REPUBLIC OF ZAMBIA
MINISTRY OF COMMUNITY DEVELOPMENT AND SOCIAL WELFARE

THE CHILD GRANT PROGRAMME - A COMPREHENSIVE SUMMARY OF IMPACTS (2010-2014)

Social Cash Transfer Programme Impact Evaluation Series (Randomized Control Trial)

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This policy brief provides a summary of the main impacts generated by Zambia's Child Grant Programme during the first four years of implementation (2010-2014). The brief provides information about the programme, study design, areas of effects, and areas where there is no evidence of effects.

Poverty: Over the past decade, Zambia achieved macroeconomic stability and recorded a growth rate of over 6% per year. Yet, there has only been a marginal decline in high rates of poverty and malnutrition. In 2010, the headcount rates for overall and extreme poverty remained high at 60.5% and 42%, similar to 2006 levels, whilst the absolute number of people living below the poverty line was increasing with population growth (from 6 million in 1991 to 7.9 million in 2010). Poverty is unevenly distributed nationally with rural areas having a headcount poverty rate of 74%, double the urban poverty rate of 35%, and an extreme poverty rate (58 %) four times higher than that in urban areas (13%). Children are among the most affected by poverty. From the total child population 0-18 years old, 65% lived in poverty in 2010 (and 46% in extreme poverty), representing around 4.6 million children. About 85% of all poor children live in rural areas. Child poverty is closely linked with chronic malnutrition. In fact, in 2014, 40% of children under 5 were stunted, which represents a mere 5 percentage point reduction from 2007.

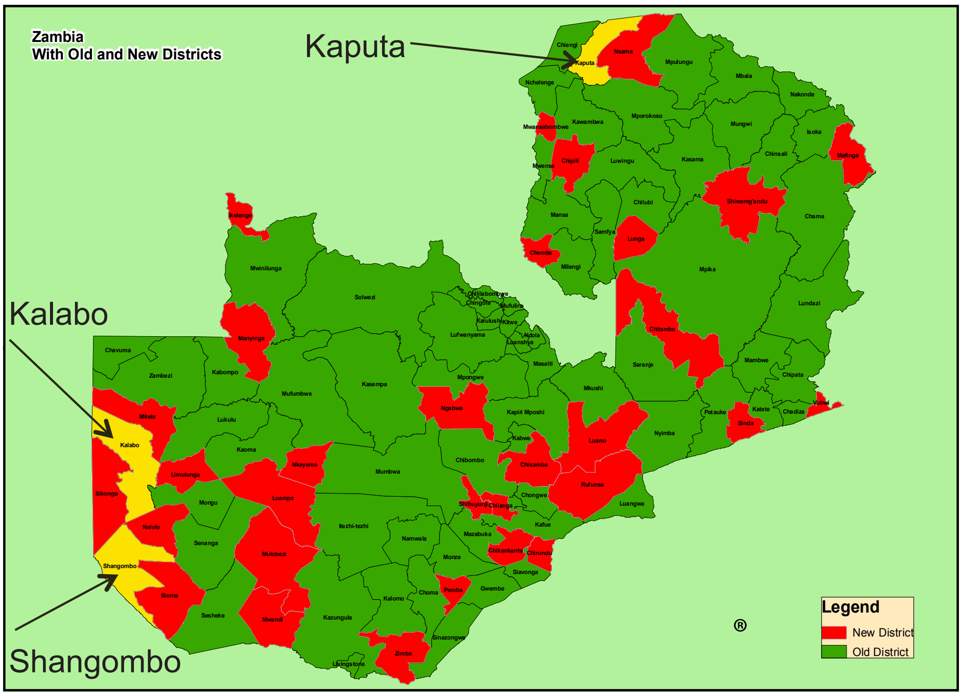
Government response to poverty: Given this backdrop, Government considers Social Protection as a key strategy to support inclusive economic growth, to achieve poverty and vulnerability reduction, and promote equity and fulfilment of human rights. In 2014, Government approved the National Social Protection Policy with an accompanying Implementation Plan for the 2014-2018 period. The policy defines social protection as "Policies and practices that protect and promote the livelihoods and welfare of people suffering from critical levels of poverty and deprivation and/or are vulnerable to risks and shocks". The policy's flagship intervention is the Social Cash Transfer programme. It was established in 2003 as a pilot programme and in 2010, a number of cash transfer pilots were brought together under a single programme with a ten-year expansion plan. The latter entailed the introduction of two new grants: a Multiple Category Grant and a Child Grant. Following a significant increase in Government budget allocated to the programme, the overall caseload for the Social Cash Transfers had reached 145,000 households at end 2014 and 185,000 households at end 2015.

