



# Transformative Transfers:

Evidence from Liberia's Social Cash Transfer Programme





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Transfer Programme

August 2012



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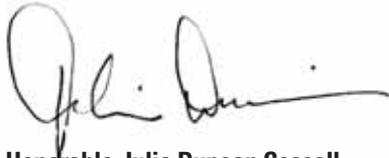
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# A Message from the Ministry of Gender and Development

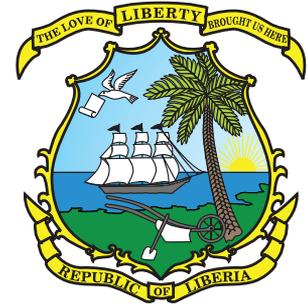
On behalf of the Government of Liberia, I am pleased to join in the publication of this important analysis of the Social Cash Transfer programme. This programme, administered by the Ministry of Gender and Development, forms the cornerstone of the Government's commitment to meeting the rights and needs of Liberia's most vulnerable families through a robust social protection system.

The evidence provided in this document highlights the real and lasting impacts that the programme is having on the lives of nearly 2,000 households throughout Bomi County. With support provided through the cash transfer programme, families are eating more and better food, sending their children to school, improving their homes, and getting the health care they need. This is exactly what we had hoped for the programme when it began in 2009, and we are pleased to see that its impacts have now been verified through an independent evaluation.

As the programme expands to the Southeast, I look forward to hearing new evidence about the ways in which it is transforming lives in other parts of the country as well.



**Honorable Julia Duncan Cassell**  
**Minister of Gender and Development**  
**July 2012**



## A Message from the European Union



EUROPEAN UNION

Cash transfer programmes match the need of the most poor and vulnerable Liberians. They provide a vital income which impact their daily life with improvements in food consumption, housing, health service utilization or school enrolment, just to list a few.

This is why the European Union believes that social protection programmes are not only a way to address the needs of the most vulnerable groups of the population but are also a tool to foster social inclusion and social cohesion, within countries and between countries. Social protection, in our experience, is a factor of sustainable and inclusive development, and we are pleased to see that these same ideas and values are being shared by Liberia.

As part of our development portfolio in Liberia, the EU is financing Cash transfer programmes implemented by the Ministry of Gender and Development with the support from UNICEF. The process which has been going on for the past two years in Bomi County, has given us evidence of the remarkable potential of this programme as provided by this external evaluation.

As mentioned earlier, poverty and the need for protection are even more accentuated among children and young people, and among the elderly. These are key groups in a Liberia determined to build a brighter future for all – providing better education for girls and boys and investing in skills for young people – while remembering and respecting where it comes from. As the evaluation demonstrates, cash transfers are easing the burdens of chronic food insecurity while allowing families to live their lives with dignity and purpose. The continuation and expansion of the current pilot cash transfer programme from the actual 1,900 households to the expected 5,000 households is expected to address some of Liberia's poverty and high food insecurity.

This type of development is exactly the sort in which the European Union is proud to invest.

With our renewed commitment to the programme through a new grant signed in November 2011, we know that the strong benefits of this programme will continue in Bomi and will soon begin to spread to the southeast of Liberia as we look forward to partnering with UNICEF and the Government of Liberia to address the situation of food insecurity in Liberia.

**Attilio Pacifici**  
**Ambassador-Head of Delegation**  
**Delegation of the European Union to Liberia**  
**July 2012**

# A Message from UNICEF

UNICEF Liberia has taken great pride in our partnership with the Government of Liberia in launching the Social Cash Transfer Programme in Bomi County. Together, we have put in place a new safety net for some of the most disadvantaged families and vulnerable children in the country.



For too long, a Liberian family's level of poverty has been strongly correlated with a variety of essential development indicators, and for the poorest families, the numbers have all pointed the wrong direction for the likelihood of a child's future success. The differences between school enrolment, fertility rates, medical care, and child labour between the highest and lowest population quintiles are staggering. Through the support offered by the cash transfer programme, that reality is beginning to change. As the evaluation of the programme shows, the lives of families in the programme are now beginning to turn toward a brighter, more hopeful future in which this cycle of inter-generational poverty can finally be broken.

