

Anticipatory Cash Transfers in Climate Disaster Response Podcast Transcript



Ashley Pople:

Welcome to the CSAE Research Podcasts, a series of conversations about projects taking place at the Centre for the Study of African Economies at the University of Oxford. I'm Ashley Pople, an affiliate member of the CSAE, and I'm currently working as an economist at the World Bank's Climate Change and Disaster Risk Management Unit in South Asia.

Humanitarian workers carry out incredible lifesaving work every day on the front line of crisis response to assist those in the greatest need. Yet repeatedly, despite the fact that billions of dollars are spent annually on humanitarian support to households in crisis, there is very little evidence on the impact of the support. This project is one of the first large scale evaluations that rigorously tests the impact of humanitarian cash transfers delivered in anticipation of a sudden extreme weather event and the importance of being timely for an impactful response.

Today, we will be discussing our research on anticipatory cash transfers and climate disaster response, a project run in partnership with the CSAE, the Centre for Disaster Protection, the World Food Programme (WFP) and the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA). Joining us today to discuss the project are Stefan Dercon, director of the CSAE and Professor of Economic Policy at the Blavatnik School of Government. Ruth Hill, lead economist and Ben Brunckhorst, both in poverty and equity global practice at the World Bank. Welcome.

Stefan Dercon:

Hi Ashley

Ruth Hill:

Hi Ashley, thank you

Ben Brunckhorst:

Hi, Ashley. Good to be here.

Ashley Pople:

So a little bit of context to set the stage before we dive in. In 2020, Bangladesh experienced the second highest and second most protracted floods in decades. This extreme event had devastating impacts, but this time a group of UN humanitarian agencies were ready for it. Two weeks before

the floods hit, a forecast based trigger was activated and NGOs and agencies jumped into action. The World Food Programme, for instance, delivered 4500 Tuckers, which is approximately two weeks of food expenditure for a household, via mobile money to over 23,000 households forecast to be affected by these extreme floods in northern Bangladesh. Our evaluation focuses on measuring the impact of these and the true cash transfers on household welfare.

So to kick us off, Stefan, can you share with us what the reaction is and why this approach was seen to be innovative in the context of responding to a humanitarian crisis?

Stefan Dercon:

Thank you, Ashley. The term anticipatory action in humanitarian response, well it's in the words really, you try to anticipate and you want to act before the crisis hits. Can we actually get certain processes, actions, responses to happen before a particular context turns into an emergency in a real crisis? And of course, the advantages are quite clear. It's something to do with timing. You can reach people before they are already in desperate need. You can actually give them some resources and ways of responding. But then it is also important that when these emergencies happen, it's not just a number of people that are already in need, but whole systems or structures that begin to become chaotic. And by acting beforehand, you allow people to plan a bit more carefully and get themselves prepared before the event happens. And of course, that would be quite amazing and innovative because a lot of humanitarian action tend to come quite late. We hear a disaster happening but it takes a lot of time before support gets into place, maybe 50, up to 100 days sometimes before actual responses are on the ground. And so this creates so much gain in time for people, but also agency. People can actually organise how they can respond better and keep their dignity in a crisis.

Ashley Pople:

Thanks, Stefan. And you're right in this context, WFP were able to respond on average 100 days earlier than they have in previous years, which is a significant amount of time. And of course, the question often arises, why haven't we done this before? Similarly, why is the evidence base on this so thin? So, Ruth, I wanted you to come in to reflect on why it's challenging to conduct impact valuations in the humanitarian sector. And what are some of the ways in which we can overcome these challenges?

Ruth Hill:

I think, as Stefan just outlined, when an emergency occurs, everything is thrown into disarray. And that includes ability to collect data, to think about how to evaluate the sorts of emergency responses that are being put in place. The fact that things are moving very quickly can make it very hard to plan an evaluation, as well as actually just managing the logistics of conducting a survey and implementing an evaluation design. So I think one thing that we can we can do, and we can talk a bit about how that played out in this in this situation, is be ready with evaluation plans for

emergencies, anticipatory evaluation designs, to match anticipatory support. Designs that will only be activated when an emergency actually occurs. But be ready with the thinking and the planning and the infrastructure in place needed to conduct evaluations as and when needed.