The Child Grant: The Child Grant, initiated in 2010, provides a monthly cash payment to all mothers with a child under the age of five in selected districts with very high poverty and child mortality rates. The overall objective of the Child Grant Programm (CGP) is to reduce poverty and the intergenerational transmission of poverty. Specific objectives include improvements in food security, reduction in child mortality and morbidity, reduction in stunting and wasting, increased school enrolment and attendance, and increased asset ownership.

At end 2014, the CGP reached about 28,000 households in five districts (Shangom'bo, Kalabo, Kaputa, Zambezi, and Milenge). In 2010, 95% of CGP recipients lived below the extreme poverty line, as defined by the Central Statistics Office, compared with 74% of rural households across the country.

Between 2010 and 2013, the CGP transferred 60 Kwacha per month to recipient households. In 2014, this amount increased to 70 Kwacha. The amount for recipient households is the same regardless of household size. The average recipient household has five members; thus, the transfer corresponds to 12 Kwacha per person per month. This value was set to provide one meal a day to each member in the average household.

The Evaluation: Alongside the expansion of the Social Cash Tranfer (SCT) programme, the government of Zambia commissioned a randomised controlled trial impact evaluation of the MCTG. The purpose of the evaluation was to generate evidence about the effects of the programme to make a case for cash transfers as a national programme for social protection and to inform the scale-up of the programme. Additionally, the evaluation provides both an opportunity for the government to learn about its programme and to provide accountability for the use of public funds for cash transfers. The impact evaluation was designed and conducted by the American Institutes for Research (AIR). It included 2,515 households from 3 districts (Shangom'bo, Kalabo, and Kaputa) with randomized treatment and control groups, a baseline measurement (2010), and repeated post-intervention measures at 24 months (end 2012), 30 months (mid 2013), 36 months (end 2013), and 48 months



(end 2014) after the start of programme implementation. The baseline, 24 month, 36 month, and 48 month waves were conducted at the beginning of the lean season in September/October, when households start to experience food shortage. The 30 month wave occurred in June/July after households sold their harvest and were most flush with food and money. The 30 month wave thus serves to illustrate how programme impacts change over the agricultural cycle and in particular, whether the programme allows households to smooth their consumption over the year. Given the use of randomization and the existence of a baseline, differences between the treatment and control groups can be fully attributed to the CGP rather than to other differences between the two groups.

The Findings:

Message 1: For every Kwacha transferred, beneficiary households have generated an additional 49 Ngwe through productive impacts.

After 4 years of programme implementation, the overall impacts of the programme sum to a value that is greater than the transfer size. The programme was originally designed with the transfer size equal to roughly one additional meal a day for the average family for one month. However, the evaluation revealed that in addition to eating more meals and being more food secure, families are also improving their housing conditions, buying more livestock, buying necessities for children, reducing their debt, and investing in productive activities. Monetizing and aggregating these consumption and non-consumption spending impacts of the CGP gives an estimated multiplier of 1.49. In other words each Kwacha transferred is now providing an additional 0.49 or roughly 50 percent more in terms of net benefit to the household. These multiplier effects are derived mainly through increased productive activity, including livestock rearing, agricultural production and diversification of income sources into non-farm enterprises.

