

# Rapid Response Brief



In humanitarian emergencies, cash transfers, vouchers, and food distribution programs are among the most common interventions to improve food security. During the COVID-19 pandemic, governments around the world have expanded either cash transfer programs, food distribution or both. This document presents evidence comparing these interventions' cost-efficiency and effectiveness at improving food security. Most of the findings in this document are drawn from a high-quality systematic review which combined the evidence from 10 studies on cash transfer and food distribution programs. The programs provided cash transfers, either via physical cash or mobile money, to vulnerable populations, such as internally displaced people in the Democratic Republic of Congo or drought-affected communities in Niger.

## How do cash transfers compare to food distribution in humanitarian emergencies?

### Key Findings

- Cash transfers, vouchers, and food distribution all improve household food security by about the same amount.
- Cash transfers cost less to implement than food distribution or vouchers.
- Direct food transfers led to a greater increase in per capita caloric intake.
- Unconditional cash transfers led to greater improvements in dietary diversity.
- In Niger, the poorest cash transfer recipients spent some of the transfer on agriculture and other productive assets, not food.
- In Niger, the modality of transfer – cash versus mobile money – affected household gender dynamics.

### Key Recommendations

- As long as food is available in markets, cash transfer programs should be implemented rather than food distribution because they work equally well at improving food security, cost less to administer, and stimulate local economies. When the supply of food is limited, for example following disasters, there may be a case for food distribution instead of cash transfers.

## Background

West Africa faces food security challenges as a result of a number of factors, including climate pressures, the forced displacement of large numbers of people by violent extremist organizations, and the COVID-19 pandemic. Nearly 40 million people in the region will face food shortages in the summer of 2020, according to the World Food Program.

Food distribution, voucher, and cash transfer programs all aim to improve the food security of vulnerable households in humanitarian emergencies. In recent years, cash transfer programs have become more common as compared to more traditional in-kind provision of goods.

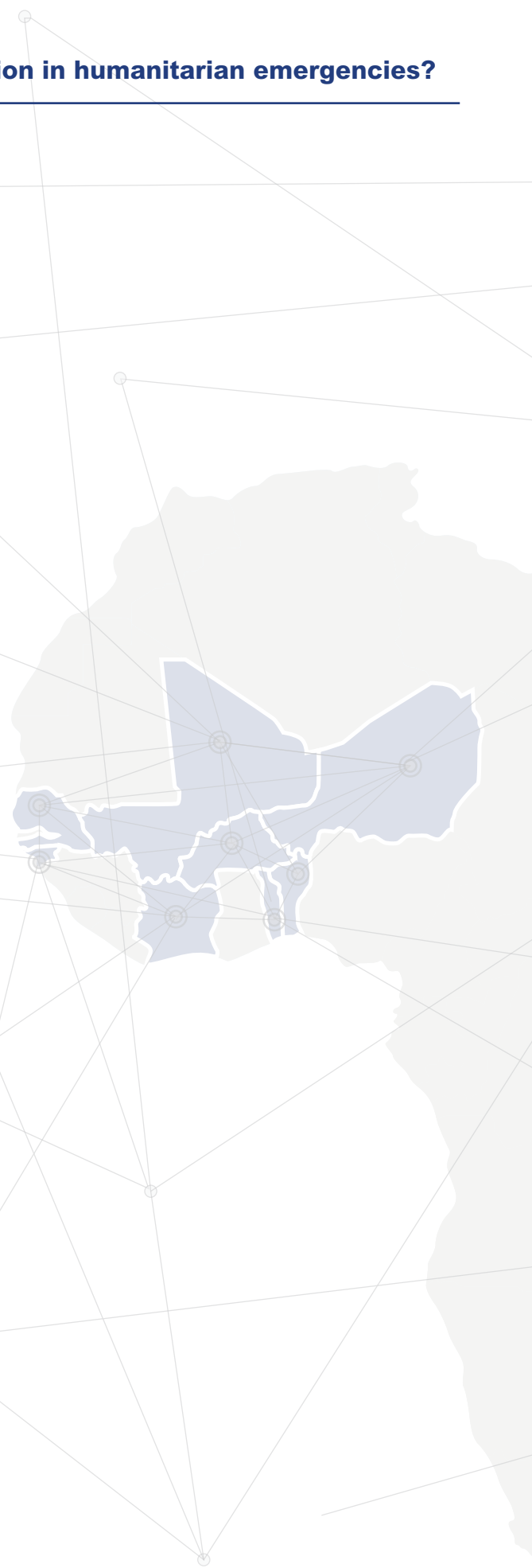
## Details of interventions in the systematic review