These results are promising about the potential to lift Liberia's most vulnerable families out of poverty, and UNICEF is committed to continuing its work on this and other programmes to ensure that every child in Liberia has an equal chance in life.

A handwritten signature in black ink, appearing to read "Isabel Crowley".

**Isabel Crowley**  
**Resident Representative**  
**UNICEF Liberia**  
**July 2012**



## Introduction

Beginning in 2009, the Ministry of Gender and Development, with support from UNICEF, the European Union, and a start-up grant from the government of Japan, piloted Liberia's first Social Cash Transfer (SCT) programme to address the needs of the country's most vulnerable and food insecure residents. The programme aims to reach families that are both extremely poor and have no one available to work outside the home. The long-term goal is to prevent the inheritance of intergenerational poverty. These households include those headed by children, the elderly, people living with chronic illnesses and disabilities, and those with many dependents. The programme allows families to identify and meet their own priorities through unconditional cash transfers, while providing additional incentives for school enrolment. The cash transfers have enabled families to invest in their homes, their health, and their children's educations, and have improved food security and income generating opportunities. The programme currently covers 1,900 families, including approximately 4,500 children.

In 2011, the Center for Global Health and Development (CGHD) at Boston University conducted an independent evaluation to determine the programme's impacts. The results of that evaluation are summarized in this paper. The study found compelling evidence that the SCT programme improved the food security, health, education and economic conditions of participating households. Cash transfer programme households reported improved food intake and larger food stores that lasted longer. When faced with illnesses they were more likely than in previous years to seek healthcare for all members of the family, especially children. School attendance improved and 66% of children had improved school marks. Participating households also generally reported improved economic statuses. Indeed, two-thirds of the heads of programme households reported satisfaction with their quality of life, compared to just 20% of a comparison population. The study also found evidence of multiplier effects that enable the benefits of the SCT programme to reach beyond the immediate beneficiaries to the community at large.

This programme summary explains the SCT programme design, provides an overview of the CGHD evaluation, and examines the challenges and opportunities that lie ahead for the SCT programme.

*“These children used to be all around the place doing nothing because their parents were not able to send them to school. Now things are changing; they are in school and are happy about it.”*

*~ Bomi County School Principal*



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# SCT Programme Design

The SCT Programme is operated by the Government of Liberia, with partnership support from UNICEF and funding provided by the European Union. It is administered by the National Social Cash Transfer Secretariat (SCT Secretariat), which is part of the Ministry of Gender and Development. The programme is overseen by the National Social Protection Steering Committee, housed in the Ministry of Planning and Economic Affairs.

Households are selected for participation in the programme based on two key criteria: they must be both extremely poor and labour-constrained. For the programme, extreme poverty is determined by a household's access to food, level of material assets, and alternative means of support. Labour constraints can be caused by three different factors:

- There is no adult between the ages of 19 and 65 in a household;
- There is an adult between 19 and 65, but he or she is not able to work because of a chronic illness or disability; or
- There is an adult between 19 and 65 but that person is not able to work because he or she is caring for at least three young children, disabled, or elderly people. In other words, there is a dependency ratio greater than or equal to three to one.

Moving from clan to clan, monitors from the SCT Secretariat conduct two rounds of interviews with each household to determine whether they meet each of the two tests. The lists of presumptively eligible households are then reviewed by community leaders, who verify the lists and provide any necessary corrections based on their local knowledge. After a training session for chiefs, community members, and beneficiaries, the payment process begins.

Beneficiary households receive regular transfers that vary according to the size of the household, with additional sums provided for each child enrolled in school. While the transfer is not conditioned on school enrolment, the programme provides an incentive for education, which helps discourage child labour and provides caregivers

Transfer Amount	
1 Person Household (HH)	700 Liberian Dollars (\$10USD)
2 Person HH	1,050 LD (15 USD)
3 Person HH	1,400 LD (20 USD)
4 or more Person HH	1,750 LD (25 USD)
Additional amount for each child in primary school	150 LD (approx. 2 USD)
Additional amount for each child in sec. school	300 LD (approx 4 USD)
Average payment size per HH in Bomi	1,750 LD (25 USD)

with additional resources for schooling related costs such as clothing, exercise books, and pencils.