Multiplier Effect of the CGP (2010 ZMW)	
Annual value of transfer per household (55 ZMW by 12 months)	660
Expenditure	
Savings	61
Loan repayment	27
Consumption (own produced and purchased)	800
Livestock	48
Productive tools	50
Total Expenditure (consumption + non consumption)	986
Estimated expenditure multiplier	1.49

Note: Impacts are based on estimated econometric results from all evaluation reports. Where multiple estimates are available from different years, impacts are averaged. Estimate for productive tools is derived by multiplying the average increase in number of tools by estimated prices. Only statistically significant impact estimates are considered. Impacts account for other sources of income besides the CGP since they are derived from the RCT design. Thus, impacts are entirely attributable to the CGP. Everything is reported per household per year and deflated to 2010 ZMW, thus accounting for inflation.

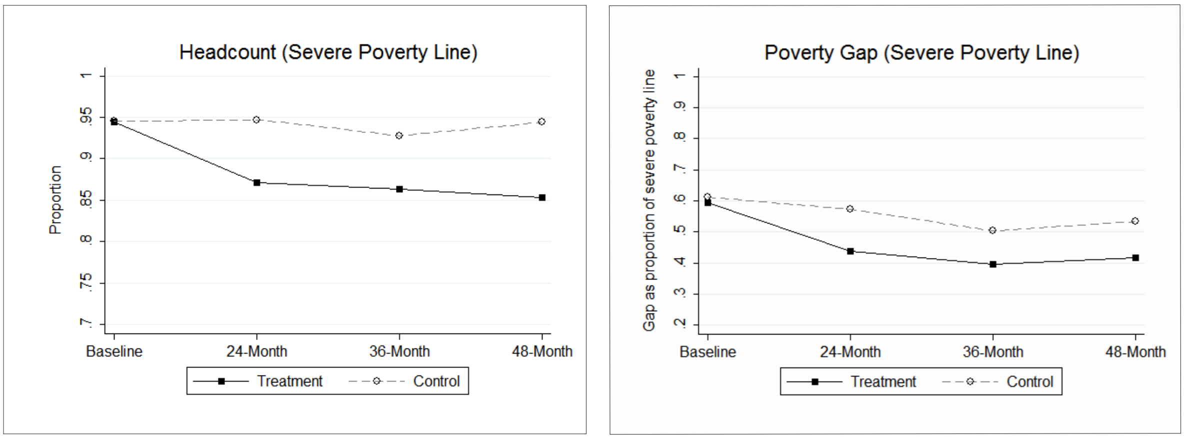
Message 2: Cash transfers did not create dependency – they rather empowered households and strengthened their resilience to withstand shocks

The overall results from the collection of evaluation reports over the four year period 2010-2014 demonstrate unequivocally that common perceptions about cash transfers being a hand-out and causing dependency, leading to alcohol and tobacco consumption, or inducing fertility, are not true in Zambia. The 1.49 multiplier effect which is driven by productive activity, speaks directly to the response by poor, rural households to use and manage the cash productively to improve their overall standard of living. Labour supply to off-farm work has increased among CGP households as has work in family enterprises. At no point during the four-year evaluation have there been any positive impacts on alcohol and tobacco consumption, nor has there been any impact on fertility during the lengthy evaluation period. In short, this unconditional cash transfer has proven to be an effective approach to alleviating extreme poverty and empowering households to improve their standard of living in a way that is most appropriate for them, based on their own choices.

Message 3: The cash transfers reduced the depth of poverty in beneficiary households

Decreased Poverty: Four years into implementation, the programme obtains strong impacts on extreme poverty (a reduction of 10 percentage points) and on the poverty gap (a 10 percentage point reduction), ultimately decreasing the depth of poverty by bringing households closer to the poverty line. The poverty gap measures the difference between a household's consumption and the extreme poverty line. The gap represents how much below the extreme poverty line a household is situated. In other words, this measure accounts for the distribution of individuals below the line rather than whether individuals moved above the line. The reduction in the poverty gap for CGP recipients implies that more of the CGP households are now closer to leaving extreme poverty. Additionally, the programme had greater effects on poverty reduction for those farther below the extreme poverty line.

