

Exploring the Impact of Unconditional Cash Transfers (UCT) in Haiti through WFP's 2023 Operations: A pre-post analysis of selected outcomes

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Abstract

Background: In 2023, about 44 percent of Haitians were food insecure, and humanitarian actors, including WFP, have provided cash and/or food assistance as part of the response. The objective of this analysis is to provide evidence on the impact of cash transfers on households.

Method: A sample of 4,460 households that only received cash and 1,945 that received a combination of cash and food, according to the criteria of completeness of data as well as programming of at least 3 transfer cycles across 3-5 months. Thus, a representative baseline and endline household survey was used to compute bivariate statistics comparing the prevalences and/or means of selected indicators of food security, education, and women's empowerment in cash-only households, as well as in the mixed (cash and in-kind) group.

Results: The results of the analysis show that the cash transfer has a positive effect on households' vulnerability to food security. Households that received a cash transfer exhibit an improved food consumption score compared to before. In addition, their food consumption is much higher when the cash is combined with in-kind support. Equally, an increased cash value allows them to cover other basic needs, which has a positive impact on reducing the number of children not attending school, as well as generally maintaining or enhancing women's decision-making power within households.

Way forward: These results give good indications of a real impact, which cannot be proven with high confidence due to the absence of a control group (with no assistance received). With that said, this analysis has attempted to reduce the bias by creating vs. dose groups to see the dose-response relationship. These preliminary results suggest that an impact evaluation with a control group should be conducted to confirm the preliminary results, including more outcome indicators.

I. INTRODUCTION

In 2023, the Integrated Acute Food Security Analysis (FAO and National Coordination of Food Security (CNSA), 2023) estimated that 4.35 million people are food insecure (crisis or emergency phase). In this context, WFP, with the support of its donors, intervened to reach 2 million beneficiaries in 2023, including 1.2 million with direct cash

or in-kind assistance. As part of its monitoring and evaluation process for both emergency and resilience activities, WFP assessed its cash transfer interventions on households, particularly vis-à-vis unconditional cash operations, to enhance future operations programming and optimize those already underway.

Our literature review found only one documented lessons-learned exercise conducted by the NGO Christian Aid, which implemented unconditional cash transfers in Haiti in 2011 (Christian Aid, 2012). Following several rounds of cash transfers to vulnerable female-headed households, the Christian Aid team found that 81% of beneficiaries were able to start or restart a business, compared to only 2% who received a single lump-sum transfer. Regular transfers allowed for savings and productive investments, and 98% of beneficiaries were satisfied with the assistance, preferring cash to in-kind transfers.

However, at present, there are no studies focusing on the impact of unconditional cash transfers in emergency responses in Haiti, designed using an impact evaluation approach. Most research focus on short-term impacts, with some finding positive effects on long-term resilience. For cash-based resilience interventions, cash transfers facilitate investment in small livestock or other assets, which can promote greater self-sufficiency after programs end (WFP, 2024) (USAID, 2024). Education and access to health care appear to improve for children in recipient families (Pega, et al., 2017).

Through this analysis, WFP aims to initiate an evidence generation process as a prelude to establishing an unconditional cash impact evaluation based on the results of the analysis. This would also support evidence generation on this issue in Haiti.

II. OBJECTIVE

The objective of this analysis is to identify the relative change in the distribution of cash transfers on household living conditions. This analysis will examine three outcome indicators:

- Food security (food expenditures food consumption, and livelihoods), (Food Security Cluster, 2020)
- Education (school attendance of children in the household).
- Women’s Empowerment (Household decision making).

