

# The role of cash transfers in sub-Saharan Africa in poverty alleviation: Evidence from the Transfer Project

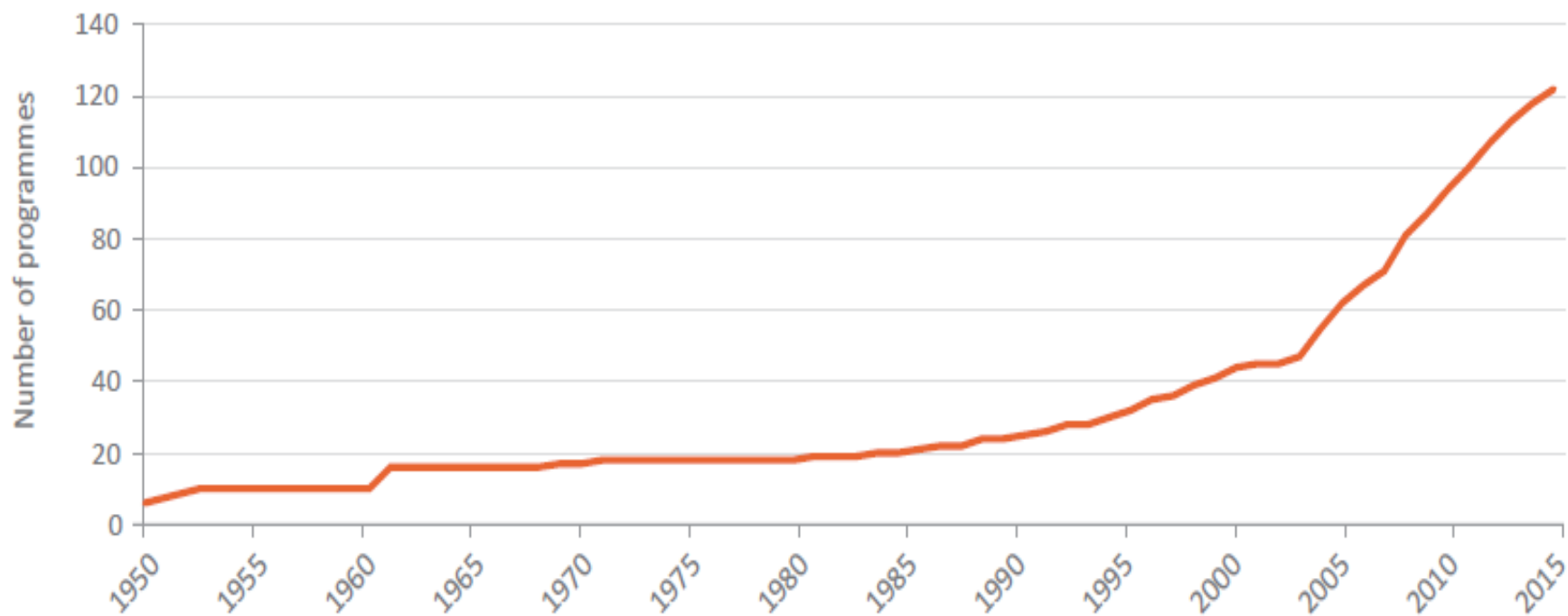
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On Behalf of the Transfer Project Team  
UNU-WIDER Conference

5-7 July 2017: Maputo, Mozambique

# Rise of social protection in Africa:

*Non-contributory Gov't programming triples over last 15 years*



Source: Cirillo & Tebaldi 2016 (Social Protection in Africa: Inventory of Non-Contributory Programmes): [www.ipc-undp.org/pub/eng/Social\\_Protection\\_in\\_Africa.pdf](http://www.ipc-undp.org/pub/eng/Social_Protection_in_Africa.pdf)

# Key features of the African 'Model'

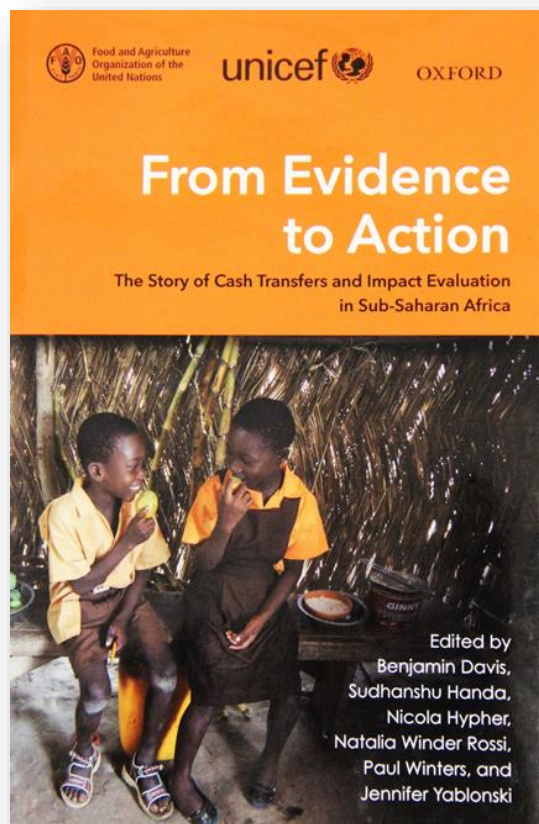
- Programs tend to be unconditional (or with 'soft' conditions)
- Targeting is based on poverty and vulnerability (OVC, labor-constraints, elderly)
- Important community involvement in targeting process
- Payments tend to be manual ('pulling' beneficiaries to pay-points)
  - *Opportunity to deliver complementary services*