Differences in Poverty between CGP Households and Control Group over Time

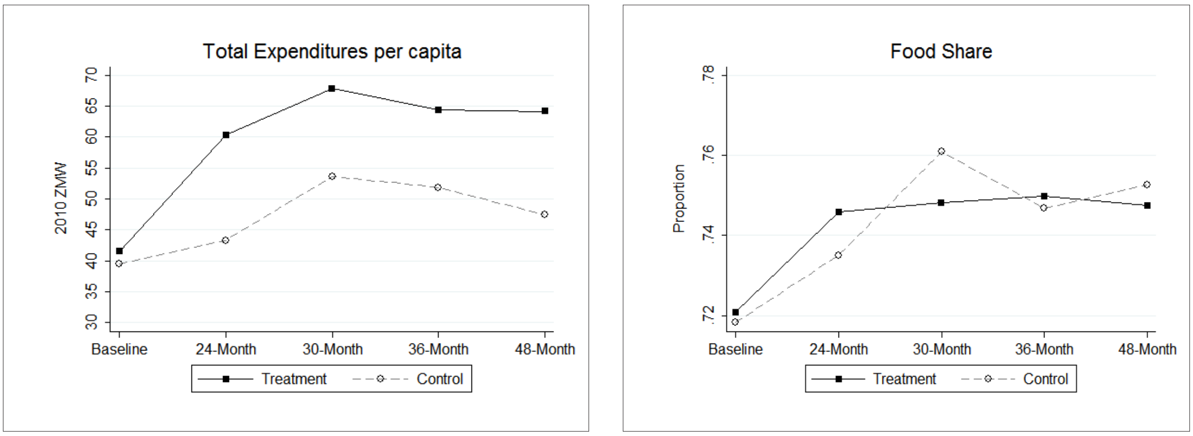


The figures above show the difference in poverty headcount and poverty gap between the treatment and control group after four years of implementing the programme. Lower numbers indicate less poverty. The treatment and control groups were equivalent at baseline due to randomization.

Message 4: The cash transfers helped households to become more food secure throughout the year

Increased Consumption and Food Security: One of the goals of the CGP is to improve the food security of beneficiary households and specifically increase the percentage of households eating two or more meals per day. The programme has large impacts on consumption (ZMW 14.8 per capita per month after four years), with most of the impact going towards increased food consumption (ZMW 9.75 per capita per month). We find that the additional consumption of food translates into greater food security. The CGP increases the percentage of households eating two or more meals per day, with almost all beneficiaries eating two or more meals per day (99 percent) after 48 months of implementation. The CGP allows households to smooth their consumption of food over the agricultural season. The transfer creates consumption smoothing for food by enabling households to consume relatively the same amount of food regardless of the time of year, while consumption of food for control households fluctuates much more between the lean and harvest season. It is interesting to note that the control group also improved over time, especially between baseline and 36 months, perhaps due to the general improvement in Zambia's economy between 2010 and 2013 (note that the 30 month wave occurred in the harvest season when consumption is greater than other periods because of the recent harvest and larger stocks of food and cash available to both the treatment and control groups).

Differences in Consumption between CGP Households and Control Group over Time



Message 5: The cash transfers improved the living conditions of beneficiary households

Improved Living Conditions: Beneficiaries also use the transfers to purchase items to improve their living and housing conditions. For example, the CGP induced a 9 percentage point increase in the number of households that own a latrine (currently, 70 percent of beneficiaries own a latrine against 66% among control group households). Owning a latrine is important for improving household hygiene and sanitation, yet less than half of households had a latrine at baseline. Similarly, the CGP induced a 3 percentage point increase in the number of households with cement floors, which can also lead to improved health outcomes because they provide a cleaner environment that is less likely to transmit parasites and pathogens, especially to young children.

In addition to improving their home, we also find that beneficiaries improved their daily living conditions by purchasing torches or candles to light their home instead of using an open fire. Over half the households used open fire to light their home at baseline (58 percent). The CGP had a 15 percentage point impact on the number of households using a purchased method to light their home, such as candles or torch, with 86 percent of beneficiary households using a purchased method after four years[1]. Wood smoke from an open fire is very harmful to one's health, especially for children.

