FOUR COUNTRY EVALUATION *NIGER* • BURKINA FASO • MAURITANIA • SENEGAL

The Impact Of A Multi-Faceted Government-Led Program on Poor Households in Niger

National Safety Nets and Pathways out of Poverty

PHOTO **ANDREA BORGARELLO / WORLD BANK**

Households living in extreme poverty face many challenges that restrict their ability to earn a living, but historically, policies aimed at building pathways out of poverty have focused only on one or few constraints. Evidence from NGO programs points to the promise of multi-faceted programs, but questions remain around the effectiveness and scalability of such programs through government systems. In collaboration with Government Safety Nets Units, Innovations for Poverty Action, and partner researchers evaluated the impact of multidimensional economic inclusion programs delivered on top of national cash transfer programs to address several poverty challenges simultaneously. The evaluation included programs in Burkina Faso, Mauritania, Niger, and Senegal, all countries in the Sahel region. This brief presents the main findings of the evaluation in Niger. Results for Burkina Faso, Mauritania, and Senegal will be presented in forthcoming briefs.

Key Findings

- In Niger, a multidimensional program delivering different combinations of interventions on top of regular cash transfers, including business training, savings promotion, coaching, a lump-sum cash grant and psychosocial activities had a strong positive impact on economic outcomes, psychological and social well-being.
- The program had a positive impact on economic measures such as consumption (increase of between 7 and 15 percent, depending on the package of interventions) and annual household business revenue (increase of between 39 and 66 percent).
- All variations of the program had a positive impact on the mental health of women, who were the main recipients of the program. Women receiving a lump-sum cash grant also experienced greater control over their own income and productive activities, while women receiving psychosocial activities strengthened social relationships with their community and partners.
- In 2016 PPP US dollars, the program cost between US $263 and US $584 (depending on the package of interventions). The cost-effectiveness of the program, especially when it included psychosocial components, was high. Impacts in terms of gross household consumption already exceeded costs 18 months after intervention for communities receiving psychosocial program components.
- These results highlight the importance of addressing psychosocial constraints, not just capital constraints, to open pathways out of extreme poverty.

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LOCATION
Niger

STUDY TYPE
Randomized Evaluation

SAMPLE
322 villages, 22,507 households, of which
4,712 were included in the sample for data collection

TIMELINE
2017-2022

TOPICS
Cash Transfers, Food Security, Human Capital & Skills, Livelihoods, Microenterprise, Savings, Training & Mentoring, Women & Girls, Ultra Poor

SECTOR
Social Protection

The Challenge

SAHEL IS PARTICULARLY AFFECTED BY EXTREME POVERTY, CLIMATIC SHOCKS AND FOOD INSECURITY

The Sahel region, south of the Sahara Desert in Africa, is a region where several challenges collide, creating difficult conditions for a dignified life. About 40 percent of Burkina Faso, Chad, Mali, Niger, and Senegal's population live on less than $1.90 a day[1], and the countries that comprise the region have the lowest human capital in the world.[2] The Sahel is one of the most affected regions by climate change, particularly by droughts that undermine food security. Capital and investment are limited, residents live far from markets, reliable water sources, and other locales critical to sustain livelihood, have limited education and skills, and women face additional challenges due to gender norms that discourage their participation in society. Conflict and fragility add to the many challenges facing the poor.

In Niger, more than 10 million people (42 percent of the population) lived in extreme poverty in 2021.[3] The economy is poorly diversified, with agriculture accounting for 40 percent of the Gross Domestic Product (GDP) and representing the main source of livelihood.[4] More than 90 percent of Nigerien households have a member who is engaged in agriculture, but production is dominated by low-productivity subsistence farming with little market access.[5] Only about 25 percent of farmers commercialize any crop and only ten percent of villages have a permanent market. Non-agricultural activities are scarce as a primary occupation in rural areas (less than ten percent) but are a secondary occupation for about a third of the population. The wage sector only employs four percent of the workforce, mostly in public sector jobs concentrated in the capital. More than a third of Nigerien women do not participate in the labor force, overwhelmingly because of the burden of housework.[6]

