

HPG Synthesis Paper

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The impact of cash transfers on nutrition in emergency and transitional contexts

A review of evidence

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Key messages

- Malnutrition is caused by inadequate dietary intake and disease, which in turn are caused by food insecurity, inadequate care and a poor health environment. In theory, cash transfers in emergency and transitional settings could address most if not all causes of malnutrition. However, attributing changes in nutritional status to interventions, including those using cash transfers, is extremely difficult.
- Evidence from humanitarian evaluations makes a strong case that cash transfers often improve dietary intake. There is less evidence that cash transfers improve caring practices and almost no evidence for or against their impact on disease.
- Strong analysis of the causes of malnutrition in a given context and of the likely impacts of different interventions is fundamental to determining appropriate responses. Cash transfers should be considered as one possible tool in a holistic approach to addressing malnutrition and its causes.

On behalf of

BMZ



Federal Ministry
for Economic Cooperation
and Development



Cash transfers are a flexible tool, both for aid agencies, which can use them as an alternative or complement to almost any type of assistance, and for people affected by crisis, who can spend the cash on their own priorities.¹ Aid agencies and donors have invested significantly in learning about cash responses, examining when they should be used and what they can achieve. There has been a vast increase in experience, evaluations and research demonstrating that giving people money can be an appropriate and effective response to address food and other needs. As a result, many donors have incorporated cash transfers into their assistance policies.

Despite this growing experience with cash transfer programming, little is known about the impact of cash transfers on malnutrition in emergency and transitional contexts. Attributing nutritional impact to a specific response is very difficult. The links between interventions and nutrition outcomes are complex, and there are serious challenges in undertaking rigorous impact studies in contexts affected by crisis.² Unlike development situations, where there is solid evidence on ‘what works’ in addressing maternal and child undernutrition, there is very little published information on the impact of humanitarian interventions on nutrition. Because cash programmes seldom have the explicit objective of improving nutrition, their design and monitoring often do not consider the causes of malnutrition and the ways that cash programming could address them. This makes it difficult to determine the likely impact on nutrition outcomes, even where these are monitored.

This paper constitutes a first step in filling this evidence gap. Drawing on 54 evaluations and project documents from humanitarian programmes since 2004, literature on cash transfer programmes and correspondence with aid agencies, it examines how cash transfers could address malnutrition and its causes in crises and transitional contexts. The paper also examines findings on the impacts of conditional cash transfer programmes on nutrition in development contexts, where abundant research has been conducted which could potentially be applied to other settings.

Cash transfers and malnutrition

Acute malnutrition is often a major feature of humanitarian crises and their aftermath.³ Malnutrition is caused directly by inadequate dietary intake and disease, which in turn are caused by food insecurity, inadequate care and a poor health environment. In theory, cash transfers could have an effect in each of these areas:

- **Food security:** a cash transfer might increase household food intake through increased expenditure on food, or by preventing negative responses to food scarcity, such as skipping meals. Cash transfers could improve the quality and quantity of food and increase the frequency of meals – all factors in an ‘adequate’ diet. Cash might be used to

increase the production of food through investment in agriculture and livestock.

- **Care:** a cash transfer might free up carers’ time by providing extra income, reducing the need to pursue income-generating activities outside the home and removing the need to migrate in search of work. Some agencies have provided cash for training and information sessions, including nutrition and health education.
- **Health:** a cash transfer might increase household expenditure on healthcare, as well as on soap and hygiene products. This could in turn reduce the incidence, duration or severity of disease. Cash could be used directly to pay for health treatments.

Many indicators could be used to see whether cash transfers affect causes of malnutrition. These include increases in the quantity and quality of diet, dietary diversity, expenditure on food, expenditure on health services, time spent caring and reduced frequency of illness. Figure 1 depicts UNICEF’s conceptual framework on causes of malnutrition, with arrows containing sample indicators that could be used to examine the effects of cash transfers.

Evidence from humanitarian programmes

Cash transfers have been enthusiastically adopted by food security actors as a way of meeting food and other basic needs, typically as an alternative or complement to food aid. Nutrition actors are also beginning to consider how cash transfers can complement more traditional nutrition interventions. Cash transfer interventions have aimed to improve access to food and other necessities (including health care); prevent a reduction in the number of meals or the quality of food; improve dietary diversity; improve the consumption of fresh food or protein-rich foods; provide nutritional support; and improve nutrition or prevent malnutrition. Cash has also been used as an incentive to encourage people to attend education sessions on nutrition, and has been provided to households with children participating in supplementary feeding programmes and outpatient therapeutic programmes. Likewise, vouchers have been used to encourage the purchase of specific types of food, such as meat, dairy and eggs, or fresh food like fruit and vegetables. Vouchers for non-food items (which include soap) as well as health vouchers have also been tried. Research is underway to compare the nutritional impact of cash transfers with other types of assistance, but this will take time and risks being of limited applicability to other contexts.

