Independent Commission for Aid Impact

The effects of DFID's cash transfer programmes on poverty and vulnerability

An impact review

January 2017

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Overall review scores and what they mean

GREEN	Strong achievement across the board. Stands out as an area of good practice where UK aid is making a significant positive contribution.
GREEN/ AMBER	Satisfactory achievement in most areas, but partial achievement in others. An area where UK aid is making a positive contribution, but could do more.
AMBER/ RED	Unsatisfactory achievement in most areas, with some positive elements. An area where improvements are required for UK aid to make a positive contribution.
RED	Poor achievement across most areas, with urgent remedial action required in some. An area where UK aid is failing to make a positive contribution.

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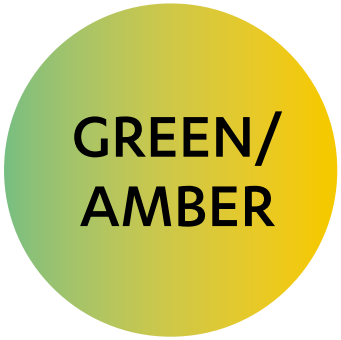


Good achievement on poverty reduction impact, value for money and learning, with scope for improvement on building national cash transfer systems

DFID's support for cash transfers helps to alleviate poverty and vulnerability for the poorest households, in accordance with the "leave no one behind" commitment. Over the 2011-2015 period, DFID exceeded its target of reaching six million people with cash transfers. Independent evaluations show that the programmes have consistently delivered on their core objective of increasing incomes and consumption levels for the poorest households, with modest but positive effects on savings, asset accumulation and debt reduction. Evidence points to more variable results in relation to education, nutrition, health and the empowerment of women – areas where cash transfers may need to be combined with other interventions to improve results. DFID has made a significant contribution to promoting the use of cash transfers in national social protection systems in its partner countries. However, in the face of shortcomings in its approach to financial and technical assistance, it is not making enough progress in overcoming weaknesses in the national programmes it supports. We find that DFID's cash transfer programme presents a strong value for money case, given its proven ability to deliver results for the poorest. DFID has made progress on building a focus on cost-efficiency into programme management, although its practice could be more consistent. It has made a strong contribution to the global evidence base on cash transfer programming, and has used evidence and learning well to strengthen its results. There is scope for DFID to increase its level of ambition for the cash transfer portfolio by improving results in individual programmes and helping to scale up promising national programmes.

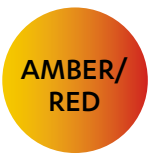
Individual question scores

Question 1

Impact on poverty and vulnerability: To what extent has DFID's cash transfer portfolio contributed to reductions in poverty and vulnerability?

Question 2

Building national cash transfer systems: How successfully is DFID supporting the development of sustainable, nationally owned cash transfer systems?



Question 3

Value for money: To what extent has DFID ensured maximum value for money for its cash transfer programming?

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Executive Summary

Cash transfers play an increasingly important role in the fight against global poverty. In 2014, developing countries provided cash transfers to 718 million people. Their primary purpose is to alleviate extreme poverty by supplementing the income of the poorest households, enabling them to increase their consumption of food and other basic items. They can also promote other benefits, including increased use of education and health services and empowerment of women. Cash transfers are an important element of national social protection systems.

In this review, we explore the impact of DFID's cash transfer programmes on poverty reduction[1] over the period 2011 to 2015. There have been 28 such programmes, the majority of which support national cash transfer schemes and involve both direct funding for cash transfers and technical and financial support for system building. These programmes all aimed to mitigate extreme poverty and improve nutrition, as well as to achieve a range of other programme-specific objectives. Under its global results framework for 2011-15, DFID committed to reaching at least six million people with cash transfers. Over this period, DFID spent an average of £201 million per year – around 2% of its total expenditure – on cash transfers.

Box 1: What are cash transfers and what are they intended to do?

In this review, "cash transfers" include any regular payments made to individuals and households to reduce poverty and vulnerability. They can take the form of child-support grants, old-age pensions, payments to vulnerable groups such as widows or people with disabilities, or transfers to particularly poor households. Sometimes conditions are attached around other development objectives such as school enrolment, health clinic visits or work on community projects.

Most cash transfers are very small, at the level of a few pounds a month for each household. They are designed to supplement the incomes of the poorest, increasing their consumption of food and other basic items without creating a disincentive to work.

The target groups and objectives of DFID-funded cash transfer programmes vary. For example, one programme in Nigeria targets pregnant and lactating women, with a view to improving nutrition; in Pakistan, poor households receive quarterly transfers provided that their children attend school; while in Uganda, a DFID-funded programme helps mitigate extreme poverty among the elderly.

Cash transfers are a form of development assistance that lends itself to rigorous impact assessment, and there is a substantial body of global and DFID-specific evidence available on its effectiveness. Their importance and the available body of evidence mean that this is an appropriate area for an impact review, to examine DFID's reported results and their significance for the intended beneficiaries.

We conducted desk reviews of 18 of the 28 programmes, and detailed case studies of programming in two countries: Bangladesh and Rwanda. We addressed three broad areas:

i. The impact of DFID-supported cash transfers on poverty and vulnerability.

ii. DFID's contribution to the development of sustainable, nationally owned cash transfer systems.

iii. The value for money of DFID's cash transfer programming.

DFID's cash transfers have succeeded in their core objective of raising income and consumption levels, but show more variable results against secondary objectives

In its *2015 Annual Report*, DFID reported that between 2011 and 2015 it had reached a 'peak' of 9.3 million people with cash transfers, against a target of six million.[2] We examined this claim thoroughly. We found some inclusion errors in the data that led to over-reporting of around 475,000 people – all from one programme. These errors were corrected when brought to DFID's attention. For the rest of the programme portfolio, we were able to verify that DFID had exceeded its reach target.

1. We do not cover the use of cash transfers as a form of humanitarian assistance, which raises different considerations.
2. DFID define this as a "peak year" indicator. This is not the cumulative total over the period, nor does it relate to any single year, as the "peak year" counted for each programme varies. The peak year indicator takes the largest number of people that were reached in any single year between 2011 and 2015 by each programme, and sums that 'peak' figure across all programmes. So while one programme would contribute its reach figure of 2012, another programme would contribute its 2014 figures as its 'peak year'. The figure of 9.3 million is therefore the sum of each cash transfer programme's best single-year reach performance between 2011 and 2015.

DFID's cash transfer programmes have succeeded in their primary purpose of alleviating extreme poverty. Independent evaluations have confirmed that DFID programmes have consistently helped to improve household incomes and boost consumption levels of food and other basic items, with no evidence of increases in unhealthy consumption choices (eg alcohol or gambling). The results data is robust and matches what would be expected from the literature.

DFID's support for cash transfers has also brought a range of additional benefits to beneficiary households. The evidence suggests a modest but positive impact on savings, asset accumulation and debt reduction. This in turn helps to make poor households more resilient to external shocks (eg adverse weather or unexpected health bills).

It is widely recognised that cash transfers are generally not sufficient on their own to lift the poorest households permanently out of poverty. DFID has been experimenting with a "poverty graduation" model that combines cash transfers with other interventions, such as asset grants, training and support for income generation. Its pilot programmes with a Bangladeshi NGO (BRAC) have delivered impressive results, although at a higher unit cost than a pure cash transfer programme. It is not yet known whether this model is replicable outside Bangladesh, or could be delivered by government, but DFID is experimenting with versions of the model in a number of other countries.

Most of DFID's cash transfer programmes include secondary objectives in areas such as education, health and nutrition, and empowering women. In these areas, the evidence of impact is more mixed and, in a few cases, less than would be predicted from the global evidence base.

- **Education:** While many DFID-funded programmes include objectives around improving the education of children from poor households, the results have been uneven. Programmes in Pakistan and Zambia have made a positive contribution to school attendance, and one programme in Ethiopia has recorded an improvement in learning outcomes. A number of other programmes, however, showed no or very modest impact, and in Zimbabwe the programme had both positive and negative effects.
- **Health and nutrition:** The literature suggests a mixed but mostly positive relationship between cash transfers and improvements in health and nutrition outcomes. Independent evaluations of DFID-funded programmes show a wider range of results, including some cases where no positive effect was observed. In several cases, DFID has recognised where programmes are underachieving in this area and is introducing corrective measures.
- **Women's empowerment:** DFID programme design documents emphasise the objective of empowering women, and several programmes make payments directly to women. Unlike other areas, however, the focus on women's empowerment has not been backed by rigorous measurement of results. There are encouraging signs of progress in some programmes, such as improved status for women within their households and communities and increased sexual autonomy, but the evidence is not strong enough to support a clear conclusion. We also found that DFID was not explicitly monitoring risks to women beneficiaries, such as increased domestic abuse.

Overall, we have awarded DFID's portfolio a **green-amber** score for impact on poverty and vulnerability. DFID has achieved and exceeded its global reach targets. Across the portfolio, its core objective of alleviating income poverty and increasing consumption for the poorest and most vulnerable is being consistently achieved, with modest but positive impacts on building resilience to shocks. Impact on secondary objectives is more variable, with some positive results in areas such as school attendance (although not everywhere) and less positive results in health and nutrition. There is therefore scope for DFID to continue improving the impact from its cash transfer programming.

DFID has committed to strengthening national cash transfer systems but lacks a strategic approach

Beyond funding specific cash transfer programmes, DFID is also seeking to expand the coverage, quality and sustainability of national cash transfer systems. DFID has worked towards this objective by supporting pilot initiatives, as well as through funding, policy dialogue and capacity strengthening support. Over the review period, there has been clear progress in expanding national cash transfer programmes across DFID's partner countries. In some cases, this is accompanied by increased domestic funding. While other factors are also at play, it is likely that DFID has made an important contribution to this result.

Wherever possible, DFID chooses to fund cash transfers through national programmes. This means tolerating weaknesses in the design and delivery of programmes over the short term in order to try to strengthen them over time. In most cases, DFID takes a long-term approach to systems development, sharing international and local evidence but generally choosing not to challenge partner countries on strongly held positions. While this approach is welcomed by national stakeholders, there are risks that it can lead to a lack of ambition and urgency in addressing core challenges. We observed ongoing challenges across the portfolio in the key areas of targeting, transfer size and timeliness. While recognising the positive achievements against core programme objectives, these challenges pose limits for effectiveness and sustainability. DFID is aware of these issues and, in some instances, has made good progress in addressing them, but overall progress is uneven.

DFID reports a range of practical results from its technical assistance programmes. However, its approach varies markedly across programmes, with no clearly stated rationale. We heard concerns from both DFID staff and implementers that technical assistance programmes can become drawn too far into short-term problem solving ("firefighting") at the expense of a more strategic approach. We found that oversight and monitoring of technical assistance was not adequate, and that there have been no independent reviews or evaluations of results in this area.

There is also no clear strategy underlying the size or conditions of DFID's financial contributions. With the exception of the Pakistan and Uganda programmes, DFID does not use performance triggers to drive reforms and it lacks a clear strategy for promoting financial sustainability.

We have therefore awarded DFID an **amber-red** for its system-building efforts. While DFID has good relations with its national counterparts and has helped to increase country ownership of cash transfer programmes, it lacks a systematic approach to both financial and technical assistance, and does not adequately monitor and assess the results of its system-building efforts.

DFID's cash transfer programming offers a good value for money case, and there may be a value for money case for scaling up funding towards national coverage

We find that DFID's support for cash transfers meets many of the criteria for value for money. It is consistently delivering on its core objective of alleviating extreme poverty and reducing vulnerability. It is an effective means of reaching the poorest and most vulnerable, in accordance with DFID's commitment to "leaving no one behind". There are short-term trade-offs involved in funding through national systems, and DFID should ensure that its technical assistance is sufficiently focused on improving financial sustainability. However, our analysis suggests that, where the core issues of targeting, timeliness and transfer size are being addressed, there may be a value for money case for scaling up funding towards national coverage.

Following a challenge from the Public Accounts Committee in 2012, DFID has made an effort to strengthen the focus on value for money in the management of its cash transfer portfolio. It has developed guidance and tools for undertaking value for money assessments at programme level. We saw some good use of value for money analysis in identifying the variables with the greatest impact on cost-efficiency and programme effectiveness (eg targeting, payment size and financial management). What was less clear was how these assessments were being used to inform broader, portfolio-level management decisions about funding for cash transfers.

DFID recognises evidence and learning as "cross-cutting enablers" of value for money. DFID has made an important contribution to building up evidence on what works in cash transfer programming. It has commissioned syntheses of existing literature to identify gaps and policy-relevant lessons. During the review period, it managed a centrally commissioned research portfolio of over £35 million that has been innovative in both themes and methodology.

DFID has also demonstrated a willingness to learn from international evidence and from its own programmes. It has an active community of practice that disseminates research findings and shares lessons. We saw good examples of real-time learning within and across programmes, and of the use of evaluative findings to inform new designs.

We have rated the portfolio as **green-amber** on value for money, owing to its demonstrated impact and strong learning orientation. There remains scope for DFID to continue strengthening the relationship between value for money assessments and management decision-making.

Conclusion and recommendations

Overall, DFID's cash transfer portfolio merits a **green-amber** score. The portfolio has demonstrated its capacity to achieve impact in its core objective of alleviating extreme poverty. DFID has also made an important contribution to encouraging the spread of national protection systems. Notwithstanding the complexities of strengthening national systems and financial sustainability for social protection, there may be scope to achieve even greater value for money by taking successful programmes to scale.

The following recommendations are designed to help DFID to improve the impact and value for money of its cash transfers programming, in pursuit of its "leave no one behind" commitment.

Recommendation 1

DFID should consider options for scaling up contributions to cash transfer programmes where there is evidence of national government commitment to improving value for money, expanding coverage and ensuring future financial sustainability.

Recommendation 2

DFID should be clearer about the level and type of impact it is aiming for in each of its cash transfer programmes, and ensure that these are adequately reflected in programme designs and monitoring arrangements.

Recommendation 3

DFID should do more to follow through on its commitment to empowering women through cash transfers by strengthening its monitoring of both results and risks, and using this data to inform innovations in programming.

Recommendation 4

DFID should take a more strategic approach to technical assistance on national cash transfer systems, with more attention to prioritisation, sequencing, monitoring and oversight.

1 Introduction

Purpose

1.1 In 2014, cash transfers to poor households reached an estimated 718 million people across the developing world.[3] Their primary purpose is to alleviate extreme poverty by supplementing the incomes of poor households and increasing their consumption of food and other basic items. Cash transfers can also help to empower women, improve school attendance and promote better nutrition and health.[4] Many developing country governments are now using cash transfer programmes as part of national social protection systems (see Box 2). At the Addis Conference on Financing for Development in July 2015, the global development community pledged to provide "sustainable and nationally appropriate social protection systems and measures for all".[5] This commitment was repeated as target 1.3 of the Global Goals[6] and is a key element of the "leave no one behind" pledge.

> "Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable."
>
> **Target 1.3, Global Goals, link.**

1.2 In this review, we explore what development impact DFID has achieved through its support for cash transfer programmes. DFID's spending on cash transfers for poverty mitigation has increased as experience and evidence have grown, from £4 million in 2003 to an annual average of £201 million over the review period (2011-2015), reaching approximately 2% of DFID's total expenditure.[7] Most of this was direct financing for cash transfers, but there was also a significant element of technical and financial assistance for the development of national cash transfer systems. In this review, we are interested both in the direct impact of DFID's funding for cash transfers and in its contribution to building sustainable national cash transfer systems.

Scope

1.3 This report reviews DFID's use of cash transfers for mitigating poverty and vulnerability. We have not covered the use of cash transfers for humanitarian assistance, which raises different issues, but we hope to come back to this in a future review. Our scope is DFID's cash transfer portfolio over the four-year period covered by *DFID's Results Framework 2011*.[8] Our review questions are set out in Table 1.

3. *The State of Social Safety Nets 2015,* World Bank, 2015, p. 10, link.
4. *Cash transfers: what does the evidence say?* ODI, July 2016, p. 28, link.
5. *Addis Ababa Action Agenda of the Third International Conference on Financing for Development,* UN General Assembly A/RES/69/313, UN General Assembly, 27 July 2015, para, 12, link.
6. *Sustainable Development Goals,* UN, 2015, link.
7. Figures provided to ICAI by DFID.
8. DFID's Results Framework set out a series of global targets and commitments for the period from 2011 to 2015, against which DFID reported annually. *DFID's Results Framework: Managing and reporting DFID results*, DFID, 2011, link.

Box 2: Defining "cash transfers"

Elements of national social protection systems

In line with DFID's own definition, we define cash transfers as "all regular cash transfer payments made to individuals and households to reduce poverty and vulnerability". They can take the form of child-support grants, old-age pensions, transfers to specific vulnerable groups such as widows or people with disabilities, or transfers to particularly poor households. Sometimes, conditions are attached around other development objectives, such as school enrolment, health clinic visits or work on community projects.

