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The Implementation Costs of Agricultural Policies
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PART II

*Chapter 4*

# A Case Study of the Policy-related Transaction Costs of PROCAMPO Payments in Mexico

## Executive Summary

Under the PROCAMPO programme of Mexico, eligible farmers receive payments based on the area planted during an historical base period (1991-93) on the condition that the land is used for legal agricultural or livestock production, or within an environmental programme. In 2002, PROCAMPO granted payments to over 2.7 million farmers for an area corresponding to 13.9 million hectares (*i.e.* 58% of the total agricultural area).

The PROCAMPO programme is administered by ASERCA, a decentralised body of the Secretariat for Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA). ASERCA distributes and processes application forms, checks the eligibility of applicants, proceeds with the payment and maintains the database containing information on registered farmers, land use and payment levels. ASERCA also uses a Geographical Information System to monitor eligibility, check compliance and evaluate the environmental impact of the programme.

Local agencies of SAGARPA (CADERs) implement PROCAMPO and other programmes at the municipal level. They distribute information on programmes, announce the payment rates, help farmers fill in applications, check eligibility, collect application forms and send them to ASERCA regional offices. At the end of the procedure, they inform farmers of the amount they will receive and, in some cases, actually give them the cheque.

PROCAMPO uses different means of payment: cheques that can be cashed by bearers (called PROCAMPO cheques), transfers to deposit accounts, and transfers to withdrawal electronic cards. PROCAMPO cheques are used because a large number of farmers do not have a bank account. ASERCA has been trying to encourage the use of withdrawal electronic cards, which are the least costly means of payment, by subsidising them.

ASERCA and CADERs' policy-related transction costs (PRTCs) were estimated using publicly available information, such as budgets, the number of staff, wages, working time, and organisation charts. A number of assumptions had to be made regarding the allocation of costs by programme and task, and on the value of labour costs.

Total PROCAMPO PRTCs were estimated at MXN 379 million (USD 35 million), or less than 3% of the total value of payments. To give a more precise picture of their relative size, PRTCs are also related to the number of producers receiving payments and hectares covered. Average estimated PRTCs per producer are MXN 133 (USD 12.4) for an average payment of MXN 4 592 (USD 427). The average payment per ha is MXN 947 (USD 88) for an estimated PRTC of MXN 27 (USD 2.5).

The PRTCs of PROCAMPO are relatively modest, given the large number of farmers receiving payments, because transactions are relatively standard and most tasks are computerized. The highest PRTC comes from monitoring of the system, *i.e.* the administration and coordination of the whole system by the central ASERCA office. The second highest cost comes from the processing of applications, two-third of which occurs at the local level. Identification of the beneficiary has a relatively low cost as all PROCAMPO

producers are registered in a database. This database is used to check eligibility, also at a relatively low cost, through the monitoring of successive applications and information that have already been registered in it. In addition, it is expected that the cost of proceeding with payments will decrease as more producers cash their payment by using an electronic card and because since 2005 programme participants are no longer required to register a claim for each cycle. While further efforts to reduce PRTCs (without adversely affecting the results) should be pursued, it should also be kept in mind that PRTCs are only one element to be considered when looking at the cost-efficiency of a policy or comparing policy options. Ideally, all costs and benefits should be taken into account in policy evaluation.

## 4.1. Background

Chapter 4 contains a case study on PROCAMPO payments in Mexico. It first provides a brief overview of the programme (Section 4.2). It then examines the implementation system and institutions, payment conditions and means of payments (Sections 4.3 to 4.5). It outlines the use of information technologies in the system and their role in cost savings (Section 4.6). Estimations of the costs of implementing PROCAMPO payments are presented in Section 4.7 and some concluding remarks on their size are made in Section 4.8.

## 4.2. Brief overview of the programme

The PROCAMPO[1] programme disburses payments to eligible farmers based on the area planted during an historical base period (1991-93) on condition that farms use their land for legal agricultural or livestock production, or for an environmental programme. The programme was set up in 1993/94 for a period of 15 years. It originally compensated producers for the elimination of guaranteed prices on support crops managed by the State-owned marketing agency, CONASUPO,[2] with the objective of allowing farmers to respond to market signals in a context of increasing trade openness, while providing a certain level of income. The programme is set-up on the basis of two crop cycles a year (winter/fall and spring/autumn) with farmers receiving a flat rate payment per eligible hectare.