SASPP Countries in the Sahel Region of West Africa

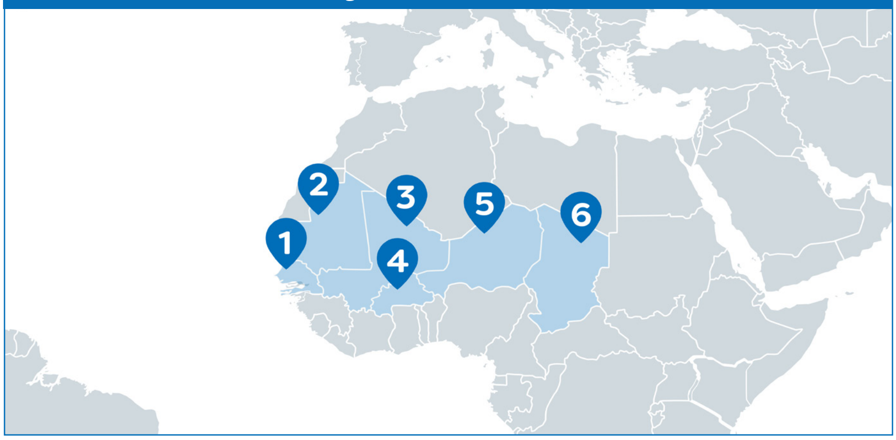


Figure 1. The Sahel Adaptive Social Protection Program (SASPP) was launched in 2014 to support the design and implementation of adaptive social protection programs and systems in six Sahel countries. These programs aim to help poor and vulnerable households become more resilient to the effects of climate change.

1 Senegal	**4** Burkina Faso
2 Mauritania	**5** Niger
3 Mali	**6** Chad

Context

NIGER HAS ROLLED-OUT A NATIONAL CASH TRANSFER PROGRAM THAT REACHED 100,000 HOUSEHOLDS

Governments in the Sahel are expanding social safety nets—programs that provide regular consumption support, mainly through cash transfers—to help families with their basic needs. In Niger, the government operates a cash transfer program that provided 10,000 XOF monthly payments for two years ($15.95 US, $38.95 US PPP), to poop households during the study period. The program selected the communes with highest poverty rates in all eight regions in the country. In practice, most selected communes were rural. Within communes, all villages were eligible and public lotteries were organized to select beneficiary villages. Poverty targeting methods were applied to determine the beneficiary households. Within selected households, a woman over 20, generally the first wife of the head of household, was the recipient of the cash transfers. The program was rolled out in three main phases and reached 100,000 beneficiary households between 2012 and 2019. The cash transfers were unconditional but delivered with child development promotion activities.[7]

The World Bank's Sahel Adaptive Social Protection Program, Development Impact Evaluation (DIME), Africa Gender Innovation Lab (GIL), together with IPA, and partner researchers collaborated with government safety nets units to design and evaluate multifaceted interventions that, combined with regular cash transfers, have the potential to promote productive economic inclusion and resilience among women who are the main safety net beneficiaries and their households. The evaluation included programs in Burkina Faso, Mauritania, Niger, and Senegal, all countries in the Sahel. This brief presents the main findings of the evaluation in Niger. Results for Burkina Faso, Mauritania, and Senegal will be presented in forthcoming briefs.

The Evaluation

COMPARING THE HOUSEHOLDS THAT RECEIVED ONLY REGULAR CASH TRANSFERS TO THE HOUSEHOLDS THAT ALSO RECEIVED PRODUCTIVE INCLUSION PACKAGES

In Niger, researchers evaluated the impact of a multi-faceted program that added a core and variable set of productive interventions to the government's national cash transfer program delivered to female beneficiaries. The study focused on the third wave of the cash transfer program, reaching 22,507 households in 322 villages in 17 communes of the five most populous of Niger's eight regions: Dosso, Maradi, Tahoua, Tillaberi and Zinder.

The 322 participating villages were randomly assigned to one comparison or three intervention groups. All eligible households within each village received the same interventions. And the program was delivered to the adult woman in the household who received the regular cash transfers.

Comparison Group: In villages assigned to the comparison group, households did not receive any of these interventions except the government's regular cash transfer program.

The remaining villages were assigned to one of three intervention groups, in which all beneficiaries received core components and variable components in addition to the government's regular cash transfer program:

Core Components

Coaching: Recipients of the cash transfers program received coaching on income-generating activities from a village member nominated by the group. The village coach also represented members with service providers and market representatives.

Saving groups: Recipients of the cash transfers program formed a Village Savings and Loans Association (VSLA), which promoted savings. Through this group, participants also contributed to an emergency fund and were given the opportunity to take a short-term loan from the savings fund.