Cash transfer programmes can serve a range of development purposes. Increasingly, they form part of national social protection systems, as a type of "social assistance".

Sources: *Indicator methodological note template: cash transfers,* DFID, 2014*; DFID Support to Cash Transfers and Social Protection,* DFID, November 2015.

Table 1: Our review questions

Review criteria and questions
1. **Impact on poverty and vulnerability:** To what extent has DFID's cash transfer portfolio contributed to reductions in poverty and vulnerability?
2. **Building national cash transfer systems:** How successfully is DFID supporting the development of sustainable, nationally owned cash transfer systems?
3. **Value for money:** To what extent has DFID ensured maximum value for money for its cash transfer programming?

1.4 This portfolio was chosen for an impact review because it is mature enough to have generated a substantial amount of results data. There is also a large body of evidence-based literature on the topic of cash transfers.

Box 3: What is an ICAI impact review?

ICAI impact reviews examine results claims made for UK aid to assess their credibility and their significance for the intended beneficiaries. We examine the quality of results data generated by aid programmes and whether the data is being used to improve results over time. We also assess value for money – that is, whether DFID or other spending departments are maximising the return on UK aid invested. ICAI impact reviews use the results data that is already available, triangulated with other sources. We do not carry out our own independent impact assessments.

Other types of ICAI reviews include ***performance reviews***, which probe how efficiently and effectively UK aid is delivered, and ***learning reviews***, which explore how knowledge is generated in novel areas and translated into credible programming.

2 Methodology

2.1 There are four main methodological elements to our review.

i. Our **literature review** served two purposes. First, we reviewed the available evidence on the effects of cash transfers as a yardstick against which to measure the impact of DFID programmes. Second, we compared DFID's research choices and contributions with the worldwide body of cash transfer literature to assess the extent to which DFID has contributed to filling relevant evidence gaps.

ii. We carried out **key stakeholder interviews** with 36 DFID staff about the portfolio as a whole and about specific programmes. We also interviewed 12 academics and peers from other organisations to gain stakeholders' views on DFID's cash transfer approaches and choices. We sought out known "critical voices", to help us challenge DFID's thinking.

iii. We selected a sample of 18 programmes (out of a total of 28 cash transfer programmes identified by DFID) for **desk review**. A list of the programmes is included in Annex 2 (Table A1). For each programme we reviewed the available programme documents, including business cases, logframes, baseline studies, diagnostic studies, annual reviews, project completion reports and independent evaluation reports.

iv. We carried out **country case studies** of DFID cash transfer programming in two countries: Bangladesh and Rwanda. Each involved a visit by the team. The countries were selected for having a sizeable portfolio with a history of programming over several years, covering both technical assistance and financial support.

2.2 The methodology is explained in more detail in Annex 3, and in full in our Approach Paper, which is available on the ICAI website. Both our methodology and this report were independently peer reviewed.

Box 4: Limitations of our methodology

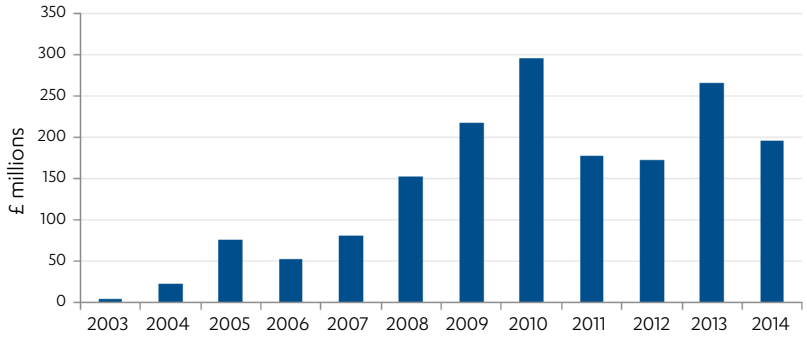
- We relied primarily on DFID's own results data to assess the impact of individual programmes. We discounted any results data that we considered unreliable. If there is a correlation between the impact of programmes and the quality of their monitoring data, this could introduce a positive bias into our evidence.
- Our sample of programmes was chosen purposively to reflect the full spectrum of programme objectives, modalities, support, types and sizes, but may nonetheless not be fully representative. Our findings may not always be applicable to the portfolio as a whole.
- There is limited evidence on the impact of DFID's technical assistance. DFID does not necessarily document the impacts of its support on thinking and practice in partner countries. In complex multi-stakeholder environments, it is challenging to attribute progress to DFID's advocacy and influencing work.

3 Background

DFID's cash transfer portfolio

3.1 DFID is thought to be the largest funder of cash transfer programmes among bilateral donors,[9] with annual expenditure ranging between £170 million and almost £300 million over the past five years (see Figure 1). Most of its cash transfer programmes fall within its social protection portfolio, contributing to the "poverty, vulnerability, nutrition and hunger" pillar of DFID's results framework.[10] These programmes provide supplementary income to the poorest and most vulnerable households in order to mitigate extreme poverty and ensure that beneficiaries are able to meet minimum consumption levels of food and other basic items. They thereby aim to have positive effects on nutrition and health. Individual programmes may also aim to provide additional benefits, such as improving school attendance or empowering women.

Figure 1: DFID expenditure on cash transfer programmes by year



Source: Figures provided to ICAI by DFID

3.2 In its results framework, DFID committed to supporting at least six million people with cash transfers.[11] To be "supported" means different things in different programmes. It may involve the household receiving a small monthly payment, often set by reference to the number of people in the household and the cost of buying basic foodstuffs (see Box 5 on payment sizes). It can also mean payment for regular or occasional labour on public works programmes. Section A5 in Annex 2 provides a more detailed description of one particular programme, in Rwanda.

3.3 In most instances, DFID works with and through national governments in order to contribute to the development of national cash transfer systems. Most DFID programmes offer a combination of financial support for cash transfers and financial and technical assistance for system development.

Box 5: How large are cash transfer payments?

Cash transfer programmes supported by DFID provide small but regular payments to poor households, ranging from as little as £6 per household per month for Uganda's cash transfer programme up to £19 per month for five-member households in Zimbabwe. In most cases there is an explicit rationale for the size of the payment. For example, in some programmes in Bangladesh and Zambia, the payment is equivalent to the cost of a daily bag of rice or maize, while in Nigeria it is based on a calculation of the amount needed to enable very poor households to pay for a nutritious diet. Transfer size is also determined by affordability and by political considerations. In two programmes in Bangladesh and one programme in Pakistan, we did not find an explicit rationale in programme documents for the size of the transfer.

Source: DFID programme documents; see Table A2 in Annex 2 for more detail.

9. While expenditure on cash transfers is not captured separately in OECD aid statistics, experts in the field informed us that DFID is the major donor for this type of assistance.
10. The only exception in our sample was Nepal, where a public works programme is designed to create jobs under the "wealth creation" pillar.
11. This is measured through a "peak year" indicator, meaning that each DFID spending department counts the maximum number of people reached by cash transfers in any single year during the review period. This is then aggregated to a total DFID figure: *Indicator methodological note template: cash transfers*, DFID, 2014, link. This was a conservative target, as DFID's programmes at the time aimed to reach a total of well over seven million. The results framework does not specify that the people reached must be from among the poorest and most vulnerable households, which means that any targeting errors do not reduce the numbers reached.

3.4 Within the broad goals of extreme poverty mitigation and consumption protection, DFID's cash transfer portfolio is diverse.

- Programme budgets range from £1 million to £300 million, and their duration from four to ten years, with repeat programming common.
- DFID may be the sole funder (as is currently the case for a World Bank administered programme in the Sahel), the main funder (Uganda, Zimbabwe) or one of many funders (Ethiopia).
- The programmes in Myanmar and Nigeria are delivered outside national governments, through NGO partners. Most other programmes are co-financed with government, with national contributions ranging from very little (Uganda, Zimbabwe) to most of the funding (Kenya, Pakistan, Rwanda).
- Seven programmes consist only of technical assistance. The other 21 provide a combination of technical assistance and direct funding for cash transfers (there are no cases of funding without technical assistance).
- Cash transfers are mainly unconditional. In Ethiopia, Myanmar, Nepal, Rwanda, Tanzania and Yemen, some or all of the cash transfers are provided in exchange for labour on public works. Programmes in Pakistan and Tanzania have education-related conditional components (for example the Pakistan programme provides a monthly payment of £1.80 for each child who attends school regularly).
- Some of these programmes are designed to reach the poorest in the community (though effective targeting is one of the challenges). Other programmes target a particular category of citizen, such as pregnant women in Nigeria or elderly people in Uganda.

3.5 Details of the programmes in our sample are included in Tables A1 and A2 in Annex 2.

DFID's research portfolio on cash transfers

3.6 DFID also has a substantial research portfolio on cash transfers. Since August 2009, it has centrally commissioned research contracts totalling over £35 million, many of which are ongoing. Its research partners include UK universities (Oxford, Manchester, Sussex), research institutes (the Overseas Development Institute, the Institute of Development Studies, 3ie, RAND Europe) and multilateral agencies (the World Bank, the Food and Agriculture Organization). Many of its country programmes also include research components.

Box 6: Findings from the literature on the impact of cash transfers

There is a comparatively large evidence base available in the development literature on the various impacts that can be achieved through cash transfer programming. While we would not expect to see all of these results in any single programme, the literature offers a benchmark against which to assess the performance of DFID's portfolio as a whole.

The strongest evidence relates to reductions in income poverty. At household level, cash transfers have been consistently shown to increase total expenditure and expenditure on food, as well as to reduce various measures of monetary poverty.

There is evidence of linkages between cash transfers and school attendance, and limited evidence of a positive effect on cognitive development. However, there is no clear pattern of improved learning outcomes as measured by test scores.

There is evidence of positive effects of cash transfers on health and nutrition, measured through use of health services, dietary diversity and anthropometric measures (ie reduced stunting and wasting). However, the literature suggests that additional programme features (such as nutrition supplements and behavioural change training) are needed to produce consistent impact on child stunting.

There are positive links between cash transfers and savings, livestock ownership and investment in agricultural inputs, although these results are not universal and vary across types of livestock and inputs. Results on borrowing rates, investment in agricultural assets and business development are less clear and draw from a smaller evidence base.

The literature found contrary – but often positive – evidence in relation to domestic abuse. Cash transfers to women have been found to increase abuse in some instances and decrease it in others, depending on the type of abuse, the context and situation-specific design. There is relatively strong evidence that cash payments to women increase their decision-making power within the household. There is also evidence of positive impact on women's choices as to fertility and engagement in sexual activity. However, cash transfers do not reduce risky sexual activity among men and boys.

Source: *Cash transfers: what does the evidence say?* ODI, July 2016, p. 28, link.[12]

DFID's interest in cash transfers

3.7 According to key stakeholders in DFID, the department's interest in cash transfers emerged around 2005-06. The aftermath of the 2007-08 "Triple F" crisis, when the global financial crisis was combined with sharp rises in food and fuel prices, reinforced this interest, as DFID identified that cash transfer systems in a few South American countries had shielded the poorest households from the worst effects. A view emerged within DFID that low-income countries in Africa and Asia could also develop such systems, and that DFID could support them to do so. The 2009 White Paper, *Eliminating World Poverty*, announced an intention to extend social protection to 50 million people in 20 countries.[13] This commitment was subsequently replaced with the target of reaching six million people.

3.8 In 2011, a DFID literature review noted that cash transfers were already "one of the more thoroughly researched forms of development intervention". It concluded that "there is convincing evidence from a number of countries that cash transfers can reduce inequality and the depth or severity of poverty", as well as "contribute directly or indirectly to a wider range of development outcomes".[14]

12. In this DFID-funded July 2016 report, ODI considered evidence from 201 cash transfer studies that had passed the quality test in a screening stage where over 38,000 studies conducted between 2000 and 2015 were considered. It also synthesised the evidence from existing systematic reviews and other literature reviews on the impact of cash transfers. The report synthesises the effects of cash transfers on individuals and households for 35 indicators. Many of our references to global evidence are based on this report.
13. Eliminating World Poverty: Building our Common Future, DFID, July 2009, p. 25, link.
14. *DFID Cash Transfer Literature Review,* DFID, 2011, pp. i-ii, link.

3.9 This enthusiasm was mirrored in a February 2012 Public Accounts Committee report on "transferring cash and assets to the poor". The report confirmed that transfer programmes "are effective in targeting aid, and ensuring the money goes directly to the poorest and most vulnerable people. There is strong evidence of short-term benefits for recipients of transfers, for example better nutrition and greater access to health and education services." The Committee expressed its surprise "that the use of transfer programmes has not increased more in light of the evidence of positive outcomes [and that] the Department only plans to support transfer programmes in 17 of its 28 priority countries".[15]

> The Global Goals for Sustainable Development offer a historic opportunity to eradicate extreme poverty and ensure no one is left behind. To realise this opportunity we will prioritise the interests of the world's most vulnerable and disadvantaged people; the poorest of the poor and those people who are most excluded and at risk of violence and discrimination.
>
> ***Leaving no one behind: Our promise*, DFID, November 2015, link.**

3.10 DFID has nonetheless declined to set spending targets on cash transfers, arguing that the decision on whether to provide cash transfers, and in what amount, should be left to each country programme. It noted that: "[i]t is important the Department does not move ahead of local political and practical reality in seeking to support transfer programmes" and that "country offices are in the best place to judge which programmes offer the best value for money in achieving objectives".[16]

15. *DFID: Transferring cash and assets to the poor*, Public Accounts Committee, Sixty-Fifth Report, February 2012, link.
16. *Government responses to the Committee's recommendations*, DFID, December 2013, sections 2.2 and 2.3, link.

4 Findings

The impact of DFID's cash transfers on poverty and vulnerability

4.1 In this section, we look first at whether DFID has met the cash transfers target in its results framework. We then explore impact across our sample of 18 programmes.

4.2 DFID-funded cash transfer programmes have a range of objectives (see Table A4 in Annex 2 for a sample of logframe targets). All of the programmes are designed to alleviate extreme poverty and boost consumption, and some plan to improve household resilience to shocks. Most cash transfer programmes also include additional or secondary objectives in areas such as education, health and nutrition, and women's empowerment (see Table 2). Not all programmes specify logframe targets in all these areas and some of the impact evaluations reveal results in areas that were not specified as logframe targets. To capture both planned and unplanned results, we looked at the evidence across five major areas:

i. Income poverty and consumption
ii. Savings, assets and resilience
iii. Education
iv. Health and nutrition
v. Women's empowerment.

DFID provided us with an overview of 28 cash transfer and social protection programmes. Seven of them provided only technical assistance and 21 offered a combination of funding and technical support. The logframes and business cases of these 21 programmes covered a range of aims and objectives:

Table 2: DFID's logframe targets and business case objectives

Area of focus	Logframe targets	Business case objectives
Poverty reduction and consumption increases	**20** – All except Nigeria	**All**
Savings, assets and other resilience- and income-building gains	**10** – Bangladesh (BRAC, CLP, EEP), Myanmar, Ethiopia, Sahel, Tanzania Uganda (Phase 1, Phase 2), Zambia	**11** on savings – Bangladesh (BRAC, CLP, EEP), Myanmar, Ethiopia, Ghana, Nepal, OPT, Rwanda, Sahel, Tanzania **15** on assets – Bangladesh (BRAC, CLP, EEP), Myanmar, Ethiopia, Ghana, Kenya (HSNP), Nigeria, Pakistan, Rwanda, Sahel, Tanzania, Uganda (Phase 1 and Phase 2), Zambia **10** on other resilience – and income-building gains – Bangladesh (BRAC, EEP) Myanmar, Ethiopia, Ghana, Kenya (HSNP), Nigeria, Sahel, Tanzania, Zambia
Education	**6** – Kenya (SPP), Pakistan, Rwanda, Uganda, Zambia, Zimbabwe	**12** – Bangladesh (EEP), Ethiopia, Ghana, Kenya (HSNP, SPP), Nigeria, Pakistan, Rwanda, Tanzania, Uganda, Zambia, Zimbabwe
Health and nutrition	**16** – Bangladesh (BRAC, EEP), Myanmar, Ethiopia, Kenya (HSNP, SPP), Nigeria, OPT, Pakistan, Rwanda, Sahel, Uganda (Phase 1, Phase 2), Tanzania, Zambia, Zimbabwe	**20** – All except Yemen
Women's Empowerment	**1** - Zambia	**16** – Bangladesh (BRAC, CLP, EEP), Myanmar, Ethiopia, Ghana, Kenya (HSNP), Nepal, Nigeria, Rwanda, Sahel, Tanzania, Uganda (Phase 1, Phase 2), Zambia, Zimbabwe

For details of each of these programmes, see table A1 in Annex 2

DFID's reach target is a means to an end

4.3 Under its results framework, DFID set itself the target of supporting at least six million people with cash transfers between 2011 and 2015, measured as the total of the peak annual reach of each programme. This is known as a reach indicator: it shows the scale and coverage of DFID's programming, but not the effects of cash transfers on beneficiaries. The indicator does not include the impact of DFID's technical assistance on expanding national cash transfer systems.

