

Rapid Response Brief



Cash transfers, vouchers and food distribution programs are among the most common interventions to improve food security, especially during humanitarian emergencies. During the COVID-19 pandemic, governments around the world have expanded either cash transfer programs or food distribution, or both.

This brief presents evidence comparing these interventions on cost-efficiency and their effectiveness at improving food security. Most of the findings are drawn from a high-quality systematic review that combined the evidence from 10 studies on cash transfer and food distribution programs implemented in humanitarian emergencies. 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. Philippines-specific findings are drawn from studies on the Pantawid Pamilyang Pilipino Program (4Ps), which provides nonemergency cash transfers to encourage poor families to use education and health services.

How do cash transfers, vouchers and food distribution affect household food security?

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 the Philippines, cash transfers from 4Ps led to improvements in education and health outcomes for recipient households.
- In some poor areas, cash transfers from 4Ps led to increased prices for foods like eggs and fresh fish, resulting in negative effects for non-recipient households.

Key Recommendations

- In most cases, 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.
- In very poor, remote locations and contexts where nutritious food is costly or difficult to obtain, direct food provision may have advantages.

Background

Between 2017 and 2019, more than half of the population of the Philippines faced moderate to severe food insecurity, according to the United Nations Food and Agriculture Organization. The COVID-19 pandemic has only made it more challenging for struggling families to obtain enough nutritious food. Cash transfer, voucher and food distribution programs are used around the world 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.

The Philippines has experience with cash transfers via 4Ps, the fourth-largest cash transfer program in the world. Since 2007, the program has provided nonemergency assistance to poor families with conditions aimed to encourage the use of education and health services. The Department of Social Welfare and Development, which runs the program, has identified 4Ps as one of its top priorities.

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 that 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.

Pantawid Familyang Pilipino Program (4Ps)

About 4 million households in the Philippines receive cash transfers from 4Ps, and several studies have investigated the program's effects on education, health and other outcomes. The transfers are conditional on the utilization of health services and children's school attendance. Households receive:

- ₱ 300 per month, 10 months out of the year, per child in kindergarten and elementary school for a maximum of 10 months per year
- ₱ 500 per month, 10 months out of the year, per child enrolled in junior high
- ₱ 700 per month, 10 months out of the year, per child enrolled in senior high
- ₱ 750 per month throughout the year for health and nutrition
- A rice subsidy amounting to ₱ 600 per month throughout the year

Recipients are selected by a standardized targeting list, the National Household Targeting System for Poverty Reduction or Listahanan, which is to be updated every three years. Potentially eligible beneficiaries are farmers, fisherfolks, homeless families, indigenous peoples, those in the informal sector, those in geographically isolated areas, persons with disabilities, those in areas with no electricity, and other vulnerable groups.

Findings from the systematic review

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

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.

Findings about 4Ps

4Ps has increased the rate at which children are enrolled in school and the utilization of targeted health services, in addition to reducing the country's overall poverty rate and possibly reducing conflict.

A 2019 impact evaluation found that among recipient households:

- School enrollment for children between age 12 and 17 increased by approximately 5 percent.
- The rates at which pregnant women completed prenatal checkups and gave birth in the presence of a doctor increased by 7 and 10 percentage points.
- Overall, 4Ps reduced the country's poverty rate by about 1.3 percentage points.

Separate studies found evidence that the program reduced child stunting and the rate of violent conflict in targeted areas.

However, the program also had unintended negative consequences, including increased child stunting among non-recipient households in some areas because of increases in market prices of some perishable foods. These findings come from some of the first municipalities targeted by the program, representing some of the poorest areas of the country, where an average of 65 percent of residents were eligible for transfers. (Only 4.2 percent of villages in the country fall into this category.) In these contexts, the prices of protein-rich perishable foods like eggs and fresh fish rose 6 to 8 percent, leading to an increase in child stunting among non-recipient households by about 11 percentage points.

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 than 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 for perishable goods. These conditions may apply in emergency situations, such as natural disasters, human-induced disasters, or health crises, where the difficulties faced by vulnerable individuals may be compounded. In these settings, direct food distribution of nutritious, high-protein foods may be preferable.

Evidence quality, strengths and limitations

Most findings and recommendations are based on a systematic review that synthesizes the results of 10 quantitative studies on cash transfer programs conducted during humanitarian crises, as well as 108 additional qualitative studies. The studies in the review respond directly to the question in this brief. However, all of the studies that 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.

Philippines-specific findings are drawn from individual studies of the 4Ps program, which was implemented with a design to facilitate research on its effects. This program was designed to improve educational and health outcomes on an ongoing basis, not to improve food security in an emergency, so the findings should be viewed in this context.

About the Philippines Evidence Program

3ie's country evidence program in the Philippines is a tripartite partnership between the National Economic and Development Authority (NEDA), the country's independent economic development and planning agency as mandated by the Philippine constitution; the Department of Foreign Affairs and Trade of the government of Australia; and 3ie. This decade-long partnership started in 2014, and it aims to build interest in and capacity for evidence-informed decision-making in the Philippines. Priority sectors are identified by the government, with 3ie providing technical oversight on evaluations assessing major governmental reforms and service delivery programs.

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>

Philippines 4Ps findings are based on the following papers:

Filmer, D, Friedman, J, Kandpal, E and Onishi, J, 2018, *General equilibrium effects of targeted cash transfers: nutrition impacts on non-beneficiary children*. World Bank Policy Research Working Paper 8377.

Acosta, P, Avalos, J and Zapanta, A, 2019. *Pantawid Pamilya 2017 assessment: an update of the Philippine conditional cash transfer's implementation performance*. World Bank Social Protection Policy Note No. 18.

Kandpal, E, Alderman, H, Friedman, J, Filmer, D, Onishi, J and Avalos, J, 2016. A conditional cash transfer program in the Philippines reduces severe stunting. *Journal of Nutrition*, 146(9), pp.1793–1800.

Crost, B, Felter, JH and Johnston, PB, 2016. Conditional cash transfers, civil conflict and insurgent influence: experimental evidence from the Philippines. *Journal of Development Economics*, 118, pp.171–82.



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