The transfer size was designed to be the amount necessary to fill the gap between the national per capita gross domestic product (211 USD) and the annual per capita spending of extremely poor individuals.

In Bomi, transfers are provided at 20 different distribution points throughout the county, with payments made in Liberian Dollars. Beneficiaries or their designees bring their programme identification cards and sign for each payment in a process that is administered by EcoBank and overseen by the SCT Secretariat.

The first payments began in November 2009 and the programme was officially launched in February 2010. The pilot in Bomi County reached the full rollout phase in September 2011, with a total of 1900 families (approximately 10% of households in the county). The programme is currently being scaled up to include Maryland County, where the first payments were made in mid-June 2012, in accordance with the President's pledge for her first 150 days in office.

# Independent Programme Evaluation



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In mid-2011, the Government of Liberia and UNICEF commissioned the Center for Global Health and Development (CGHD) at Boston University to conduct an independent external evaluation of the Bomi SCT Programme. The study used a combination of quantitative and qualitative methods with two key objectives. The first objective was to examine the differences between cash transfer recipients (intervention) and non-recipients (comparison), in the areas of food security, education, health and health-seeking behaviour, asset ownership, housing quality, household expenditures, and the well-being of household members. The second objective was to assess the programme's targeting processes and procedures to ensure fairness and transparency. The comparison group in the study was made up of households that met the poverty criteria but were not labour constrained, and thus provide an approximate counterfactual to the intervention group.

CGHD personnel conducted over two hundred household interviews to gain quantitative data on the programme's impact as well as interviews and group discussions with dozens of cash transfer recipients and non-recipients to gain a qualitative perspective on the programme's effects. Such assessments included interviews with household heads, group discussions with children, group discussions with community members and key informant interviews with religious leaders and other community leaders from the fields of education, health, agriculture, and business.

# Programme Impact

## Use of Cash Transfer by Beneficiary Households

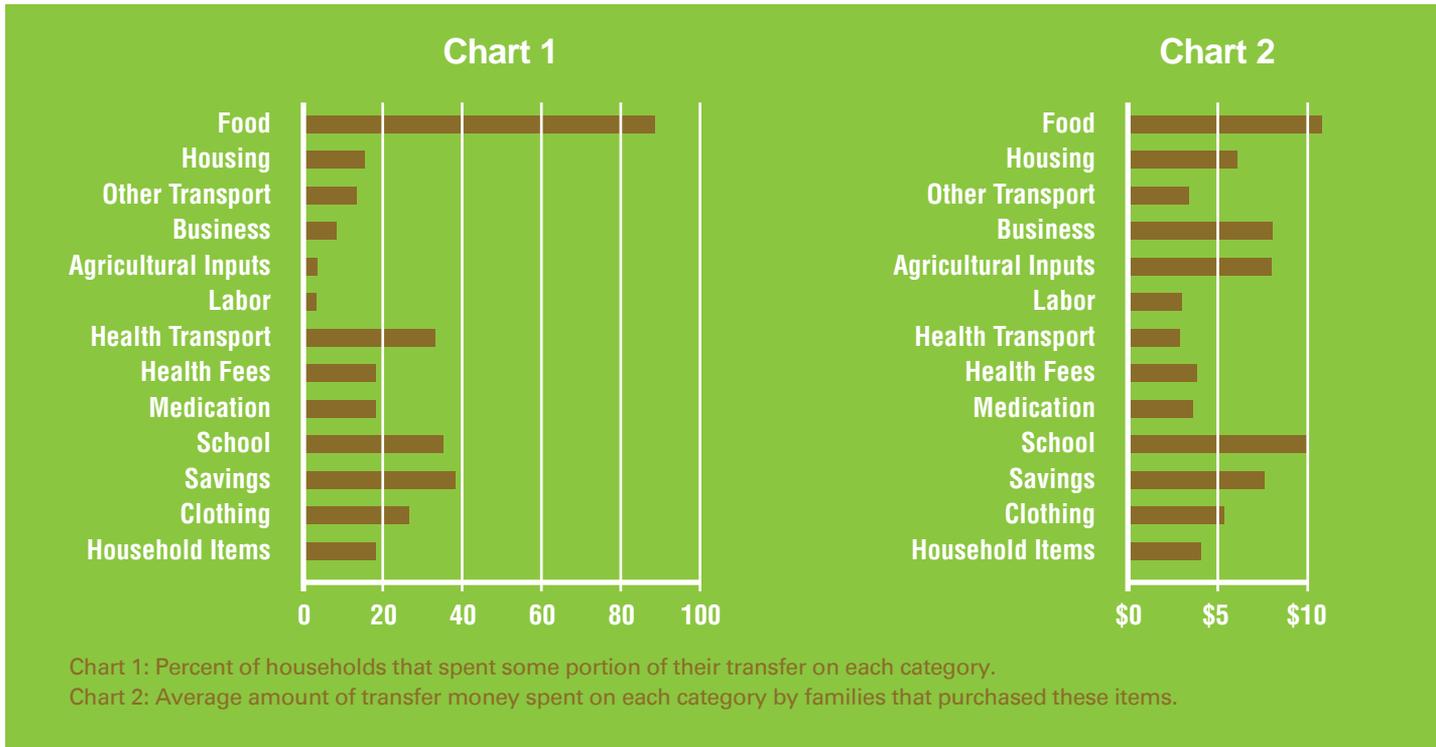
The CGHD study collected data on how households reported spending their transfer, how much of that funding they allocated to each category and whether they purchased the items/services locally.

