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Learning what works for better programs and policies

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BANGLADESH: Can Conditional Cash Transfers Improve Nutrition?

Conditional cash transfer programs have proven successful at encouraging poor families to use health services and send children to school. Across the world, these programs are helping

break the cycle of poverty by boosting education and improving health for the most vulnerable. Less is known about how to best structure cash transfers to improve nutrition in young children, and

some programs are now including regular meetings for mothers to boost their knowledge of nutritious foods and the importance. As countries work to develop sustainable and effective social protection programs, understanding the possibilities of conditional cash programs will help create safety nets that deliver. Part of this is learning how to structure these programs

to maximize the impact and understanding whether electronic payments can reduce administrative costs, improve transparency and give women more say over family finances.

Policymakers and development groups are interested in innovative ways to deliver cash transfer programs and make an impact where it's needed most. In Bangladesh, World Bank researchers worked with the government to evaluate a pilot social protection program that conditioned transfers on primary school attendance, monthly growth monitoring for young children and monthly nutrition sessions for mothers. Payments were made to mothers via electronic cash cards. While the program had no effect on school attendance, it significantly boosted consumption of protein and other nutrition-rich foods, and reduced wasting. **Based on the results, the nutrition-related part of the program is being scaled up with World Bank assistance to reach 600,000 of the poorest households across Bangladesh, potentially benefiting 2.7 million people.**



Context

Bangladesh reduced the percentage of families living in poverty by almost a third over the past decade to 30 percent, but the country hasn't been as successful at cutting the rate of wasting and stunting among children. Bangladesh has one of the highest rates of malnutrition in the world and 41 percent of children below the age of 5 are stunted. About five million children are also out of school.

In January 2012, the Government began piloting a new conditional cash transfer program called Shombhob, which means "possible" in Bangla. The pilot took place in Jaldhaka and Hatibandha, two rural areas in the Rangpur Division, the country's poorest region, and in the slums of Narayanganj City.

Poor mothers with children up to three years old received 400 Taka (about \$5) a month for taking their children for monthly growth monitoring and for attending monthly meet-

ings on nutrition. Poor mothers with children aged six to 15 got the same amount if the children attended at least 80 percent of primary school classes. The payment was set regardless of the number of children and the maximum a family could receive was 800 Taka a month. The program ran from April 2012 through December 2013, with payments made every two months.

The program relied on electronic transfers rather than handing out cash directly. Electronic payments not only help bring people into the financial system, but they're a good way to track that money reaches the intended beneficiary and they have the added plus of giving women more control over finances. Mothers received cash cards to access their account, which was held by the Bangladesh Post Office. They could either travel to the nearest post office, or they could wait and withdraw

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money from mobile Point-of-Sales machines brought in on designated days. The program had to pay a commission (to the post office) when money was withdrawn—either one percent of the transferred amount, or 10 Taka, whichever was more.

More than 37,000 families applied for the program and 15,952 of the poorest families were selected based on their

proxy means tests score, compiled through a survey of their assets, access to facilities, and household demographics, among other things. The list of selected families was then vetted by community leaders, who also played a role in explaining the program to the targeted families. The final number of enrolled beneficiary households was 14,125.

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Evaluation

The evaluation was carried out in two of the three pilot areas, Jaldhaka and Narayanganj. First, a census was carried out in these two areas of all 44,590 household. The census questions were designed to measure poverty using the proxy means test. Households with a poverty score above the 50th percentile were excluded as they were unlikely to be beneficiaries of the cash transfer program. Those scoring below the 25th percentile were viewed as potential beneficiaries, and those between the 25th and 50th percentile were marked as potential controls. A random sample of 3,000 households was then interviewed to ensure representation of three groups qualifying for cash transfers: those with children under the age of three, those with primary school age children and those

with both. Researchers used regression discontinuity design combined with the difference-in-difference methodology to compare outcomes between eligible and participating families just below the selection cutoff with outcomes from those just above the cutoff, who were almost eligible but did not participate in the program. The same households were included in the follow-up endline survey in May-June 2013, about 13 months after their first Shombhob payment. A total of 2,718 households were in the analysis. Results from Narayanganj, which had high migration typical of urban slums, were excluded from the impact evaluation because researchers had a difficult time tracking down nearly 30 percent of the households in the baseline survey.

Results

The program succeeded in improving nutrition for young children, with cases of wasting declining by 40 percent.