# Transfer Project: Partners & motivation

- Created 2009 as an Institutional Partnership between [FAO](#), [UNICEF](#), [Save the Children](#), [University of North Carolina at Chapel Hill](#)
- Originally 6 countries in SSA, but expanded given high demand
- Working in close collaboration with [national counterparts](#), including [national governments](#) and [research institutions](#)
- [Objectives](#):
  1. Provide [evidence](#) on the effectiveness of cash transfers in achieving impacts for children and households
  2. Inform the [development and design](#) of cash transfer policy and programs
  3. [Promote learning](#) across the continent on the design and implementation of cash transfer evaluations and research

# The Transfer Project & *From Evidence to Action*



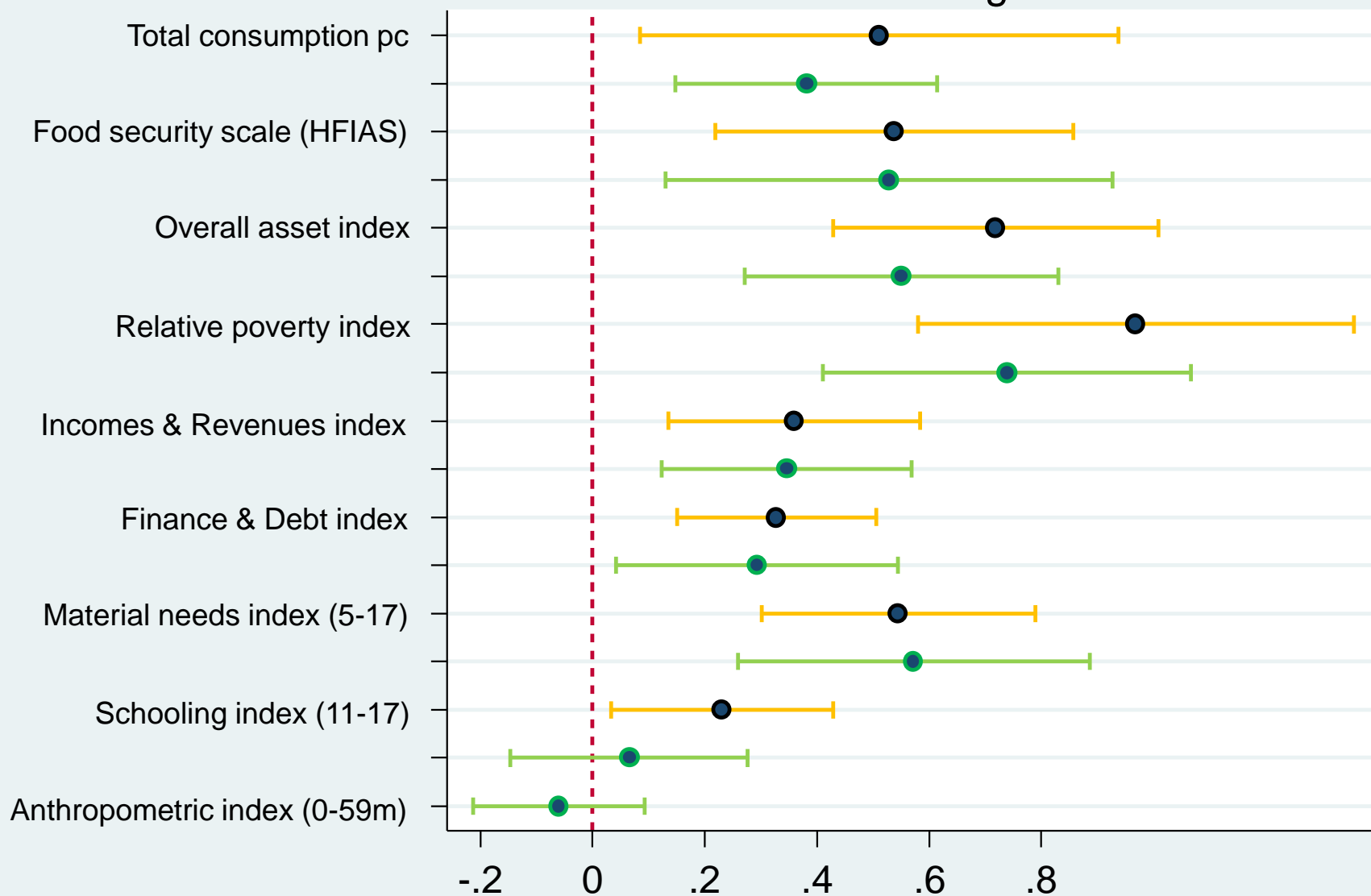
**Ethiopia, Ghana,  
Kenya, Lesotho,  
Malawi, Madagascar,  
South Africa,  
Tanzania, Zambia and  
Zimbabwe**



