

Authors

Craig McIntosh University of California, San Diego

Andrew Zeitlin Georgetown University



Benchmarking a Nutrition Program Against Cash Transfers in Rwanda

How do standard development programs compare to just giving people cash? In Rwanda, researchers conducted a randomized evaluation to shed light on this question. Villages were randomly assigned to one of four groups: they received either a USAID-funded, integrated WASH and nutrition program (with savings and asset transfer components), unconditional cash grants of equal cost to the donor, a larger cash transfer, or no program at the time of study. The transfers were funded by USAID and Google.org.

The evaluation measured impacts on five main health and economic outcomes: household dietary diversity, maternal and child anemia, child growth (height-for-age, weight-for-age,



and mid-upper arm circumference), household wealth, and household consumption, as well as other secondary outcomes, such as savings.

Key Findings:

After approximately one year:

» The integrated nutrition and WASH program had a positive impact on savings, a secondary outcome, among the eligible population, but did not impact any primary outcomes (household dietary diversity, maternal or child anemia, child growth, household consumption, or wealth) within the period of the study.

» An equivalent amount of cash (a cost to USAID of \$142 per household) allowed households to pay down debt and boosted productive and consumption assets, but did not impact child health outcomes.

» A much larger cash transfer—of more than \$500 per household—had a wide range of benefits: it not only increased consumption, savings, assets, and house values,but improved household dietary diversity and height-for-age, and decreased child mortality.

» The results suggest that, over the time period of the study, targeted programs focused on changing specific outcomes may be able to do so at lower cost than cash, but that large investments of cash can more rapidly affect some leading indicators of malnutrition.

» The results also suggest that large cash transfers impact not only the economic measures of consumption and wealth, but also dietary diversity, height-for-age, and child mortality, while small transfers appear to have more limited benefits.

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