

Innovation Policies for Inclusiveness – Policy Cases

Productive Territories Programme

Country: **Mexico**

1. Short Description

The **Productive Territories Programme** aims to reduce rural poverty in Mexico by increasing the productivity, production and income of poor rural households. The programme selects teams of technical advisors to design (through a participatory process) and implement tailored development plans to support economically relevant business opportunities for poor rural households in specific locations. The programme aims to enhance the productive capacities of these households, and guarantee their access to public programmes for which they qualify.

This policy profile is part of a [policy toolkit on innovation policies for inclusiveness](#). It is relevant for social and territorial inclusiveness.

2. Policy Characteristics

Basic Information

Country and implementing institution(s):	Timeline:
Mexico Secretaría de Desarrollo Social	2015-2018 (pilot project) (to be implemented at national level if successful thereafter)
Target group	Size and budget:
Groups: low income Low-income rural households	Three-year budget (2015-2017) of approx. MXN 229 million (USD 27.6 million, PPP). Annual budget of MXN 103 million in 2015 (USD 12.5 million) and MXN 63 million in 2016 (USD 7.6 million). Recipients: 9 500 participants in 1 300 projects at different stages of development. The results of an evaluation by end-2017 will determine the possibility of nationwide implementation.
Type of policy instrument(s)	Inclusiveness focus
Non-financial support: technical support	Social inclusiveness Territorial inclusiveness



Policy objectives

The aim of the **Productive Territories Programme** is to reduce extreme rural poverty in Mexico by increasing the productivity, production and income of poor rural households. The programme targets beneficiaries of PROSPERA (Social Inclusion Programme) living in municipalities where small farmers have an important social and economic role. In particular, the programme aims to help families increase non-transfer (non-subsidy) incomes received through their economic activities, whether agricultural or non-agricultural, and to enhance their overall productivity. It also works to link poverty alleviation programmes with productivity enhancing programmes.

To this end, the programme seeks to enhance the assets and capacities of these households, and to help them overcome market, infrastructure and institutional constraints that limit opportunities to make the best possible use of these assets and capacities.

Rationale

Productive development programmes in Mexico only infrequently reach very poor people in marginalised territories. This is due to limited awareness among potential beneficiaries regarding programmes for which they qualify and lack of capacity to apply.

In addition, an overlap in target populations was found between two major policies. The **National Crusade against Hunger** works to increase production and the income of small-scale farmers and peasants living in conditions of extreme poverty in 400 lagging municipalities. Similarly, the **Programme to Democratize Productivity** – a component of the National Development Plan 2012-2018 – aims to promote greater participation in the economy and increase the productivity of millions of small firms (including farms) and wage workers currently in the informal sector, particularly in the less-developed regions of the south of the country. Many rural households identified by the Crusade against Hunger as “people in extreme poverty” were also conceptualised by the Programme to Democratize Productivity as firms and workers in need of support and stimulation to become more productive and involved in the formal economy.

The Productive Territories programme therefore offers a joint solution to two formerly independent objectives: poverty reduction and productivity enhancement.

Policy target recipient and selection mechanism

The policy targets poor rural households that are beneficiaries of the social programme PROSPERA, living in municipalities in which small farmers have an important social and economic role.

The programme’s target mechanism is based on four criteria:

- The selected localities should be the focus of PROSPERA operations, with at least 24% of families having less than 20 acres.
- Functional areas should group together localities where economic activities take place.



- The selected localities should be a maximum of 10 kilometres from the economic centre of the territory.
- Localities should be prioritised according to the number of “PROSPERA families” present, with a selection made of households that can be assisted by the programme.

In accordance with these criteria, the pilot programme’s was implemented in 82 localities of 23 municipalities across five states.

Policy instrument(s)

Technical support to develop and implement a territorial plan and annual work plans for each functional area. In each functional area, the programme selects and trains a technical team. This team works to formulate a tailored development plan for each location, as well as detailed annual work plans, taking into account existing regional assets and local needs. A structured participatory process is implemented to guarantee the involvement and validation of the community. During the design of development plans, technical teams identify which Federal programmes could assist with their implementation.

Once the development plan and annual work plans are approved by the community and the programme, the technical team is responsible for managing access to the different support programmes that exist at Federal level (i.e. preparing applications to such programmes, etc.). The technical team is also responsible for implementation of the development plan (including the different federal programmes).

The technical staff is hired and paid by local organisations with resources from the programme. Each project receives technical assistance throughout its cycle from development of the initial idea through to implementation.

Policy challenges

After one year of implementation the following main challenges were identified:

- The poor have limited productive capacity, which can result in unprofitable projects. In fact, some of the Productive Programmes have found it difficult to support some of the projects presented.
- The programme experienced difficulties in attracting technical advisors with the required skills. Because the target populations are located in areas far from large cities, there are fewer local people with the appropriate training to co-ordinate or advise such projects. This can compromise the results of the projects. In addition, there has been a high turnover in technical advisors, which can create problems for programme implementation.
- In order to link the programme beneficiaries to the marketplace, their projects have to include an innovation component (i.e. a change in practice or technology). However, many projects lack this component and thus may have only limited long-term impacts.



- The implementation of multiple simultaneous innovations can result in complications and hinder acceptance by the target population.

Actions undertaken to address challenges

- The programme introduced changes in the selection process for technical advisors, so as to increase awareness of the work conditions in the target areas. This action was taken to address high turnover and difficulties in attracting technical advisors willing to work in remote regions.
- Efforts are underway to design guidelines for technical advisors regarding the inclusion of innovation-related components in project development.

Evaluation and outcomes of the scheme

The programme started operation in 2015 and has undergone several monitoring and evaluation procedures. During the first year a local evaluation based on operational results resulted in adjustments to the operational model to integrate new operational indicators and re-align procedures. In the second year, the National Council for the Evaluation of Social Development Policy (CONEVAL) conducted an evaluation, which will be accessible in early 2017. PROSPERA's own evaluation based on a quantitative and qualitative revision is also due to be published in early 2017.

Sources

Berdegú, J. et al. (2015), Territorios productivos. Un programa articulador para reducir la pobreza rural a través del incremento de la productividad, la producción y los ingresos [Productive territories. A programme to reduce rural poverty through increased productivity, production and income], Latin American Centre for Rural Development (RIMSIP), Mexico City, http://rimisp.org/wp-content/files_mf/1427203794DocdertabajoPTPfinalmarzo2015.pdf.

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Information provided to the OECD by the Secretariat of Finance and Public Credit, Mexico.



Background

This document is part of a repository of examples of **innovation policies that have for explicit aim to contribute to territorial, industrial and social inclusiveness**. The repository is part of an innovation policy toolkit developed for the **Innovation for Inclusive Growth** project and gathers national innovation policy programmes that:

- A.** Explicitly target **lagging and less innovative regions** (outside of regions that are highly innovative) or by design are more likely to support these lagging / less innovative regions.
- B.** Explicitly aim to include in innovation activities **individuals and groups that are not usually participating** in those activities and in support of broadening the group of innovators.
- C.** Explicitly aim to foster innovation activities in non-innovative firms, in particular by targeting **non-innovative sectors and non-innovative Small and Medium-sized Enterprises (SMEs)**.

Policies are searchable by inclusiveness type, objective and implementation challenge on:
<https://innovationpolicyplatform.org/inclusivetoolkit>