MCP  
CGP

# Broad Impacts from two Zambian programs

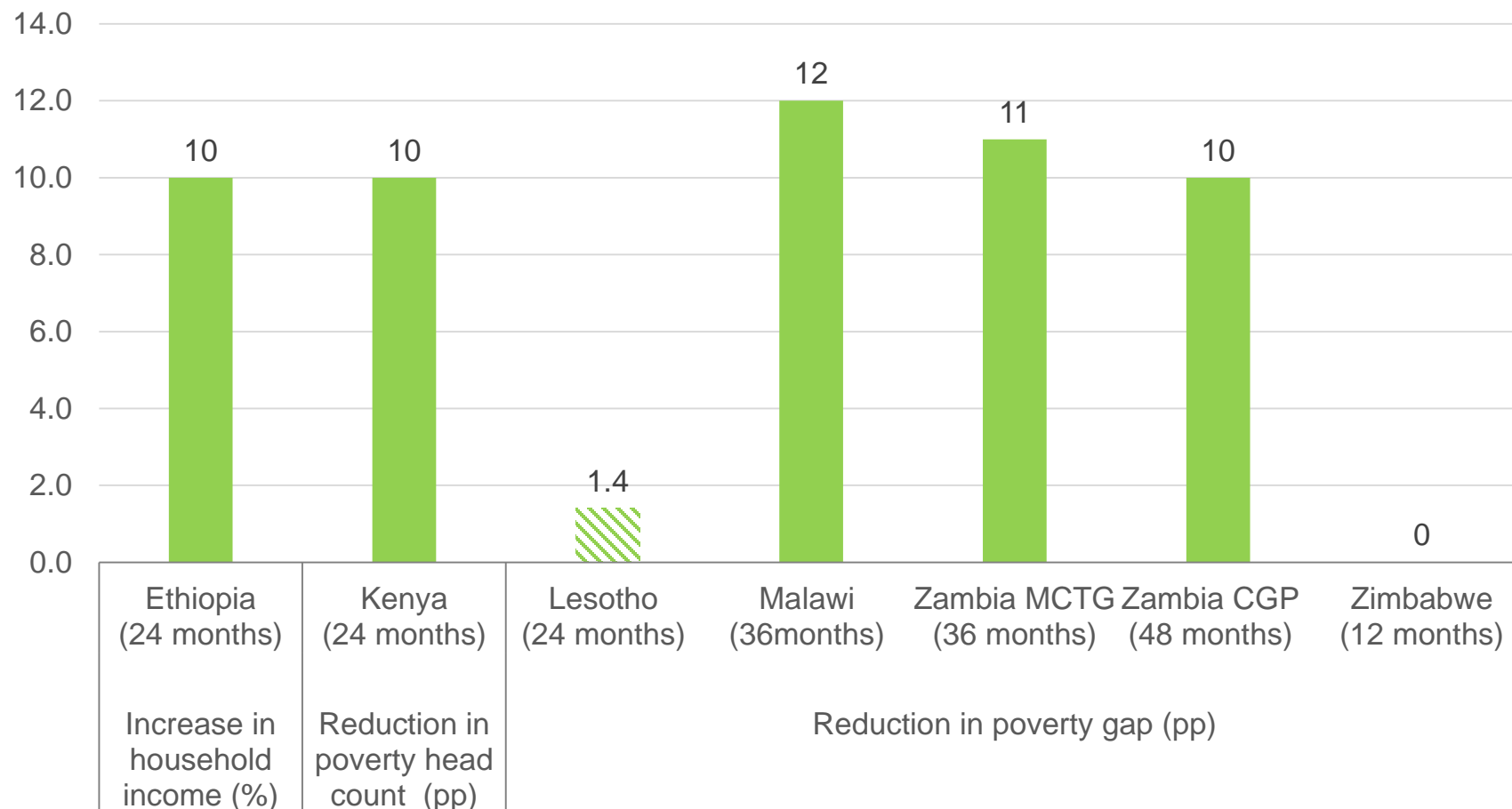
36-month results at a glance



Source: Handa et al. (2016). [Can Unconditional Cash Transfers Lead to Sustainable Poverty Reduction?](#) Working Paper.