In 2002, PROCAMPO granted payments to over 2.7 million farmers for an area of 13.9 million hectares (*i.e.* 58% of the total agricultural area). The spring/summer cycle concerns 2.3 million producers and 10.8 million hectares; the autumn/winter cycle 450 000 producers and 3.1 million hectares. The payment rate was MXN 873 (USD 91) per hectare in spring/summer 2002 and the annual total budgetary cost was MXN 12 420 million (USD 1 292 million), compared to MXN 8 665 million (USD 902 million) for *ALIANZA* programmes[3] and MXN 2 723 million (USD 284 million) for marketing payments per tonne of maize, wheat, sorghum, rice and other crops (OECD, 2003a). Payments per head of cattle (PROGAN) were introduced in 2003 on the same basis as PROCAMPO payments.

## 4.3. Implementation system and institutions

The PROCAMPO programme is administered by **ASERCA** (Support Services for Agricultural Marketing Agency) on behalf of the central administration. ASERCA is a decentralised body of the Secretariat for Agriculture, Livestock, Rural Development, Fisheries, and Food (**SAGARPA**). It was created to enhance the commercialisation of some crops (maize, wheat, rice and oilseeds) as a way to help producers to benefit from trade liberalisation and the opening of international markets. There is a central office with

around 360 employees and 9 regional offices (down from 16 initially) with around 40 employees per office on average.[4]

The structure of the Central Office is shown in Diagram of Figure 4.1. The structure of regional offices depends on the region's characteristics, but typically a regional office would have a Director, a Deputy-Director and three departments:

- a department for information technologies (computer systems), which provides computer support and maintenance; controls all incoming and outgoing documents; receives claims and issue cheques;
- a department for the control and evaluation of programmes; and
- an administrative department which manages personnel and equipment.

ASERCA distributes and processes application forms, checks the eligibility of applicants and proceeds with the payment. The ASERCA database contains information on eligible farmers, land use, payment levels, etc.

ASERCA also manages the implementation of marketing payments for crops and, since 2003, PROGAN payments, and it is planned that it will administer all *Alianza* programmes in the future (SAGARPA will continue to be responsible for PROCAMPO development) as well as centralise all information.

The Directorate General (DG) for Information Services of ASERCA is in charge of designing questionnaires that gather information on producers. It is also in charge of "SIGA" (*Sistema de Información Geográfica ASERCA*), a system of geographical information based on satellite images used to check consistency between PROCAMPO claims and payments, and land use.

Local agencies of **SAGARPA**, the **CADERs** (*Centros de Apoyo al Desarrollo Rural*), implement PROCAMPO and other programmes at the municipal level. They are the smallest interface between the government and producers. There are 715 CADERs in Mexico with an average of four employees. They distribute information on programmes, announce the amount of payments, help farmers fill in applications, check eligibility, and collect application forms and send them to ASERCA regional offices. At the end of the procedure, they tell farmers how much they will receive and, in some cases, actually give them the cheque.