[1] The control group also improved over this time explaining the difference between the impact of the program and the difference between baseline and follow-up. The impact of the program factors out changes in the control group.

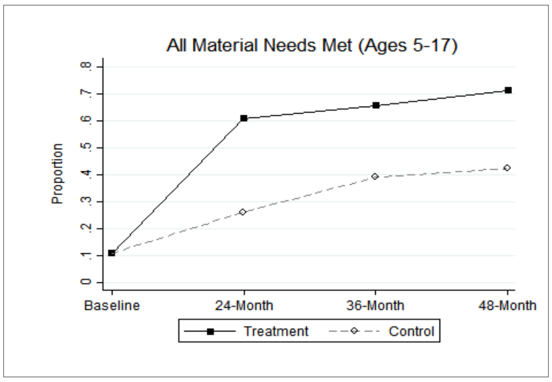
Thus, the CGP's impact on reducing the use of an open fire in the home also contributes to reducing health problems caused by wood smoke.

Message 6: The cash transfers reduced diarrhoea Incidence among under five children and improved infant and young child feeding in beneficiary households

Young Children (under 5 years old): The CGP had a strong impact on reducing the incidence of diarrhoea (4.9 percentage points) for children under 5 years old at 24-months but not at 36 or 48 months. There have been no other significant impacts on health outcomes such as fever or cough or on the use of health services for curative or preventative care. This could be related to health service provision constraints. On the other hand, there are large impacts of the CGP on infant and young child feeding (IYCF)—an increase of 13 percentage points (to 35 percent). This impact could be due to an increase in mothers' time available to feed children or mothers eating more.

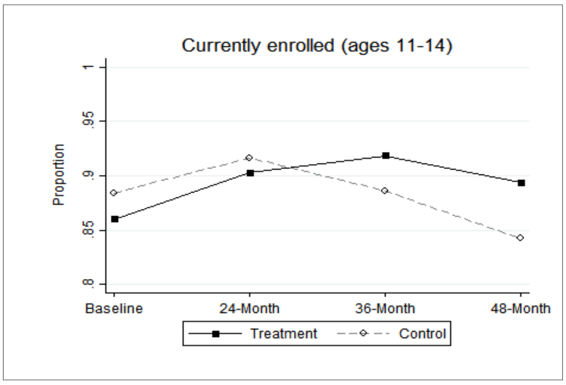
Message 7: The cash transfers increased the number of children who had all their material needs met

Older Children: Though the programme is focused on improving outcomes for younger children, since the grant is given to families and is not explicitly tied to any particular child, it is quite possible that older children could benefit from the grant too. There is a large impact on children aged 5-17 years who have all of their material needs met (2 sets of clothing, shoes, and a blanket), with 71 percent of children in beneficiary households having all materials needs met compared to 42 percent in the control households.



Message 8: Children aged 11-14 who live in a beneficiary household are more likely to be enrolled in school and less likely to drop out their peers in control households

Impact on Schooling: We do not find any impacts at 48 month for children in age groups 4-7, 8-10 and 15-17 on school enrolment and attendance. However, we do find that for children 11-14 years old the CGP increases school enrolment by 5.6 percentage points at 48-months. By comparing the school enrolment trends of beneficiary children with control children, we find that the CGP is successful not only in increasing school enrolment with respect to baseline - especially for the 24-month and 36-month waves - but also in preventing the dropout experienced by the control group between 36 and 48 months (see graph).



Overall, the evaluation does not find impacts on participation and number of hours spent in unpaid/paid work for children above 5 years old. This is a positive result because it suggests that the programme's positive impact on agricultural productivity is not occurring because of an increase in child labour.

Message 9: The cash transfer increased productivity and asset ownership among beneficiary households.

Productive Impacts: The CGP generates impacts on production activities of beneficiary households, in addition to the poverty, food security, and human capital outcomes discussed. The CGP reduces household debt, increases asset ownership, farm productivity, and participation in non-farm enterprises.