Effect size in SDs of control group

# Reductions on poverty measures



# Across-the-board impacts on food security

	Ethiopia SCTP	Ghana LEAP	Kenya CT-OVC	Lesotho CGP	Malawi SCTP	Zambia MCTG	Zambia CGP	Zim HSCT
<b>Spending on food &amp; quantities consumed</b>								
Pc food expenditures (overall)	✓	✓	✓	✓	✓	✓	✓	✓
Pc expenditure (food items)	✓	✓			✓	✓	✓	✓
Kilocalories per capita	✓				✓			
<b>Frequency &amp; diversity of food consumption</b>								
Number of meals per day					✓	✓	✓	
Dietary diversity/Nutrient rich food	✓		✓	✓		✓	✓	✓
<b>Food consumption behaviours</b>								
Coping strategies adults/children	✓	✓		✓	✓			
Food insecurity access scale						✓	✓	✓

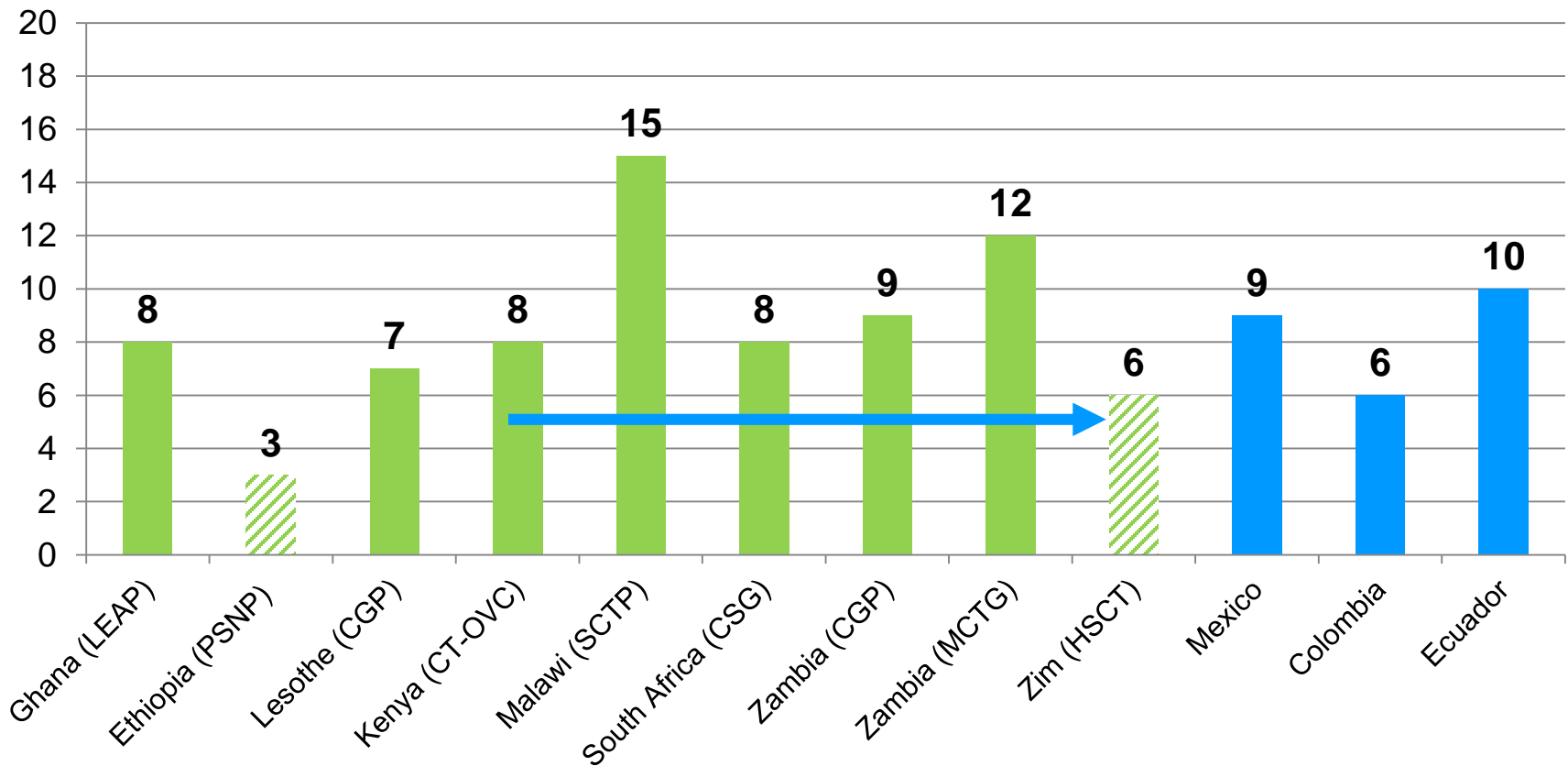
Green check marks represent significant impact, black are insignificant and empty is indicator not collected