So that's one reflection. A second reflection is that, from conversations with you Ashley, doing this work, there's this very strong humanitarian principle to meet any need that is found and that runs very counter to randomising who does and who doesn't get support. And so it's a bit of a clash, culturally, there's a dialogue that needs to happen there to see how we manage these two ideas together in a way that's comfortable for both people implementing support and also meets the needs of our research, a good rigorous research design. But that said, I think that we are able to do that, that we are having that conversation and strongly recognising that when the need is so much greater than the supply of support, there often isn't really any fair way of rationalising who gets the support and who doesn't. And randomising who receives support can be really quite appropriate in that kind of context. Also, the possibility of using regression discontinuity design approaches around the cut offs that determine which need is being met and isn't being met. And in our case, we used a feature of the roll out that created a somewhat random element of who was treated and who wasn't, we'll probably come to talking about this as we talk more about our evaluation, but to also identify which households were able to receive the payments through the mobile money providers that were being used.

Ashley Pople:

Thanks, Ruth. Yes. So in our context, we drew on a quasi-experimental design. Due to the fact that the World Food Programme had to use only one single mobile money provider to deliver the cash transfer, and despite the prevalence of a large number of mobile wallet providers in the context in which we were operating, it meant that some people were given cash and others were not, despite being similar in terms of their vulnerability and both being on pre-existing lists. So this really gave us an opportunity to come up with a valid control group and hence measure the impact of these cash transfers.

So let me now turn to Ben to share what are some of the results that excite you most in our paper?

Ben Brunckhorst:

Thanks, Ashley. For me, honestly, I think there are so many results that are exciting because we're evaluating such a novel intervention here. But I'd say overall, something that stands out is just how long lived and broad some of the effects that we find are, especially considering that this is quite a small one off cash transfer. So firstly, we find sort of strong effects on food security. The cash reduced the number of days and number of households that were going without eating during the flood. But beyond this, even though we only measure welfare outcomes, three months later, we find that the transfer significantly increased the number of meals that children were eating and whether they had access to three meals in a day. And since childhood nutrition is so important to longer term development, I think this result alone is something to celebrate. But we also find treated households experienced less asset loss and damage, and in particular the productive assets

like livestock and poultry that are very important in this context. They were also reporting higher life satisfaction three months later, and we find some evidence that the transfer helped with the recovery too. So treated households were more likely to replant crops and they were more likely to be participating in labour markets after the flood. And I think taking all these results together would be really surprising and even unbelievable in ordinary times. But when we consider the crucial timing of the transfer relative to the flood, these results can sort of in part be explained by the fact that the recipients were able to take different actions at this critical juncture in time.

And at least all the data that we collected in the surveys supports this idea, because households receiving the transfer were more likely to take pre-emptive actions, they took more actions, they were more likely to stock up on food and evacuate themselves or livestock in anticipation of the flood.

Stefan Dercon:

So I want to add something to what Ben is saying is because what we ended up doing was an impact evaluation. But implicitly we also report almost a bit like a process evaluation. And I can't help but start being excited at the fact that we could document very carefully and later on show the impact of something that is so original, something that is rarely done. On the basis of forecast models of hydrology together with digital payments, something in itself that has only fairly recently been rolled out in the form of digital wallets in Bangladesh, can we get this cash in time? Does it work? Do we see that the people are actually getting it? The percentage of people who got what they were meant to get was close to 100 percent. And then on top of that, can we then show that something that is actually quite new and innovative in this whole sector actually does something proper? It may not have massive effects, but as Ben was saying, there are lots of different things where we show this is exactly what we would have hoped to do, that it actually can change something, not least what you were saying, Ashley, earlier, that normally the WFP comes 100 days late. And just the fact that you can actually document that this really makes a difference, coming on time and doing this carefully and using the signs, using whatever techniques you have to carefully plan ahead, you can actually get the support there and it makes a difference, maybe not a massive difference, but in all our results, it is a difference. And it's it is a sizable effect that is meaningful.

Ashley Pople:

Thanks, Ben and Stefan.