Five studies investigated the effectiveness of cash transfer programs in improving household food security, in addition to their cost-efficiency, using a quantitative methodology. An additional five studies only investigated the cost-efficiency of the programs. The review also included 108 studies which used observational or qualitative methods to analyze factors that facilitate or hinder implementation of cash transfer programs.

The following cash transfer interventions were studied quantitatively to gauge their effectiveness at improving food security:

- A program in Niger distributed \$215 over the course of five months via mobile transfer or physical cash to vulnerable households in drought-affected communities.
- A program in Lebanon distributed \$575 over the course of five months to Syrian refugees in non-camp settings.
- A program in Yemen distributed \$147 over the course of six months in either cash or food to food-insecure rural populations during civil unrest.
- A program in the Democratic Republic of Congo distributed \$130 over the course of six months to internally displaced people.
- A program in Ecuador distributed \$240 over the course of six months to urban Colombian refugees and their poor Ecuadorian hosts.

Additional quantitative studies on cost-efficiency of cash transfers as compared to food distribution or vouchers were drawn from Lebanon, Jordan, Malawi, Niger, and Zimbabwe.



### Details of the other West Africa interventions

Local evidence was also drawn from three other studies conducted in Niger, where several cash transfer programs have been implemented.

- A quantitative study investigated agriculture, employment, and money saving after targeted poor households in Niger received 10,000 FCFA per month for 18 months.
- A quantitative study investigated food consumption and agriculture after targeted households near Zinder either received food-for-work or cash-for-work totaling approximately 75,000 FCFA in six months.
- A qualitative study investigated gender dynamics following an intervention in the Maradi region of Niger in which targeted women with children received 25,000 FCFA per month from August to December. Some of the women also received food in addition to cash.

### Findings from the systematic review

Cash transfers, vouchers, and food distribution all improved household food security for vulnerable households by about the same amount, all of the studies found.

Per beneficiary, cash transfers cost less to implement than vouchers, and both types of programs cost less than food distribution. In-kind food distribution had substantially higher administrative costs for the same amount of value to recipients.

Cash transfer programs also yielded indirect market benefits, like income for market sellers and producers. Each \$1 provided to recipients in cash transfer programs yielded about \$2 of indirect market benefits. Voucher programs yielded about \$1.50 of indirect market benefits for each \$1 provided to recipients. Direct food distribution did not produce indirect market benefits.

Cash transfers led to greater increases in dietary diversity and quality, as compared to direct food distribution. On the other hand, direct food distribution led to greater increases in per capita caloric intake.

Some evidence also suggested that cash transfers led to slightly greater household savings than vouchers.

The review identified several other findings with respect to implementation:

- There was no evidence of misuse, corruption, or diversion of cash-based interventions.
- Mobile transfers reduced the time required to orient recipients to delivery mechanisms, and they may have made monitoring more efficient.
- Recipients' fears about personal safety may have hindered their access to assistance in some cases. Discreet cash-based approaches, like electronic transfers, minimized these fears and vulnerability to violence.

### Additional cash transfer findings from Niger

In Niger, the poorest recipients of cash transfers spent a substantial portion of those transfers on productive and agricultural assets, including livestock, according to Hoddinott et al and Stoeffler et al. These investments led to increased agricultural productivity. They also participated in tontines (informal savings groups) at higher rates than households which did not receive cash transfers. In turn, these households spent less of their transfer directly on food, so their food consumption and diet quality did not increase as much as in households which received food.

When physical cash was provided to women in Niger, most reported giving it to a male head of household who managed the money, according to the Scott et al. However, when transfers arrived by mobile money, women could more easily conceal them from men in their households. This shift to mobile money increased women's bargaining power in the household, according to Aker et al. That study found that it also led to increased spending on some of women's priorities, including children's clothing.