# No evidence cash transfers increase beneficiary spending on 'undesirable' goods (e.g. alcohol & tobacco)

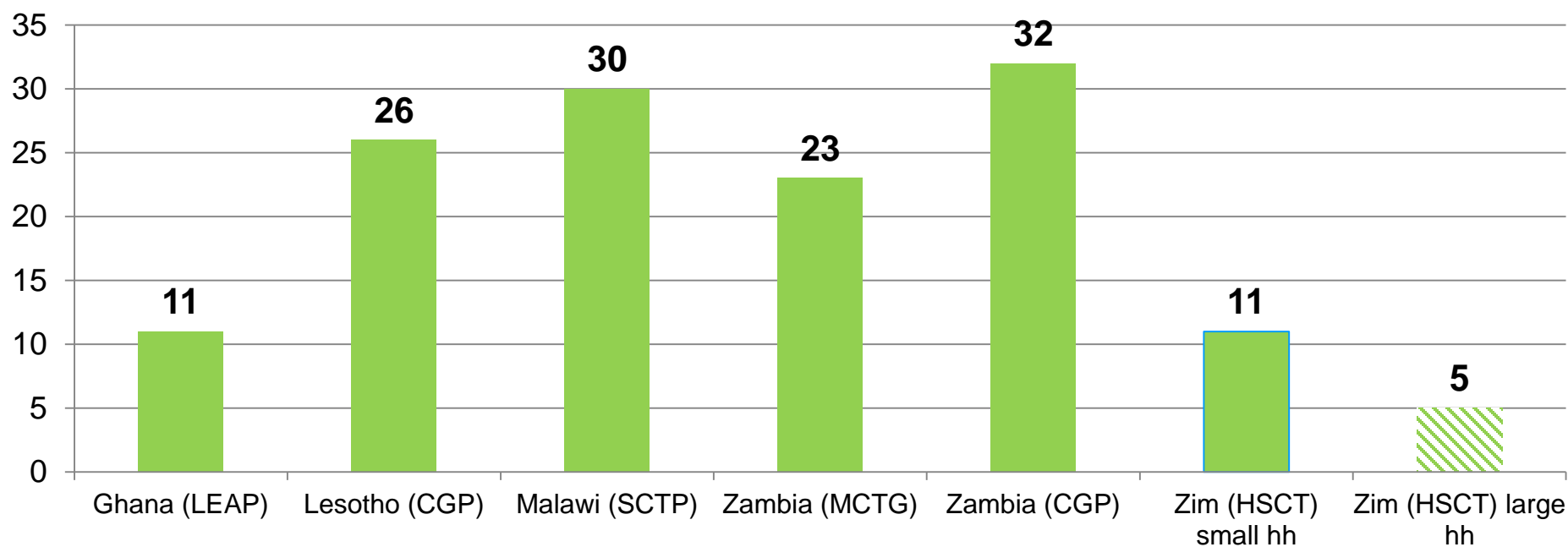
- Alcohol & tobacco represent <2% of budget share across 7 evaluations (data comes from detailed consumption modules with over 120 food items)
- No positive impacts on alcohol & tobacco spending (consistent with meta-analysis by Evans & Popova (2017) on cash transfers & temptation goods).
- In Lesotho, impacts are negative (decreases in spending)
- Alternative measures in 4 evaluations yield same result:
  - *“Has alcohol consumption increased in this community over the last year?”*
  - *“Is alcohol consumption a problem in your community?”*

# School enrollment impacts (secondary age children): Same range as those from CCTs in Latin America



Primary enrollment already high, impacts at secondary level. Ethiopia is all children age 6-16.  
Bars represent percentage point impacts - Solid bars represent significant impact, shaded not significant.

# Significant increase in share of households who spend on school-age children's uniforms, shoes and other clothing



Lesotho includes shoes and school uniforms only, Ghana is schooling expenditures for ages 13-17. Other countries are shoes, change of clothes, blanket ages 5-17.

Bars represent percentage point impacts - Solid bars represent significant impact, shaded not significant.