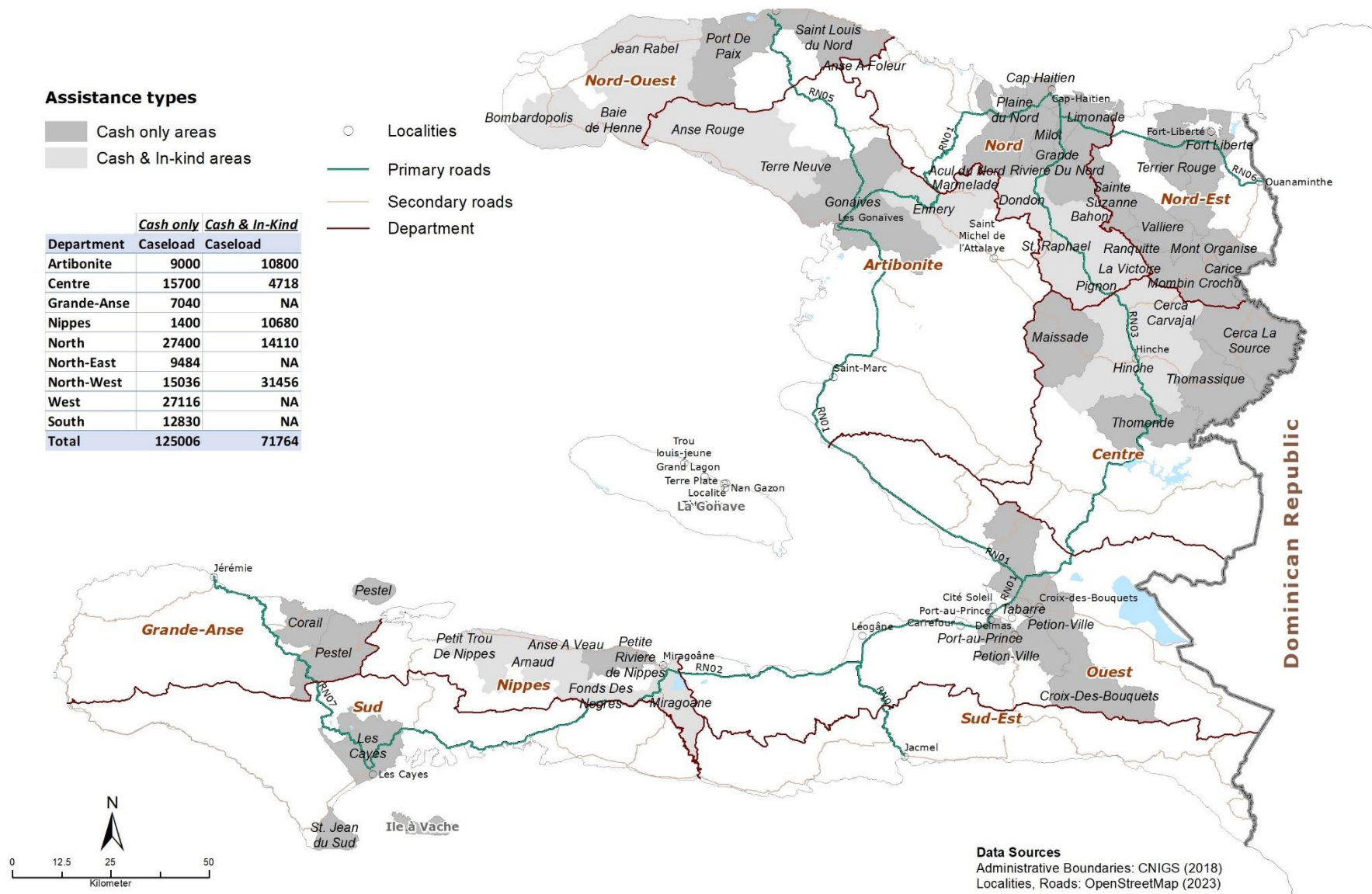
III. DESIGN, SOURCE OF DATA ANALYS

This analysis is based on the extraction of data from outcome surveys conducted at the start and at the end of WFP assistance projects located in 53 communes across 9 departments of Haiti in 2023. The groups of beneficiaries analyzed were of households that received cash, only, covering 33 municipalities. Some households received 3 cycles of \$120 cash per cycle or 4 cycles of \$120 cash per cycle. Another group of households, covering 20 communes, benefited from a mixed approach (in-kind assistance with 2 or 3 cycles of cash transfers of USD 120 each).. The data analysis sample is 4,460 households for the cash only group and 1,945 households for the mixed group.

The selected projects assessing the above-mentioned groups used the following criteria to retain project baseline and endline data to be analyzed: projects that had complete data collection at baseline and endline, and whose transfer mechanism was either cash only or mixed, and whose number of transfer cycles was at least 3, with an implementation duration of 3-5 months. Projects with sporadic distributions, even shorter cycles, and/or where one of the surveys was missing were excluded from the analysis. The summary of the analysis in Map 1 shows a caseload of almost 125,000 households that received cash only and 71,764 households that received cash and food. *It should be noted that the outcome, baseline, and endline surveys were conducted using a random sample of households selected to receive assistance.*

a. Study areas

Map 1: Map of WFP cash assistance areas in 2023 used in this analysis.