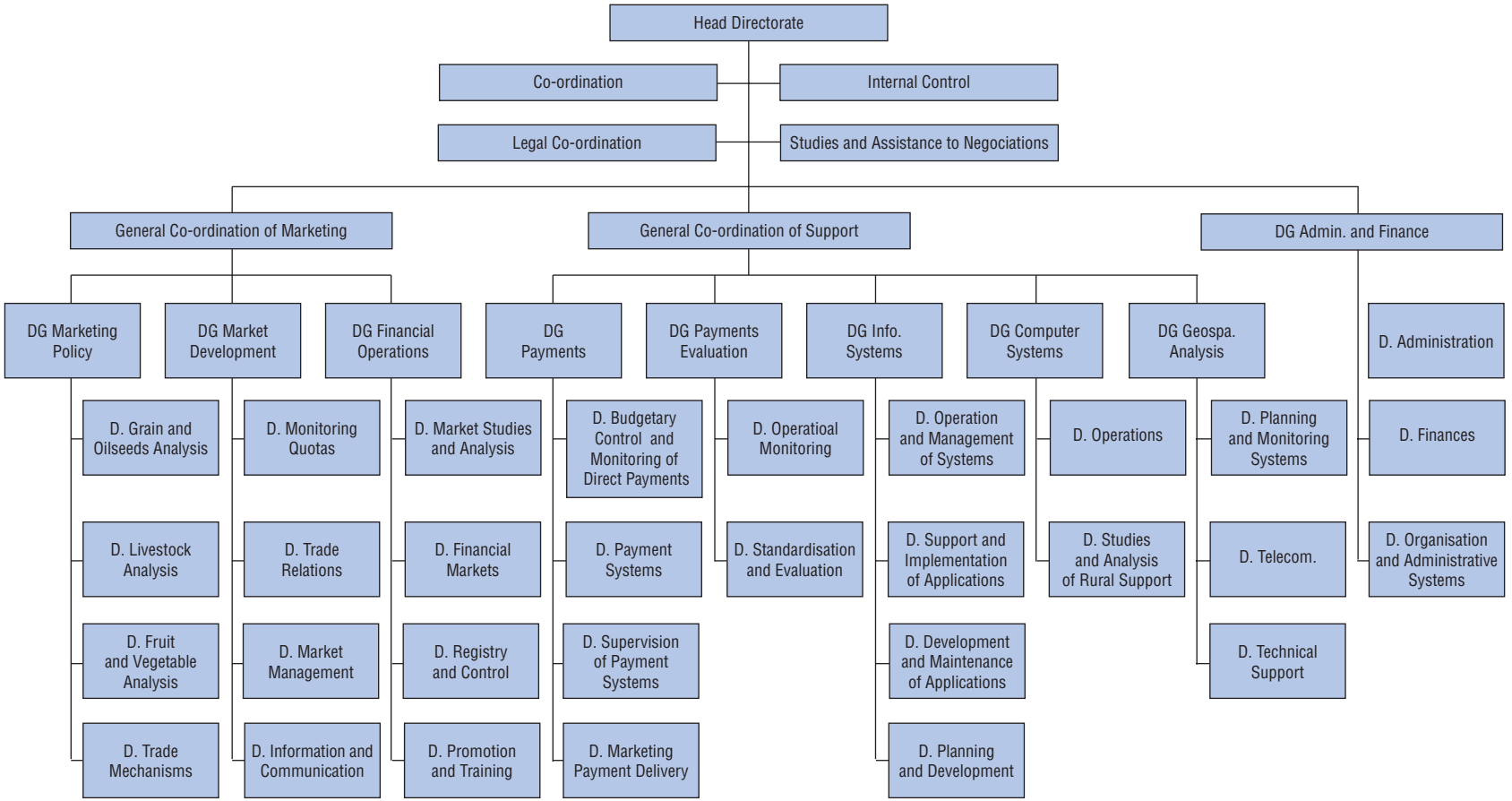
Traditionally, farmers have to register with PROCAMPO at the beginning of the season, fill in a form for each cycle and submit it to the CADER and, in some cases, pick up their cheque at the CADER. Recent developments have been implemented to reduce the number of transactions for farmers and CADERs, as explained in the next sub-section.

## 4.4. Payment conditions

Producers receive payments for the agricultural cycle for which they apply and they have to make a claim for each cycle. There are three ways in which PROCAMPO payments are delivered to farmers (ASERCA, 2002a):

- **Traditional PROCAMPO** applies to farms of over 5 hectares. The call for applications and the level of payment are announced by local offices after planting. Four weeks after sowing, the producer is requested to complete and send the application form,[5] which is verified by both the local offices and ASERCA. Approximately four weeks later, the local office (CADER) announces the availability of the cheque.

