Improving Access to Cash Transfers
in Brazil, Colombia, and Mexico

Background

In low and middle-income countries, social protection systems struggle to adequately safeguard a minimum standard of living for populations experiencing poverty. In Latin America—the most unequal region in the world—poverty and extreme poverty affect **25.5% and 9.8% of the population**, respectively, equivalent to more than **220 million people** (ECLAC, 2025).

220 M
people experience poverty and extreme poverty in Latin America

One of the main obstacles to reducing these gaps is **exclusion errors in national cash transfer programs: households or individuals who meet the program's eligibility criteria but do not access them.** Evidence demonstrates that these errors remain persistently high accross social protection systems in Latin America, meaning that a significant share of the poorest population is systematically left out from receiving the transformative benefits.

Reducing exclusion errors is a key step toward expanding coverage—particularly among the poorest populations—and contributing significantly to reducing poverty.

Research Methodology

This research analyzes **exclusion errors in national cash transfer programs** in **Brazil, Colombia, and Mexico**, based on the study of three of the oldest and largest-scale programs in the region: **Programa Bolsa Família (*Family Allowance Program*), Familias en Acción (*Families in Action*), and Becas para el Bienestar Benito Juárez (*Benito Juárez Universal Scholarship for Well-Being*).** The main objective was to understand how **program design decisions, institutional capacities, and operational aspects** interact and contribute to the exclusion of individuals and households that meet eligibility criteria.

The research was guided by the overarching question: **How can conditional cash transfer programs reduce exclusion errors and promote greater equity by incorporating the poorest groups and those that have historically faced higher levels of discrimination, especially when they experience intersecting identities?** To answer this question, the project used a **case study and mixed-methods approach**, resulting in three distinct country studies using the same quantitative and qualitative design:

- **Quantitative component:** Estimated exclusion errors using national household surveys, applying three measures: Coverage of the eligible population, coverage of the population in extreme and moderate poverty, and distribution of coverage by income deciles.
- **Qualitative component:** Included interviews with key informants and focus group discussions involving government actors, civil society, experts, program beneficiaries, and non-beneficiaries. Participants were selected through stakeholder mapping and snowball sampling.

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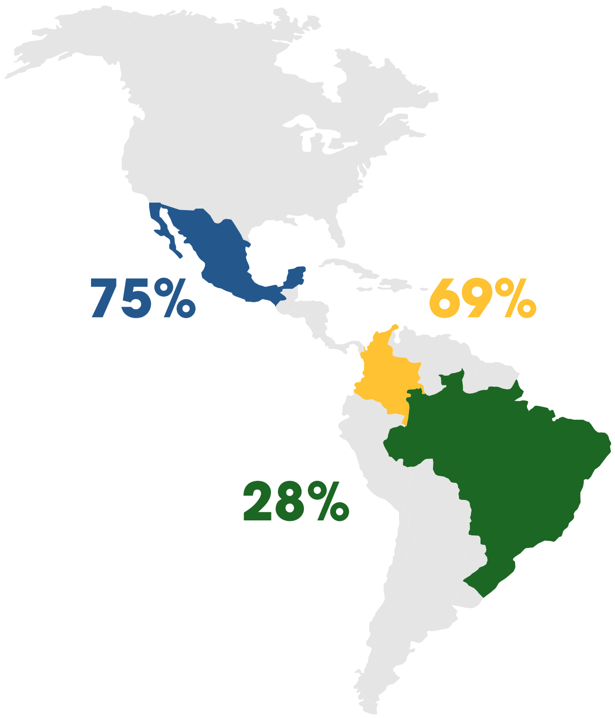
Findings

What Is the Magnitude of Exclusion Errors?

The results show that exclusion errors in national cash transfer programs are **significant in Colombia and Mexico,** where **69% and 75%** of the eligible population, respectively, are left out of the programs under national eligibility definitions. In contrast, **Brazil displays considerably lower levels**, with exclusion errors close to **28%.**



What Are the Main Causes of Exclusion Errors?

According to the research, exclusion errors can be explained by several factors, which can be grouped according to the **design and implementation stages** of the programs.

Design Factors

- **Limitations of targeting tools:**
  Surveys used as proxy means tests have statistical limitations; there is a strong reliance on self-reported information, and the statistical models underlying eligibility generate design-related exclusion errors.

- **Constraints of geographic targeting:**
  Areas without adequate banking, health, or education services—requirements built into program design—face structural exclusion.

Implementation Factors

- **Data quality issues:**
  Failures in survey instruments, data capture errors, and incomplete or inaccurate databases affect eligibility identification.

