



# The impact of conditional cash transfer on pastoral and agro-pastoral livelihoods in Ethiopia

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## Introduction

Conditional cash transfer (CCT) is considered by many as an important instrument to development. In Ethiopia a number of CCT based interventions are being implemented by the government as well as development partners. One of such programs was Revitalizing Agricultural Incomes and New Markets (RAIN) that was implemented over a three year period (2009-2012). The program operated in the eastern part of the country where households are either agro-pastoral or pastoral.

The treatment households had been involved in cash for work activities on natural resource management (soil and water management) and construction of rural roads.

## Objective

This study was conducted to examine whether CCT program addressed its objective: to bring **long term impact** by protecting and diversifying the productive asset base of the targeted households.

## Data and Methodology

Data: 897 households (214 treatments and 683 controls) were surveyed from 15 districts. Methodology: Propensity score matching (PSM) method was used in estimating the average treatment effect on the treated (ATT). Four matching algorithms were used in estimating the ATT. This helped to check the robustness of the estimation and ensured that the results were not driven by the selection of a particular matching algorithm

Natural Resource Management

Poverty Impact

Infrastructure Development

Conditional Cash Transfer Program

## Result

Outcome	NN (1)	NN(5)	Kernel (Normal density)	Local linear (tri-cube kernel)
	<b>3194.7***</b>	<b>3575.71***</b>	<b>3563.75***</b>	<b>3481.33***</b>
Adult equivalent food expenditure	1139	1010.23	1156.14	1083.74
Adult equivalent non- food expenditure	<b>745.18**</b>	<b>848.83**</b>	<b>818.03**</b>	<b>829.69**</b>
	326.73	349.04	331.38	320.93
Food aid/transfer	<b>-0.067</b>	<b>-0.059*</b>	<b>-0.057*</b>	<b>-0.05</b>
	0.0458	0.0403	0.0349	0.0435
Household dietary diversity score-HDDS	<b>0.3333**</b>	<b>0.2581**</b>	<b>0.1766**</b>	<b>0.2014**</b>
	0.1558	0.1289	0.1446	0.1424
Household food insecurity access scale-HFIAS	<b>2.5314***</b>	<b>2.0686***</b>	<b>2.1714***</b>	<b>2.603**</b>
	0.9377	0.9941	0.8582	1.078
Livestock sale	<b>-0.04</b>	<b>-0.1107</b>	<b>-0.07</b>	<b>-0.08</b>
	0.0952	0.0963	0.0913	0.0824
Livestock purchase	<b>-0.0335</b>	<b>-0.0404</b>	<b>-0.0408</b>	<b>-0.04</b>
	0.0609	0.0407	0.0529	0.0473

Notes: Bolded figures are estimated coefficients; shaded figures are standard errors,

\* = significant at 10%, \*\* = significant at 5%, \*\*\* = significant at 1%.



## Discussion

- Impact on expenditure and food aid
  - Food expenditure substantially and significantly increased
  - Food aid/transfer decreased
- Impact on food security situation
  - Dietary diversity showed marginal improvement
  - Food access remained lower
- Impact on productive asset building
  - No significant improvement was observed in asset building and asset protection

## Conclusion

- CCT has at best helped the treatment households to better meet their food needs.
- The result on food security was mixed. Dietary diversity improvement could be the result of the awareness created by the program through community conversation and other means.
- The project has not encouraged households to engage in asset accumulation or asset protection. Thus the project was limited to improving households' immediate (day to day) need-which is entirely food.
- The project had short term contribution but remained unsustainable as it had not produced long term effect.
- Reasons for the poor results: (i) the cash transfer per households was not adequate (on average Birr 600 per month), and (ii) households were involved in the program for very few months of the year (2 – 3 months)

## Recommendation

In order for conditional cash for work programs to bring long term and sustainable impact, the cash transfer per household has to be **adequate** with **sufficient** period of intervention