As the above graphs indicate, the main categories of transfer spending were food, savings, education, clothing and healthcare. Almost every household (88%) used their transfer to purchase food, which was also the item on which recipients spent the most money. Indeed, households who purchased food with their transfer spent, on average, LD\$750 on it. The next two most common expenditures were savings and education. Households that purchased these goods/services spent an average of LD\$528 and LD\$694 respectively. While families saved for many different reasons, reports from the field indicate that a large portion went into longer term home repairs (such as the upgrading of a roof) and small business development.

Other spending categories of note include agricultural inputs and businesses. While the number of families that purchased these items was limited, those that invested, invested significantly. This suggests a commitment to small businesses and agricultural production for families ready to make that leap. As one 37-year-old female head of a seven-person-household explained,

“I usually get the money into my business first and then I use the profit from my business to feed my household... I use the same profit to send my children to school. I usually don't get any money directly and spend it. I always multiply my money before I spend anything from it.” (CGHD household interview)

The vast majority of the money was spent in Bomi – 93% – leading to community-wide spill over effects discussed below. This internalization of the capital can have further cyclical effects, as money is exchanged within communities for additional goods and services.

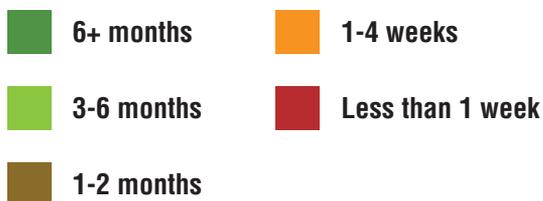


	Comparison Households	SCT Programme Households
HH with improved food intake over past year	26%	90%
HH with worsened food intake over past year	74%	9%
0-1 meal in past day	72%	46%
2+ meals in past day	28%	55%
HH members feeling hungry after meals	51%	17%
HH with food stores	19%	30%
Per capita food expenditures	\$3.33	\$5.71