Figure 4.1. **Flow chart of central ASERCA**




*Source:* ASERCA, *Estructura dictaminada*, 1 January 2002, Directorate General of Information Systems.

- **Anticipated PROCAMPO** allows producers with less than 5 ha to receive payment before sowing starts. Farmers with less than one hectare receive payment equivalent to one hectare. Anticipated PROCAMPO was introduced in 2001 to simplify administrative tasks. It now accounts for close to half of all PROCAMPO payments, over one-third of land, and close to three-quarters of producers. The procedure is as follows: based on information contained in the database, ASERCA processes the form and writes the cheques for small producers. CADERs announce the cheque's availability to producers, and both CADERs and ASERCA verify that requirements have been fulfilled. The number of transactions is smaller than with traditional PROCAMPO.
- **Capitalised PROCAMPO**[6] was introduced in 2002. It allows farmers to use their future PROCAMPO payments as collateral for borrowing. Small producers (up to 5 ha) are exempted from interest payments. Priority access is given to women and indigenous groups. As a rule, PROCAMPO aids can be cumulated with other agricultural aid programmes. To apply for a capitalised PROCAMPO payment, CADERs and ASERCA check the farmers' eligibility and ASERCA provides the form. Farms then have to propose a project that contributes to water or resource optimization, employment generation, increasing production capacities and/or integration in the agro-food chain, and register it with the CADERs. The project is evaluated technically by a commission of federal and regional officials and farmers' representatives. A financial institution evaluates financial viability before the loan is granted. The financial institution formalises the credit, ASERCA registers the project and the loan. Finally, producers receive the money and carry out the project.[7]

## 4.5. Means of payment

PROCAMPO uses different means of payment: bearer cheques[8] (called PROCAMPO cheques), transfers to deposit accounts, and transfers to withdrawal electronic cards. Bearer cheques are used because a large number of farmers (around 50% in 2003) do not have a bank account. The unit cost of each of these means of payment is different and ASERCA has been trying to encourage the use of the least costly means of payment, including subsidising the purchase of electronic cards.

PROCAMPO cheques are distributed to producers by the local administrative units (CADER). They are nominative and can be cashed by any banking institution. Physical and electronic devices prevent frauds. In addition to BANSEFI,[9] three commercial banks can issue PROCAMPO cheques: BANAMEX, BANCOMER and BANORTE. These are selected in each region by calls for tender. The unit cost of a cheque ranges between MXN 11.04 and 12.74 before tax, depending on the bank.

For farmers who have a bank deposit account, transferring the payment to these accounts is administratively simpler, cheaper and safer than other payment options. Initially, the account number is submitted for registration to ASERCA regional offices. ASERCA central office enters the number in its database, validates it and sends it to the banking system, which in turn validates it and informs ASERCA. For each deposit, financial dealers registered with ASERCA formalise a contract with producers and send it to ASERCA regional offices, which validate the request, calculate the amount and ask permission to transfer that amount to the deposit account. Central ASERCA grants this permission and gives instructions to the banking system to proceed with the transfer. Dealers check the deposit has been made and write an acknowledgement of receipt. Producers receive

information from the dealer. They also have to register each claim at the CADER, which validates the information received on the producer. The unit cost of a deposit is MXN 4 before tax.

The use of electronic cards has been recently promoted for farmers with more than 5 hectares as an even simpler and more transparent means of transferring PROCAMPO payments; this is expected to reduce administrative costs for the CADERs. The initial cost of creating the card (MXN 10 before tax) is paid by ASERCA. No minimum deposit is required so it is accessible to producers who would not be granted a bank account. The card can be used for all the different types of payments the producer is entitled to, including payments from other programmes such as *Programa de Empleo Temporal* and marketing payments. It can also be used for national and international transfers and as a debit card without paying a withdrawal commission. In 2002, over 200 000 cards were distributed and it was expected that by 2006 all farmers will have an account. The system will be evaluated once a year by an independent office. This method was awarded a prize for innovation in reducing administrative costs.