### Cash transfers, food availability, and food prices

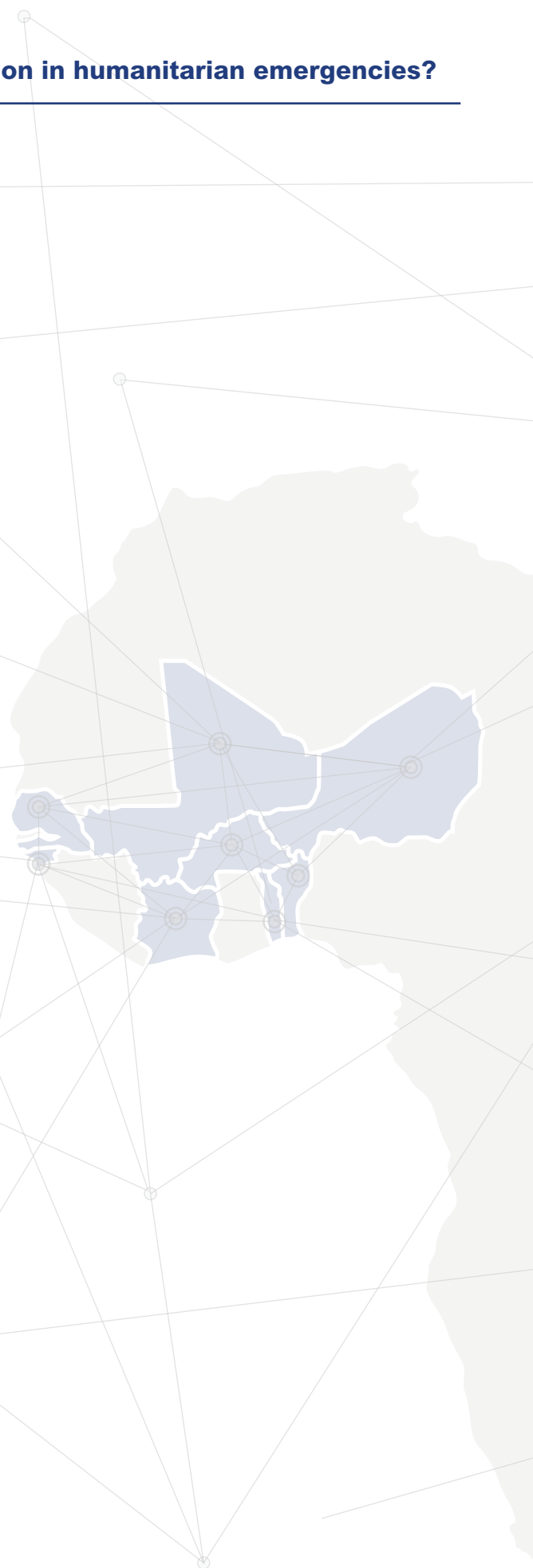
When the availability of food is limited, for example following disasters or due to logistical challenges, direct food transfers are preferable. In a study from some of the most remote villages in the Philippines, prices of perishable foods went up after village residents started receiving cash transfers. In a study from Mexico, prices went up negligibly. In a study from Kenya, there was no significant effect on prices.

### Recommendations

Evidence from several studies indicates that cash transfer programs are equally effective at improving food security, cost less, and produce more indirect market benefits when compared to food distribution programs. If possible, they should be implemented via mobile money transfers, which can be easier, more private, and safer for recipients to access. If cash transfers are not feasible, voucher programs are equally effective at improving food security, and they are more cost-efficient than in-kind food distribution.

In settings where food availability is low and there are bottlenecks to increasing food supply, cash transfers may lead to increased food prices, rather than increased food consumption, and direct food distribution may be preferable.

Based on findings from Niger, if women are targeted as recipients, transferring funds via mobile phones may be advantageous. In contexts where women have their own cell phones and are comfortable using them, mobile transfers may allow them to keep more money without interference from men in their households.