4.4 While these are real limitations, the reach target remains relevant for three reasons. First, it builds on a large body of evidence showing a causal link between the provision of cash transfers and poverty mitigation. Second, DFID is a key advocate for the expansion of cash transfer coverage in Africa and Asia, and the reach target helps to signal this commitment. Finally, its inclusion in the results framework provided a clear signal to DFID country offices during the 2011 Bilateral Aid Review that cash transfers were a priority.

Cash transfers reached more people than DFID aimed for, but fewer than it reported

4.5 In its *2015 Annual Report*, DFID reported that between 2011 and 2015 it had reached a 'peak' of 9.3 million people with cash transfers, including 4.9 million women and girls.[17] According to DFID data, most individual programmes met or exceeded their targets, with the exception of programmes in Bangladesh (after the correction of a reporting error, covered below), Zimbabwe (with an underachievement in 2015 only) and the Sahel.

4.6 We reviewed this data (see Box 7). We found that, with the exception of DFID Bangladesh, all country offices had followed the approved methodology and had mechanisms in place to check data provided by their implementers. Where the data was incomplete, DFID used explicit assumptions to calculate its total.[18]

Box 7: Verifying DFID's overall results claim

We assessed DFID's reported "reach" results by subjecting the programmes in our sample to five tests:

i. Have DFID's implementing partners verifiably followed the guidance notes about what "reach" means? For example, are beneficiaries counted only once, and are they exclusively members of households in which at least one member has received "regular cash transfer payments" that were provided with an aim related to "tackling poverty and vulnerability"?

ii. Do the results look plausible and, if not, is DFID able to provide satisfactory explanations of unlikely numbers such as identical targets and results or identical results for women and men?

iii. Have the reported results been adjusted to reflect changes in the context? For example, has the claimed DFID proportion of a national programme changed when the national government increased its contribution or when a new funder joined?

iv. Have DFID country offices scrutinised the data and are they able to discuss it substantively?

v. Has there been periodic, independent verification of the reported results?

Source: Data provided by DFID

4.7 We did find a few inaccuracies. The only material one is that, in Bangladesh, various errors associated with one specific programme resulted in an over-claim of almost half a million people (corrected after we brought it to DFID's attention). Notwithstanding this error, we conclude that there is reliable evidence that DFID has achieved and exceeded its target of six million people, even though the total is somewhat less than DFID reported.

17. *Department for International Development Annual Report and Accounts 2014-15,* DFID, July 2015, p. 31, link. Note: For explanation of "peak" figures, see footnote 2.

18. In addition there were some minor errors. In its Sahel programme, in the absence of data on the actual size of participating households, DFID was inconsistent in its assumptions, at various times using figures of 6 and 6.56 as the average participating household size. In a few programmes, public works participants were assumed to have been "reached" even if they had only received a single payment.

4.8 There are two main reasons why the six million target was exceeded. First, the original target was lower than the sum total of the 2011 country targets, which added up to 7.2 million people. Second, while a few of the programmes planned at that time never materialised (including in Sudan and the Democratic Republic of Congo), two new, larger Pakistan programmes began during the review period, adding more than three million people to the total reached.

DFID's cash transfers have succeeded in supplementing incomes and increasing consumption

4.9 The primary purpose of DFID's cash transfers is to alleviate extreme poverty for the duration of the transfer (which may be short-term or open-ended) by increasing income and consumption levels. Independent evaluations have confirmed that DFID programmes have, in almost all cases, succeeded in achieving this objective. This finding is consistent, whichever definition of poverty is used.[19]

4.10 The evaluations have consistently found that cash transfers increase consumption in beneficiary households.[20] There is no evidence of an increase in unhealthy consumption choices (eg increased spending on alcohol or gambling) and in some cases there is evidence of a decrease. The most impressive finding is from Kenya, where beneficiary households spend significantly more of their overall income (not just the cash transfers) on food, health and clothing, and significantly less on alcohol and tobacco.

4.11 These are very positive findings, suggesting that cash transfers are proving to be an effective means of alleviating severe poverty.

Box 8: The intangible benefits of cash transfers

Not all of the benefits of cash transfer programmes can be measured quantitatively. During our country visits to Bangladesh and Rwanda, we met various beneficiary groups who stressed the importance of cash transfers in reducing the stigma of poverty and creating a more positive outlook on life, as illustrated in the following quotes.

> "I now have dignity. I feel I will die with dignity."

> "We look better. Better dressed and all."

> "My husband treats me differently now that I have a source of income."

> "I am no longer begging."

Cash transfers have modestly increased longer-term income and resilience

4.12 In addition to improving consumption levels, increasing household income through cash transfers can bring a range of additional benefits. According to the literature, cash transfers may help to increase and diversify household income by enabling beneficiaries to acquire productive assets and take calculated risks in their business ventures (which is more likely if cash transfers are regular and predictable). In addition, cash transfers have been shown to boost savings, reduce debt and change the ways in which beneficiaries behave. All of this, as well as the assets built or maintained by public works programmes, potentially contribute to households becoming more resilient to shocks (see Boxes 9 and 10).

19. Evaluations of programmes in Bangladesh, Ethiopia, Pakistan and Zambia used one or more of the Foster–Greer–Thorbecke family of indicators (poverty incidence, gap and squared gap), recording positive impact. Other evaluations used composite poverty definitions and assessment criteria, with similarly positive results. For example, assessments in Bangladesh used a minimum score for a set of poverty-related criteria such as access to clean water, the presence of ash or soap in the latrine, a homestead above flood level and a tin-roofed house; while an assessment in Nepal used a composite score with seven variables that covered demography, education and employment, housing, physical assets, productive assets, health and geography. The only finding that was not positive was for the programme in Zimbabwe where, after the first year of the programme, cash transfers had not had an impact on the poverty gap.

20. This increase is generally less than the amount of the transfer. This is to be expected, as the cash transferred could also potentially be saved, shared with others, used to pay off debt or invested. In this last case, consumption increases may eventually exceed the cash transfer levels, but only with a delay. This is likely to have happened in Zambia, and might have happened in Pakistan (or at least there is no other plausible explanation for the consumption increases in Pakistan, which exceed the level of cash transfers).

4.13 While potentially complex to measure, these effects have been confirmed in a number of DFID's cash transfer programmes. A common result is a reduction of indebtedness and an increase in creditworthiness – two factors that affect households' ability to deal with crises. Such effects were reported in DFID-funded programmes in Bangladesh, Ethiopia, Nepal, Rwanda, Uganda, Zambia and Zimbabwe.

Box 9: Cash transfers' potential contribution to household resilience

Households living below or close to the poverty line are vulnerable to shocks, such as unexpected medical bills or adverse weather affecting their agricultural activities. One comprehensive review of the literature found that regular and predictable cash transfers can reduce poverty by making them less vulnerable to such shocks. Cash transfers can help to increase savings and the ability of beneficiary householders to access credit through formal and informal mechanisms. This in turn can reduce their reliance on detrimental risk-coping strategies, such as distress sales of productive assets or reducing consumption of food and other necessities below minimum levels.

In the longer term, cash transfers can also build resilience by enabling beneficiary households to make investments and change their livelihood strategies, such as by introducing sustainable land management practices.

Source: *Cash transfers: what does the evidence say?* ODI, July 2016, p. 28, link.

4.14 We also found a number of other effects that were specific to individual programmes.

- In Zambia, recipient households were found to be more resilient to shocks and external fluctuations in income than they had been in the past, due to various factors including reduced debt, increased investment in assets, reduced reliance on casual labour and livelihood diversification (such as increased livestock, more production of agricultural output for markets and increased non-farm enterprise).
- In Zimbabwe, an independent impact evaluation concluded that, after only 12 months, the programme had led to increased agricultural assets and livestock, diversified income sources and reduced indebtedness. As a result, there was a reduction in vulnerability to shocks, particularly among smaller households.
- Reviews in Rwanda and Uganda tracked data on savings and productive assets. Both reported an increase in livestock, though probably not to the point that the gains would survive a single household shock. A study in Uganda found that transfers were helping recipients to purchase other types of productive assets.
- Conversely, a study in Pakistan reported that recipients expressed an increased desire to save, but that an actual increase in savings occurred in only a single province (Khyber Pakhtunkhwa).

4.15 While these findings illustrate the potential for cash transfers to go beyond boosting consumption, the reported impacts are relatively modest and, in many cases, amount to resilience against only a single shock. DFID's annual reviews and evaluation reports confirm that cash transfer programmes do not have a lasting impact on income-earning opportunities and resilience, unless accompanied by other interventions.[21] This is probably true everywhere, but especially in African countries, where the state of rural economies makes it particularly challenging to diversify income.

A more ambitious "poverty graduation" model in Bangladesh is achieving results by combining cash transfers with other forms of support

4.16 The biggest gains in both income and resilience are achieved by the DFID-funded programmes in Bangladesh. These programmes combine relatively small cash transfer components with other interventions, such as asset grants (eg livestock) and supporting products and services (eg animal vaccinations, food supplements, entrepreneurial and other training, and hygiene awareness raising).

21. Recurring conclusion across multiple reviews and evaluations.

4.17 DFID was a supporter of the Bangladeshi NGO BRAC when it first piloted this model in 2002. The approach has developed but not fundamentally changed since then, and there is strong evidence that it has enabled a large majority of beneficiaries to achieve substantial improvements in their socio-economic status. The chances of these mixed interventions achieving results that continue after households have exited the programme are much stronger than for pure cash transfers. Furthermore, the results have shown an ability to survive climate shocks.

4.18 It is not yet known whether this model is replicable outside Bangladesh (only a few initial studies exist),[22] whether it can be delivered by government (as opposed to an NGO) or how it performs in times of economic downturn. Moreover, these combined interventions are more costly than standard cash transfers. However, the results are impressive enough for DFID to be supporting a pilot adapted from this model in Rwanda, while other pilots in Pakistan and Kenya are under development.

Box 10: DFID-funded cash transfer programmes build resilience above household level

In Ethiopia and Bangladesh, public works programmes often support adaptation to climate change through, for example, reforestation projects or developing flood-resistant infrastructure.

Furthermore, in Ethiopia (but not in Rwanda, Myanmar or Nepal), some public works programmes schedule work to take place in the lean months of the year, when participants are most likely to be suffering from food insecurity. This counter-cyclical effect also contributes to resilience.

Source: DFID programme documents and key informant interviews

Despite significant success in Ethiopia and Pakistan, the effects on education have been generally modest

4.19 There is strong evidence that DFID's cash transfer programmes have been successful in their core objectives of relieving income poverty, increasing consumption and, in some instances, providing a modest boost to resilience. However, most cash transfer programmes also include additional objectives in areas such as education, health, nutrition and empowering women. In these areas, the evidence of impact is more mixed and, in some cases, less than would be predicted from the literature.

4.20 Nine of the 18 programmes in our sample mentioned educational goals in their business cases. The programmes in Pakistan (see Box 11) and Ethiopia have achieved considerable success, but in the other programmes the impact has been modest, absent or, in one or two cases, negative. Overall, the impact of DFID's programming on enrolment and attendance (although not necessarily learning) is below what the wider evidence suggests can be achieved through cash transfers. It is likely that weaknesses in programme design and implementation (see the sections on cash transfer targeting, timeliness and size) have held back results in these areas.

Box 11: School enrolment in Pakistan

The Benazir Income Support Programme (BISP) is the main social assistance programme in Pakistan. It targets and provides unconditional cash transfers to the poorest 25% of households. An independent evaluation found that unconditional cash transfers had no impact on school enrolment, but the addition of a conditional transfer did have an impact.

A sub-group of BISP recipients receive a quarterly amount of some £5.40 per child, conditional on school enrolment and an attendance rate of at least 70%. This conditional transfer is combined with behavioural change communication on the importance of schooling.

The marginal impact of this additional, conditional cash transfer (ie compared with children in households that received the unconditional cash transfers only) is an increase in the enrolment rate of nine percentage points for girls and boys alike.

Source: *Benazir Income Support Programme; Evaluation of the Waseela-e-Taleem Conditional Cash Transfer*, OPM, July 2016, draft version.

22. Most notably Banerjee, A. et al (May 2015) *A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries*, Science 348, no. 6236, link.

4.21 In seeking to understand this mixed performance on education, we found no particular correlation between the presence of explicit education-related logframe targets and a programme's education-related outcomes. Schooling is not among the Ethiopia programme's logframe targets, but transfers have helped children from poor families to attend schools and have improved educational attainment and progress. In one region – Tigray – children in recipient households outperformed the children of better-off, non-recipient households. Conversely, the Kenya programme does have education-related logframe targets, but the results have been limited to a minor enrolment increase among children living a long way from school. In Uganda, a hope that the transfer would support schooling has not materialised: the programme has not increased household expenditure on education and has had no impact on children's attendance or attainment at either primary or secondary level.

4.22 We also came across an example of negative impact. In Zimbabwe, poor government coordination across programmes meant that cash transfer recipients were discouraged from participating in the Basic Education Assistance Module (BEAM), another government programme that provides targeted resources for children to attend school. An external evaluation found a 6% decline in BEAM participation among DFID-funded programme participants, which offset other positive effects on education (including a seven percentage point increase in the probability of school progression for children of primary school age in small households). An external assessment suggested that there may also have been a negative impact from a public works programme in Nepal. The researchers noted that, while the programme does not employ children below the age of 16, it may nonetheless have increased school absenteeism as a result of children taking on extra responsibilities of caring for younger siblings while their parents are participating in the programme.

4.23 Where programmes did increase school attendance, this did not necessarily result in improved learning outcomes. In Zambia, one of the two grant types resulted in large impacts on enrolment of both primary- and secondary-age children, but there was no impact on educational outcomes for primary-school-age girls.[23] The wider evidence suggests that cash transfers on their own rarely secure a positive impact on learning, due in part to problems with the quality of national education systems. DFID has other programmes in most of its partner countries that aim to strengthen education systems.

Evidence of impact on health and nutrition is uneven across and within programmes

4.24 All of DFID's cash transfer programmes (not just those in our sample) include objectives around health and nutrition, and 15 of them incorporate health and nutrition indicators in their logframes. This reflects empirical evidence from the literature that cash transfers can promote both greater use of health services and more dietary diversity, although impacts on child wasting and stunting are generally weaker.

4.25 Notwithstanding this strong focus on health and nutrition, evidence of impact in these areas is uneven in our sample programmes (see Table A3 in Annex 2). Where effects have been achieved, they are sometimes smaller than what the literature suggests is possible. In some cases, DFID recognises that its health and nutrition objectives are not being achieved; in Ethiopia and Bangladesh, DFID is supporting experiments combining cash transfers and other types of health and nutrition-related support in order to improve results.

4.26 The available evidence suggests that several of the programmes DFID is supporting are currently not optimised for maximum impact on nutrition and health, and that improvements in design and implementation – including timeliness and transfer size – could strengthen results in this area.[24] These challenges and the manner in which DFID is supporting governments to overcome them are discussed in the section on DFID's work to strengthen national cash transfer systems.

23. Zambia's Multiple Category Targeting Grant: 24-Month Impact Report. American Institute for Research, 2014, p. 37, link.

24. This holds true even when discarding findings that may be based on insufficiently robust evidence. DFID Pakistan, for example, rejected some of its programme evaluation findings because they were based on a methodologically contested consumption survey.

Women's empowerment is central to programme design, but impacts are not fully clear

4.27 DFID's programmes place a strong focus on women's empowerment in their business cases. In some cases, women are the sole recipients of cash transfers (eg Nigeria, Bangladesh). Other programmes take care to ensure that eligible women have access to the cash transfers. For example, the Ethiopian public works programme uses client cards that feature the names and photographs of both husband and wife, and includes a range of measures to ensure women have access to the income. In contrast, the Myanmar public works programme allowed only one member of each household to participate, resulting in a preponderance of men.

4.28 The literature suggests that cash payments to women can strengthen their decision-making power within the household and their choices about fertility. However, there is mixed evidence about the impact of cash transfers on domestic abuse, with both positive and negative results recorded depending on context and programme design.[25]

4.29 Despite the risk of causing harm under certain circumstances suggested by the literature, we found that none of the programmes in our sample were monitoring levels of domestic abuse. This is a surprising omission. While government counterparts may sometimes be reluctant to monitor domestic violence, owing to political sensitivities, DFID could invest in other monitoring or review mechanisms to ensure that programmes cause no harm in this respect.

4.30 DFID does monitor other empowerment indicators across its programmes. However, measuring empowerment is a challenging undertaking and we found DFID's approach to be relatively weak. Only a few programmes were monitoring a basket of indicators capable of generating a robust picture of empowerment (see Box 12), despite the fact that DFID has been a pioneer of research on the impact of cash transfers on women's empowerment.[26] The lack of robust programme monitoring in this area is a notable gap, suggesting that DFID is not putting its own research into practice or doing enough to build up practical experience on what works in this critical area.

