



**Unconditional cash transfers (UCTs) can potentially impact a range of social and productive outcomes. Beneficiaries of the Zambia Child Grant Programme (CGP) experienced increases in household consumption, food security and child health and nutrition, while further benefits accrued to only subgroups of target households.**

The majority of cash transfers in developing countries focus on conditional cash transfers (CCT) in particular in Latin America and the Caribbean (LAC), such as Mexico's *Progresa*, Brazil's *Bolsa Familia*, and Colombia's *Familias en Acción*. These programmes are usually evaluated through social impacts, such as health, nutrition or education, and target specific groups such as children under five or pregnant women. CCTs typically include beneficiary co-responsibilities as a condition for receiving transfers, for example, children's school attendance or growth-monitoring visits. Unlike LAC, cash transfer programmes in sub-Saharan Africa (SSA) are mostly unconditional, and have the potential to impact households across a wider range of social and productive domains. Since 2006, there are more than 30 national ongoing programmes, but few published assessments focus on multiple outcome domains, including the economic and productive behaviour of households (Garcia & Moore, 2012). This Brief summarizes a new publication (Handa et al. 2015) which analyses impacts of a government unconditional cash transfer (UCT) programme in Zambia, showing the breadth of domains that cash has the power and possibility of improving in rural poor households.

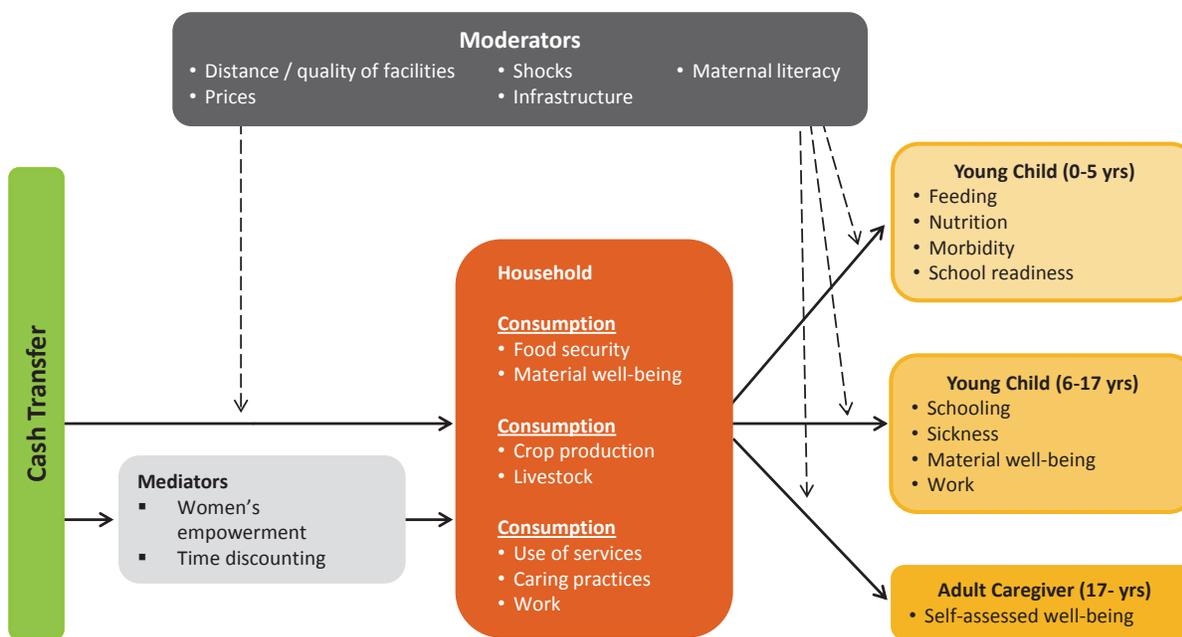
## THE ZAMBIAN CHILD GRANT PROGRAMME

The Ministry of Community Development, Mother and Child Health of Zambia first implemented the Child Grant Programme (CGP) in 2010 in the three districts with the highest rates of child mortality: Kalabo, Kaputa, and Shongombo. Households with a child under the age of five years qualify for the programme. Each household, irrespective of household size, receives the equivalent of approximately US\$12 per month, which is an amount sufficient to purchase one meal per day for the month for an average-sized household. Approximately 95% of the eligible households fall below the Zambian extreme poverty line. Given that the programme is a UCT, there are no conditions or co-responsibilities for the households receiving the money, meaning they can choose to spend it as they see fit.

While the overall goal of the CGP is to decrease extreme poverty and prevent its intergenerational transfer, the specific objectives are as follows: to supplement and not replace household income; increase the number of children enrolled in and attending primary school; reduce the mortality, morbidity, stunting, and wasting rates among children under five; increase the number of households having a second meal per day; and increase the number of households owning assets such as livestock (Zambia CGP operations manual).



Figure 1. Conceptual Framework for Impact Evaluation of CGP.