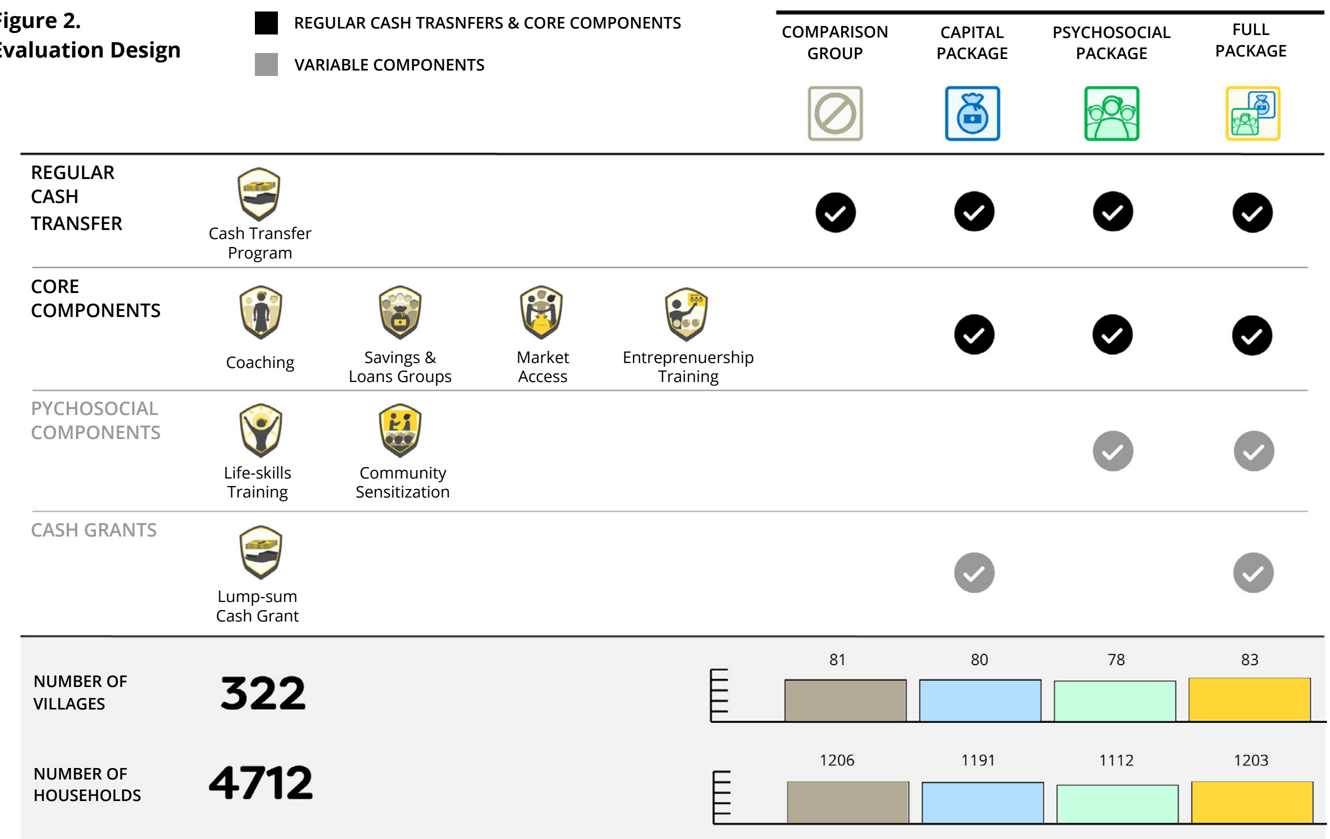
Micro-entrepreneurship training: Recipients of the cash transfers program received a week-long micro-entrepreneurship training. The curriculum was adapted from ILO's Start and Improve Your Business ("SIYB") Level 1 training and included basic principles of accounting and management, market research, planning and scheduling, saving, and investing. In addition, the training focused on participants' choice of livelihood activities and the preparation of a basic business plan.

Access to markets: Village coaches were trained to deliver information sessions on market access. Depending on production cycle timing, they held group sessions to discuss where to buy inputs for agricultural activities, how to choose suppliers, or where to sell products.