b. Data analysis

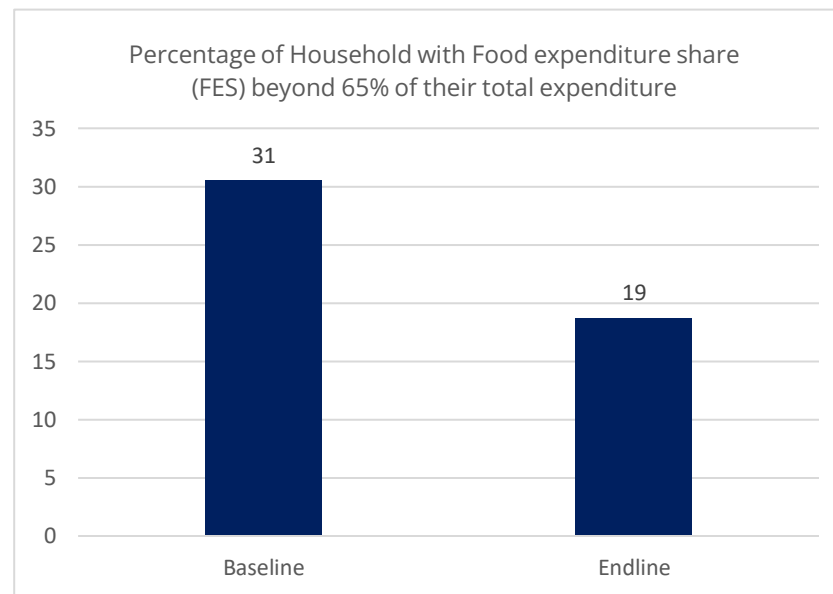
The analyses used univariate statistics to highlight the prevalence or mean of the pre-defined outcome indicators depending on the follow-up group, i.e. the cash only household group or the mixed approach group, where data was available, although the priority of the analysis was to measure the change in the cash only group. Nonparametric Chi2 tests were used to demonstrate the strength of the correlation at the 95% confidence level.

IV. RESULTS

a. Food consumption expenditure: A reduced share of household expenditure on food before and after cash-assisted households, reflecting the potential reduction in vulnerability.

Engel's law (Pope, 2012) shows that an increase in income is followed by an increase in spending on food and an even greater increase in spending on other goods, so that the proportion of total income allocated to food declines. The poorest and most vulnerable households spend a higher proportion of their income on food. Using the income proxy, WFP estimated that if the share of food expenditure is over 65% of total expenditure, the household is considered economically vulnerable, as it is forced to prioritize its immediate, short-term food needs over significant longer-term investments, for example in healthcare or education.

Our analysis shows that 31% of beneficiaries spent over 65% of their expenditure on food at Baseline, and after receiving cash-only assistance, this proportion is reduced by 12 percentage points.



b. Use of cash transfers by beneficiaries: About 35 % of cash assistance is spent on food, with a smaller share as the value of the transfer increases, indicating reduced vulnerability after receiving cash.

The top 3 household needs are food (94.3% of households), followed by education (54%) and capital assets (44%).

Figure 1 shows how beneficiaries used the cash transfers they received. Overall, about 35% of the cash was spent on food, followed by 17% on education and 16% on building productive capital. The differences between rural and urban households in the use of assistance remain small, with rural households spending only 2% more on food than urban households, while the latter have greater needs for children's education.

Nonetheless, we observe that an increase in the number of transfer cycles from 3 to 4 of 120\$ each, and thus the value of the total amount of cash received by the household, is associated with a slight decrease in the share of expenditures related to loan repayment in favor of other non-food items, particularly in business capital building (purchase of business equipment, purchase of livestock for farming and breeding, etc). In fact, from 3 to 4 cash transfers of \$120 each, households reduced their debts from 18% to 11% and increased investments in business capital from 8% to 18%.

c. Food security: An improvement in food security for households receiving cash transfers, which is even greater for households receiving a mix of cash and in-kind support.

Between baseline and endline, the proportion of cash-only households with insufficient food consumption, i.e. a poor or borderline food consumption score, was reduced by 12 percentage points. There was also a larger reduction of 20.2 percentage points among households with a poor food consumption score, suggesting a potentially more significant impact of the assistance on more vulnerable households.

Nevertheless, the dose-response relationship remains more contrasted, as the results show a smaller reduction for the cohort of households that received only 4 cycles of transfers than for those that received only 3 cycles of transfers, suggesting* that beyond 3 cycles of transfers, the impact on food consumption decreases and households could use the extra cash received for other needs.

Finally, a marked change was observed between baseline and endline results of 28 percentage points between the last cohort of households that received one cycle of in-kind transfers followed by

two cycles of cash than for the group of households that received only cash.