# Resilience



# Productive investments

	Ethiopia SCTP	Ghana LEAP	Kenya CT-OVC	Lesotho CGP	Malawi SCTP	Zambia CGP	Zambia MCTG	Zim HSCT
Tropical Livestock Units (TLU)	✓	✓	✓	✓	✓	✓	✓	✓
Any livestock ownership	✓	✓	✓	✓	✓	✓	✓	✓
Any agricultural asset ownership	✓	✓	✓	✓	✓	✓	✓	✓
Expenditure on crop inputs			✓	✓		✓	✓	
Value of harvest (local units)	✓	✓		✓	✓	✓	✓	

- Overall impacts mask impacts on specific livestock/activities
- Households substitute out of casual paid labor (off farm) to on farm/small businesses – no evidence that households systematically decrease work participation
- Positive impacts on savings, networks, decreases in credit constraints vary by country

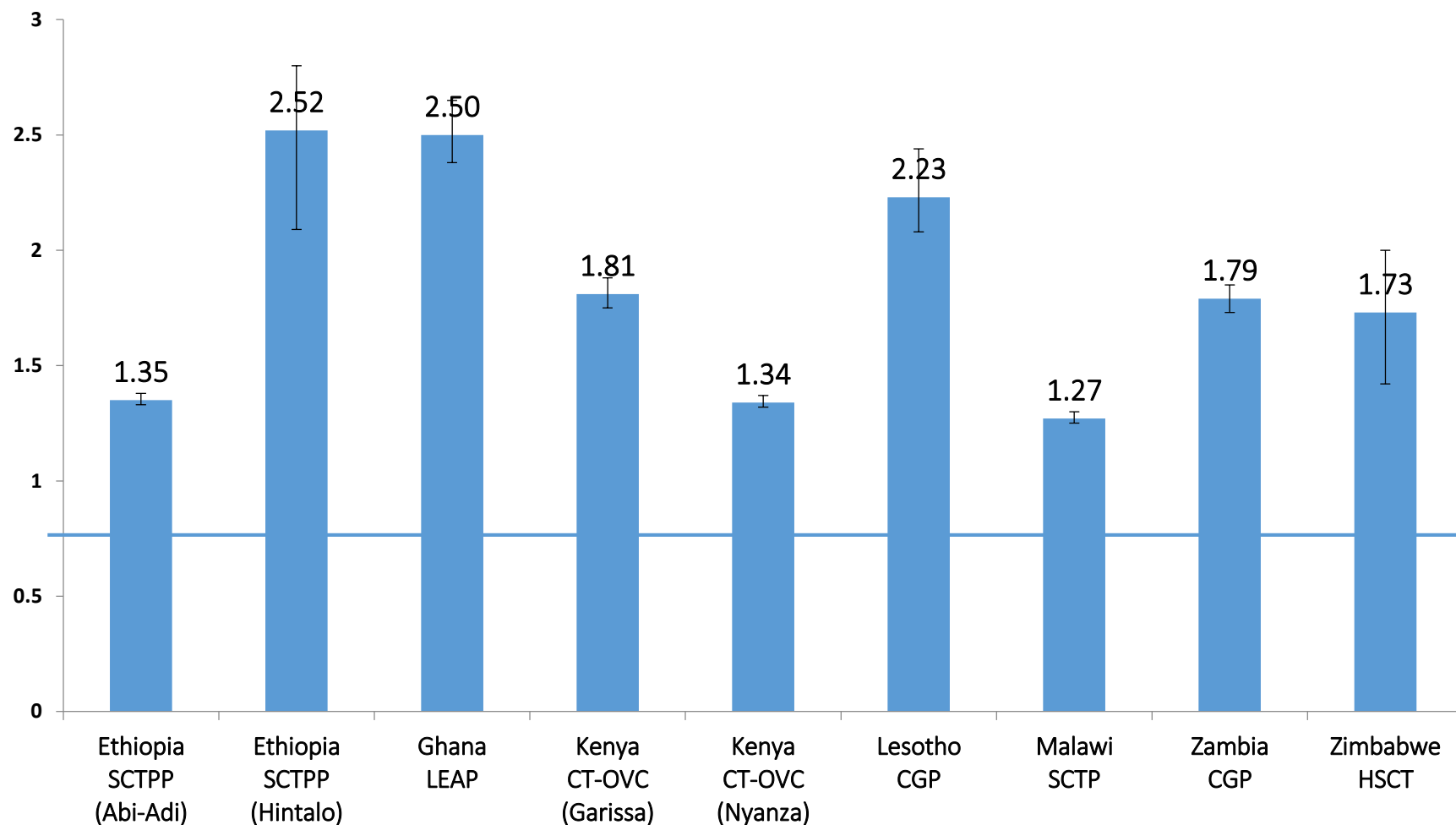
Green check marks represent significant impact, red adverse impact, black are insignificant and empty is indicator not collected

# Community-level impacts

- In 5 evaluations, tested for inflation using a basket of 10 commonly purchased goods
- **No inflationary impacts found** (\*exception price of beef in Lesotho)
- Why? → Supply expanded to meet demand, beneficiaries relatively small proportion of population
- **Local Economy Wide Impact Evaluation (LEWIE)** models collect information on non-beneficiaries and local businesses/markets at baseline to simulate community-level impacts of transfers



# LEWIE estimates



# Conclusions and what's next?

- Large-scale government **unconditional cash transfers** have strong, positive impacts on:
  - Poverty, food security and expenditures
  - Human capital
  - Resiliency-related outcomes (assets, productive investment)
  - Beyond beneficiaries: Local economies
- **Design matters**: Amount of transfer, regularity or payments
- Cash is **important**, but not **sufficient**: Supply side limitations (health and education)
- Next frontier: “**cash plus**” programming and evaluation to examine synergies
- **Policy uptake** important for understanding how to maximize impact on poverty and human capital for poor populations





Tack  
Asante  
Zikomo  
Grazie  
Obrigado!