Box 12: Measuring women's empowerment

Women's empowerment is a complex phenomenon to measure. Good practice suggests that it should be assessed using multiple indicators looking at different aspects of empowerment. The ODI cash transfer review measures empowerment on the basis of six indicators: domestic abuse, women's decision-making power, marriage, pregnancy, use of contraception and having multiple sexual partners.[27] Other reports consider participation in public life, control over and ownership of assets, and/or access to information.

Few DFID-funded cash transfer programmes have systematically measured more than one or two of these indicators. As a result, their reported results are not particularly robust.

The exceptions are an assessment in Pakistan and a few assessments in Rwanda. In Pakistan, an external assessment looked at the proportion of women that are economically active (no statistically significant effects), at women's control over cash and other resources (no effects), and at women's mobility (a small positive effect on women's ability to visit a friend's home). In Rwanda, one assessment found improvements in intra-household decision-making, more equity in household relations and positive improvements in women's participation at the community level as a result of the programme. Two other studies on the Rwanda programme were less positive, reporting similar findings but at a marginal level. Moreover, they found no effects on the gender division of labour within households, no marketable skills development and they noted that distance, times and lack of care facilities were obstacles for women's access to public works programmes.

25. As reported in *Cash transfers: what does the evidence say?*, ODI, July 2016, chapter 11, link.
26. See, for example, a DFID-commissioned study on the effects of cash transfers on polygamous households in Burkina Faso: Guilbert, N. and Pierotti, R., 'Intra-household dynamics and the design of social protection programs: the case of polygamous households in North Burkina Faso', *Gender Innovation Lab policy brief issue no. 16*, World Bank, 2016, link.
27. *Cash transfers: what does the evidence say?*, ODI, July 2016, p. 213, link.

4.31 The limited evidence that is available points to mixed results from DFID's programmes. In Zambia, which set a logframe target on women's decision-making, there was no measurable progress. Programmes in Kenya and Zimbabwe impacted positively on adolescent girls' sexual health (see Box 13), even though this was not an explicit target for either programme.

Box 13: Safe transitions into adulthood

In Zimbabwe, there is some evidence that the programme has supported the safe transition of adolescent girls into adulthood. Among the programme's reported results were delayed sexual debut and marriage, decreased likelihood of early pregnancy in large households and a positive impact on safe sex practices among sexually active youth (ie condom use at first sex). These findings are encouraging but tentative, as the sample size was modest and the findings were only based on the initial 12 months of the programme.

Source: *12 Month Impact Report for the Evaluation of Zimbabwe's Harmonised Social Cash Transfer programme,* AIR, December 2014, link.

DFID's cash transfer portfolio is achieving its primary objectives, but with scope for improvement in other areas

4.32 Overall, we award DFID's cash transfer portfolio a green-amber score for impact on poverty and vulnerability. The core objective of DFID's cash transfer programmes is to alleviate income poverty and increase consumption for the poorest and most vulnerable, for the duration of the transfer. There is strong evidence that these results are being delivered consistently across the portfolio. Moreover, in some programmes the increases in income are in turn making beneficiary households more resilient to external fluctuations in their incomes, due mainly to increased creditworthiness and reduced debt. DFID has also achieved promising results from a more ambitious model of poverty graduation and is exploring how this could be replicated. These are strong results that, in our view, make a good case for DFID's continuing investment in cash transfers.

4.33 There is no room for complacency, however. We found that DFID programmes are not always clear about what additional results to target, beyond the core objective of poverty alleviation, and therefore may not be optimised to deliver such results. Impact on school attendance has been below DFID's targets, and we identified a few instances of zero or even negative impact. Evidence of impact on health and nutrition is uneven, both within and between programmes, with a pattern of results that DFID is sometimes unable to explain. Although women's empowerment is a central concern in DFID's business cases, its monitoring is not strong enough to generate robust results, and we are concerned that DFID has not done enough to monitor for unintended negative results such as increased domestic abuse. We are encouraged that DFID is beginning to explore how to combine cash transfers with other interventions, so as to maximise results in these areas.

DFID's impact on the development of sustainable national cash transfer systems

DFID has successfully encouraged the introduction and expansion of national cash transfer systems in low-income countries

4.34 When describing the cash transfer portfolio, DFID staff place more emphasis on the long-term aim of increasing the coverage, quality and sustainability of national cash transfer systems than on the immediate effects of DFID's funding on today's cash transfer recipients. The underlying objective is to extend coverage of cash transfers, particularly across sub-Saharan Africa, so that they become part of a standard toolkit in the fight against extreme poverty and vulnerability.

4.35 According to stakeholders in DFID, there are two dynamics that may, in the long run, support this goal. First, as national cash transfer systems become established, expand and demonstrate their effectiveness, public expectations and political commitment will grow and become mutually reinforcing. Second, the spread of national cash transfer systems across Africa would create a positive "neighbourhood effect" where national governments are under increasing pressure to emulate the actions of their neighbours.

4.36 Over the review period, government-operated cash transfer programmes in sub-Saharan Africa have indeed shown a rapid growth path, both in number and coverage. The number of countries with unconditional cash transfer programmes increased from 21 in 2010 to 40 in 2014 (out of 48),[28] reaching some 50 million people.[29] Within our sample, the programmes in Uganda, Rwanda and Zambia had expanded particularly fast.

4.37 In part, this expansion was underpinned by domestic political support that already existed at the start of the review period. Eight of DFID's partner countries had signed the 2006 Livingstone Call for Action – an intergovernmental document calling for reliable long-term funding for social protection from both national budgets and donors.[30] The African Union had also adopted a policy framework on social protection.[31] In parallel, the World Bank has helped national governments to adopt or expand social safety nets.[32]

4.38 Building on this initial support, DFID contributed to the expansion in cash transfers through evidence-based policy advocacy, financial contributions and technical assistance on a range of issues (Table A4 in Annex 2 lists some of the diverse objectives of technical assistance). DFID also funded pilot programmes, either through government or non-government partners, in order to demonstrate the potential benefits of cash transfers, create a body of context-specific evidence and stimulate public demand.

4.39 It is obvious that DFID funding has directly enabled national governments to improve and extend their coverage. It is more difficult to isolate the impact of other forms of DFID support, but it is reasonable to conclude that DFID has made a valuable contribution to building the commitment of its partner countries to developing national cash transfer systems for the poorest and most vulnerable.

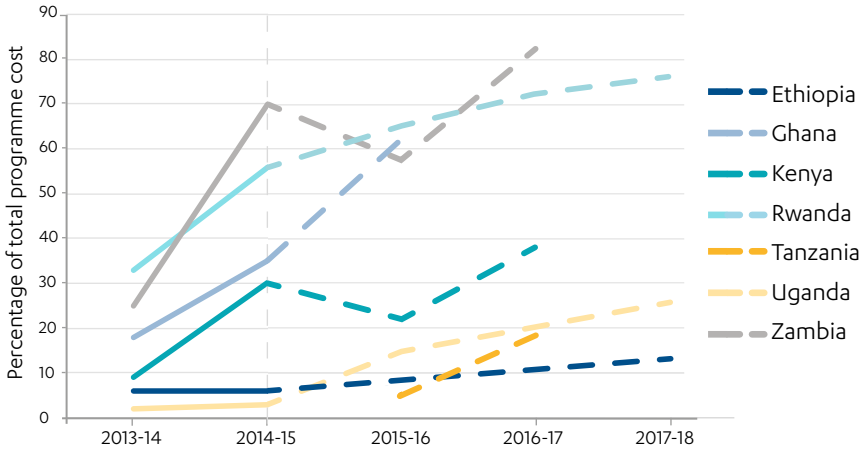
African governments have increased their financial contributions, although sustainability is still some way off

4.40 One of the indicators of this increased commitment is national financial contributions and commitments (see Figure 2). In the last few years, the capacity and willingness of African governments to fund national cash transfer systems has changed dramatically. In the words of one DFID advisor, "governments have changed from the assumption that 'we cannot afford this' to the question of how much they would be able to contribute".

28. *World Bank (2015) The State of Social Safety Nets 2015*, Washington, DC, World Bank, p. 10, link.
29. Handa, S. et al (2016), *Can Unconditional Cash Transfers Lead to Sustainable Poverty Reduction? Evidence from two government-led programmes in Zambia*, Innocenti Working Paper 2016-21, UNICEF Office of Research, p. 7, link.
30. *Social Protection – A Transformative Agenda: The Livingstone Call for Action,* Intergovernmental regional conference, 20-23 March 2006, link.
31. *Social Policy Framework for Africa,* African Union Conference of Social Development Ministers, Windhoek, Namibia, October 2008, link.
32. *Reducing Poverty and Investing in People: The New Role of Safety Nets in Africa*, World Bank, 2014, link.

4.41 This change has been facilitated by a decade of economic growth in Africa, buoyant commodity prices and better macroeconomic management, creating more budgetary space. However, it was by no means certain that these additional resources would be invested in social protection. DFID has provided seed funding for national systems and has actively advocated for national contributions. We find it plausible that this has helped to secure government funding in a number of cases.

Figure 2: National governments' percentage contribution to cash transfers in their own countries



Source: DFID data. Solid lines represent actual expenditure data. Dashed lines represent spending commitments (we did not have access to actual expenditure after 2014-15). Gaps indicate data unavailability.

4.42 DFID's partner countries are, nevertheless, still a considerable distance away from providing sustainable national funding for their cash transfer systems (the same can be said for other public services and development programmes). Financial contributions from national governments are often irregular; in Rwanda and Uganda, pressure on national budgets has resulted in disbursements for cash transfers being below what was budgeted. Furthermore, existing programmes still fall well short of nationwide coverage, there are programme design problems and the amounts transferred to individual households are not always high enough to make a meaningful difference.

4.43 It is not yet clear that the political consensus is strong enough to sustain budgetary allocations through economic downturns and in the face of competing priorities. Recent discussions in the Ethiopian parliament illustrate this. The country has a long-standing, large-scale public works programme, but there are still voices arguing for a reprioritisation towards fuel subsidies (which are shown not to be effective in reducing poverty). This underscores the challenges that the government of Ethiopia faces in delivering on its objective of full domestic financing of the programme within the next decade.

4.44 While financial sustainability may be a long-term goal, it is nonetheless notable that DFID has not yet begun to formulate an overall strategy for achieving it. There is no explicit rationale for the size and duration of its financial contributions, which vary considerably. Nor does DFID explicitly seek to incentivise increased national contributions via its own funding (though it does encourage increased national contributions through other means). As national programmes begin to be consolidated, financial sustainability will become an increasingly important consideration.

DFID's choice to work through national government systems makes sense, but there are some short-term disadvantages

4.45 There are both advantages and costs to working through national systems. When working with NGO partners, DFID has the significant short-term advantage of direct influence over programme design and implementation. In its NGO-implemented programme in Nigeria, for example, DFID can be confident that the cash transfers offered to pregnant and lactating women are soundly targeted, with a meaningful transfer size (£14 per household per month) and a good record on timeliness.

On the other hand, being donor-financed and NGO-implemented, the programme has limited geographic coverage, rates poorly for sustainability and does not contribute to the goal of strengthening national cash transfer systems.

4.46 As only national governments are in a position to develop sustainable cash transfer systems with nationwide coverage, DFID chooses to work with and through national systems whenever conditions allow. As a result, while it tries to influence the design and delivery of programmes through policy dialogue and technical assistance, it must ultimately accept the partner country's right to decide. In the short term, this entails trade-offs in several important areas – particularly around the efficiency of targeting, transfer size and the reliability of transfer payments – all of which can hamper the size and depth of programme impacts. Given DFID's ultimate goal of building sustainable national cash transfer systems, we regard this as a legitimate trade-off, provided that DFID is doing everything reasonably possible to strengthen these programmes over time.

DFID takes a gradual and evidence-based approach to policy dialogue

4.47 In most instances, DFID supports the development of national systems over an extended period – either through long-term programmes (eg ten years in Zambia and eight years in Pakistan) or a sequence of shorter ones. During these engagements, DFID contributes to the development of national policies and systems but does not insist on a single programme model. Generally it avoids directly confronting counterparts on strongly held positions. Instead it chooses to tolerate shortcomings in the national systems it funds while aiming for incremental improvements over time. As one DFID advisor put it, "we are supportive, show our value, and then see if we are able to open other doors".

4.48 DFID's engagement is often informed by political economy analysis, which helps advisors to negotiate complex political terrain. In appropriate cases, DFID makes good use of evidence in its policy dialogue. It synthesises evidence from cash transfer programming around the world and shares it with national counterparts. It also invests in domestic research and in documenting local success stories, where it believes this would be more persuasive. It should be noted, however, that evidence-based advice is not always taken, and we have found examples where governments are resistant to evidence that challenges their design choices or calls into question the effectiveness of their programmes.

4.49 During our visit to Rwanda, we found evidence that DFID's policy advocacy had significantly influenced counterpart attitudes and beliefs. Our documentary analysis and feedback from a number of Rwandan senior civil servants, DFID staff and technical advisors led us to conclude that DFID has verifiably helped to advance the government's thinking about social protection. There is a clear progression of the technical assistance programme, moving from basic advocacy work on core design issues to more detailed advice on technical delivery challenges. For example, it is now agreed that people living with disabilities are an important target group; the assistance now focuses on how best to identify and target them. DFID has also influenced adjustments to some of the key social protection principles. These include ring-fencing (ie protecting against budget cuts) unconditional transfers and introducing a system of budgeting across regions based on need rather than pre-determined percentages.

4.50 Across the sample, DFID has made useful contributions to the development of national policies and strategies. Elements of the National Social Security Strategy in Bangladesh can be traced back to DFID's engagement, as can the government of Myanmar's decision to start a 1,000-day maternity cash grants system. Similar examples can be found in Kenya, Pakistan, Rwanda, Uganda, Zambia and Zimbabwe.

4.51 DFID are keenly aware of the need to protect against opportunities for fraud and leakage within the cash transfer programmes they support. We also noted, however, that DFID may end up avoiding such politically difficult but important areas of engagement relating to targeting errors in their policy and advocacy work with national governments. We did note that on occasion, political sensitivities can mean DFID avoiding tackling targeting issues directly. In Bangladesh, for example, DFID's technical assistance programme started out with a relatively lengthy diagnostic exercise rather than engaging directly with problems of targeting - both inclusion and exclusion errors - that were already well known and evidenced (and which were a key reason for DFID providing technical rather than financial assistance to the programmes in the first place).

It also chose not to address the systemic but politically sensitive problem of the fragmentation of the government's many social protection programmes. While the Bangladesh case shows that DFID's patient approach to policy dialogue helps to maintain good working relations with counterparts, this should not be at the cost of a lack of ambition or urgency in tackling the most pressing problems head-on.

DFID's technical assistance is focused on improving programme delivery

4.52 Cash transfers are a new undertaking for most of DFID's partner countries. They often begin with limited capacity to design, implement and maintain a national cash transfer system. In the few countries with a history of cash transfer programmes, such as Bangladesh, these are fragmented and spread over multiple ministries, giving rise to an additional problem of overcoming vested interests.

4.53 Wherever it provides financial aid, DFID also provides technical assistance to strengthen national delivery mechanisms. DFID's annual reviews identify a range of examples where its technical assistance has helped to translate government preferences into practical policies, systems and processes, with accompanying monitoring systems to promote adherence. Examples include the following:

- In Kenya, flexible technical assistance helped the government with its targeting and recertification processes (ie determining whether beneficiaries remain eligible). Other contributions related to a management information system and an electronic payment system.
- In Uganda, DFID supported the government in the development of a social protection policy framework. It helped to design and implement a consultation process that improved the quality of the policy and also helped to build government understanding and support for social protection at both national and local government levels.
- In Nepal, DFID helped social protection programmes with no history of cross-fertilisation to learn from each other.
- In Zambia, technical assistance was instrumental in enabling the programme to scale up from 32,000 recipient households in 2010 to 240,000 in 2016.
- A conditional cash transfer programme in Pakistan was mainly designed by DFID technical advisors before being handed over to government.

4.54 Across the portfolio, we identified technical weaknesses in three areas – targeting systems, timeliness of payments and transfer size – that can have a significant impact on effectiveness and value for money. While DFID is aware of and engaged on all of these issues, it is often required to tolerate shortcomings in one area in order to focus its efforts on another. We look at each of these areas in turn.