Variable Components

Capital package: In addition to the regular cash transfer program and the core components, households in villages

Figure 2.
Evaluation Design



assigned to the capital package received a lump-sum cash grant of 80,000 XOF ($311 USD in 2016 PPP). The objective of this payment was to promote investments in income generating activities. Payments were not conditional on participation in other program activities.

Psychosocial package: In addition to the regular cash transfer program and the core components, households in villages assigned to the psychosocial package received psychosocial interventions, which included:

» A community sensitization, which consisted of the projection of a video depicting a short fictional story followed by a discussion with the larger community to raise awareness of social norms and foster support to beneficiaries.

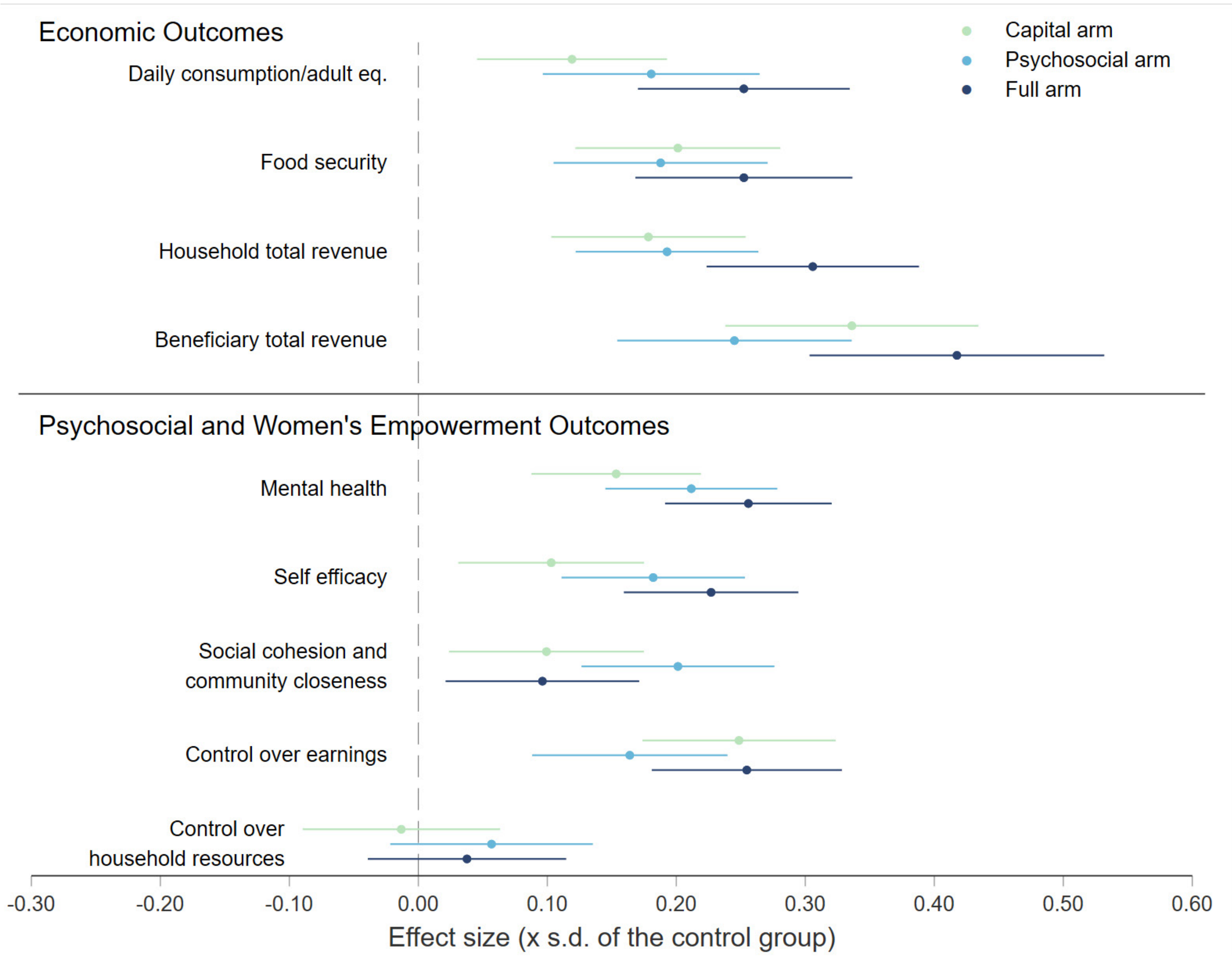
» A group-based one-week life skills training focused on building skills for effective decision-making, problem solving, goal setting, interpersonal communication, and women's leadership, while building self-worth, self-efficacy, and aspirations.

