	21.9% (7)	3.1% (1)	3.1% (1)	25.0% (8)	32
Determine the nature of the problems facing families and support the family	15.6% (5)	46.9% (15)	18.8% (6)	3.1% (1)	0.0% (0)	15.6% (5)	32
Warning or punishing of families that bribe program officials to falsely confirm compliance with program conditionality	40.6% (13)	18.8% (6)	9.4% (3)	0.0% (0)	0.0% (0)	31.3% (10)	32
Warning and punishing school officials who provide wrong compliance verification.	37.5% (12)	12.5% (4)	12.5% (4)	3.1% (1)	0.0% (0)	34.4% (11)	32
Warning and punishing health workers who provide wrong compliance verification	40.6% (13)	12.5% (4)	9.4% (3)	6.3% (2)	0.0% (0)	31.3% (10)	32
answered question							32
skipped question							22

Conditional Cash Transfer in Egypt: What Can Constitute a good implementation controls?



2. In your experience, which of the following measures have been used to detect error, fraud, and corruption at the compliance stage?

	Not used	Was used and was Highly effective	Was used and Somewhat effective	Was used with low level of effectiveness	Was used but not effective at all	Not sure/don't know	Response Count
Regular visits to schools to monitor children school attendance	15.6% (5)	53.1% (17)	15.6% (5)	0.0% (0)	0.0% (0)	15.6% (5)	32
Regular visits to healthcare centers to monitor children & family health checkup records	15.6% (5)	46.9% (15)	18.8% (6)	3.1% (1)	0.0% (0)	15.6% (5)	32
Streamline of eligibility determination and related program rules to reduce level of ambiguity	12.5% (4)	53.1% (17)	12.5% (4)	3.1% (1)	0.0% (0)	18.8% (6)	32
Establish hotlines to receive complaints of families on non-compliance issues	25.0% (8)	40.6% (13)	12.5% (4)	6.3% (2)	0.0% (0)	15.6% (5)	32
If families refuse to comply with conditions, a family will be excluded from the program	9.4% (3)	50.0% (16)	28.1% (9)	0.0% (0)	0.0% (0)	12.5% (4)	32
Make regular visits by social workers to facilitate and encourage family compliance	31.3% (10)	46.9% (15)	6.3% (2)	0.0% (0)	3.1% (1)	12.5% (4)	32
Sample selections of cases for independent monitoring of	28.1% (9)	34.4% (11)	12.5% (4)	0.0% (0)	0.0% (0)	25.0% (8)	32

outcomes to detect problems							
Cross-check of compliance from supplier of service	15.6% (5)	34.4% (11)	15.6% (5)	6.3% (2)	0.0% (0)	28.1% (9)	32
answered question							32
skipped question							22

Conditional Cash Transfer in Egypt: What Can Constitute a good implementation controls?



1. In your experience, which of the following measures have been used to prevent error, fraud, and corruption at the cash disbursement stage?

	Not used	Was used and was Highly effective	Was used and Somewhat effective	Was used with low level of effectiveness	Was used but not effective at all	Not sure/don't know	Response Count
Direct payment to program beneficiaries through direct bank deposits	21.9% (7)	65.6% (21)	6.3% (2)	0.0% (0)	0.0% (0)	6.3% (2)	32
Regular checks by program administration on compliance before cash disbursing, rather than later in the process	40.6% (13)	40.6% (13)	6.3% (2)	0.0% (0)	0.0% (0)	12.5% (4)	32
De-link cash payments from government and program staff	28.1% (9)	46.9% (15)	9.4% (3)	0.0% (0)	0.0% (0)	15.6% (5)	32
answered question							32
skipped question							22

Conditional Cash Transfer in Egypt: What Can Constitute a good implementation controls?



2. In your experience, which of the following measures have been used to detect error, fraud, and corruption at the cash disbursement stage? ?

	Not used	Was used and was Highly effective	Was used and Somewhat effective	Was used with low level of effectiveness	Was used but not effective at all	Not sure/don't know	Response Count
Review of benefit claims on randomly, or risk basis	34.4% (11)	25.0% (8)	12.5% (4)	0.0% (0)	0.0% (0)	28.1% (9)	32
Monitor reports of ATM cards lost or stolen as a signal of possible fraud	46.9% (15)	12.5% (4)	9.4% (3)	0.0% (0)	0.0% (0)	31.3% (10)	32
Collaborate to monitor cash flow by involving national and external audit units	28.1% (9)	31.3% (10)	12.5% (4)	0.0% (0)	0.0% (0)	28.1% (9)	32
Use national IDs in verifying the payment process to match data of beneficiaries and improve detection efforts	12.5% (4)	56.3% (18)	6.3% (2)	0.0% (0)	0.0% (0)	25.0% (8)	32
Reconcile payment transfers with actual payments on a regular basis	25.0% (8)	43.8% (14)	3.1% (1)	0.0% (0)	0.0% (0)	28.1% (9)	32
Have national accounts audited by an external audit institution	25.0% (8)	40.6% (13)	6.3% (2)	0.0% (0)	0.0% (0)	28.1% (9)	32
Monitor uncollected payments to gain information on the quality of controls and validate CCT cash payments	25.0% (8)	37.5% (12)	3.1% (1)	0.0% (0)	0.0% (0)	34.4% (11)	32

answered question	32
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