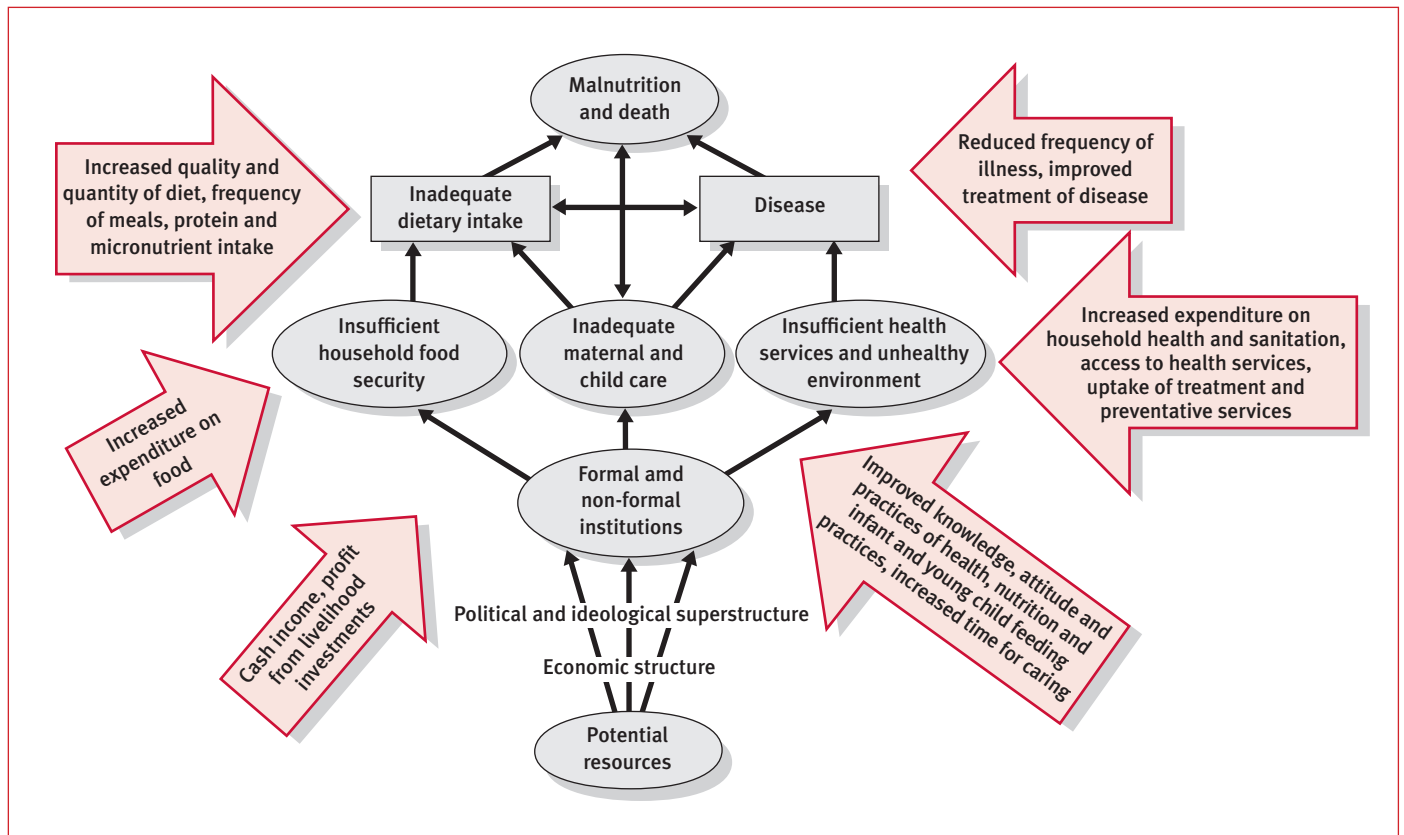
Evaluations of humanitarian programmes suggest that cash transfers can address the causes of malnutrition in various ways. The ‘case’ that cash programming often improves *dietary intake* is strong. When provided with cash transfers, households typically increase their food expenditure, and they often consume foods that are more diverse and of better quality. More consistent monitoring of dietary intake would provide further insight into whether improved consumption at the household level benefits those at highest risk of malnutrition. Interesting results have also been documented where cash transfers were provided to households participating in interventions to address moderate or severe acute malnutrition through the provision of fortified rations and ready-to-use therapeutic foods. Cash transfers appear to reduce the sharing of these foods, and could therefore improve the effectiveness of these interventions.

¹ The term ‘cash’ includes both cash and vouchers (coupons, tokens or electronic cards that provide recipients with access to specified commodities).

² The numerous conceptual and practical difficulties involved in analysing the nutritional impact of humanitarian interventions are explained in Hall et al., *The Impact and Effectiveness of Emergency Nutrition and Nutrition-Related Interventions: A Review of Published Evidence 2004–2010*, Emergency Nutrition Network, 2011.

³ Acute malnutrition, also known as wasting, is when a child (or adult) has low weight for his or her height. Moderate acute malnutrition is defined by a weight-for-height indicator between -3 and -2 z-scores (standard deviations) of the international standard.