# Acknowledgements

Transfer Project is a multi-organizational initiative of the United Nations Children's Fund (UNICEF) the UN Food and Agriculture Organization (FAO), Save the Children-United Kingdom (SC-UK), and the University of North Carolina at Chapel Hill (UNC-CH) in collaboration with national governments, and other national and international researchers.

Current core funding for the Transfer Project comes from the Swedish International Development Cooperation Agency (Sida) to UNICEF Office of Research, as well as from staff time provided by UNICEF, FAO, SC-UK and UNC-CH. Evaluation design, implementations and analysis are all funded in country by government and development partners. Top-up funds for extra survey rounds have been provided by: 3IE - International Initiative for Impact Evaluation (Ghana, Malawi, Zimbabwe); DFID - UK Department of International Development (Ghana, Lesotho, Ethiopia, Malawi, Kenya, Zambia, Zimbabwe); EU - European Union (Lesotho, Malawi, Zimbabwe); Irish Aid (Malawi, Zambia); KfW Development Bank (Malawi); NIH - The United States National Institute of Health (Kenya); Sida (Zimbabwe); and the SDC - Swiss Development Cooperation (Zimbabwe); USAID – United States Agency for International Development (Ghana, Malawi); US Department of Labor (Malawi, Zambia). The body of research here has benefited from the intellectual input of a large number of individuals. For full research teams by country, see: <https://transfer.cpc.unc.edu/>

# For more information

- Transfer Project website: [www.cpc.unc.edu/projects/transfer](http://www.cpc.unc.edu/projects/transfer)
- Briefs:  
<http://www.cpc.unc.edu/projects/transfer/publications/briefs>
- **Facebook:** <https://www.facebook.com/TransferProject>
- **Twitter:** @TransferProjct



# In the beginning...

- A number of fledgling government programs and growing practice in SSA on cash transfers (2008)
  - Some with plans for scaling up
  - Most with models that were different from the well-known Latin American programs
- Little evidence from SSA
  - A few programmes rolling out quantitative evaluations
  - Others with evaluations but not rigorous methodology
  - limited documentation and sharing on lessons, experience and impact evaluation
- Transfer Project: Responding to **high demand for evidence** to:
  - 1) answer policy and program questions and
  - 2) to influence and inform scale-up

# Overview of Transfer Project Evaluations

Country (program)	Targeting (in addition to poverty)	Sample size (HH)	Methodology	LEWIE	Youth	Years of data collection
Ghana (LEAP)	Elderly, disabled or OVC	1,614	Longitudinal PSM	X		2010, 2012, 2016
Ghana (LEAP 1000)	Pregnant women, child<2	2,500	RDD			2015, <a href="#">2017</a>
Ethiopia (SCTP)	Labour-constrained	3,351	Longitudinal PSM	X		2012, 2013, 2014
Kenya (CT-OVC)	OVC	1,913	RCT	X	X	2007, 2009, 2011
Lesotho (CGP)	OVC	1,486	RCT	X		2011, 2013
Malawi (SCTP)	Labour-constrained	3,500	RCT	X	X	2011, 2013, 2015
South Africa (CSG)	Child <18	2,964	Longitudinal PSM		X	2010, 2011
Tanzania (PSSN)	Food poor	801	RCT		X	2015, <a href="#">2017</a>
Zambia (CGP)	Child 0-5	2,519	RCT	X		2010, 2012, 2013, 2014, <a href="#">2017</a>
Zambia (MCTG)	Female, elderly, disabled, OVC	3,078	RCT		X	2011, 2013, 2014
Zimbabwe (HSCT)	Food poor, labour-constrained	3,063	Longitudinal matched case-control	X	X	2013, 2014, <a href="#">2017</a>