So in sum yes, we saw that the cash transfer, despite being quite small, reduced food insecurity during the floods but also had welfare impacts later on as households reported taking more action before the floods. So taken together, this suggests that the timing of the cash transfers really matter. Our paper inspired many conversations and also came across some interesting reactions, as well as facing quite a few challenges whilst conducting the research. Ruth, I'm curious, what were some of your reflections of some of the challenges we faced, whether it was an analysis, data collection or even sharing of results?

Ruth Hill:

So I think one key challenge that we had was that the anticipatory action plan was signed just days before the trigger was activated. So these monsoon floods that occurred happened right at the beginning of the monsoon season. So we just hadn't had the time to fully prepare a contingent evaluation plan. Also, implementing agencies hadn't fully prepared their interventions and how they were going to reach households in the event that the trigger was activated and then suddenly the trigger was activated. So just as they were updating their rollout plans and thinking about how they were going to reach households, which households they were going to reach, we also had to be iterating on the design of the evaluation and updating the design. So that was definitely a challenge. But I'm very happy that we were able to overcome it because it wasn't for sure that we would at the beginning.

The second challenge was also that, because all of this is happening very quickly and also happening in the summer of 2020, which was during COVID, there were very strong mobility restrictions. We had to find a survey firm that could implement high quality phone surveys quickly, that could advise us well on which questions would work, that had very well trained enumerators that were ready to start serving quickly. So that was a big challenge. But I do want to give a big shout out to the data collection firm that we worked with, Data, in Bangladesh, this incredibly high quality data firm has been operating for years. They have done surveys on this topic for many years. And really, without having that firm, I'm not sure how we would have been able to do this work and ensure that we were collecting high quality data that was appropriate and the questions that were being asked were thoroughly done and were giving us the kind of data that we needed for the evaluation and that we had to implement it quickly. And I think there's also some reflections that you alluded to, Ashley, in terms of how our results were received that would be really nice to hear.

Ashley Pople:

Sure. So when we presented our results to the World Food Programme, although we were really excited that we had so many stars on so many different outcomes, we were surprised to see that they were actually quite disappointed in so far as the effects were not as large as they would have expected.

Now, to be clear, when you ask the World Food Programme, what is the purpose of these cash transfers, it's really to meet an immediate food security need at the time of the floods. And there's not really an expectation of recovery or longer term results. And given that we were measuring these outcomes three months later, that tend to be quite widespread over a set of outcomes arising from a very small cash transfer. So to be clear, this was roughly two weeks of household food expenditure during floods that lasted many, many more weeks later. So I think the conversation led to a questioning of whether the amount of the cash transfer was appropriate. And in subsequent years, the World Food Programme did a re-evaluation of the amount of cash transfers and have increased the cash transfers by, I think, roughly 20 U.S. dollars. And they've also rolled out a randomised trial or at least designed a randomised trial to test the impact of receiving

cash before versus after the flood, which is really the question that they were hoping to answer but was not feasible in the context in which we were operating. So it was very exciting to see the ways in which the research was being picked up and actually shaping future policy interventions and designs, even if the response was initially a bit disappointed.

So Ben I wanted to turn to you to reflect on what are some of these other open questions that could benefit from further research? So I mentioned the size of the cash transfer, but I'm sure that there are many more.

Ben Brunckhorst:

Yeah. So you also talked about this question about what are the effects of an early cash transfer relative to one that comes after the shock and there are already interventions planned to look at that question. But one of the other important questions that came up was what is the relative effect of information versus the liquidity that comes with cash?

And so this is obviously a difficult question to answer and not one that we can disentangle in our results. But we suspect that both these things are relevant in our context. So the cash comes with some kind of early warning of the flood, and that might encourage households to take action. But then there's also that liquidity that allows households to purchase things they might not otherwise be able to afford.

And just one other question I'll mention, on applying this in other contexts, there are questions about where we have good enough data to develop credible forecasts and to set up these kind of trigger mechanisms and also the systems to actually deliver cash or some other kind of support ex-ante.

Ashley Pople:

Thanks, Ben. And I think to add to that, there's also questions of what does anticipatory cash look like in the context of, say, a sudden onset disaster like floods versus a drought, which is much slower onset, or even in a protracted crisis setting where you have multiple droughts falling one after another. So these questions have followed a lot of the initial work that's being done on anticipatory action that is really pushing the envelope of what this policy instrument looks like in different contexts, in different settings.