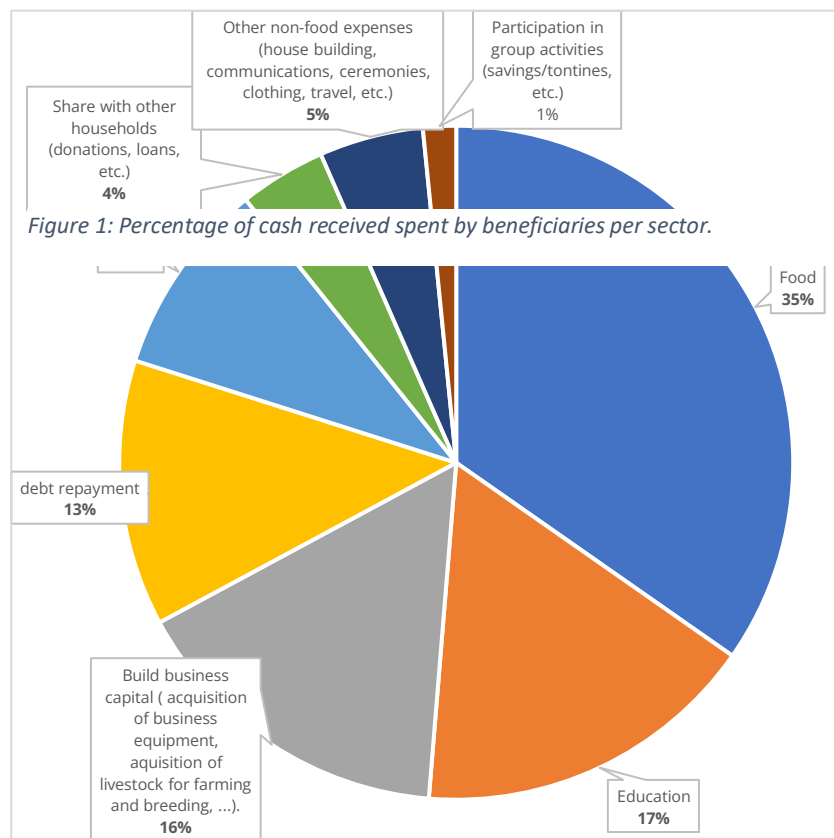


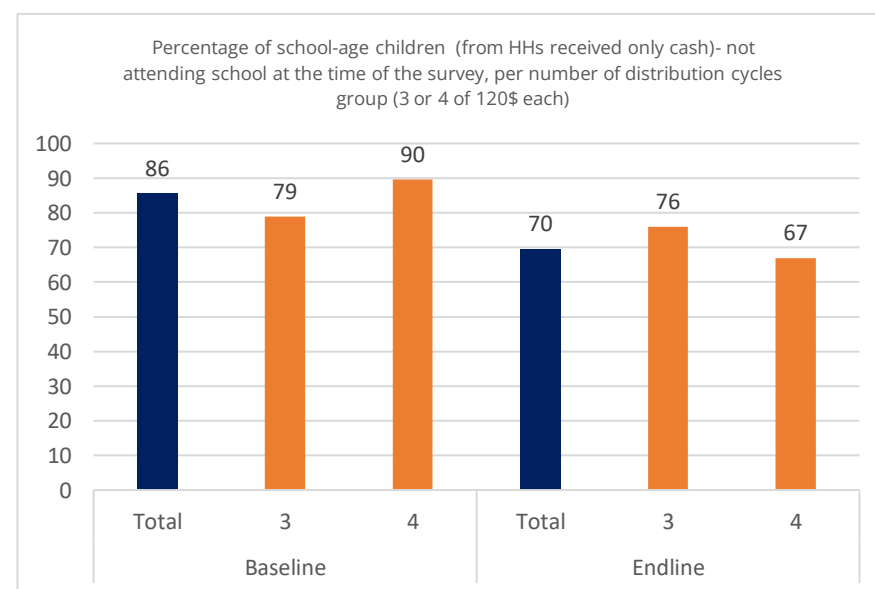
Figure 1: Percentage of cash received spent by beneficiaries per sector.

table 1: Analysis result of food securities outcomes indicators across different groups of Cash Assistance

Outcomes	Baseline				Endline				Difference				P-value
	Mixte (CBT, In-Kind)	Cash Only			Mixte (CBT, In-Kind)	Cash Only			Mixte (CBT, In-Kind)	Cash Only			
Groups, (Numbers of cycles received)		Total	3	4		Total	3	4		Total	3	4	
% of HHs with Food expenditure share (FES) (>65%)	42,3	30,5	43,1	29,8	22,6	18,7	13,6	20,4	-19,7	-11,8	-29,5	-9,4	0.000
% of HHs with Food consumption Score (FCS)-(Poor or borderline)	88,4	86,2	85,2	86,1	69,9	74,2	69,5	74,27	-18,5	-12	-15,7	-11,8	0.000
% of HHs with Food consumption Score (FCS)-(Poor)	62,2	60,7	57,0	61,1	33,3	40,5	38,2	39,1	-28,9	-20,2	-18,8	-22,0	0.000
% of HHs using Crisis or above crisis food-based coping (rCSI) strategy	36,0	39,3	27,6	35,2	16,8	22,2	22,6	25,25	-19,1	-17,1	-5,1	-9,9	0.000

d. Education: Decrease in children not attending school for cash-transfer households.