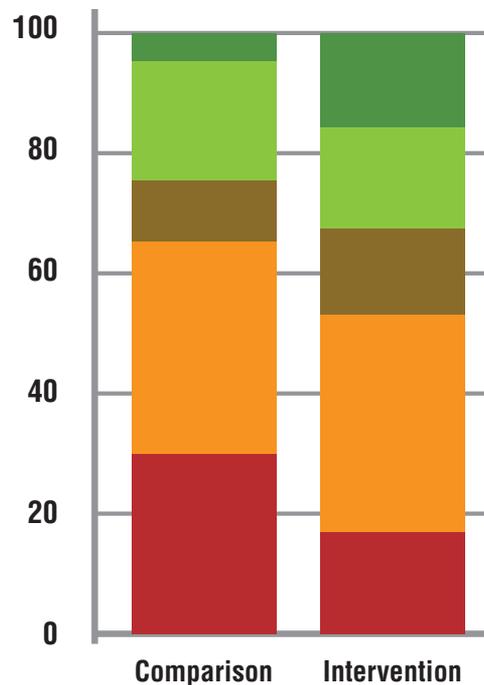
### Food Security

Bomi County was selected for the pilot programme primarily due to its high level of food insecurity. A 2010 report by the World Food Programme and the Ministry of Agriculture, *The State of Food and Nutrition Insecurity in Liberia*, found Bomi County to be 73.6% food insecure, ranking it among the worst counties in the country. For this reason, the evaluation focused particular attention on the food security impacts of the programme.

During a year in which 74% of the non-programme comparison population reported worsened food intake, 90% of SCT participant households experienced the opposite: they reported improved food intake for their families over the past year.



Food Security Among Housholds with Food Stores



## Education and Child Labour

Children from SCT programme households were more likely to be enrolled in school than those from non-programme homes. They reported fewer absences from school each month and also saw greater improvements in school achievements. Two-thirds of children from programme households reported improved school marks. Additionally, SCT programme households spent more on education – an annual average of LD\$1831 – than their non-programme counterparts, who averaged LD\$1342 of educational spending.

Children in SCT programme households were also much less likely to have worked in the previous year. As one child explained in an interview, “My father doesn’t work because he is paralyzed... Before my father started receiving the cash transfer, we used to go at the gold creek to work for money... Well, thank God now things are so much better because I don’t have to go to the gold creek again to work for money to go to school.”

	Comparison Households	SCT Programme Households
<b>School enrolment</b>	<b>Boys: 85% Girls: 85% Average: 85%</b>	<b>Boys: 89% Girls: 94% Average: 92%</b>
<b>School absences per month</b>	<b>Boys: 1.25 days Girls: .91 days Average: 1.07 days</b>	<b>Boys: .67 days Girls: .54 days Average: .60 days</b>
<b>Improved school performance</b>	<b>48%</b>	<b>66%</b>
<b>Children less likely to work over the past year</b>	<b>52%</b>	<b>70%</b>
<b>Children more likely to work over the past year</b>	<b>13%</b>	<b>5%</b>



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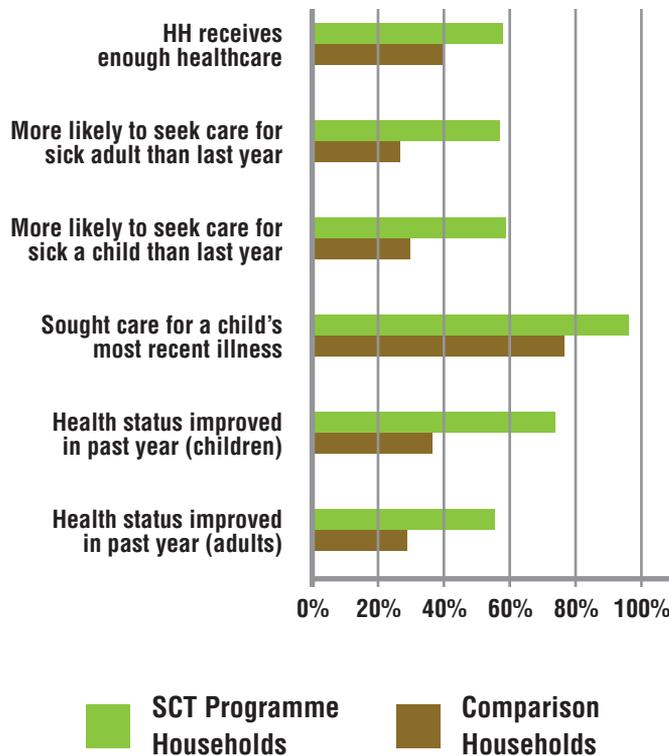
*“When I never used to receive this money, only two of my children were in school. But since I started receiving it, all my children are in school. Not only that, they can eat before going to school.”*