## 4.6. Information technologies

ASERCA's system of geographic information (SIGA) is a technical component of PROCAMPO projects aimed at small producers. It includes the following subcomponents (ASERCA, 2002b):

- Verification that the agricultural activities being carried out by the producer receiving a payment corresponds to what has been declared to the CADERS.
- A complete register of land and producers engaged in all PROCAMPO programmes, as well as the registration of all "*ejidal*" properties. This task was finished in 2004.
- Taking satellite images to identify the technical and productive capabilities of all agricultural land.
- The identification of agricultural regions and agricultural frontiers.
- The assessment of the environmental impacts of PROCAMPO, the agriculture reform, and all agricultural activities.
- The estimation of such impacts at the national level.

In 1993, all eligible farmers were registered in the PROCAMPO database, but until 2004 they needed to register their claim for each cycle. As of 1996, no new producer could register with this programme. ASERCA checks land use declared with the information contained in the database. For environmental projects, random checks are performed.

## 4.7. Estimation of PRTCs for PROCAMPO

Policy-related transaction costs (PRTCs) are estimated for the two public bodies involved in the implementation of PROCAMPO payments: ASERCA and the CADERs. Estimates are based on publicly available information (*i.e.* made at a relatively low marginal cost). The estimation methods used for the two organisations reflect data availability. Increasing the precision of these estimates would require additional collection of information.

PROCAMPO costs must first be isolated from the PRTCs of other programmes implemented by ASERCA and the CADERs. An attempt is then made to allocate total PRTCs to the various tasks required for the implementation of PROCAMPO payments, listed in

Figure 1.1 of Chapter 1. The focus is on the tasks identified for the distribution and monitoring of payments.

### *ASERCA*

As ASERCA is a body of SAGARPA, its total administration cost is directly available from SAGARPA's budget under "operational costs". It was projected that for 2003 this budget cost would be MXN 326 million (USD 30 million) in 2003. It covers the administration cost of central ASERCA and its regional offices. As shown in the first column of Table 4.1, the budget distinguishes:

- the cost of staff (permanent and temporary) – including wages, social security and other social transfers;
- the cost of services from banks, consultants, cleaners, etc.; and
- the cost of equipment and stationary.

Table 4.1. **Administration cost of ASERCA: Budget plan 2003**

| | Total ASERCA's PRTCs | ASERCA's PRTCs on PROCAMPO (66% of total) | |
|---|---|---|---|
| | MXN mn | MXN mn | % |
| Labour costs | 205.1 | 135.1 | 63 |
| Service contracts | 95.6 | 63.0 | 29 |
| *of which banking costs* | – | *41.0* | *19* |
| Equipment and stationary | 25.2 | 16.6 | 8 |
| Total | 325.8 | 214.6 | 100 |

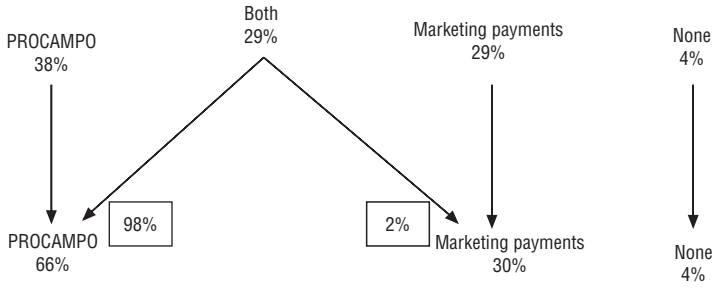
*Source:* SAGARPA (2003a).

ASERCA's total administration cost in the 2003 budget plan is split between PROCAMPO and marketing payments, the two main programmes managed by ASERCA, on the basis of the number of professional staff (support staff is not taken into account) in each section of the organisation (see the organisation chart of central ASERCA in Figure 4.1). It is therefore assumed that the ratio of professional staff to support staff is the same in all sections of ASERCA. This allocation is also assumed to be the same in central ASERCA and the nine regional offices, which could not be isolated in the budgetary statistics.