In Haiti, according to 44% of beneficiaries, education remains one of the top 3 essential needs amongst poorest households.. WFP's analysis shows a noteworthy 16-percentage-point decrease in the proportion of children aged 5 to 15 who were not attending school among cash-only households, from baseline to endline. The reduction is even more pronounced (22 percentage points) for children in households that received 4 cycles of \$120 transfers compared to households that received only 3 cycles of transfers. Reasons cited for children dropping out include the challenges in paying children's school fees (67.4% at baseline vs. 60.2% at endline), school closure (5.1% at baseline vs. 0.4% at endline), and other reasons (ranging from 27-36%).



e. Empowerment: Female beneficiaries retain control over the cash transfers they receive.

Table 2 Percentage of households that responded that the decision to use household resources (baseline) or to use assistance (endline) is made by women/men/both.

Outcomes	Baseline				Endline				Difference				P-value
	Mixte (CBT, In-Kind)	Cash Only			Mixte (CBT, In-Kind)	Cash Only			Mixte (CBT, In-Kind)	Cash Only			
Gender Employment		Total	3	4		Total	3	4		Total	3	4	
Groups, (Numbers of cycles received)													
Women	59	55	49	53	57	59	46	60	-1,7	3,8	-2,9	6,6	0.0000
Men	12	11	7	13	10	13	14	14	-1,9	1,7	6,8	0,9	0.0000
Both	30	33	44	34	33	28	40	26	3,6	-5,5	-3,9	-7,5	0.0000

An important element of women’s empowerment involves ensuring their involvement in household decision-making process. The analysis of beneficiary households shows that prior to receiving cash transfers, women were responsible for the decision making of resource allocation about the use of household resources in 55% of households, while men made decision in 11% of households, and jointly in 33% of households. This result could be attributed to the high proportion of female-headed households (60%), which WFP considers as a criteria for as being the head of the household was considered by WFP as one of the food security vulnerability criteria during the targeting and selection process for assistance. Consequently, one potential empowering effect of cash assistance could be the maintenance, at least until the end of the intervention, of women’s decision-making power within the household. Table 2 shows that in all cash-only households, women

still retain control over the transfer, with nearly 60% of female beneficiaries determining how the cash transfer should be spent. Additionally, there is a noticeable increase (+7 percentage points) in households that received 4 cycles of transfers compared to those that received 3 cycles.

V. CONCLUSION, DISCUSSION AND WAY FORWARD

The results of this analysis suggest the positive impact of unconditional cash transfers in reducing household vulnerability to food insecurity: a 12-percentage point reduction in households suffering from food insufficiency (poor or limited food consumption), with a much larger reduction in the categories of households with poor consumption (20 percentage point); a 17-

percentage point reduction in households adopting crisis or emergency consumption strategies due to lack of food.

In a context of "chronic" food insecurity in Haiti, exacerbated by insecurity, these are encouraging results. The same can be said for the 16-percentage point reduction in the percentage of children not attending school among students from households receiving cash, and the empowerment of women in household decisions about the use of aid. These findings are generally consistent with studies conducted in other contexts in Somalia (Doocy, et al., 2020), the Democratic Republic of Congo (Grellety, et al., 2017), and a wide range of low- and middle-income countries (Pega, et al., 2017), at least for the few outcome indicators selected for this analysis.

Our analysis suffers from methodological limitations related to the absence of a comparison of those who did not receive WFP assistance to overcome the challenges of attribution, although subgroups of recipients with 3 or 4 transfers allowed us to mitigate this limitation from a dose-response perspective. The immediate recommendations and actions arising from this analysis would be to initiate an impact evaluation to document these results.

However, given the lack of concrete evidence from impact evaluations with randomized or quasi-experimental approaches on this topic in Haiti, which could be explained by the challenges of implementing such approaches in the field due to the context of chronic insecurity (OCHA, 2022) and the very short duration of emergency projects, which does not facilitate the necessary hindsight to observe impacts. It would be advisable to calibrate this impact assessment on a limited number of communities in a less insecure environment.

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