## STUDY DESIGN

The study evaluation is built on a framework which is presented in Figure 1. Corresponding to the expected impact endpoints, the impacts of the CGP are examined on five major domains: consumption, food security, young child health and nutrition, education for school-aged children, and livelihood strengthening. The study was designed as a randomized controlled trial and covered 2,519 households (1,259 control and 1,260 treatment) from the three Zambian districts (Kalabo, Kaputa, and Shongombo). The questionnaire included modules on expenditure, health, education, subjective well-being, agricultural production, livestock, time-use, and access to programmes, modelled after the Zambian Living Conditions Measurements Survey, a national household survey implemented every five years by the Zambian National Statistical Office. Additionally, modules on child health and feeding practices were modelled after the Zambia Demographic Health Survey for comparability and validity. Impact data was collected 24 months after the initial baseline data in 2011. Analysis is conducted using multivariate difference-in-difference regression modelling, accounting for background characteristics of individuals and households within study communities.

## RESULTS

**Consumption:** As expected, household consumption increased by approximately the amount of the cash transfer. Spending increased primarily on food, followed by health and hygiene, clothing, and transportation/communication. The programme also improved diet diversity, as beneficiary households bought more protein (dairy and meats) and less roots and tubers (primarily cassava). There was no significant impact on spending on education (school fees/tuition, stationery, textbooks etc.), domestic durable items, or alcohol/tobacco. The CGP also enabled treatment households to smooth consumption over the agricultural cycle compared to control households.

At the macro level, the poverty gap and the squared poverty gap showed the largest impact of the programme on consumption-based poverty measures for households below the severe poverty line, both of which measure welfare changes; there were also significant reductions in the poverty headcount rate. Since almost all eligible households (99%) fell below the moderate poverty line, there are similar large impacts for the poverty gap and squared poverty gap, and a smaller, yet significant, reduction in the poverty headcount rate.



**Food security:** The CGP increased the number of households eating one or more meals per day, and reduced food insecurity among those receiving the cash transfer. Additionally, beneficiary households were less likely to consider themselves very poor, and reported that they were better off than 12 months ago compared to control households.

**Young child health and nutrition:** The two-week prevalence of diarrhoea decreased significantly, while there were smaller non-significant impacts on fever and acute respiratory illness among children under five in beneficiary households. While rates of stunting, wasting, and underweight also decreased insignificantly, young child feeding practices improved considerably among treatment households, the last being consistent with increased household consumption. There were no significant impacts on early childhood development indicators. Older children in recipient households were more likely to own shoes, two sets of clothing, and a blanket, compared to their control counterparts, demonstrating that the programme also benefitted older children, even though the CGP targets households with children under five.

Beneficiary households showed improved living conditions as they were more likely to own a latrine, cement their floors, and purchase torches or candles for light instead of open fires, compared to control households, once again suggesting that the UCT improves well-being for the household as a whole.

**Education for school-age children:** School attendance in the previous week increased for children in beneficiary households, however, there were no consistent impacts in school enrolment. In beneficiary households, while children of mothers with more education already had high levels of enrolment at baseline, children of mothers with less education were more likely to be ever enrolled in school and enrolled on time after the programme. This impact suggests that the CGP enabled households that had not enrolled their children in school to start doing so.

**Livelihood strengthening:** The CGP increased the number of livestock, namely more chickens, ducks, goats and cattle, owned by beneficiary households, the last of which represents a durable good that can be sold for cash in response to a shock (Krishna, 2010). Spending on seed and fertilizers also increased, as did the ownership of agricultural tools (axes, hoes, and hammers), and the per cent and value of crops sold. Recipient households were also more likely to diversify income-earning activities through the ownership of non-farm enterprises, leading to increased monthly revenue and profit, the latter of which was more than twice the amount of the per capita cash transfer.

## CONCLUSION

Unlike CCTs, in which benefits are evident for the targeted group for a specific domain, UCTs have the potential to impact all beneficiary household members across a range of productive and social domains. Utilizing a transparent and unconventional approach, research shows that two years after implementation, the CGP has led to strong positive productive impacts in investment and diversification of income-generating activities, food security, and asset accumulation. Impacts on consumption are significant as well, and are double the size of those found for equivalent CCT programmes in Colombia, Mexico, and Nicaragua. Social impacts, on children's schooling, health, and nutrition, with the CGP are less consistent and weaker because they rely on existing conditions such as maternal education, and the supply and capacity of health services, demonstrating that cash alone cannot change specific behaviours. Ongoing research from the Transfer Project in Zambia and other countries in SSA aims to further explore the pathways through which UCTs impact the different domains presented in this study.

## REFERENCES:

- Garcia, M., & Moore, C. (2012). *The cash dividend: The rise of cash transfer programs in Sub-Saharan Africa*. Washington, DC: The World Bank.
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- Krishna, A. (2010). *Who becomes poor, who escapes poverty, and why? Developing and using a retrospective methodology in five countries*. *Journal of Policy Analysis and Management*, 29, 351–372.

For detailed methods, results, partners and funders, please refer to Handa et al (2015) cited above.

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**Written by Audrey Pereira, Social and Economic Policy Consultant at the UNICEF Office of Research—Innocenti**