***Debt Reduction*:** Beneficiary households reduced their debt by taking out fewer short- and long-term loans. As a result of the transfer, recipient households were able to reduce the number of short-term loans (less than 6 months) by 6 percentage points, with 29 percent of beneficiary households having a short-term loan compared to 35 percent in control households.

***Asset Ownership*:** Besides reducing debt, the CGP enabled beneficiary households to increase the amount of assets they own such as livestock and household items. After 48 months, the CGP demonstrated a positive impact on the ownership of a wide variety of livestock, both in the share of households with livestock and in the total number of animals. As a result of the transfer, the number of recipient households that own chickens increased by 14 percentage points and for cattle it increased by 10 percentage points, with 49 percent of recipient households owning chickens and 19 percent of recipient households owning cattle. Households receiving the transfer are more likely to own a bed, a mattress, a sofa, a radio, a mobile phone, and a solar panel. For some of these assets, programme impacts are quite large. For example, the proportion of beneficiary households that own a mattress at 48 months is about 49 percent, whereas only 28 percent of control households own a mattress.

***Non-farm enterprise activity*:** Beneficiary households of the CGP are much more likely to have a non-farm enterprise. The share of beneficiary households operating a non-farm enterprise increased by 13 percentage points (with 24 percent operating a non-farm enterprise) relative to the control households.

Summary overview of change and programme impact for selected indicators

	All households at baseline in 2010	SCT households in 2014	Control group households in 2014	Impact of the SCT after 48 months
Poverty				
Proportion of households living below the poverty line (headcount poverty)	94%	85%	94%	**9 percentage points**
Poverty gap ratio (distance to poverty line expressed as % of poverty line)	60%	42%	53%	**10 percentage points**
Per capita expenditure	ZMW 40.48	ZMW 64.16	ZMW 47.44	**ZMW 14.83**
Proportion of households who do *not* consider themselves very poor	41%	73%	47%	**28 percentage points**
Proportion of households who consider themselves better off than 12 months ago	9%	42%	17%	**23 percentage points**
Food Security				
Proportion of households who eat more than one meal a day	79%	98%	93%	**5 percentage points**
Per capita expenditure on food items	ZMW 30.06	ZMW 46.95	ZMW 35.71	**ZMW 9.75**
Food insecurity scale (0-27)	15.15	10.53	12.28	**-1.88**
Proportion of households that are not severely food insecure	10%	30%	18%	**13 percentage points**
Housing conditions				
Proportion of households with toilet	44%	70%	66%	**9 percentage points**
Proportion of households with cement floor	3%	5%	3%	**2 percentage points**
Child well-being: health and nutrition				
Proportion of children stunted (ages 0-5)	32%	32%	32%	No impact
Proportion of children with recommended Infant & Young Child Feeding (ages 0-2)	28%	35%	23%	**13 percentage points**
Proportion of children with fever in past two weeks (ages 0-5)	18%	8%	8%	No impact
Proportion of children with diarrhoea in past two weeks (ages 0-5)	23%	12%	15%	No impact
Child well-being: Schooling				
Proportion of 11-14 year old boys enrolled in school	90%	90%	83%	**7 percentage points**
Proportion of 11-14 year old girls enrolled in school	87%	90%	85%	No impact
Proportion of 8-10 year old boys & girls enrolled in school	73%	84%	78%	No impact
Amount spent on school uniforms (for children 11-14 years old)	ZMW 7.13	ZMW 15	ZMW 11	**ZMW 5.3**
Child well-being: basic material needs				
Proportion of children 5-17 years old whose basic material needs are met (i.e. a 2nd set of cloths, a blanket, and shoes)	11%	71%	42%	**32 percentage points**
Production and economic activity:				
Proportion of households operating a Non-Farm Enterprise		39%	24%	**13 percentage points**
Proportion of households owning chicken	37%	49%	32%	**14 percentage points**
Proportion of households owning goats	1%	7%	3%	No impact
Proportion of women holding any savings in the previous 3 months	16%	36%	20%	**15 percentage points**

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