Targeting errors remain common across the portfolio

4.55 Targeting systems are basic to the design of cash transfer programmes. An effective means of ensuring that cash transfers reach the poorest and most vulnerable households is key to maximising impact. We found that targeting errors exist across the portfolio. They fall into three main types:

- **Targeting that is not focused on the poorest and most vulnerable households.** In Rwanda, the selection of recipients is based on the government's Ubedehe system – a home-grown community cohesion instrument that correlates only weakly with poverty levels. Even where targeting is explicitly focused on the poorest and most vulnerable households, different concepts and measures of poverty and vulnerability can lead to very different selection outcomes. The Sahel programme provides a good illustration. In this programme, different tests were used to identify the poorest households and those most vulnerable to shocks.[33] These two groups should strongly overlap but, according to one key informant, the lists of eligible people had only a very minor overlap in some of the areas they surveyed.

33. The World Bank used a proxy means test to identify the poorest households. Most NGOs worked with a household economy approach to identify the households that were most vulnerable to shocks.

- **Inclusion errors**. The inclusion of people who are not in fact eligible is all but inevitable in programmes that target on the basis of community selection or household income, as local power dynamics, misreporting and seasonal variations give rise to an unavoidable margin for error. Even programmes targeting specific groups may feature inclusion errors. A unique case was found in Nigeria where fake urine samples were reported to have initially led to the inclusion of women who were not actually pregnant. DFID successfully introduced random pregnancy testing to tackle the problem. The largest inclusion error we came across was in Pakistan, where the programme aims to reach the poorest 25% of the population but the World Bank found that a quarter of recipients fell well above that threshold. Rather than occurring from a failure to apply the targeting criteria properly, inclusion errors can also happen if the criteria themselves are inadequate. The child-focused programme in Zimbabwe used the criteria of labour-constraints and food-poverty to identify households who may have been affected by the AIDS crisis and have children to care for. However, this resulted in 17% of the recipient households being included in spite of not having any children.[34]
- **Exclusion errors.** In Pakistan, the women who receive the transfer must hold a valid Computerised National Identity Card. This led to temporary exclusions, as it takes time to acquire this card. In the early implementation stages in Myanmar, the most remote and labour-constrained households were effectively excluded from public works programmes, as were a range of other particularly vulnerable groups (eg single women with young children and other labour-constrained households, disabled people, households without local registration cards).

4.56 Not all targeting problems are equally problematic, nor do all require an immediate solution. In some cases, the effort required to fix the targeting would be disproportionate to the benefits. Sometimes the finer points of targeting assume a lower priority in the face of more pressing issues such as expanding national coverage.

4.57 We nonetheless found several cases (in Rwanda, Nepal and Zimbabwe) where, in our assessment, DFID should have made greater use of its influence to improve targeting and to monitor the results more systematically. In Pakistan, DFID and other key international stakeholders have shown that it is possible to persuade a national government to change its targeting paradigm even in the face of strong vested interests (see Box 14).

Box 14: Changing the targeting paradigm in Pakistan

Before DFID's involvement, the targeting system in Pakistan's largest cash transfer programme was the major constraint on programme effectiveness. All national and provincial assembly members were given a budget for cash transfers and authorised to select the beneficiaries. After advocacy and technical support from DFID, the World Bank and USAID, the targeting mechanism was changed to a proxy means-based Poverty Score Card that enables effective targeting of the poorest 25% of households. It is not yet perfect (in 2013 the World Bank estimated that only 75% of the transfers reached the poorest 40% of the population) but it has been a step change in Pakistan's cash transfer practice, making it considerably more effective in alleviating poverty.

DFID has invested in improving the timeliness of cash transfers, but delays remain common

4.58 Across the sample, delayed transfers of funds to beneficiary households are the most common operational weakness (see Table 3).[35] Where the payments are not predictable, this reduces the likelihood of achieving the intended impact on consumption patterns. For this reason, many definitions of cash transfers incorporate the idea of regular and predictable payments.

4.59 DFID recognises the importance of timeliness and prioritises the issue in several countries. The country offices in Ethiopia, Nigeria, Rwanda and Zambia considered the issue important enough to include timeliness as a logframe target.

34. A DFID request to remove households without children from the programme was denied by the government of Zimbabwe.

35. Transfers have also been delayed because of overall delays in programme implementation. This has been the case in Bangladesh, Uganda, Zambia, Zimbabwe and the Sahel.

4.60 Nevertheless, the timeliness of payments is a recurrent problem in many of the national programmes. Gains are also sometimes temporary and can be reversed when new challenges appear. This is therefore an area requiring greater attention.

Table 3: Timeliness of payments across DFID-supported programmes

Regular failures to deliver cash transfers on time	Ambiguous data	Most payments timely
• Ethiopia: average of 39 days' delay between labour and payment to the last person in the group. • Kenya: only 50% of payments on time. • Nepal: payments are not always timely, but DFID was unable to share data about the extent of the delays. • Pakistan: in 2013, only 17% of recipients received all four payments when originally scheduled; transfers were not made on fixed dates, leading to multiple trips to the collection point. • Rwanda: 86% of unconditional payments are typically more than a month late. There is now a strong focus on improving timeliness. • Zambia: variable, with delays of up to four months.	• Zimbabwe: 88% of recipients are "very satisfied" with timeliness, but a 2013 study on the cash transfer programme in Zimbabwe found that "the delays and uncertainty surrounding payments affect beneficiaries' ability to plan and budget, and shopkeepers' ability to restock and invest".[36]	• Bangladesh: very few delays due to intricate grass roots-level networks and sophisticated planning by the NGOs involved. • Nigeria: 91-98% of payments made within the 10-day target period. • Uganda: after initial delays, 94% of payments were on time by the end of review period.

DFID does not have a clear view on the effects of transfer size on poverty outcomes

4.61 There is a wide variation in transfer sizes across the portfolio, and a range of rationales (see Table A2 in Annex 2). The size of the payment may be calculated based on the cost of certain food items, a percentage of the national poverty line or local labour costs in public works programmes. Affordability for national governments also plays a role and, given budgetary constraints, there is an obvious trade-off between transfer size and coverage.

4.62 Transfers below a certain threshold are likely to be ineffective. Above that threshold, much depends on the country and context, but at household level and as long as the cash transfers do not provide a disincentive to work, more is likely to be better (see Box 15). Transfer size can also affect intra-household dynamics in unpredictable ways. Larger transfers may in some circumstances reduce abuse of women (due to a reduction in poverty-related stress and a better bargaining position for women), but in other circumstances increase their vulnerability to abuse (as a reassertion of male power). Balancing benefit and risk is not straightforward and requires careful context analysis and monitoring. In the context of the "leave no one behind" commitment, it is particularly important to test and monitor the effects of transfer size on intra-household dynamics in certain sub-groups (eg for illiterate women or within marriages with a significant age difference) but DFID-funded programmes are not currently doing this.

36. Qualitative research and analyses of the economic impacts of cash transfer programmes in sub-Saharan Africa; Zimbabwe country case study report, Oxford Policy Management, 2013, p. 1, link.

Box 15: Evidence on the significance of transfer size

A review of 15 studies (each covering only one or a few of the potential effects of transfer size) suggests that higher transfer levels can lead to increases in household and food expenditure, and higher savings and investment in productive assets, with weaker evidence of improvements in certain health and nutrition outcomes. Based on only four studies, ODI concluded that there is "limited conclusive evidence that increases in transfer size lead to greater impacts on educational outcomes". For empowerment of women, the evidence is limited, with one study reporting a positive correlation between transfer size and practising safe sex, and one study reporting a positive correlation between transfer size and the risk of abuse (and ODI concludes that, "[w]hile this is not an argument against providing sufficiently sized transfers, it does remind us that the provision of cash transfers invariably interacts with and affects intra-household dynamics and power relations").

Source: *Cash transfers: what does the evidence say?*, ODI, July 2016, pp. 117 and 257, link.

DFID does not have a clear view on the effects of transfer size on poverty outcomes

4.63 In our case study countries, we saw very different DFID responses to the issue of transfer size. In Rwanda, evidence showed that unconditional transfers had more impact than public works, as participants were working too few days for the income to make a material difference. DFID then advocated successfully for an assured minimum number of annual work days. This is an example of the value of good monitoring and follow-up. In the urban poverty reduction programme in Bangladesh, however, we saw examples of education stipends amounting to just 60p per month, which were unlikely to have any impact on the girls who were their intended beneficiaries. Similarly, in another programme in Bangladesh (called "Economic Empowerment of the Poorest"), we observed that temporary pensions of £1.50 per person per month were too modest to make a significant difference to the lives of elderly people living in poverty. We saw no evidence that DFID had identified the problem or raised it with its programme partners (though DFID does advocate on precisely this issue in respect of cash transfer programmes run by the government of Bangladesh).

4.64 While there is no golden rule for transfer size, it remains an important determinant of the value for money of programmes. Our evidence indicates that DFID invests too little in the case-by-case monitoring and evaluation of these effects, and does not always recognise and act upon cash transfers that have dropped below the threshold needed to make a meaningful difference.

DFID lacks a strategic approach to its technical assistance and its funding of national programmes

4.65 There is significant variation in the types of technical assistance offered by DFID for national cash transfer systems. Across the portfolio, DFID's technical assistance includes funding for the development of national cash transfer systems, staff secondment, short-, medium- and long-term technical advisors, funding for governments to engage their own consultants and funding for project implementation units and coordination bodies. DFID staff also play an important role in most countries, actively engaging with government and other stakeholders on strategy, policy and technical issues.

4.66 There is no central guidance on capacity building. While DFID staff in each country are able to provide a rationale for their choices, we could find no clear explanation for variations in approach, budgets and timelines across programmes. While we acknowledge the need to respond to each national context, a more explicit strategy might help to keep DFID's programmes focused on long-term goals.

4.67 There is also no clear strategy underlying the size or conditions of financial support. With the exception of the Pakistan and Uganda programmes, we did not see examples of performance triggers, where payments are linked to agreed reforms (common in DFID programmes in other sectors), or conditions designed to encourage governments to increase their budgetary contributions over time. We were not provided with any evidence, at country level or centrally, suggesting that DFID had articulated a pathway for achieving sustainable national systems.

4.68 The lack of a rationale for the volume of funding is significant. The national cash transfer programmes that DFID supports remain well short of achieving national coverage. If DFID believes that the programmes are successful, then increasing its financial support to enable them to scale up could represent a good investment, provided technical weaknesses in programme design and delivery could be addressed. The introduction of performance-based financing[37] might enable DFID to explore the viability of scaling up its assistance.

The balance between long-term capacity strengthening and short-term problem solving is not always clear or convincing

4.69 In the absence of a consistent approach, we found that DFID's technical assistance was not always strategic in orientation. Because technical assistance is often provided in tandem with financial contributions, advisors can feel pressure to make sure that the flow of DFID funds through to the beneficiaries is not interrupted. While this is clearly legitimate, it can lead to advisors focusing on firefighting – that is, resolving immediate problems that threaten operations – even when the programme design suggests they should take a longer-term approach to building government capacity.

4.70 This concern was mentioned to us by technical advisors and DFID staff in a number of instances. While they acknowledged that a combination of short- and long-term focus is often required, they were not convinced that the balance was right. In Rwanda, we observed that DFID's technical assistance has helped to resolve a range of short-term obstacles, but has struggled to achieve progress on some core issues such as establishing adequate baselines, building good administrative records and creating fiscal space for long-term funding.

Oversight and monitoring of technical assistance are not sufficient

4.71 Technical assistance is subject to a range of well-documented risks that can work against sustainable results, such as gap-filling and capacity substitution, generic rather than tailored programming and overreliance on technical solutions for problems that are not primarily technical. To mitigate these risks, technical assistance programmes should be carefully managed and monitored.

4.72 The evidence that we have seen suggests that this is not currently the case: programmes are often managed in a hands-off way by DFID staff, who do not always have the technical expertise to monitor the performance of technical advisors. Contact between technical advisors and the more specialised staff members in the DFID central team is infrequent.

4.73 A possible consequence of this is inconsistent advice to partners. DFID's technical assistance is provided by implementing partners, which include both multilateral agencies and contractors. In a number of instances, DFID co-funds technical assistance with the World Bank. In Bangladesh, it co-funds with the World Bank, UNDP and the World Food Programme. According to key stakeholders, the social protection agendas of these agencies are not fully aligned with each other or with DFID. As a result, there are risks that DFID's technical assistance is providing conflicting messages, or at least working without a clear consensus on the end goals and how to achieve them (for example one partner advocating for targeting on the basis of proxy means testing and another partner for community-based targeting).

4.74 We also found monitoring and evaluation of the results of technical assistance components to be inadequate. Across the portfolio, we found few explicit and coherent models of change and few meaningful baselines based on thorough capacity assessments. Not a single technical assistance contract has yet been independently evaluated. This makes it difficult to conclude that DFID is maximising the effectiveness of its technical assistance. This problem is likely to persist as the independent evaluations that are scheduled to take place in 2017 may not have the ingredients required to evaluate technical support: we have seen no evidence that DFID or the technical advisors are collecting the often fluid, time-bound data to make meaningful contribution analysis possible.

36. "Performance-based financing" refers to awarding funding based on the achievement of measurable goals.

DFID's system-building work has considerable scope for improvement

4.75 We have awarded DFID an amber-red score for its work on building sustainable national cash transfer systems.

4.76 We recognise that DFID has a long-term approach to building ownership of social protection that reflects a good understanding of national policy processes and political contexts. However, it lacks a strategic approach to technical assistance, does not have a consistent approach to improving the financial sustainability of national systems, and has not made consistent use of performance triggers to push forward reforms.

4.77 Evidence on the impact of DFID's technical assistance for system building is fairly weak. We saw signs of progress in a number of countries in useful areas. However, DFID's support has no coherent underlying model of change. The wide variations in approach seem to reflect the preferences of individual advisors rather than a clear strategy. Oversight is weak, monitoring systems are poorly developed and there have not yet been any independent evaluations. While capacity building is a challenging area, we conclude that there is substantial scope for DFID to strengthen its results.

Are cash transfers achieving value for money?

4.78 In this section, we assess the overall value for money case for cash transfers, based on the totality of evidence that we have reviewed. We then look at how well DFID integrated value for money analysis into its programme and portfolio management. We also look at how well DFID uses evidence and learning to improve impact over time.

DFID's cash transfers demonstrate good value for money, with scope to provide additional funds to help partner countries scale up their cash transfer programmes towards national coverage

4.79 Looking across the full range of impact data collected for this review, we find that DFID's cash transfer programming offers a strong value for money case. There is solid evidence that it delivers consistently on its core objective of alleviating extreme poverty and reducing vulnerability. Building national social safety nets is an important complement to DFID's increased emphasis on promoting economic development. It is also consistent with the commitment to "leaving no one behind". In November 2015, DFID pledged that "people who are furthest behind, who have least opportunity and who are the most excluded will be prioritised".[38] Cash transfers are a proven method of helping the most vulnerable.

4.80 DFID has helped to promote the use of cash transfers in its partner countries and the expansion of national programmes. Recent evidence suggests that national contributions to cash transfer programmes are increasing across most of its partner countries.[39] There is also some evidence that programmes become more cost-efficient over time, as coverage expands and programmes mature.[40]

4.81 DFID's choice to work through national government systems wherever possible necessarily entails a trade-off on value for money. While we found positive impact across the board, recurrent weaknesses in targeting, timeliness and transfer size show that there is scope to further improve value for money. DFID must use its funding, policy dialogue and technical assistance as actively as possible to overcome these shortcomings in national programmes.

4.82 This analysis suggests that there may be a value for money case for providing additional funds to help partner countries scale up their cash transfer programmes towards national coverage – particularly where the additional funding could be used to help overcome programme weaknesses. For the time being, national programmes are still well short of national coverage, which means that there is room for DFID to increase its funding without displacing national expenditure. However, in due course, DFID will have to give greater attention to the question of how to achieve sustainable national financing.

A value for money focus is apparent in some aspects of programme management

4.83 In 2012, the Public Accounts Committee criticised DFID's capacity to ensure value for money in cash transfer programming:

> "The Department's ability to evaluate the value for money of transfers is undermined by gaps in data on cost and performance... The Department is... not able to say if it is achieving the best value from each programme, nor can it make valid comparisons between programmes."[41]

4.84 In response, DFID developed a toolkit for achieving value for money in social transfer programmes that follows the "3E" model of economy, efficiency and effectiveness.[42] It aims to strengthen and promote consistency in value for money analysis, with a focus on cost drivers, cost-efficiency and cost-effectiveness. It also provides a set of benchmarks that can be used to compare the efficiency and effectiveness of programmes.

38. *Leaving no one behind: Our promise*, DFID, November 2015, link.
39. Data provided by DFID.
40. *Guidance on measuring and maximising value for money in social transfer programmes – second edition; toolkit and explanatory text*, DFID, April 2013, p. 32, link, in combination with various annual reviews. In Kenya, the ratio first improved but then declined again.
41. *DFID: Transferring Cash and Assets to the Poor*, Public Accounts Committee, February 2012, conclusion 5, link.
42. *Guidance on measuring and maximising value for money in social transfer programmes – second edition; toolkit and explanatory text*, DFID, April 2013, link.