Full package: In addition to the regular cash transfer program and the core components, households in villages assigned to the full package received both the lump-sum cash grant and the psychosocial interventions.

Findings

ALL THREE PROGRAM MODALITIES LED TO WIDESPREAD IMPROVEMENTS IN CONSUMPTION, INCOME AND PSYCHOSOCIAL WELL-BEING

The full package had the greatest impact on consumption and income in the short term, with sustained effects after the end of the intervention, while the psychological package had positive effects that increased over time.



This figure displays treatment effects presented in *Nature* article *Tackling psychosocial and capital constraints to alleviate poverty*. It shows treatment effects on main outcomes, standardized with respect to the control group for ease of interpretation. Results presented are OLS estimates that include controls for randomization strata and, where possible, baseline outcomes. Each line shows the OLS point estimate and 95% confidence interval corresponding to standard errors clustered at the village-level.

Consumption and food security

Eighteen months after the end of the program, all packages had a positive impact on household consumption and food security. Gross household consumption increased by 7 percent (0.12 standard deviations, SD) for households receiving the capital package, 11 percent (0.18 SD) for households receiving the psychosocial package, and 15 percent (0.25 SD) for households receiving the full package. The effects on food security were similar, with increases of food security of 14 percent (0.20 SD) for the capital package, 13 percent (0.19 SD) for the psychosocial package and 17 percent (0.25 SD) for the full package.

Revenues

Annual business revenues of participating households increased by 39 percent (US $318.30) for the capital package, 41 percent (US $333.50) for the psychosocial package, and 66 percent (US $540.50) for the full package. The intervention was successful in diversifying economic activities, as more households owned non-agricultural businesses. In addition, the capital package and the full package promoted livestock activities, while the psychosocial package had a positive impact on agricultural income. The lump-sum cash grant allowed the woman to grow her own business and revenues, while the psychosocial interventions induced indirect effects on other household members' economic activities.

Psychosocial well-being and women's empowerment

The three different program packages had a positive impact on women's psychological well-being. The positive effects on mental health - including life satisfaction, inner peace, and depression - ranged from 0.15 SD for the capital package to 0.21 SD for the psychosocial package and 0.26 SD for the full package.

All three packages also had positive impacts on women's empowerment, although in a differentiated way. Women in the capital package experienced greater autonomy, including greater control over their own income and productive activities, and a greater relative share of household income. By comparison, women in the psychosocial package strengthened social relationships with their community and partners, built social capital, and fostered income increases primarily through the activities of other household members. In the psychosocial package, the impacts on mental health, social cohesion, couple dynamics and household economic tend to improve over time.

Cost-effectiveness

The program costs were kept low by using the delivery mechanisms of the government-led national cash transfer program. Specifically, costs were US $263 per beneficiary for the psychosocial package, US $482 for the capital package, and US $584 for the full package. For the latter two packages, the one-off cash grant (US $321) was the main cost driver.

As a result of the large observed impacts and low costs, the program was highly cost-effective. The benefits measured on consumption alone were so large that they already exceeded costs 18 months after the intervention ended for the psychosocial and full packages. The full and psychosocial packages had higher benefit-cost ratios than the capital package, which shows the value of integrating psychosocial interventions.

Assuming the effects diminish by 50 percent per year after the 18-month follow-up, the benefits were higher than costs by a ratio of 1.25 for the capital package, 2.08 for the full package and 2.98 for the psychosocial package. This implies internal rates of returns of 15 percent for the capital package, 44 percent for the full package and 66 percent for the psychosocial package.

Policy Implications

These results show that economic inclusion programs can be delivered effectively through government systems and lead to high benefit-cost ratios even compared to successful NGO programs. And not just prioritizing economic interventions but also addressing multiple psychological and social constraints can help alleviate extreme poverty and ensure a cost-effective approach.

The evaluation included programs in Burkina Faso, Mauritania, Niger, and Senegal. This brief presents the main findings of the evaluation in Niger. Results for Burkina Faso, Mauritania, and Senegal will be presented in forthcoming briefs.

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