For children aged 10 to 22 months at the time of enrollment in the program, wasting declined by 12.5 percentage points. This translates into a 40 percent decline in the number of children who were wasted, which uses weight-for-height to measure nutritional status. There wasn't a similar impact for children aged 22 to 46 months at enrollment, which may be because nutrition programs are most effective before a child turns age two. Nor was there any decline in stunting,

which reflects chronic malnutrition and is based on a child's height-for-age. The lack of impact on stunting may reflect the need for sustained, longer term programs to halt chronic malnutrition.

Overall, families who qualified for the cash transfers spent more on healthy, high-protein food, including eggs, meat, dairy, fish and beans, compared with similar families who weren't in the program.

The transfer helped families to increase their spending by about 70 percent of the money they received, and close to

This policy note is based on "Can Conditional Cash Transfers Improve Education and Nutrition outcomes for Poor Children in Bangladesh? Evidence from a Pilot Project," Celine Ferre, Iffath Sharif, June 1, 2014 <https://openknowledge.worldbank.com/handle/10986/20511>

90 percent of that was spent on food. More importantly, they bought more nutritious and protein-rich food. Mothers in the nutrition group spent 174 Taka more a month on protein-rich food—out of a total average transfer of 542 Taka a month—than mothers from similar families who did not receive these program benefits. Spending on protein-rich food was even higher among mothers who went for monthly nutrition meetings by about 56 Taka, compared with mothers who received cash transfers if their children attended primary school.

The program also led to an increase in knowledge about the importance of breastfeeding.

In order to give mothers a better understanding of childhood nutrition and health, women with young children were required to attend monthly nutrition counseling sessions on how to care for and feed children. They also had to bring their young children for monthly growth monitoring sessions, during which the children were weighed and measured and their growth was documented on growth charts that mothers took home. This led to an eight percent increase in the number of women—from 83.1 percent to 89.4 percent—who knew that babies should be exclusively breastfed until six months of age.

The program, however, didn't improve school attendance or enrollment.

Because the program started after the new school year had begun, researchers knew it would be too late to boost enrollment, but they hoped for an improvement in attendance. That didn't happen, which is inconsistent with results from similar cash transfer programs around the world. Researchers pointed to a few possible reasons for the lack of impact. Children were supposed to attend primary school at least 80 percent of the time, but program administrators had a problem collecting the information because of the large number of schools children attended. Also, transfers were made regardless of attendance during the flooding of September-October 2012. This could have confused parents about the need to send children to school to receive the payments. Another possibility is that the money wasn't enough to promote change, given that there's already an existing national cash transfer program linked to school enrollment and attendance.

The flexible mobile electronic payment system used by the program was efficient and transparent, reducing travel time for poor mothers and making it easy for them to claim their money.

In total, Shombhob delivered some US \$1.78 million dollars in cash transfers to more than 14,000 families over the 13 months period, including administrative costs. The administrative cost for delivering the program worked out to be about US \$1.40 a month per child, which is considered reasonably cost effective for a conditional cash transfer program in largely rural areas.



The program targeted the right people and reached the area's most vulnerable families.

The surveys found that recipients were actually poorer than non-recipients, and that those who applied and were accepted into the program were poorer than those rejected, based on their proxy means test scores. Nevertheless, between baseline and endline, researchers were unable to track many families—particularly the most vulnerable slum dwellers among the very poor—highlighting the difficulty that even well-administered programs can have when poor families don't have stability to stay in one place.

Conclusion

Shombhob improved the welfare of extremely poor households and boosted nutrition outcomes for young children—a significant accomplishment that highlights the potential for programs like Shombhob to meet the nutritional needs of poor children during a critical development window. As policy makers in Bangladesh and elsewhere look to expand conditional cash transfer programs, the strong nutritional outcomes from this program will surely provide a guide for how to boost nutrition, particularly during a child’s first 1,000 days.

Nevertheless, the program did face operational challenges—especially in the education component—that need to be considered when creating new programs and revising existing ones to help society’s most vulnerable. One question underlined by this evaluation is how to reach the very poor families that move between slums, making

it hard for them to meet requirements for payments, be tracked to qualify for payments or even receive payments. As researchers continue to explore ways to help the poor, the results of this evaluation will guide the creation of new programs that give families the tools they need to help their children grow, at a time when their brains and bodies need it most.

In Jaldhaka...

- Average household size is 4.5 people
- 40 percent of household heads are casual agricultural laborers with no education
- Half of total expenditures are on food
- Average size of land owned is 1.8 acres
- Few households have durable assets like televisions or fans... and in the rural areas, most don’t have access to electricity.

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