4.85 The influence of this toolkit is apparent in the value for money assessments that have been conducted across the portfolio (sometimes by the authors of the toolkit). The majority of the DFID advisors we interviewed reported that the toolkit had helped them to understand, adhere to and benefit from DFID's value for money requirements. They identified two types of benefit.

4.86 First, they stated that value for money assessments focus their attention on the importance of minimising costs. In response to the Public Accounts Committee, DFID listed examples of measures that had been taken in particular programmes to reduce costs. We saw limited evidence that this was a major focus of effort, however.

4.87 The second benefit mentioned by DFID advisors is the use of value for money analysis to identify the variables with the greatest influence on the cost-effectiveness of their programmes, so as to address these in policy dialogue and technical assistance. We found a range of evidence that this is occurring. For example, in Rwanda this kind of analysis had led to technical assistance on targeting, financial management (to reduce payment delays), management information systems and accountability mechanisms.

4.88 Despite active support from central teams in DFID, the level of attention given to value for money issues still varies across country programmes. Some have conducted good quality value for money assessments and used them regularly to inform management choices (Kenya, Rwanda, Uganda and Zambia). Others have relatively weak assessments that are not regularly revisited (Bangladesh, Nepal and Pakistan).[43]

Box 16: Cost-efficiency is only one dimension of value for money

One of the common measures of value for money is the proportion of programme budget spent on actual cash transfers. However, the figure needs to be interpreted in context. For example, two DFID-funded programmes in Bangladesh both spend unusually low proportions of their budgets on direct transfers. In the *Chars Livelihoods Programme,* the low proportion is partly the inevitable consequence of the programme's intended beneficiaries, who live on Bangladesh's riverine sand and silt landmasses (*chars*) and are costly to reach. In the context of the "leave no one behind" agenda, higher costs can be defended on grounds of equity, which is often included as a fourth "E" in value for money frameworks. However, in the *Economic Empowerment for the Poorest Programme,* the low percentage of the budget spent on transfers is partly indicative of programme inefficiencies, including a convoluted management structure, a large number of partners and an expensive innovation element (which is not matched with a functional system to capture and use the learning). While it is important to track efficiency indicators, they are only one element in value for money analysis.

DFID collects value for money data but does not use it consistently to inform portfolio management

4.89 Across the portfolio, DFID measures efficiency indicators and in some instances tracks movement over time. However, it is not clear how this data informs its management decisions, and whether it enables DFID to drive up efficiency. Moreover, every value for money assessment in our programme sample reached the conclusion that the programme in question represented good value for money. Given the risk of optimism bias in such assessments, this suggests that value for money analysis is being used to justify existing choices rather than to inform active management.

4.90 DFID does not currently use cross-programme comparison of value for money indicators to inform portfolio management. The assumptions and measurement methods used across programmes are often too dissimilar to support a meaningful ranking. However, the available data could be used to identify outliers and assess whether remedial action is required. We have not seen evidence of this occurring,[44] and we found no examples of programmes being discontinued or put on improvement plans because they demonstrated poor value for money.

43. DFID did support a value for money assessment in Nepal after the end of the review period (in 2016).
44. The only exception is from Zimbabwe, where DFID defended its programme's poorer than expected efficiency ratio on the basis that it was better than the ratios of the Ghana, Kenya and Zambia programmes.

DFID has made substantial investments in learning about what works

4.91 DFID's *Smart Guides* on value for money recognise evidence and learning as important "cross-cutting enablers" of value for money. As described in Box 17, DFID has made an important contribution to building the evidence base on the effectiveness of cash transfers through a portfolio of innovative research. As well as large academic research projects, it has commissioned operational research to inform its programming. In particular, it has pioneered research into how the design parameters of cash transfer programmes affect results in different national contexts.

Box 17: DFID's substantial contribution to the evidence base on cash transfers

When DFID first began to scale up its cash transfer portfolio, it faced a level of scepticism both within the department and among external partners. It therefore prioritised investment in research in order to build up a strong evidence base on the impact of cash transfers. As a result, DFID has emerged as a leading investor in cash transfer research. There is now strong evidence of what works in sub-Saharan Africa and increasingly in South Asia.

DFID conducted a review of the cash transfer literature in 2011[45] in order to synthesise the existing evidence and identify gaps. The conclusions pointed to the need for more research on the effects on growth, gender equality, climate change adaptation, social cohesion and state-building. This informed DFID's subsequent research agenda. Its research priorities are also in line with gaps identified by the World Bank.[46]

DFID's research agenda has included both large academic projects with rigorous methodologies and shorter, operational research to inform its approach to programming. Over the review period, its central research has focused on areas such as shock-responsive social protection, economic development and political economy. The research has been innovative in a number of areas, in terms of both focus and methodology. DFID has also invested in systematic and other reviews of the existing evidence, including on schooling, nutrition, local economies, gender effects and the role of design parameters in generating results.

Research on how programme design influences impact has received less funding than other topics, but the value of the work is nonetheless significant. In focusing on the drivers of effectiveness and by introducing cost factors into the equation, DFID has expanded the field in important ways. In its 2011 literature review it correctly identified that, while evidence on the overall effectiveness of cash transfers was strong, the factors that determined the level of effectiveness in different contexts were still largely unknown. DFID went on to produce significant contributions to the knowledge in areas such as targeting, value for money, social accountability and graduation, and has plans for more research on capacity development.

Source: ICAI review of DFID's cash transfer research and feedback from internal and external stakeholders.

4.92 The DFID advisors we interviewed showed that they were familiar with this research, and were able to give examples of how it had shaped programme design. Despite this, we found that discussion of international research findings in business cases was limited.[47]

4.93 We also saw good evidence of DFID programmes "learning by doing" and adapting in response to evidence (see Box 18). Real-time monitoring is sometimes hampered by data gaps in national cash transfer systems, but with a few exceptions DFID's investments in independent evaluations have been of good quality, and the findings have been used to strengthen performance. The business cases of forthcoming programmes in Bangladesh, Ethiopia, Kenya and other countries are all based on evaluative evidence from their predecessor programmes.

45. *Cash Transfers: Literature Review*, DFID Policy Division, 2011, link.
46. These gaps are identified as part of the 2012 background notes to the World Bank's social protection strategy. Link to background notes in general; link to notes regarding the economic effects; link to notes regarding adaptive social protection; and link to notes regarding fragile states.
47. Ethiopia and the Sahel programmes are exceptions to this rule.

Box 18: "Learning by doing" in DFID programmes

- In Ethiopia, a series of early targeting problems in the Highlands were resolved by 2010. In the Lowlands, problems persist, notwithstanding several years of trial and error.
- In Pakistan, the findings of third-party spot checks and beneficiary feedback informed a shift from mobile payments to debit cards and a biometric system.
- In Nigeria, the programme decided to slow down the rollout of cash payments to tackle the likelihood of fraud after ongoing monitoring had highlighted risks.
- In Uganda, DFID changed its advocacy approach – originally limited to direct political engagement – after civil society's hitherto weak voice gained strength.

Source: DFID programme documents and key stakeholder interviews

4.94 Cross-programme learning is facilitated by DFID's small but active community of practice on cash transfers. Managed by the social protection team in policy division, the community of practice focuses on themes such as cash transfer financing, capacity building, accountability, value for money, gender, disability, shock-responsive social protection and nascent social protection systems in fragile contexts. It serves as a conduit for disseminating learning on these areas and for sharing lessons among country programmes, and we saw evidence of cross-programme learning shaping action. For example, experience from Kenya and Niger informed DFID's Nigeria programme; Ugandan officials learned from experience in South Africa and Mozambique; and research in Zimbabwe was designed to complement similar research conducted in Kenya and South Africa.

Conclusions on value for money

4.95 Overall, we have given DFID's cash transfer portfolio a green-amber score for value for money. It offers a good value for money case, based on consistent and well-demonstrated results in its core objectives and its good fit with DFID's strategic objectives. DFID has done well at investing in evidence of what works, to inform its programming, and demonstrates good learning. It carries out value for money assessments across the cash transfer portfolio. However, it needs to get better at using value for money data to inform management decisions.

5 Conclusions & recommendations

Conclusions

5.1 Overall, we have given DFID's cash transfer portfolio a **green-amber** score. It is delivering consistently well against its core objective of alleviating extreme poverty and reducing vulnerability. In secondary results areas, such as education, health, nutrition and women's empowerment, its results are inconsistent and in some cases below what might be expected. There is a need for greater clarity about which results are being addressed in each programme, and programme designs and monitoring arrangements should be optimised to achieve those results.

5.2 DFID's support to national cash transfer systems has helped its partner countries to introduce and consolidate national social safety net programmes. DFID's policy advocacy is well informed by evidence and analysis, but its approach to technical assistance is inconsistent and its results are poorly evidenced. Across the portfolio, there are recurrent weaknesses in targeting, timeliness and payment size, which need to be more consistently and firmly addressed. DFID is yet to develop a clear strategy for using its funding to promote the development of sustainable national systems.

5.3 We find that DFID's cash transfer programming presents a good value for money case, given its proven ability to deliver results for the poorest, consistent with the "leave no one behind" commitment. Given that the programmes DFID is supporting are still well short of national coverage, there is also a value for money case for increasing funding during their scale-up phase, provided the performance issues can be addressed.

Recommendations

5.4 We offer a number of recommendations for how DFID could improve the impact and value for money of its cash transfer portfolio.

Recommendation 1: DFID should consider options for scaling up contributions to cash transfer programmes where there is evidence of national government commitment to improving value for money, expanding coverage and ensuring future financial sustainability.

Problem statements:

- The national cash transfer programmes that DFID supports are still well short of national coverage of the poorest and most vulnerable households.
- DFID at present lacks a clear rationale for the size of its financial contributions.
- Despite recurrent problems with targeting, timeliness and transfer size, DFID has not built performance triggers or similar mechanisms into its financial assistance.
- DFID lacks a strategy for promoting long-term financial sustainability.

Recommendation 2: DFID should be clearer about the level and type of impact it is aiming for in each of its cash transfer programmes, and ensure that these are adequately reflected in programme designs and monitoring arrangements.

Problem statements:

- DFID is inconsistent in the way it sets the objectives and targets for its programmes, and there is weak correlation between the business case objectives, the logframe targets and the results actually achieved.
- DFID's results in areas such as education, health and nutrition lag behind what the global evidence shows is achievable.
- DFID could do more to ensure that the design and delivery of individual programmes support the delivery of results. This may include a more prominent place for programmes that combine cash transfers with other interventions.

Recommendation 3: DFID should do more to follow through on its commitment to empowering women through cash transfers by strengthening its monitoring of both results and risks, and using this data to inform innovations in programming.

Problem statements:

- DFID's strong focus on empowerment of women in business cases is often carried through into programme design and implementation, but poor monitoring means that the results are unclear, that negative unintended consequences may not be identified and that risks are not mitigated.
- The lack of close monitoring of the risks of harm to particularly vulnerable women beneficiaries in the form of increased domestic abuse is a problem across the portfolio.

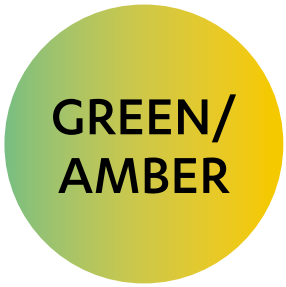
Recommendation 4: DFID should take a more strategic approach to technical assistance on national cash transfer systems, with more attention to prioritisation, sequencing, monitoring and oversight.

Problem statements:

- DFID's approach to technical assistance and capacity building varies substantially across countries and programmes, without a clear rationale.
- DFID's technical assistance is not always based on holistic assessments of need and clear identification of priorities.
- There is a tendency for some technical assistance programmes to get drawn into addressing short-term problems, at the expense of a sustainable focus on strategic challenges.
- DFID lacks a consistent focus on key determinants of programme effectiveness in areas such as targeting, timeliness and transfer size, where problems often remain unresolved for long periods.
- DFID's oversight, monitoring and evaluation of its technical assistance programmes are inadequate.

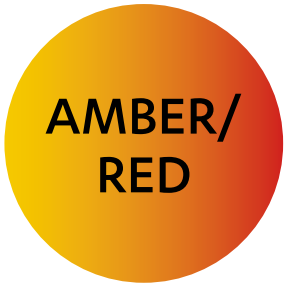
Annex 1 Detail of scoring

Question 1: Impact on poverty and vulnerability



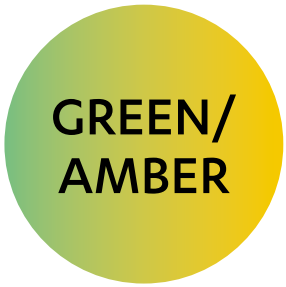
DFID's support for cash transfers is an important part of its fight against poverty and vulnerability. Over the 2011-2015 period, DFID exceeded its target of supporting six million people with cash transfers. The portfolio has delivered well against its central objective of alleviating extreme poverty and increasing consumption levels for the poorest households, and has made a positive but modest contribution to increasing their resilience. In Bangladesh, DFID has helped to develop a more ambitious model for helping extremely poor households graduate from poverty, by combining cash transfers with other interventions. In secondary results areas, including education, nutrition, health and the empowerment of women, performance has been mixed and on occasion falls short of what the evidence suggests is achievable. We found that DFID programmes are not clear enough about what kinds of impact they wish to achieve. As a result, programme design and monitoring arrangements are not sufficiently results-led. Nonetheless, solid achievement against its core objective means that the portfolio merits a green-amber score for impact on poverty and vulnerability.

Question 2: Building national cash transfer systems



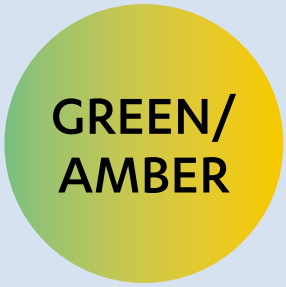
DFID has made an important contribution to encouraging and supporting its partner countries to establish and expand national cash transfer systems. It takes a long-term approach to policy dialogue that is both evidence-based and politically informed, but is at times risk-averse in its advocacy. Its technical assistance has delivered a range of useful results, but its approach is inconsistent without a clear rationale. We found recurrent problems across the portfolio in the core areas of targeting, transfer size and timeliness of payments that are not being consistently addressed. DFID has not made sufficient use of performance triggers in its financial assistance to drive progress. Its technical assistance is sometimes drawn into short-term problem solving at the expense of long-term strategic objectives. Oversight and monitoring of technical assistance is weak and has not been subject to independent evaluation. While we recognise the scale of the challenge in building sustainable national systems, we conclude that there is substantial scope for improvement. We have therefore awarded DFID an amber-red score for its work on building national cash transfer systems.

Question 3: Value for money



We find that DFID's cash transfer programming offers a strong value for money case, owing to the consistent results on alleviating poverty and vulnerability and its fit with DFID's "leaving no one behind" commitment. However, there are short-term trade-offs involved in delivering through national systems, and recurrent weaknesses in targeting, timeliness and transfer size show that there is scope to further improve value for money. Our analysis suggests that there may be a value for money case for scaling up cash transfer programmes towards national coverage, provided that there is commitment to addressing these issues, improving value for money and increasing national funding. DFID has increased its focus on value for money in the management of its cash transfer portfolio over time, but its practice could be more consistent. We saw evidence of value for money assessments being used to inform programme design and technical assistance, but less evidence that it was driving cost savings. DFID has made a strong contribution to the global evidence base on what works, and has used research and learning to strengthen programme design. Overall, we have awarded the portfolio a green-amber score for value for money.

Overall Score



This adds up to a green-amber score for the cash transfer portfolio as a whole. Cash transfers have emerged as an important part of DFID's fight against extreme poverty and its commitment to "leaving no one behind". There is strong evidence that they are effective in their core objectives and offer a good value for money case. However, there is also room for improvement. DFID's cash transfer portfolio is not yet achieving the full range of results that the evidence suggests is possible.