### Evidence quality, strengths, and limitations

Most findings and recommendations are based on a systematic review which synthesizes the results of 10 quantitative studies on cash transfer programs conducted during humanitarian crises, as well as 108 additional qualitative studies. Systematic reviews are more reliable than studies of single interventions, where location-specific issues can shape results. The studies in the review respond directly to the question in this brief, and one of them was conducted in West Africa (Niger). However, all of the studies which evaluated the effectiveness of cash transfer programs were rated as having a medium or high risk of bias. Therefore, while conclusions derived from the body of evidence is advantageous compared to individual studies, they should nonetheless be interpreted with some caution.

Niger-specific findings are based on a handful of individual studies from specific places. These findings should therefore be treated as individual observations which may be closely tied to the places where those programs were implemented, and to the details of the specific programs themselves.

### What is the WACIE helpdesk?

The WACIE helpdesk, a partnership between 3ie's WACIE program and IDinsight, provides rapid synthesis and evidence translation to help policymakers in West Africa understand what evidence exists for specific policy questions. The helpdesk can also connect interested policymakers with further resources to meet additional needs. It is staffed by the WACIE Secretariat in Cotonou and the IDinsight regional office in Dakar, with engagement from the wider 3ie and IDinsight technical staff and other experts as needed.

To submit a policy question, or for additional information, contact [wacie@3ieimpact.org](mailto:wacie@3ieimpact.org).

### What is WACIE?

The West Africa Capacity Building and Impact Evaluation (WACIE) program, a partnership between 3ie and the Government of Benin, was launched to help build evaluation capacity in the eight countries that comprise the West African Economic and Monetary Union (WAEMU): Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo. Program goals include increasing evaluation capacity in targeted countries, ensuring that policymakers have access to relevant evidence, and promoting take-up of high-quality evidence by relevant stakeholders.

### This rapid response brief is primarily based on the following systematic review

Doocy, S and+ Tappis, H, 2016. *Cash-based approaches in humanitarian emergencies: a systematic review*, 3ie Systematic Review Report 28. London: International Initiative for Impact Evaluation (3ie).

**More information, including a brief summary of the systematic review, is available here:**

<https://developmentevidence.3ieimpact.org/search-result-details/systematic-review-repository/cash-based-approaches-in-humanitarian-emergencies-a-systematic-review/9358>

Niger findings are based on the following papers. An earlier version of the Aker et al study was also included in the systematic review.

Aker, Jenny C., et al. "Payment mechanisms and antipoverty programs: Evidence from a mobile money cash transfer experiment in Niger." *Economic Development and Cultural Change* 65.1 (2016): 1-37.

Hoddinott, John F., Susanna Sandström, and Joanna Upton. "The impact of cash and food transfers: Evidence from a randomized intervention in Niger." Vol. 1341. International Food Policy Research Institute, 2014.

Scott, Jennifer, et al. "The gender, social and cultural influences on the management and use of unconditional cash transfers in Niger: a qualitative study." *Public health nutrition* 20.9 (2017): 1657-1665.

Stoeffler, Quentin, Bradford Mills, and Patrick Premand. "Poor households' productive investments of cash transfers: quasi-experimental evidence from Niger." *Journal of African Economies* 29.1 (2020): 63-89.

**Findings on market food prices are based on the following papers:**

Jesse M Cunha, Giacomo De Giorgi, Seema Jayachandran, The Price Effects of Cash Versus In-Kind Transfers, *The Review of Economic Studies*, Volume 86, Issue 1, January 2019, Pages 240–281.

Filmer, Deon, et al. General equilibrium effects of targeted cash transfers: Nutrition impacts on non-beneficiary children. The World Bank, 2018.

Egger, Dennis, et al. General equilibrium effects of cash transfers: experimental evidence from Kenya. No. w26600. National Bureau of Economic Research, 2019.



The International Initiative for Impact Evaluation (3ie) promotes evidence-informed, equitable, inclusive and sustainable development. We support the generation and effective use of high-quality evidence to inform decision-making and improve the lives of people living in poverty in low- and middle-income countries. We provide guidance and support to produce, synthesise and quality assure evidence of what works, for whom, how, why and at what cost.



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