Ruth, what are some of your other policy takeaways from engaging on this topic for the past couple of years?

Ruth Hill:

So I think it's really around those issues you were mentioning, that it's not just what you do, it's when you do it. The timing of support matters and that when you provide support is going to be

different for different contexts and disasters. So having this better sense of not just what do households need, but when do they need it?

In the context that we studied, there was a big difference between households having some support prior to the flood which enabled them to take certain actions during that time versus receiving it later. But I think that in a lot of contexts, disasters that we see do unfold slower and the time at which households need support isn't necessarily in anticipation of the first sign that the shock is there. But they do need support at key moments and we're very often too late with that support. I think that's my take away, it's not just the timing that is important, but having these triggers that push everyone into action, having these deadlines, these lines in the sand as we say, okay, we need to get support to households by this moment, it's really important for making sure that support does reach households when we know that they need it.

So I think it's worth having a better sense of the timing of needs, which I think we're able to start to unpack in this paper. And I can imagine quite a bit more useful, probably quite descriptive work being done on that. But also then being able to say, okay, what does that mean for the triggers, for trigger action, and what does that mean for things like when you actually approve action plans and how that action needs to happen way before you're actually going to be able to support the households when they need it.

Ashley Pople:

Great points, I am fully on board with those.

Stefan, have you seen any other exciting policy innovations that are similar to the ones we evaluated or others that showed promise?

Stefan Dercon:

Well, it fits into a broader set of work. The interesting thing here is that we bring something, and we can evaluate it, very much at the micro level. So there's been a lot of thinking for a while now about how to get cash in the hands of governments, of agencies, of NGOs, quicker, based on this kind of trigger based system. And what is really nice about this is that actually it completes the jigsaw, because it's one thing to get money by some system with a trigger base, for example, trigger based insurance or trigger based finance systems, in the hands of a government. But what you really want is that it is in the hands of people as well. And we are getting this here. It has also led to, definitely in my experience, a lot of people being interested in this particular type of work and then people trying it out.

And Ruth has mentioned some of these kind of directions already, but it's worth trying some more of these things. So there's work ongoing in Niger, also with Ashley, you're involved in it or very much leading it, related to the timing of transfers in a context that's probably closely linked to a kind of seasonality crisis, where you start thinking more about timing and why does that matter? And then there is all kinds of work that can be done further. And we definitely have more in the pipeline on work in Bangladesh and Mozambique and in other places to do this. And I must say,

based on my inbox, it seems like other people are getting quite interested in a lot of this kind of work as well. And I think this is a place where researchers, by getting involved early on in some of these evaluations, can probably give confidence to those in the policy world who love their own business as usual, which is exposed responses, quite slow, but they know how they work, to actually trying to really do these things based on the triggers, on the forecasts even, and to be much earlier in reaching people.

Ashley Pople:

Thanks, Stefan. That is very much my hope too. Ruth, what are your hopes for how this research will be taken up?

Ruth Hill:

I just wanted to go back to something that Stefan mentioned earlier, which is that one nice thing about being able to do this evaluation was being able to document the innovation. I would really like to hope that as people read this paper or learn about it, that they take on board this sort of innovative way of thinking about how you provide support to households in an emergency. So I think that's one way I would like to see it taken up, everyone saying let's try this innovation out. Something else that was nice that we were able to do was to evaluate a humanitarian response, and that's not something that is normally done. So I would also really hope that that sort of shows, yes, it can be done and maybe encourages others to do it, encourages more humanitarian actors in this space to be curious about what the impacts of their support are and how they can increase that impact.

Ashley Pople:

Thanks, Ruth, and thank you, Stefan and Ben for joining us for this discussion on one of my favourite topics.

Thank you for listening to this CSAE Research Podcast. We hope you'll join us next time. To listen to more episodes from the series, go to the CSAE website <https://www.csae.ox.ac.uk/csae-podcasts>. Thank you.

Stefan Dercon, Ruth Hill, and Ben Brunckhorst:

Thank you.