# Scaled up cash transfers are affordable in SSA

20%

Simulations show average cost 1.1% of GDP  
or 4.4% of total Government spending

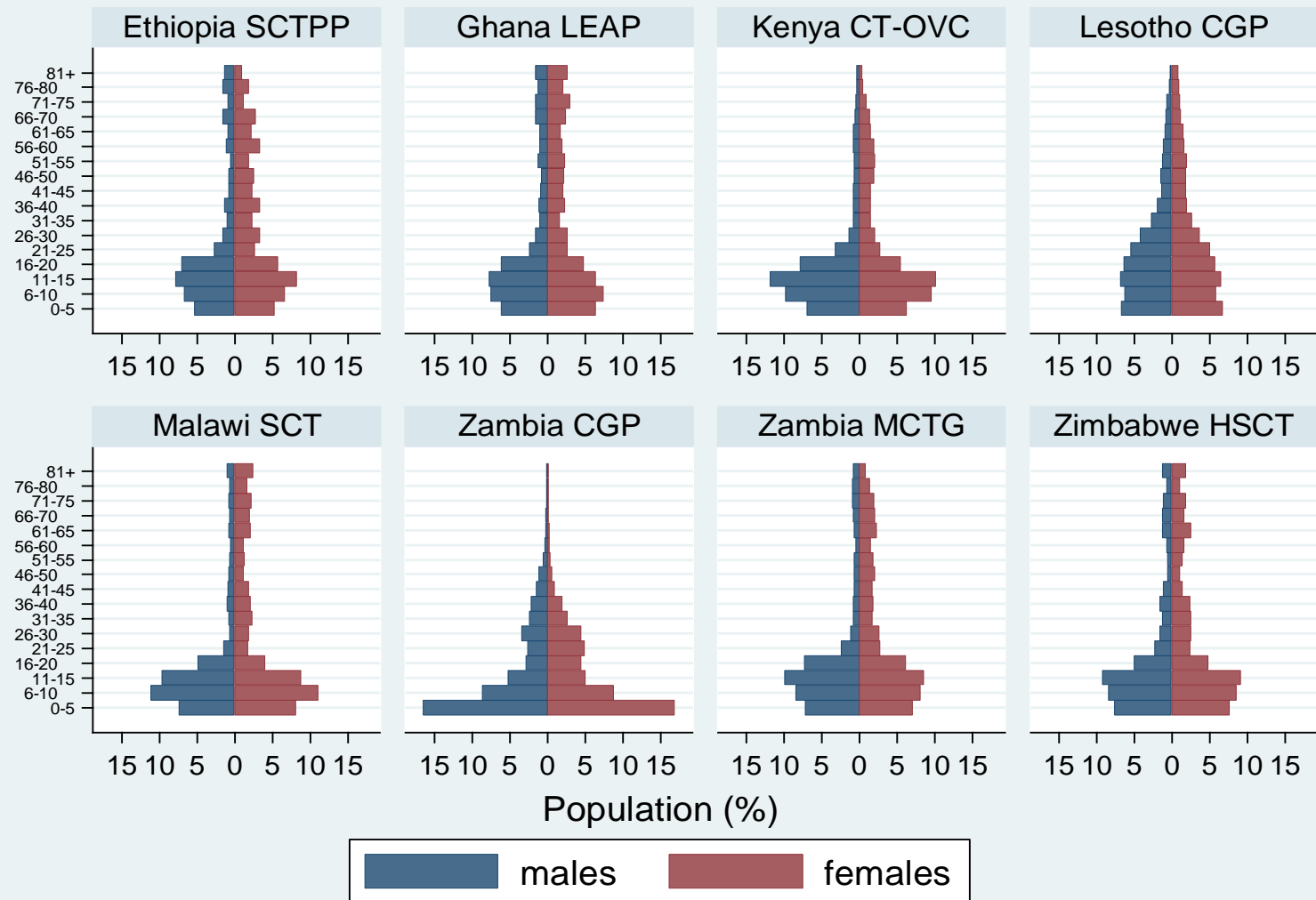
SOCIAL CASH TRANSFER EXPENDITURE ESTIMATES

Congo, Democratic Republic  
Zimbabwe  
Burundi  
Liberia  
Eritrea  
Niger  
Malawi  
Central African Republic  
Madagascar  
Mali  
Togo  
Guinea  
South Sudan  
Mozambique  
Guinea-Bissau  
Comoros  
Ethiopia  
Sierra Leone  
Burkina Faso  
Uganda  
Rwanda  
Benin  
Tanzania, United Republic of  
Zambia  
Côte d'Ivoire  
Kenya  
The Gambia  
Senegal  
Mauritania  
Sao Tome and Principe  
Lesotho  
Cameroon  
Chad  
Sudan  
Djibouti  
Nigeria  
Ghana  
Cape Verde  
Congo Brazzaville  
Swaziland  
Angola  
Namibia  
South Africa  
Mauritius  
Botswana  
Gabon  
Seychelles  
Equatorial Guinea

■ In % of general government total expenditure

■ In % of GDP

# Age pyramids: Labor constrained populations



# General approach to modeling

- Probit or ordinary least squares (OLS) multivariate regressions
- Baseline balance/ successful randomization in all countries
- For “once occurring outcomes” use endline cross section and drop those who had already reported outcome at baseline
- For outcomes changing over time (mental health, education, aspirations), use difference-in-difference models
- Control for baseline individual, household, community characteristics & cluster standard errors
- Weight for probability of appearing in sample (among all eligible youth in any given household)



# Responding to the critics with evidence