Annex 2 Data

Table A1: Our programme sample

Country	Programme	Acronym	DFID budget (£m)	National government spend (£m)	Other International spend (£m)	Duration	Externally evaluated
Bangladesh	Economic Empowerment of the Poorest	EEP	£83.5 (only partly related to cash transfers)	£0	£4	2008-2016	Yes
In Bangladesh, EEP is known as *shiree*, meaning "steps". This refers to the upward journey out of extreme poverty. To help tackle poverty the EEP Challenge Fund focuses on extremely poor people who have the potential, through support, to lift themselves out of poverty. There are two funds. The Scale Fund supports NGOs to take large numbers of people out of extreme poverty using tried and tested methods. The Innovation Fund challenges NGOs to design and implement innovative approaches to reducing extreme poverty. The remaining programme resources are split between direct nutrition interventions for pregnant or breastfeeding women, adolescent girls or children; lesson learning, advocacy (to improve targeting of safety nets and services to extremely poor people) and management costs. The majority of spending goes towards the provision of productive assets and cash – for example cows, chickens, crabs, land and/or vehicles – with training in the technical and business skills required to operate and maintain these assets. Saving schemes allow beneficiaries to save income and invest in other assets. Nutritional supplements and hygiene promotion improve the health and productivity of beneficiaries.							
Bangladesh	Strengthening Government Social Protection Systems for the Poor	SGSP	£16.9	£0	£1.8	2014-2017	No
This programmes seeks to improve the government of Bangladesh's capacity to establish policies, budgets and plans for a more effective and efficient social protection system. This is being implemented by Maxwell Stamp, along with the Manusher Jonno Foundation, United Nations Development Programme, World Food Programme and the World Bank. The target ministry is the Ministry of Finance but the programme also works with the Planning Commission, the Bangladesh Bureau of Statistics and a total of six line ministries that currently operate the major social protection programmes in the country, building their capacity to plan, manage and monitor cash-based programmes.							
Bangladesh	BRAC Strategic Partnership Agreement (no desk review)	BRAC	£223 (only partly related to cash transfers)	£0	£3.1	2011-2016	Yes
DFID supported the Bangladeshi NGO BRAC's development programmes to improve access to quality basic services (health, education, water and sanitation), help the poorest, most marginalised people across the whole of Bangladesh graduate from extreme poverty, support inclusive growth and help build effective formal and informal institutions. Among these programmes is the "BRAC Challenging the Frontiers of Poverty Reduction – Targeting the Ultra Poor (CFPR-TUP) programme", specifically designed to meet the needs of ultra-poor households who are too poor to benefit from traditional development interventions such as microfinance. The overall objective of the CFPR-TUP programme is to assist the ultra-poor to improve their livelihoods and bring about positive changes in achieving economic, social and inspirational changes, and assist them to access mainstream development services. The programme typically provides female heads of households with a package of productive assets and cash that enables recipients to develop livelihoods and eventually graduate out of poverty.							

Country	Programme	Acronym	DFID budget (£m)	National government spend (£m)	Other International spend (£m)	Duration	Externally evaluated
Bangladesh	Chars Livelihood Programme (no desk review)	CLP	£72 (only partly related to cash transfers)	£0	£9.1	2010-2016	Yes
The Chars Livelihood Programme covered a number of *chars* (sand and silt landmasses in the Ganges delta) in northwest Bangladesh. Almost 2.5 million people live on these remote and isolated chars, including many of the poorest people in the country. The programme raised households onto plinths, provided households with sanitation and improved water supplies, productive assets such as livestock, and supplementary cash. The programme also included direct nutrition interventions. The programme was implemented by 17 local NGOs, was overseen by Maxwell Stamp, and sought to improve the livelihoods, incomes and food security of up to one million extremely poor people living on the chars.							
Bangladesh	Urban Partnerships for Poverty Reduction	UPPR	£68 (only partly related to cash transfers)	£2.9 (in-kind)	£2.6	2008-2016	Yes
UPPR aimed to help tackle some of the challenges associated with rapid urban growth. Putting community mobilisation at its core, the purpose of UPPR was to bring about improvements in the livelihoods and living conditions of three million poor people in 23 major cities and towns across Bangladesh. This was done through a range of interventions, including educational grants for girls.							
Ethiopia	Productive Safety Nets Programme - Phase 4	PSNP	£276	£310.2	£1,630	2015-2020	Yes (previous phase)
DFID is providing £266 million towards the £2.35 billion costs of the current phase of the Productive Safety Net Programme (PSNP 4) in Ethiopia. This will deliver (i) targeted assistance to the poorest rural Ethiopians, resulting in gains in food security, livelihood diversification and poverty reduction, and reductions in the need for costly humanitarian food aid; and (ii) investments in core administrative sub-systems (eg targeting, case management, crisis preparedness and early warning) required for the evolution of effective, integrated national social protection and climate resilience. This phase of the PSNP builds on previous successes, while addressing areas of shortfall and expanding in scale. The programme will expand from 319 to 411 districts to provide ten million people each year (roughly 10% of the population or one third of those below the poverty line) with cash and/or food transfers in return for labour on community-selected public works projects. Remaining funds will be used for technical assistance (£5 million allocated to the PSNP Donor Coordination Team to manage analytical work and provide effective coordination to the 11 donors who support the PSNP; £2.5m for a Capacity Development Facility; and £2.2 m for DFID-managed research and technical assistance).							
Kenya	Social Protection Programme - Phase 2	SPP	£38.2	£253.7	£11.1	2013-2017	Yes (previous phase)
DFID is supporting the development of a national social protection system, led by the government of Kenya, through technical assistance to the government's National Safety Net Programme (NSNP). The majority of funding, 91%, is going towards the expansion of the Cash Transfer to Orphans and Vulnerable Children Programme, a central component of the NSNP. The programme seeks to increase the proportion of households with orphans and vulnerable children that receive predictable cash transfer payments, with recipients subsequently improving their dietary diversity, increasing attendance at school and experiencing a reduction in poverty.							

Country	Programme	Acronym	DFID budget (£m)	National government spend (£m)	Other International spend (£m)	Duration	Externally evaluated
Myanmar	Livelihoods and Food Security Trust Fund	LIFT	£152.1 (only partly related to cash transfers)	£0	Not known to review team	2010-2015	Yes
DFID channelled funds to support climate-resilient and inclusive rural growth in Myanmar through the UNOPS-managed multi-donor trust fund, the Livelihoods and Food Security Trust (LIFT). Through LIFT, DFID aimed to promote agricultural intensification by supporting (i) households with commercial potential to *"step up"* into higher-value agriculture and processing; (ii) landless, marginal farmers and youth to productively *"step out"* of agriculture into off-farm (rural and urban) jobs; and (iii) marginal and highly vulnerable households to *"hang in"* and use agriculture as a safety net during rural transition, while building their capacity to move into new sectors over time. These activities aimed to increase the resilience, income, food security and nutritional status of 1.54 million rural people in Myanmar. Specifically, DFID aimed to increase incomes of 540,000 people; lift 124,000 rural people above the poverty line; increase the resilience of 1.35 million rural people to shocks, stresses and adverse trends (like climate change); improve the nutrition of a projected 540,000 women and children, and reduce stunting in 59,000 children under five.							
Nepal	Rural Access Programme - Phase 3	RAP	£36.5	£0	£0	2013-2019	Yes (previous phase)
The Rural Access Programme seeks to increase the economic opportunities available to the poorest and most vulnerable people in seven of the remotest districts in Nepal. Firstly, by providing employment for the poor through the maintenance of rural roads and other economic infrastructure. Secondly, by developing agricultural and other small businesses to put in place the foundations for sustainable economic growth in the area. £18.7 million is being spent to sustain and improve existing roads, trails and bridges, £7.35 million is being spent on rails, trail bridges, markets, irrigation and other investments to stimulate economic activity, and a further £5.5 million is being spent on various technical assistance activities in the programme. In addition, £3.6 million is being spent to improve the delivery of the government of Nepal's Karnali Employment Programme and the design of a National Rural Employment Guarantee Scheme. DFID is not financing the Karnali Employment Programme itself but was asked to provide technical assistance to the programme, in part because of the success of its Rural Access Programme in providing successful public works opportunities in remote areas of Nepal.							
Nigeria	Child Development Grant Programme	CDGP	£64.5	£0	£0	2013-2018	Yes, after review period
DFID is providing up to £64 million to a five-year pilot programme to tackle poverty and hunger and reduce malnutrition in children in the Jigawa and Zamfara states in northern Nigeria. The programme will demonstrate a simple solution to these problems that Nigeria could afford: a grant of 3,500 Naira (£14) a month each to 60,000 women with children under the age of two, accompanied by nutritional education and advice. An independent evaluation will produce evidence of the impact of the project and inform the political engagement strategy. DFID has earmarked £15 million of the total programme spend to be delivered once state governments are ready to commit money to expanding the programme. Save the Children and Action against Hunger are managing the programme. The immediate impact will be increased food security and improved child nutrition in 60,000 households that will benefit 420,000 people.							

Country	Programme	Acronym	DFID budget (£m)	National government spend (£m)	Other International spend (£m)	Duration	Externally evaluated
Pakistan	Pakistan National Cash Transfers Programme	BISP	£300.3	£3,682	£88.0	2012-2020	Yes

DFID is providing £300 million towards the government of Pakistan's Benazir Income Support Programme (BISP) that provides cash transfers to millions of poor Pakistani households. This is a very large programme that expects to spend over £4 billion during the current period of DFID funding from 2012-2020. DFID and the World Bank work in close collaboration with BISP to ensure its smooth implementation and achievement of results. DFID's funding will contribute to the unconditional part of the programme, and will also provide for a number of conditional cash transfers linked to school attendance. These cash transfers will thus directly contribute to reducing poverty and hunger through increased and predictable income for poor households, increased spending on food and nutrition, and increased school attendance and enrolment rates.

Rwanda	Vision 2020 Umerenge Programme (no desk review)	VUp1	£34	Not known to review team	Not known to review team	2008-2013	Parts

DFID provided financial aid and technical support to the Vision 2020 Umurenge Programme (VUP), the government of Rwanda's flagship social protection programme. The funding, alongside the government of Rwanda's financing and other donors' funds, supported the delivery of the overall programme outcome of reducing extreme poverty levels in targeted VUP districts. The programme aimed to deliver cash transfers in 180 districts by 2013. Cash transfers took the form of public works as well as direct support for the poorest who had no labour within the household. In the final year of the programme it was expected that 57,000 households would benefit from direct support, benefiting 131,100 individuals (11,115 of these households attributable to DFID support). 85,000 households would benefit from cash transfers from public works, benefiting 450,500 family members (16,575 of these households attributable to DFID support). Lastly 58,500 people would be helped with new loans in 150 sectors (11,407 of these people attributable to DFID support), providing a step up into productive activities.

DFID's support to Vision 2020 Umurenge Programme (VUP, described above) also came as part of a separate technical assistance programme. This sought to build the government's capacity to deliver the social protection aspects of VUP to a high standard and achieve scale-up and decentralisation. Technical assistance was also provided on monitoring and evaluation, including the design and implementation of a panel survey to evaluate the impact of the programme.

Rwanda	Social Protection Support to the Poorest in Rwanda	VUP	£62.4 for 2013-18 (increased from the original £36.7 for 2013-2016)	£69	£1.2	2013-2016, extended to 2018 in 2016	Parts

In this programme, DFID supports increased coverage of social protection for the poorest in Rwanda and development of capacity within the social protection sector to promote cost-effective and sustainable provision in the medium term. This is supporting Rwanda's implementation of its "Vision 2020 Umurenge Programme" (described above). Financial support to social protection is delivered to the Local Administrative Entities Development Agency (LODA) for the implementation of VUP, which provides cash transfers and public works employment for the poorest. £4.1 million is allocated to a Capacity and Policy Development Facility, which leads on capacity development and systems strengthening activities, the development of a management information system and evidence building.

Country	Programme	Acronym	DFID budget (£m)	National government spend (£m)	Other International spend (£m)	Duration	Externally evaluated
Sahel	Building Resilience in the Sahel through Adaptive Social Protection	ASP	£50	£0	£0	2014-2017	No
DFID supports building national systems for implementing adaptive social protection in the Sahel in order to increase resilience to climate change. It is expected that this initial four-year funding will build the evidence and justification for longer-term support across the donor community for adaptive social protection in the Sahel by establishing national level systems that will build the resilience of vulnerable populations and provide a platform that can be scaled in times of crisis. Funding comes from the International Climate Fund and is split as follows: £47 million through a World Bank Trust Fund, £1 million for the research into and evidence and evaluation of adaptive social protection, and £2 million on additional technical assistance through strategic staff deployments to key institutions to improve the multilateral and regional approaches to resilience in the Sahel, and to improve the coordination between actors.							
Uganda	Expanding Social Protection Programme – Phase 2	ESP	£57.1	£31.3	£11.7	2014-2020	No
Through a second phase of the ESP programme, DFID supports the government of Uganda's lead social protection programme. DFID's contribution will support cash transfers to 128,000 direct recipients and 640,000 wider beneficiaries from the poorest and most vulnerable households in Uganda through the Senior Citizens' Grant. The programme will pilot a severe disabilities grant reaching 17,333 direct beneficiaries and 86,665 wider beneficiaries. Programme funds will also provide technical and financial support to strengthen national social protection policy, institutions and systems in Uganda. The intended impact of the programme is to reduce poverty and significantly improve life chances for poor men, women and children in Uganda.							
Uganda	Expanding Social Protection Programme – Phase 1	ESP	£50.5	£3.4	£7	2009-2015	Yes
DFID supported the Expanding Social Protection (ESP) programme in Uganda, and also managed just under €8 million support from Irish Aid to the programme under a delegated financing agreement. The programme delivered regular and predictable social grants to poor households. This generated evidence on impact and delivery mechanisms. The funding also supported skills and system strengthening for cross-government leadership and implementation on social protection, the development and implementation of a coherent and viable policy and fiscal framework for social protection, and improved information and knowledge of social protection among policy makers and the public. The programme sought to tackle chronic poverty and improve life chances for poor men, women and children. DFID's funding provided cash transfers to 95,000 direct beneficiaries (around 450,000 direct and indirect beneficiaries). It was the first non-conditional cash grant to be trialled in Uganda.							

Country	Programme	Acronym	DFID budget (£m)	National government spend (£m)	Other International spend (£m)	Duration	Externally evaluated
Zambia	Social Protection Expansion Programme	SPEP	£38	£46	£16	2010-2020	Yes
DFID supports the government of Zambia's Social Protection Expansion Programme. This programme provides small, regular cash grants to the poorest and most vulnerable households made up of people over the age of 60, children under the age of five, and adults who are chronically ill, affected by HIV/AIDS, or living with disabilities. DFID's support is made up of financial assistance for cash transfers, administrative costs and capacity building for a total value of up to £32 million through a pooled fund; of this, 82% (or £26 million) will go directly to the poorest households; as well as technical assistance for monitoring and evaluation, for the development of a management information system, for procurement of goods and services and for an advisor to be based in the UN, for a total value of up to £6 million. The ten-year funding arrangement was chosen to enable ample time for lesson learning from the scale-up, and for the national government to gradually increase its budget allocations to the programme.							
Zimbabwe	Child Protection Fund for NAP – Phase 2	HSCT	£38.4	£0	£15	2010-2016	Yes
DFID supports the government of Zimbabwe's Orphan and Vulnerable Children policy through support to its Child Protection Fund and its Harmonised Social Cash Transfers (HSCT). The HSCT provides regular and unconditional cash transfers to food-poor and labour-constrained households. The CPF provides specialised care and justice services for vulnerable children and the enhancement of government capacity to effectively deliver, lead, regulate and coordinate child protection services. The CPF is a pooled fund, and DFID's contributions are combined with contributions from other donors: government of the Netherlands, the European Commission, the Swedish International Development Agency and the Swiss Agency for Development and Cooperation.							

Sources: Extracted from DFID Business Cases and other DFID documents.

Table A2: Transfer payment size and rationale across the sample

Programme	Rationale	Approximate monthly payments
Bangladesh	BRAC's weekly transfer is variable but often based on the price of 1kg of rice per day per household. The other programmes in Bangladesh, including government programmes (that are not funded by DFID) do not have an explicit rationale.	**£8** per household per month.
Ethiopia	PSNP 3: the equivalent of 15kg of grain per person per month. PSNP 4: the equivalent of 15kg of grain plus 4kg of pulses (benchmarked in reference to Sphere's food distribution standard).	**£4.40** per person per month in PSNP 4.
Kenya	Originally set at 50-75% of WFP food basket in 2007, inflation-proofed in principle but not in practice. Amount was highlighted as problematic in DFID annual reports but never prioritised because of more pressing problems such as timeliness of payments.	**£15** per household per month.
Myanmar	Public works payments based on labour market rates.	Participants are paid about **£1.30** per day of work.
Nepal	Public works payments based on 80% of district labour market rates, plus a small and unspecified top-up.	Participants are paid about **£2** per day of work.
Nigeria	Based on a combination of "cost of diet" study and market assessment to determine the minimum amount needed by very poor households to enable them to afford a healthy nutritious diet.	**£14** per household per month.
Pakistan	Rates "set at low level to avoid dependency".	• **£7-11** per month per household in the unconditional programme. • **£1.80** per month per school-going child in the conditional programme.
Rwanda	• Unconditional cash transfers cover 30-75% of the poverty line depending on household size. • Public works payments based on market rates for casual labour; the government has strongly incentivised implementers to assure a minimum number of annual working days per participant in order for the annual cash transfer to add up to a meaningful amount.	• Unconditional cash transfers: **£7.80** per month for single-person households, **£9.40** for those with 2 people, **£12.50** for those with 3 people and **£15.60** for those with 4 or more people. • Public works: participants are paid about **£1.10** per day
Uganda	Starting benefit level meant to bring the average household in the lowest 10% income group up to that of households in the 11th percentile (with an eye to affordability in case the pilot is scaled up). This equates to 13% of average household consumption.	**£6** per household per month.
Zambia	Linked to the price of a bag of maize, but not inflation-proofed.	**£7 to £8** per household per month.
Zimbabwe	Based on consistency with other (much smaller) programmes of the government of Zimbabwe.	**£7.60 to £19** per month, depending on household size (ie **£3.80** per person, capped at 5 people).