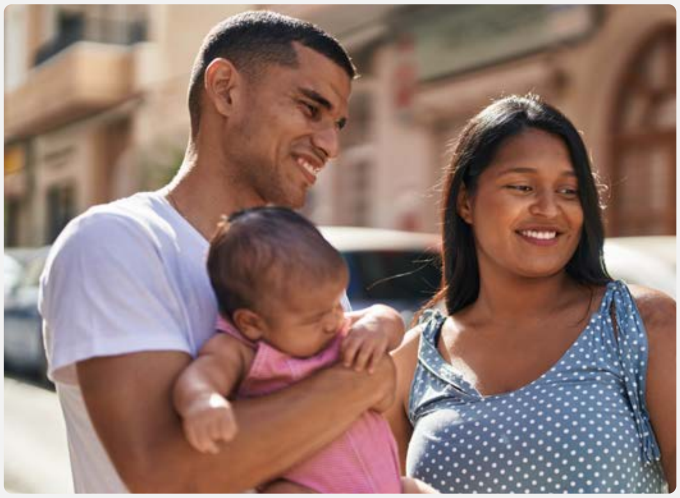
- **Data manipulation:**
  Political interference and lack of transparency undermine fair distribution.

- **Barriers to enrollment and compliance:**
  Enrollment processes and documentation requirements can be complex; communication gaps exist; and high opportunity costs (transportation costs, loss of income) deter participation.

> "There are contexts in which children cannot attend school or do not live near one, or where attending school implies costs so high that the transfer does not compensate for them; and the same occurs with nutrition and growth monitoring."
>
> Colombian researcher

Who Is Being Left Behind?

The analysis compared beneficiaries and non-beneficiaries based on demographic and socioeconomic characteristics, showing that patterns of inclusion and exclusion vary across countries, though they systematically affect certain historically vulnerable groups.



Mexico:
Indigenous and rural populations show high coverage rates among beneficiaries relative to their share of the general population. In contrast, **female-headed households are underrepresented**, suggesting access gaps for this group.

Colombia:
Beneficiaries tend to live in larger households with more children, in rural areas and small municipalities, and have lower educational attainment. However, **migrants—especially from Venezuela—people without identification documents, and members of Indigenous, Romani (Rrom), and Afro-descendant communities** are underrepresented among program recipients.

Brazil:
Beneficiary households are concentrated in rural areas and the poorest regions of the country. Nevertheless, **Indigenous peoples, quilombola communities, and people experiencing homelessness** face significant barriers to accessing cash transfers.

Identified Good Practices and Recommendations

Evidence shows that, in general, **greater program coverage is associated with lower exclusion errors.** However, expanding coverage is not always feasible due to fiscal, institutional, and political constraints. The effectiveness of different targeting mechanisms depends heavily on context, and no single approach guarantees optimal results in all cases.

Based on the study's findings, several **good practices and policy recommendations** have been identified that contribute to reducing exclusion errors, even in contexts where coverage expansion is limited.

Recommendations on Program Design

Limitations of targeting mechanisms

- Use **multiple targeting methods** to improve overall effectiveness, noting that **proxy means testing** has proven particularly effective.
- Periodically **review and update survey instruments** to reflect current socioeconomic indicators.
- Explore the use of **artificial intelligence** to improve accuracy in identifying people living in poverty and reduce exclusion errors.
- **Integrate data from multiple government databases** to improve beneficiary identification and reduce manipulation.

Geographic targeting constraints

- Ensure permanent and accessible registration points that consider families' geographic contexts.
- Adapt registration processes to municipal conditions, using online, offline, or paper-based methods as appropriate.
- Improve communication strategies to reach potential beneficiaries in remote areas.

Recommendations on Implementation

Data quality issues

- Conduct **periodic audits and real-time monitoring systems** to ensure data accuracy and program integrity.
- Improve data management practices by incorporating **big data and advanced technologies** to reduce costs and strengthen targeting.
- Develop **integrated systems using social registries and computational capacity** to introduce greater dynamism into targeting processes.

Data manipulation

- Establish **specialized antifraud units,** audit targeting processes, and cross-check databases with administrative records to prevent manipulation.
- Create **centralized and consolidated databases** to detect discrepancies and prevent beneficiary data manipulation.

Enrollment barriers

- Simplify enrollment processes, including **reducing documentation requirements.**
- Introduce **subsidies to cover opportunity costs** associated with enrollment, such as transportation and documentation fees.
- Involve **local leaders and organizations** in registration processes to increase trust and improve beneficiary identification.
- Implement **mobile registration units** to support people in remote areas, including multilingual and culturally appropriate materials.

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The evidence presented in this policy brief shows that promising practices exist to reduce exclusion errors in cash transfer programs. However, it also highlights a critical gap: the lack of **robust and comparable evidence** to identify which interventions are most effective and cost-efficient, and under what conditions they close coverage gaps among the poorest populations.

Currently, much of the available knowledge remains qualitative, fragmented, or anecdotal, limiting its use for large-scale public policy decision-making.

Against this backdrop, **Nadie Atrás (Leave No One Behind)** emerges as the **Latin American Social Policy Laboratory**, a strategic platform to advance more inclusive social protection systems. The Laboratory seeks to generate and exchange regional evidence, strengthen the capacities of public officials responsible for these programs, promote communities of practice, and create incentives for adopting solutions that effectively reduce exclusion errors—even under fiscal and political constraints.

Promoting the Nadie Atrás Laboratory is a call to collective action for governments, international organizations, academia, and civil society: to invest in rigorous evidence, experiment with new approaches to social policy, promote cross-country learning, and move—based on informed decisions—toward cash transfer programs that truly reach those who need them most.

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