Allocation is done in two steps. First, ASERCA's total operational cost is allocated to the various sections according to their share of professional staff. Second, the different sections need to work with one or the other programme, both or none. Some sections of ASERCA (on the left side of Figure 4.1) are solely in charge of the implementation of marketing payments (the General Co-ordination of Marketing and the Directorate for Marketing Payment Delivery) and their cost share can therefore be allocated to this programme. In the same way, other sections of ASERCA (in the middle of Figure 4.1) such as most Directorates General under the General co-ordination of support[10] (with the exception of the Directorate for Marketing Payment Delivery) can be directly related to PROCAMPO. However, the tasks of the Head Directorate (excluding the unit for agri-food studies and support to international trade negotiations, which is not allocated to either of the programmes) and the DG for administration and finance are shared between PROCAMPO and marketing payments. The costs of the shared sections are then split between the two programmes based on the number of farmers receiving payments (which

is a proxy for the number of applications). The assumption is that applications for PROCAMPO or marketing payments have equal processing time. As more farmers receive PROCAMPO payments than do marketing payments, 98% of the shared costs are allocated to PROCAMPO. In the end, PROCAMPO is estimated to account for 66% of the administration cost of ASERCA (Figure 4.2), *i.e.* MXN 215 million (USD 20 million) (second column of Table 4.1).

Figure 4.2. **Allocation of ASERCA's PRTCs to PROCAMPO**




*Source:* Secretariat's estimate based on ASERCA's flow chart.

This PRTC of MXN 215 million is broadly allocated to the different tasks performed by ASERCA when implementing PROCAMPO, *i.e.* the identification of beneficiaries, the processing of applications, actual payment, checking of eligibility and compliance, and monitoring and co-ordination of the delivery system and the whole administration system. As for the attribution of costs to PROCAMPO, the allocation by task is carried out on the basis of the number of professional staff in each section of ASERCA, specific tasks having been identified for specific sections as described below. The estimated cost allocation is shown in the first column of Table 4.2.

The main task of ASERCA is to **monitor** and control the administration of the system. This role is allocated to the Head Directorate and the DG for administration and finance, but also to the DG for direct payment programming and evaluation and the Directorate for budgetary control and monitoring of direct payments of the payment DG. Under the general co-ordination of support, the DG of means of payments is mainly involved with **delivering actualpayments**, while the **processing** of payments is done in the DG of information systems for direct payment delivery. The DG of geospatial analysis is given the task of checking **eligibility and compliance**. Banking costs for actual payment delivery are part of the ASERCA budget, but cannot be identified precisely as contracting costs of ASERCA in the budget include more than just payments to banks. However, total banking costs for PROCAMPO cheques were estimated by the banks to be MXN 41 million (USD 3.8 million) in 2002 (Table 4.1). This amount is directly allocated to the task of proceeding to "actual payment" and deducted from the total amount of ASERCA administration costs to PROCAMPO, to be allocated to all tasks.

ASERCA also plays a role in the design and evaluation of PROCAMPO. The Directorate for planning and development of the DG of information systems for direct payment delivery is involved with the **design** of the programme. **Evaluation** of the programme is carried out by the directorate for studies and analysis of rural support of the DG of computer systems, while other parts of this DG are dedicated to monitoring the delivery

Table 4.2. **Allocation of PROCAMPO's PRTCs**

| | PRTCs of ASERCA | PRTCs of CADERs | Total PRTCs | PRTCs as a % of payments | PRTCs per producer | PRTCs per hectare |
|---|---|---|---|---|---|---|
| | MXN mn | MXN mn | MXN mn | % | MXN | MXN |
| **Tasks** | | | | | | |
| Design[1] | 5 | 0 | 5 | 0.04 | 2 | 0 |
| Evaluation | 6 | 0 | 6 | 0.05 | 2 | 0 |
| Identification of beneficiaries | 0 | 48 | 48 | 0.37 | 17 | 4 |
| Processing of applications | 30 | 68 | 97 | 0.75 | 34 | 7 |
| Actual payment | 46 | 25 | 71 | 0.54 | 25 | 5 |
| Eligibility/compliance | 13 | 23 | 36 | 0.28 | 13 | 3 |
| Monitoring[2] | 115 | 0 | 115 | 0.88 | 40 | 8 |
| Total | 215 | 164 | 379 | 2.90 | 133 | 27 |

1. Does not include SAGARPA costs other than ASERCA's.
2. Includes management, computer operation, and organisation costs.
*Source:* Secretariat's estimates.

system. The collection of information at the ASERCA level is not considered as a specific PRTC given that it is generated from the implementation process which requires that information from applications be centralised in a database managed by ASERCA. This could be interpreted as a benefit of PROCAMPO implementation.

