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Benchmarking a Child Nutrition Program against Cash:

Experimental Evidence from Rwanda*

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Abstract

We present the results of a study designed to 'benchmark' a major USAID-funded child malnutrition program against what would have occurred if the cost of the program had simply been disbursed directly to beneficiaries to spend as they see fit. Using a three-armed trial from 248 villages in Rwanda, the study measures impacts on households containing poor or underweight children, or pregnant or lactating women, as well as the broader population of study villages. We find that the bundled health program delivers benefits in an outcome directly targeted by specific sub-components of the intervention (savings), but does not improve household dietary diversity, child anthropometrics, or anemia within the year of the study. A cost-equivalent cash transfer boosts productive asset investment and allows households to pay down debt. The bundled program is significantly better in cost-equivalent terms at generating savings and worse for debt reduction, while cost-equivalent cash drives more asset investment. A much larger cash transfer of more than $500 per household improves a wide range of consumption measures including dietary diversity, as well as savings, assets, and housing values. Only the large cash transfer shows evidence of moving child outcomes, with significant but modest improvements in child height-for-age, weight-for-age, and mid upper-arm circumference (about 0.1 SD). The results indicate that programs targeted towards driving specific outcomes can do so at lower cost than cash, but large cash transfers drive substantial benefits across a wide range of impacts, including many of those targeted by the more tailored program.

Keywords: Experimental Design, Cash Transfers, Malnutrition

JEL Codes: O12, C93, I15

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