Source: Extracted from DFID Annual Reviews and other DFID documents.

Table A3: Mixed results on health and nutrition across DFID programmes

Programme	Positive impacts	Qualifiers and less positive impacts
Bangladesh	DFID-funded research on nutritional impact concluded that, when targeting ultra-poor people in Bangladesh, cash transfers work as well as or better than food transfers, and are much cheaper.	DFID-funded programmes show falling stunting and anaemia levels but increasing levels of wasting and underweight children. The contribution of cash transfers has not been assessed yet.
Ethiopia	The new public works programme allows parents to attend nutrition sessions in lieu of a day of work. It focuses on households with severely malnourished children, and includes nutrition-sensitive public works (eg kitchen gardens).	These changes were introduced because, during the review period, the programme had not achieved measurable reductions in malnutrition rates.
Kenya	Data suggests better mental health (at least for young men), nutritional intake and greater use of preventative measures and curative care for children.	None.
Myanmar	One document states that villagers in many areas reported that cash for work had increased food security for poor households.	Another document reports that the programme had reduced food insecurity for only 50% of the milestone target of 20,000 households.
Nigeria	99% of recipients state they are spending at least a third of the cash transfers on food, and 89% of the recipients feel food-secure.	None (but the data is based on perceptions, rather than a nutritional impact assessment).
Pakistan	Recipients report spending cash transfers on food (>80% of recipients) and health expenditure (60% of recipients, although flooding over the period may have contributed to a temporary health expenditure increase).	An evaluation (some findings of which are disputed by DFID and contradicted by other research) found that increases in food expenditure were limited to certain items (fish, eggs and wheat), while reductions in wasting were limited to girls aged 0-59 months.
Rwanda	Households receiving unconditional cash transfers are 10% more likely to have health insurance than eligible non-recipients and their number of daily meals increased by 0.2 meals.	There is no such effect for public works participants for either health insurance or number of daily meals (though their total food intake did increase significantly).
Uganda	A 2014 study reported that 74% and 54% of responding recipients reported using transfers to buy food and medicines respectively. Most felt that transfers had enabled them to eat more frequent or larger meals, or better quality food.	2013 and 2016 studies found that the programme has not had a strong impact on health status and health-seeking behaviour.
Zambia	In 2013 and 2014, external evaluations found that the child grant programme had improved feeding and reduced wasting among children aged 6 to 24 months, and had reduced morbidity among children aged 0 to 60 months. Additional expenditure on food in one category of grant had translated to greater food security.	The 2015 Annual Review reports that the various types of progress had not yet translated into positive developments in health and nutrition (with no significant increases in anthropometric scores to report).
Zimbabwe	DFID reports that the programme reduced the median food poverty gap of beneficiary households by 78% and that it lifted 40% of recipients above the food poverty line, but was unable to trace these percentages to a primary data source. A 2014 evaluation found that the food poverty headcount decreased by 10 percentage points among smaller households.	The same 2014 evaluation concluded that "consistent with the impacts on consumption, the [programme] does not have a measurable impact on reducing the food poverty headcount in the full sample". The 2015 Annual Review reports that there is no impact on mental health. DFID Zimbabwe is unable to explain the positive findings it has reported, given the minimal effects of the transfers on household consumption.

Source: Extracted from DFID Annual Reviews and external evaluations.

Table A4: Examples of programme logframe outcome indicators

Indicators related to technical assistance are in **blue font.**

Zimbabwe	Bangladesh - EEP
Outcome Indicator 1 - % change in mean poverty gap in HSCT households Outcome Indicator 2 - Mental health score of HSCT recipients aged 13-20 disaggregated by sex Outcome Indicator 3 - Self-reported wellbeing of girls/boys benefiting from specialist child protection services supported by the CPF Outcome Indicator 4 - % girls/boys engaged in economic child labour in participant cash transfer households **Outcome Indicator 5 - % released of government budgeted against planned amount for the HSCT per annum**	Outcome Indicator 1 - Number of people graduated from extreme poverty (gender segregated) Outcome Indicator 2.1 - Improved nutritional status of target groups - under 2 children Outcome Indicator 2.2 - Improved nutritional status of target groups - pregnant and breastfeeding mothers and adolescent girls **Outcome Indicator 3 - Actions, attributable to EEP advocacy effort, taken by government, donors, private sector and non-state actors that impact on the key livelihood constraints faced by the extreme poor**
Zambia	**Pakistan**
Outcome Indicator 1 - % of households receiving SCTs having no more than 1 meal per day Outcome Indicator 2 - School enrolment in households receiving SCTs Outcome Indicator 3 - Proportion of people reporting illness in previous 2 weeks Outcome Indicator 4 - % of children receiving SCTs with all 3 material needs (pair of shoes, change of clothing and blanket) Outcome Indicator 5 - % of women making sole decisions (in 4 or more out of 7 scenarios given) Outcome Indicator 6 - Proportion of households with livestock (chickens)	Outcome Indicator 1 - Poverty gap index **Outcome Indicator 2 - Percentage of women beneficiary families registered at the beginning of the FY, receiving full yearly payment** Outcome Indicator 3 – i) Number of additional primary-aged children going to school due to the BISP cash transfer; ii) number of children passing annual academic examinations
Uganda	**Rwanda**
Outcome Indicator 1 - Functioning GoU institutions responsible for developing and coordinating social protection policy Outcome Indicator 2 - Percentage of households with member/s 65 years or over receiving regular, predictable cash transfers Outcome Indicator 3 - Access to basic needs and productive assets of beneficiary households	**Outcome Indicator 1 - Revised approach to beneficiary targeting** **Outcome Indicator 2 - Number of VUP beneficiary households who are poor** **Outcome Indicator 3 - Proportion of PW and DS beneficiaries receiving timely (paid within 10 days of due date) cash transfers**

Source: Extracted from DFID business cases and logframes.

A5: An example of a cash transfer programme

DFID provided financial assistance to the *Vision 2020 Umerenge Programme* (the "VUP programme") in Rwanda from its start in 2008 and has maintained its support to the programme ever since. The latest programmatic funding started in 2013 and ends in 2018. Over this period, DFID is providing £36.7 million and the government of Rwanda is contributing £50 million.

Of the funding provided by DFID in this round, 87% is devoted to financial aid to the Rwanda Local Development Support Fund to implement the VUP programme through unconditional cash transfers and public works employment. This programme selects its participants on the basis of home-grown "Ubedehe" criteria, which are related to community cohesion and are only weakly correlated with conventional poverty criteria. £3.64 million is allocated to a Capacity and Policy Development Facility (CPDF) to fund capacity building activities, the development of a management information system and evidence building. The facility's activities have been provided by service providers contracted through the CPDF. An additional £0.76 million was earmarked for impact evaluation and £0.29 million to cover the costs of inception, monitoring and due diligence.

DFID's spending was to help VUP reach an additional 55,000 households per year, benefiting approximately 217,700 individuals per year. Performance exceeded this target: in 2013-14, almost 392,000 individuals were credited to DFID's funding.

The unconditional payments are determined by household size – around £7.80 per month for single-person households, £9.40 for those with two people, £12.50 for those with three and £15.60 for those with four or more. Public works transfers amount to the number of days worked, multiplied by the daily public works wage (£1.08 on average, which is set based on market rates for casual labour). Around 11% of unconditional transfers arrive regularly every month, with 86% arriving more than a month later. 7% of public works payments arrive regularly every two weeks, with 67% arriving more than a month late.

Evaluation data collected so far has shown the unconditional transfers to be more effective in improving consumption and other living standards amongst recipients than the public works payments. The reason is the size of the average annual payments, which have been relatively small in the case of most public works participants. To rectify this, the government has recently incentivised implementers to assure a minimum number of annual working days per participant.

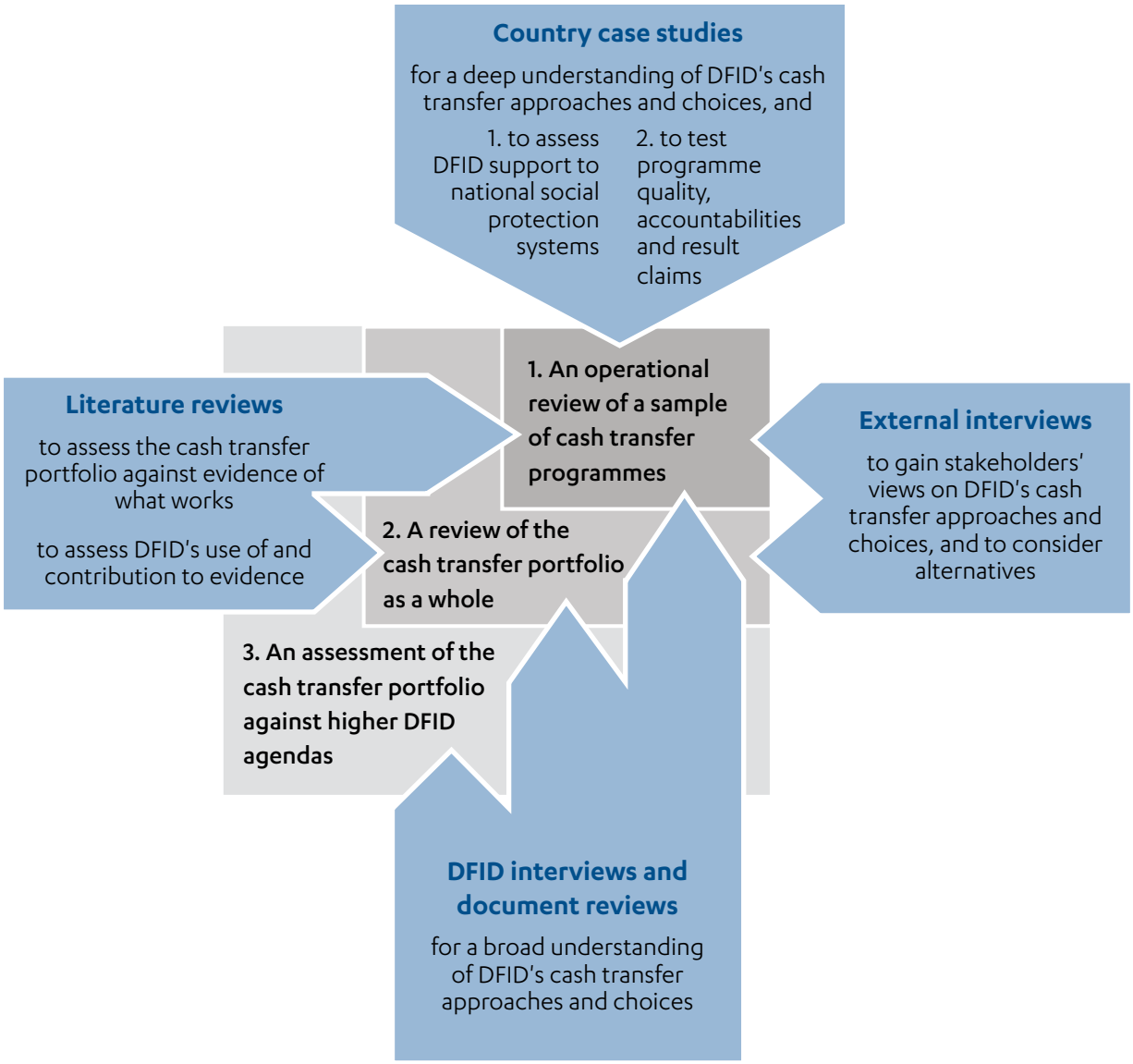
The latest programme logframe has three outcome indicators:

1. A revised approach to beneficiary targeting
2. The number of VUP beneficiary households who are poor
3. The proportion of beneficiaries who receive their cash within ten days of the due date.

Annex 3 Methodology

Four methodological elements jointly provided the data and insights required to answer our three review questions. The figure below shows these four elements and the way in which they allow for an assessment of three levels of analysis: i) a review of a sample of cash transfer programmes, ii) a review of the cash transfer portfolio as a whole, and iii) an assessment of the way in which this portfolio is embedded in higher DFID agendas.

Figure 3: Four methodological elements covering three levels of analysis



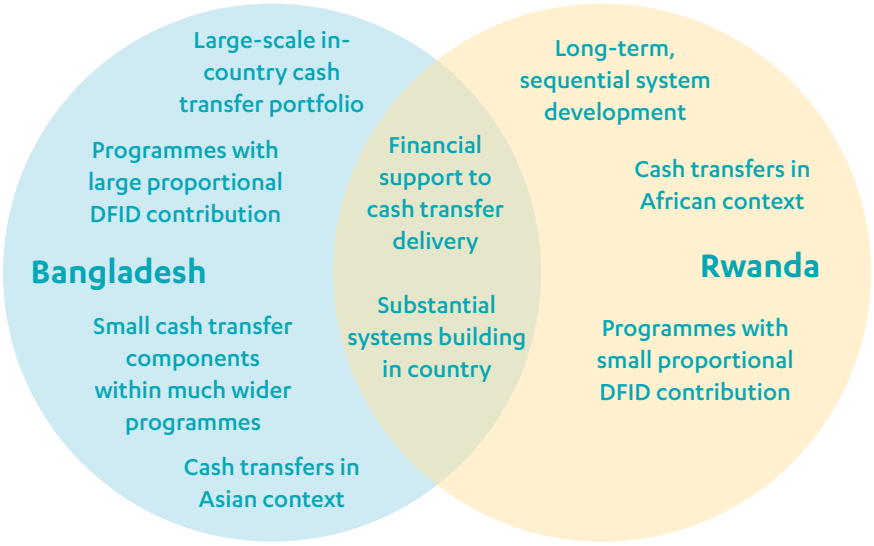
The literature reviews served two purposes. First, synthesis reports produced at the start and end of the review period provided overall findings in relation to the effects of cash transfers. We used these findings to compare the effects of DFID-funded programmes. Second, we compared DFID's research choices and contributions with the worldwide body of cash transfer literature, to assess the extent to which DFID has contributed to filling relevant evidence gaps (we present the summary conclusions under the first review question and the full report as an appendix to this report).

DFID interviews and document reviews. Interviews with 36 DFID staff focused on either strategic portfolio issues or on one or more of 18 out of 28 programmes that DFID presented to us (see Box 19 for the methodological implications of our sampling choices). The documents we reviewed were a combination of higher-level policies (such as DFID's policy paper on its "Leave No One Behind" promise) and programme documents (with a focus on business cases, logframes, baseline studies, political economy analyses, annual reviews, project completion reports and independent evaluation reports).

External interviews with a dozen academics and peers from other organisations helped us to gain outsiders' views on DFID's cash transfer approaches and choices. By selecting known "critical voices" we reduced the risk of us, the reviewers, getting unwittingly pulled into DFID-type thinking (such as the conviction that it is inherently important to work through and with national governments).

Country case studies. The selection criteria were that the country portfolio must be sizeable, include both technical assistance and financial support, and have been operational for at least a few years. Of the five countries that fulfilled these criteria, we selected Bangladesh and Rwanda because the programmes are so different that they jointly cover a very wide spectrum of DFID's cash transfer work (see Figure 4).

Figure 4: Comparison of the two country case studies



The methodology is explained in full in our Approach Paper, which is on the ICAI website. Both our methodology and this report were independently peer reviewed.

Box 19: Limitations of our methodology

Some research is very thorough. Some other research does not stand up to scrutiny. In the case of the latter, we generally just ignored it (for example the section on education does not mention the poorly executed education assessments in Bangladesh's UPPR and EEP). If there is a correlation between the quality of programmes and the quality of their assessments, this could mean that our evidence has a positive bias.

We looked at only a sample of DFID's cash transfer portfolio. We sampled purposively to reflect the full spectrum of programme objectives, modalities, support, types and sizes, but the sample may nonetheless not be fully representative. This has been particularly problematic in cases where we report on exceptions. For example, we found that DFID Bangladesh had over-reported the number of cash transfer recipients by almost half a million people and we simply do not know whether or not this is the only case of over-reporting.

It has been hard to gain real insight into the usefulness of DFID's technical assistance. In social protection's complex multi-stakeholder environment, assessing the results of DFID's advocacy and influencing work is challenging. Evidence of DFID's role in reaching trigger, tipping and turning points in a government's thinking and practice – which could potentially be among DFID's biggest achievements – has not been captured in real time, and has therefore been lost or become unverifiable.

A fuller discussion of the methodological limitations is included in the review's Approach Paper, available on the ICAI website.

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