### *CADERs*

The CADERs administration costs are not identified in the SAGARPA budget. The estimate of the costs they incur when implementing PROCAMPO is based on labour costs only. For each region, the number of staff in CADERs, by administrative category, and the monthly wages of civil servants of the different categories are available from SAGARPA. Labour costs of CADERs by region are obtained by multiplying the number of staff in one category by the average wage of that category and by summing the labour costs across all categories of staff. Total labour costs of CADERs amounted to MXN 644 million (USD 60 million) in 2002.

CADERs implement PROCAMPO as well as many other programmes. It is therefore necessary to estimate the share of their labour costs spent on PROCAMPO implementation in order to obtain PROCAMPO PRTCs from CADERs. This is done by using the number of days CADER employees spend on PROCAMPO tasks. This information is available from a SAGARPA report (2003b) on PROCAMPO management indicators for the spring-summer agricultural cycle of 2002. The duration of each task necessary to implement PROCAMPO payments is given by the CADER and the region. It is used as an approximation of the time spent on PROCAMPO tasks. For the autumn-winter cycle, information on total days spent on PROCAMPO is available and allocated arbitrarily to individual tasks using information from the spring-summer cycle. Table 4.3 shows the number of days allocated to PROCAMPO tasks on average, but the calculation was done for all regions as labour time and cost vary by region with the number of applications and the staff composition of CADERs. In total, CADERs' employees spend over 90 days on PROCAMPO: 43 for the spring-summer cycle and 48 for the autumn-winter cycle (average of 2001/02 and 2002/03). This represents about a quarter of their time.[11] As a result, average PRTCs of PROCAMPO from CADERs is estimated to be MXN 164 million (USD 15 million) (Table 4.2).

For each region, labour costs are finally allocated to specific tasks on the basis of the number of days spent on both PROCAMPO cycles in each region. The result of this

Table 4.3. **Average number of days CADERs spend on PROCAMPO**

| | Spring-Summer 2002 | Average Autumn-Winter 2001/02 and 2002/03 | Total 2002[1] | Total 2002 in percentage terms |
|---|---|---|---|---|
| Identification of beneficiaries | 14 | n.a. | 29 | 8 |
| Processing of applications | 18 | n.a. | 37 | 10 |
| Register the application | 6 | n.a. | 14 | 4 |
| Control and calculation | 6 | n.a. | 12 | 3 |
| Printing | 5 | n.a. | 11 | 3 |
| Actual payment | 5 | n.a. | 10 | 3 |
| Eligibility/compliance | 7 | n.a. | 14 | 4 |
| Total labour days on PROCAMPO | 43 | 48 | 91 | 25 |

n.a.: not available.
1. The Autumn-Winter cycle is allocated to individual tasks on the basis of the Spring-Summer allocation.
*Source:* SAGARPA (2003b) and ASERCA (2003).

calculation provides an estimate of CADERs' PRTCs on PROCAMPO for specific tasks (Column 2 of Table 4.2). It is then added to the PRTCs of ASERCA, by task, to obtain the cost of implementing and controlling PROCAMPO payments (Column 3 of Table 4.2).

Total PROCAMPO PRTCs are estimated at MXN 379 million (USD 35 million), or less than 3% of the value of total payments. To give a more precise picture of their relative size, PRTCs are also related to the number of producers receiving payments and hectares covered. Average estimated PRTCs per producer are MXN 133 (USD 12.4) for an average payment of MXN 4 592 (USD 427). The average payment per ha is MXN 947 (USD 88) for an estimated PRTC of MXN 27 (USD 2.5). Given the high number of farmers receiving payments (Table 4.4), the PRTCs of PROCAMPO are relatively modest, because transactions are relatively standard and most tasks are computerised.