*~Female Head of Household, Age 42*



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### Improvements in Health from SCT Programme



### Health and Health-Seeking Behaviour

Families enrolled in the SCT programme showed high degrees of health-seeking behaviour, leading to improved health outcomes for adults and children alike.

SCT programme households were more likely to seek care for sick adults and sick children than non-programme households. In fact, 97% of programme households reported seeking care for their child's most recent illness. Families also reported higher degrees of improved health statuses. While fewer than half of non-programme families reported that either the adults or children in their households had improved health in the past year, 56% of adults and 74% of children in SCT programme families reported improved health.

*“From where I sit as a health worker, I can with no doubt say that the impact on health is there and it is great.”*

*~Bomi County Community Health Worker*

## Economic Improvements

The clear majority of programme households (65%) reported an improved economic situation over the past year. They were also more likely to own important household items such as mattresses, radios, chickens and houses. Recipient households were less likely to own cell phones; however, both averages were extremely low at 6% and 2% for comparison and participating households, respectively.

SCT programme were much more likely to report an improved housing situation (50% vs. 12%) and also to be content with the quality of their home (76% vs. 17%). programme households were also more likely to start a business. In fact, a third of programme households reported starting their own business over the previous year.

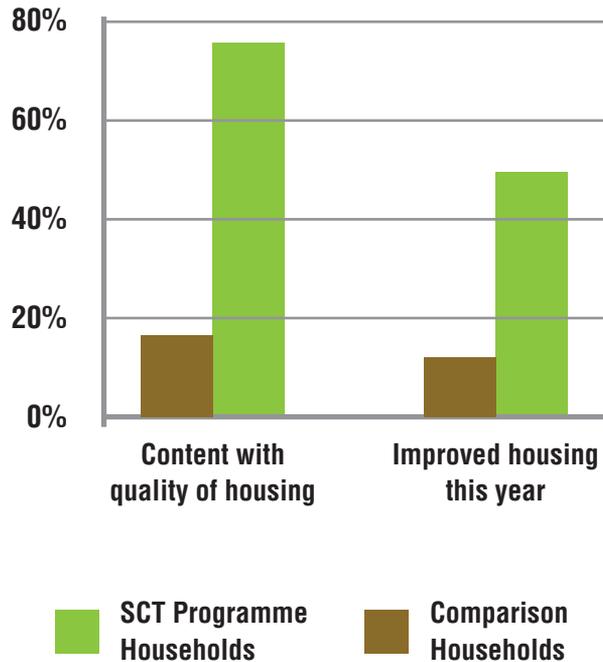
Overall, heads of programme households were significantly more satisfied with their lives than those not receiving the cash transfer. Sixty five per cent of recipients reported satisfaction with their lives compared to only 19% of their non-programme counterparts.

## Community-Wide Impact

Because 93% of the transfer money was spent within Bomi County, the impact of the programme was felt beyond the immediate beneficiaries. Business owners reported that they were coming to rely on SCT recipients as important customers. Seventy-five per cent of business owners noticed positive impacts on their businesses. They attributed 20-50% of their growth to SCT programme.

A number of programme households reported even more direct forms of spill-over effects – 19% shared money and 48% shared food. Interviews also found that programme households directly supported their neighbours in times of serious healthcare needs. Those that started businesses were also able to contribute to the broader local economy by offering new and improved goods and services. Community members described in numerous interviews how the improved economic situation of programme participants had brought pride to their entire community.

### Quality of Housing



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## Challenges

Despite the profound effects of the SCT programme, there remain challenges in programme implementation and monitoring. These challenges can be divided into three main categories: targeting, perception of non-programme households, and monitoring.