Figure 1: Potential ways that emergency cash transfers could impact upon causes of malnutrition



There are some positive indications, but overall limited evidence, on the effect of cash transfers on *caring practices*. In some cases cash transfers have freed up the time that carers might otherwise have spent working to meet pressing needs, but whether having more time actually leads to improved care has not been explored. Similarly, cash and vouchers have been used as an incentive for people to attend health and nutrition information sessions and to adopt better caring practices, but the role of cash in contributing to these positive results is not apparent. There is significant debate between those who see knowledge as the primary obstacle to improved nutrition, and those who emphasise the importance of economic obstacles, and thus which types of interventions should be prioritised. Where caring practices are inhibited by time limitations and a lack of access to goods and services, cash may well have a positive role to play in easing these constraints.

There is too little experience and evidence to draw conclusions on how cash transfers affect *disease*. There are opportunities for cash transfer and health interventions to be mutually reinforcing, such as by providing transfers at health centres and in conjunction with health sensitisation activities. However, giving people cash to enable them to access health services is unlikely to have a major impact on disease if those services are poor, as they usually are in crisis situations. In contexts where health services are of poor quality, complementary interventions to address the supply and quality of healthcare would probably be needed.

Evidence from longer-term conditional cash transfer programmes

Cash and voucher programmes are gaining popularity as a way

to reduce poverty and improve child welfare in development settings through the provision of conditional cash transfers, whereby recipients need to fulfil a condition (taking children for regular health visits for instance) in order to receive the cash. These transfers range from small-scale projects to programmes in Mexico and Brazil that reach several million households.

Conditional cash transfer programmes have achieved significant results in increasing household food consumption and access to health services. However, outcomes on nutrition are mixed – some programmes improve nutrition outcomes, whereas others do not. There are some impressive examples of impact; in Mexico and Nicaragua, for example, programmes resulted in significant improvements in children’s height-for-age. These programmes have been closely monitored and vigorously researched, yet studies are unable to identify the precise reasons for these promising results because there are many different programme components and other intervening variables that could impact upon nutrition.

Although the contexts, timeframes and objectives of long-term programmes differ substantially, as does the type of malnutrition they seek to address, there are some lessons that can be applied to humanitarian programming. The first is the importance of understanding the pathways through which assistance achieves impact. Only by understanding the ways in which impacts are achieved can programmes maximise their outcomes. A second lesson is that cash is more likely to achieve impact when it is part of an integrated approach. In humanitarian and transitional settings, cash is often thought of only as an alternative to something else, without considering how complementary programming could maximise impact. Cash and safety net programmes are now being piloted in

Sub-Saharan Africa and other regions where crises are more common. This could afford opportunities to forge links between longer-term cash programmes and shorter-term emergency responses.

Conclusion

There are reasons for both optimism and caution when looking to cash interventions to address malnutrition in humanitarian and transitional settings. On the one hand, common sense indicates that they have some impact – when households have more income, consume more food and have more time to take care of their children, how could they not? Evidence supports this logic. Cash transfers consistently increase household spending on food and often increase the diversity of foods that households consume, and cash interventions have also been shown to free up carers' time. On the other hand, expecting cash transfers alone to improve nutritional status is overambitious unless the causes of malnutrition are specifically related to household access to food – and even then only when cash is the most appropriate response. Where access is not the only constraint, complementary interventions are essential and cash might not be an appropriate response.

Ultimately, investigating the impacts of cash transfers and nutrition should be part of a broader effort to determine appropriate responses to meet nutrition objectives. This requires strong context-specific analysis before interventions even begin: understanding the causes of malnutrition and analysing the likely impacts and cost-effectiveness of different interventions. Cash transfer programming should be considered within this process, as an alternative and a complement to other

possible interventions. Good monitoring is essential to verify the programming logic and understand what interventions achieve and how they can be improved.

It is also important not to lose sight of the fact that a chief advantage of cash transfers is that they can meet a wide variety of household needs – not just nutrition. At the same time, the flexibility of cash makes it difficult to assign specific objectives, including addressing malnutrition, because the expenditure priorities of households might not coincide with the objectives of aid agencies. This can be resolved by placing conditions on how cash is used and providing vouchers instead of cash, but this risks undermining the ability of households to meet other priority needs. An alternative is to define objectives broadly, and to use cash as one element of a comprehensive approach to addressing malnutrition.

With these issues in mind, donors and aid agencies can take steps to more effectively use cash transfers as part of broader efforts to address malnutrition. The first step is to strengthen causal analysis, response analysis and monitoring, and put nutrition causal analysis at the heart of all programmes that seek to influence nutrition. Second, agencies should further explore the potential for cash transfers to act as a complement to more traditional nutrition interventions, such as supplementary feeding and outpatient therapeutic programmes. Third, context-specific research on cost-effective approaches to address moderate acute malnutrition, including the potential to use cash and vouchers, should be supported. Finally, donors and aid agencies should ensure that they have the capacity, and incentive, to routinely consider the potential for cash-based interventions and support and programme them where they are appropriate.