

ECONOMIC STRENGTHENING FOR VULNERABLE POPULATIONS

# Provision: Cash Transfer and Voucher Programs



## KEY POINTS

- Cash transfer and voucher programs should be carefully monitored to check if they are being implemented as planned and are achieving the expected impact.
- Ongoing monitoring and analysis of cash transfer and voucher programs enables iterative learning and adjustments.
- Evaluations result in important lessons for improving practice and policy.
- The primary benefit of cash transfers is that they have been effective in reducing the rate and depth of poverty. They have also increased the quantity, variety and nutritional quality of food consumed by a program's recipients.<sup>1</sup>
- In situations of chronic food insecurity, cash transfer and voucher programs have proven to be more efficient and effective than repeated annual emergency food aid.<sup>2</sup>

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## INTRODUCTION

Research on cash transfer and voucher programs has focused on generating evidence of the interventions' effectiveness and efficiency, bringing to light their ability to reach intended recipients and reduce poverty while increasing human capital. To demonstrate that a program is effective, program managers must collect and monitor data about the program's inputs and outputs and evaluate the program's outcomes and impact.

Cash transfer programs have spread rapidly because of high quality and widely disseminated evaluation evidence. Although there is a marked difference between Latin American cash transfer programs and those in Africa and Asia (and between urban versus rural settings),<sup>3</sup> comparisons across countries allow us to learn important lessons and improve policy and practice.

## MULTI-PRONGED MONITORING STRATEGY

A multi-pronged monitoring strategy is recommended for cash transfer and voucher programs, which should include interviews with recipients at their residence, phone calls to a wider group of recipients, and potentially text messages to raise awareness among an even larger number. These interactions should provide both quantitative and qualitative information about cash transfers and vouchers to address:

- **Accuracy of cash transfer/voucher transactions:** Did the intended recipients receive the cash transfer/voucher in the correct amount?
- **Ability to meet recipients' needs and identify improvements:** Did the cash transfer/voucher process meet recipients' needs? How can the processes be improved?
- **Use of cash transfer/voucher:** What did recipients actually purchase with the cash transfer/voucher? Have cash transfer/voucher objectives been met and to what degree?

Program staff should look for additional details about the results of cash transfer/voucher interventions and try to understand the range of, and preferences toward, different livelihoods within the community. Programs must design indicators that will capture and follow expenditure habits, preferably leading toward asset creation and stronger livelihoods. At each stage, as cash transfer/voucher programs are repeated, monitoring systems will need to capture recipients' feedback and behavioral changes.

## LIVELIHOOD STRATEGIES & ILLUSTRATIVE INTERVENTIONS



<sup>1</sup> Ruiz-Arranz, M., Davis, B., Handa, S., Stampini, M., & Winters, P. (2006). Program conditionality and food security: The impact of PROGRESA and PROCAMPO transfers in rural Mexico. *Economia* 7(2): 249–278.

<sup>2</sup> Bailey, S. (2011). Cash transfer programming in emergencies. *Good Practice Review* 11. London: HPN and the Cash Learning Partnership.

<sup>3</sup> Arnold, C., Conway, T., & Greenslade, M. (2011). Cash transfers: Evidence paper. Policy Division UKaid. <http://web.archive.nationalarchives.gov.uk/+http://www.dfid.gov.uk/Documents/publications1/cash-transfers-evidence-paper.pdf>



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## INDICATOR RECOMMENDATIONS

The scope of the monitoring plan will depend on organizational capacity and resources. Even for a relatively simple plan, it is necessary to develop measurable indicators that can be tracked to verify results. Although indicators will need to be adapted or expanded to capture impact on key populations—such as people living with HIV (PLHIV), or orphans and vulnerable children—general indicators are provided in the table below.

Quantitative	Qualitative
Percentage of transfers verified as correctly delivered	Household coping strategies
Gender and age of recipients	Average satisfaction rating from participants
Average delivery time of assets or transfers	Household behaviors and attitudes
Number of people receiving cash transfers/vouchers	Social networks before and after cash transfers/vouchers and how they related to livelihood strategies
Household income/expenditure levels	Asset recovery and protection segmenting information for key populations like PLHIV
Household Hunger Scale	Asset creation, growth and development

## RESOURCES

For more information about monitoring and evaluation of cash transfer/voucher programs, see these resources:

- [Guidelines for Cash Transfer Programming by the Red Cross/Red Crescent Movement presents step-by-step instructions on the full project cycle and has a useful monitoring and evaluation section.](#)
- [Action Against Hunger/AFC International has also developed Food Security and Livelihood Monitoring and Evaluation Guidelines: A Practical Guide for Field Workers, a rigorous M&E tool for integrated programs.](#)
- [DFID's Policy Division produced a Cash Transfers Evidence Paper which assesses current evidence on the impact of cash transfer programs.](#)

## MONITORING AND EVALUATION (M&E) FUNCTIONS

The primary functions of the M&E of cash transfer and voucher programs are to:

- Ensure that programs are reaching the intended population
- Verify they are providing planned benefits
- Identify additional benefits or unintended negative consequences
- Track changes in household needs and in the marketplace to inform intervention adjustments
- Learn lessons to improve future practice and policy and enhance accountability
- Strengthen programs and the cost effectiveness of interventions

## POST CASH TRANSFER/VOUCHER MONITORING

**When and by what means?** Monitoring should take place after every major group of cash transfer/voucher distributions. A percentage of the recipients needs to be contacted to ensure that the cash/voucher mechanisms are functioning, that the recipients are receiving the resources in the right amount, and that there are no major problems. In addition, in-depth monitoring should take place at regular intervals during the course of the intervention, as well as after implementation, to assess the intervention's effects.

**What type of data collection strategies should be used?** Organizations should consider using multi-pronged data collection strategies, as each method will inform different aspects of the cash/voucher intervention. Post-intervention cross-checks and audits of program documents are also important to ensure that the cash transfer/voucher program functioned as staff reported. In voucher programs, for example, vendor records can be cross-checked with recipients and help to answer questions such as whether vouchers are being exchanged at a discount and what goods recipients are purchasing.

**How can monitoring contribute to iterative learning about the program?** Monitoring helps to identify unintended consequences and issues in cash transfer/voucher programs and allows mid-course adjustments to be made. Common adjustments in cash transfer/voucher programs have included community mobilization and sensitization around issues such as what information recipients received about the cash/voucher and how they learned about it.

## EVALUATING IMPACT OF CASH TRANSFER/VOUCHER PROGRAMS

Evaluation results show that cash transfer/voucher programs are effective means of promoting the accumulation of human capital among poor households; on average 80 percent of the benefits go to 40 percent of the poorest families.<sup>4</sup> Additionally, cash transfers have produced a drop in the supply of child labor and have consistently led to increased school enrollment and attendance,<sup>5</sup> and several studies have found that cash transfer and voucher programs have had a positive impact on the use of health services as well as a reduction in illness for specific age groups.<sup>6</sup> Despite this promising evidence, there are important questions for programs to consider in evaluations:

- Has the cash transfer/voucher targeted the most vulnerable households?
- Has the cash injected into the economy had spillover effects in the community?
- How well did the project achieve its initial objectives?
- How cost-effective was the cash transfer/voucher program?
- What impact did the use of technology have on accountability, fraud prevention and satisfaction of recipients?

Although there is clear evidence of the success of cash transfer/voucher interventions improving nutrition, increasing educational enrollment rates, and raising household consumption, there are concerns with the supply of social services as well as tradeoffs between social assistance and human capital formation goals. Evaluations provide an opportunity to carry out systematic program reviews and distill lessons that help to improve practice and policy as well as enhance accountability.

This publication is part of a practitioner oriented technical note series featuring economic strengthening interventions. It provides an overview of cash transfers and vouchers as consumption support in the household vulnerability continuum of provision-protection-promotion. Additional briefs address program elements, implementation and M&E. LIFT II matches beneficiaries with appropriate household economic strengthening (HES) activities based on three categories of vulnerability.

<sup>4</sup> Paes-Sousa, R., Regalia, F., & Stampini, M. (2013). Conditions for success in implementing CCT programs: Lessons for Asia from Latin America and the Caribbean. <http://www10.iadb.org/intal/intalcdi/PE/2013/11990.pdf>

<sup>5</sup> Barham, T., Macours, K., & Maluccio, J.A. (2013). More schooling and more learning? Effects of a three-year conditional cash transfer program in Nicaragua after 10 years. <http://publications.iadb.org/bitstream/handle/11319/4584/MORE%20Schooling%20and%20more%20learning%20full%20body.pdf>

<sup>6</sup> Gaarder, M., Glassman, A., & Todd, J.E. 2010. Conditional cash transfers and health: Unpacking the causal chain. *Journal of Development Effectiveness* 2(1): 6–50.