### Targeting

The greatest challenge of programme implementation lies in the targeting process, where a combination of factors can lead to both inclusion and exclusion errors. Throughout the course of the Bomi County pilot programme, a number of modifications were made to the targeting mechanism, including a major shift in September 2010, when the Ministry of Gender decided to move to a more objective labour and poverty status test based on independent interviews with each family. Since this transition, targeting errors have decreased significantly; however, there remains a continued need for evaluation and improvement.

### Non-Participating Household Perceptions

The CGHD report highlights a few important challenges that arise from the inclusion of only a small portion of extremely impoverished communities. Many families who met the poverty test but were deemed labour available face similar hardships to those faced by families who were selected. They expressed frustration with the process and the fact that they were excluded. Instances of jealousy were common, although not pervasive.

The most sustainable solution for these vulnerable but labour-available families will come through the expansion of other safety net programmes and better integration of social protection interventions. Additionally, as discussed in detail below, plans are underway to improve the delivery of other services within SCT communities, providing benefits for both participating and non-participating families.

### Monitoring Challenges

As noted in the CGHD evaluation and previous reviews of the programme, the monitoring system for the programme has been weak. In response to these concerns, five monitoring and evaluation staff have been added to the programme team, and a comprehensive monitoring plan is under development. The plan includes both process and outcome monitoring components. Technical support is also being provided to ensure that programme staff have the capacity to implement the plan on an on-going basis.



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# Opportunities

Evidence from the past two years indicates that participants have generally put the transfers to good use, though in a variety of different ways. Many households use the transfers to pay educational expenses for their children. Others are making investments in food production or income generating activities. This variance of uses has reaffirmed the value of direct cash transfers to allow families to identify and meet their own priorities.

As the SCT programme expands to Maryland County and beyond, there will be more opportunities to deepen the impact of the programme and to embed it as part of the emerging social protection safety net.

## Integrated Services Programme

In the coming months, the programme will be expanded to provide integrated delivery of education, nutrition, health, and social services. As beneficiaries gather at community pay points to collect their transfers, a different government ministry or partner will be on hand to provide a service to both beneficiary families as well as other members of the community. Examples may include mobile birth registration, nutrition screenings, school registration, hygiene trainings and HIV/AIDS awareness.

## Graduation Programme

While the majority of beneficiaries of the programme – including the elderly and those with chronic illnesses and disabilities – will need long term support, others will experience household demographic changes (in dependency ratio, for instance) that will enable them to find work. As the programme continues beyond the pilot phase, some of these families will eventually be included in a graduation programme. The programme will aim to link families to existing livelihood-based programming, and give them the necessary financial support and skills to achieve self-sufficiency.

To avoid graduated families slipping back into extreme poverty, it is important that success not be declared too early, and families must be carefully monitored both before and after the graduation programme.

## Increased Government Investment

Funding for the SCT programme has thus far come exclusively from international donors. While the government has done an exceptional job at facilitating its implementation, the long-term viability of the SCT programme will depend on the government's willingness and ability to take on an increasing financial role in the programme.

As the results of the pilot in Bomi County show, the cash transfer programme is an investment in Liberia's future. Cash transfers improve education, nutrition, and health for those who receive them. These improvements, in turn, will translate into long term development benefits for Liberia. In fact, no country has ever reached Liberia's goal of middle income status without strong safety net programmes like this one.

*"I usually get the money into my business first and then I use the profit from my business to feed my household... I use the same profit to send my children to school. I usually don't get any money directly and spend it. I always multiply my money before I spend anything from it. This is what I always do."*

**~Female Head of Programme  
Household, Age 37**







*“This program has changed my life. It has helped me to send my children to school and I am now living in my own house... I have planted rubber for my children’s future and I can now pay people to brush my cassava farm.*

*I am now able to help myself. Before I started receiving this money, if you saw me... but now I am okay, always happy and I am satisfied with my condition.”*

***~Social Cash Transfer Programme Participant***

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