Table 4.4. **PROCAMPO transfers in 2003**

| | Number of producers | Payments | Area | Number of farms |
|---|---|---|---|---|
| | '000 | MXN mn | '000 ha | '000 |
| Autumn-Winter cycle 2003 fiscal year | 438 | 2 711 | 3 105 | 587 |
| Spring/Summer cycle 2003 | 2 405 | 10 343 | 10 681 | 3 520 |
| Total | 2 843 | 13 054 | 13 786 | 4 107 |

*Source:* ASERCA (2004), Table 9.

## 4.8. Conclusions

The highest PRTC comes from the monitoring of the whole system, *i.e.* the administration and coordination of the whole system by the Head Directorate and DG for the administration and finance of the central ASERCA office. Although ASERCA deals mostly with PROCAMPO, it increasingly carries out other tasks which were not taken into account in this case study and could account for part of such shared costs. The second highest cost comes from the processing of applications, two-third of which occurs at the local level. Identification of the beneficiary has a relatively low cost as all PROCAMPO producers are registered in a database. Similarly, this database is used to check eligibility, at a relatively low cost, through the monitoring of successive applications and GIS information. In addition, it is expected that the cost of proceeding with payments will decrease as more producers cash their payment by using a debit card.

PROCAMPO PRTCs were estimated using publicly available information. A number of assumptions had to be made regarding the allocation of costs by programme and task, and the value of labour costs. More refined estimates could be found with more detailed information, but the current method was implemented at a relatively low cost.

PROCAMPO administration costs are relatively modest given the large number of farmers that receive payments, which is larger than the number of farmers that benefited from the former price support system. The low integration of some farmers in the banking system has also been a challenge. As withdrawal cards develop and participants are no longer required to register for each payment cycle, costs are likely to decrease. It would be interesting to follow the evolution of PROCAMPO PRTCs as the different ways of delivering payments develop and the facilities put in place to administer PROCAMPO (withdrawal cards, database and GIS system) are used for other programmes. It is expected that PRTCs will further decrease as the delivery and monitoring network, and the information systems, are shared.

### *Notes*

1. Programme of Direct Assistance to the Countryside (*Programa de Apoyos Directos al Campo*).
2. National Basic Food Company (*Compania Nacional de Subsistencias Populares*).
3. Most other payments under the ALIANZA programme consist of subsidies on inputs (mainly investments) or on-farm services.
4. There are 32 administrative regions (States) in Mexico.
5. From 2005, programme participants are no longer requested to register claims for each cycle.
6. The implementation system of capitalised PROCAMPO is different from the payments types because of the nature of the assistance. CADERs check the request, receive and register the economic project; ASERCA produces and prints the official document and registers the economic project and the credit. A State committee evaluates the project's technical feasibility. A financial institution evaluates the financial viability of the project and formalises the credit.
7. The Inter-American Development Bank, which funds part of capitalised PROCAMPO, will evaluate the programme.
8. Bearer cheques can be directly cashed by the bearer.
9. BANSEFI (*Banco del Ahorro Nacional y Servicios Financieros*) is a development bank whose purpose is to promote saving culture and to provide technical assistance and financial services to the popular credit and saving entities of the Federal Government.
10. The payment DG (with the exception of the Directorate for marketing payment delivery), the DG for direct payment programming and evaluation, the D.G. of information systems for direct payment delivery, the DG of computer systems and the DG of geospatial analysis.
11. CADERs estimate their work on PROCAMPO accounts for 80% of their time. If this high estimate was used, PROCAMPO's total PRTCs would be double at MXN 730 million or 5.6% of transfers.

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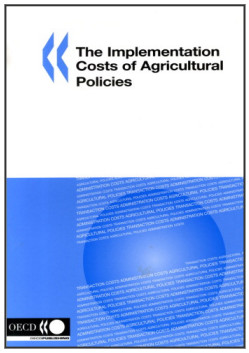


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