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USAID POSITION PAPER:

# DIRECT MONETARY TRANSFERS FOR DEVELOPMENT OUTCOMES

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USAID FROM THE AMERICAN PEOPLE

## Direct Monetary Transfers to Individuals, Households, & Microenterprises for Development Outcomes

*USAID should include direct monetary transfers to individuals, households, and microenterprises—a form of market-based assistance—as a core element of its development toolkit. By allowing people to decide for themselves how to invest, spend, and save, such transfers respect the dignity of participants in development programs, and further their freedom to address their needs and priorities while simultaneously promoting local market development. Direct monetary transfers can be effective on their own, and can in some cases be made more effective through the inclusion of targeted "plus" elements which address complementary challenges, and enhance impact. This paper summarizes guiding principles and best practices for using direct monetary transfers to achieve development goals.*

# INTRODUCTION & BACKGROUND

Direct monetary transfers to individuals, households, or microenterprises—a form of market-based assistance—have generated significant global interest over the last twenty years.[1] Allowing people to decide for themselves how to use development assistance respects their dignity and enables them to address their particular needs and priorities. Furthermore, and critical to longer-term and broader development goals, such transfers spur local economic growth and development. Direct monetary transfers open doors for households experiencing poverty to participate more fully in local markets as consumers and entrepreneurs, thus furthering goals of inclusive growth.

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A wide variety of development and humanitarian activities[2] use "transfers" of some kind, from government-to-government budgetary transfers, to stipends given to volunteer health workers. This Position Paper focuses on **direct monetary transfers given to individuals, households, or microenterprises**, for which there is strong evidence and a good match for USAID's objectives.[3] Within the broad category of "direct monetary transfers" (hereinafter "transfers"), many design choices can be contextualized to fit local priorities, markets, policies, and systems. For example, transfers may be given once or periodically, and may be timed based on agricultural seasons or other predictable needs such as schooling. Some transfer activities also include "plus" elements, i.e., complementary services or products (e.g., flood risk information, enrollment in a mothers group) that drive focus on certain outcomes and can increase the impact relative to giving transfers alone.

Evidence shows that transfers drive *sustained* impact, with many studies measuring impact one to four years after transfers end. The positive impact cuts across many USAID development objectives, from food security to resilience to household income, health, and more. With the growth of mobile money and digital payments infrastructure in many low- and middle-income countries over the last two decades, it has become possible to deliver transfers more efficiently and more transparently. In short, transfers enable rapid and cost-effective delivery of development activities. They work within and strengthen existing markets to help achieve USAID's development objectives and create positive outcomes beyond those who directly receive transfers.

These consistent and persistent impacts on important development objectives do *not* lead to the often-feared negative consequences. Not only is there little evidence to support fears that transfers will lead to more spending on harmful items such as alcohol, or demotivate work, but there is actually evidence of *positive* impacts on these outcomes. Across many studies, transfers generally *reduced* spending on "temptation goods" and *increased* labor force participation. Qualitative and quantitative studies suggest that this is because direct monetary transfers provide needed money either to invest or improve households' ability to meet short-term needs.[4] This frees up mental and the financial space for individuals to think longer-term and start or expand income-generating activities—transfers help people to help themselves.

Despite compelling evidence that transfers are effective in achieving a variety of development outcomes, this approach is most commonly applied within USAID as a tool for *emergency* humanitarian response.[5] There have been some efforts in the Agency to use transfers to achieve non-emergency development objectives, especially during the COVID-19 pandemic. However, these efforts have often been driven by individual champions or the fortunate alignment of budget and technical staff, rather than a sustained, systematic evidence-based adoption of the approach.

## PROBLEM STATEMENT

USAID staff seek to use US taxpayer dollars to achieve key development objectives, while managing fiduciary, legal, and programmatic risk in the most effective manner. The importance of managing risk understandably leads to questions about possible downsides to the use of transfers. The last 15 years have produced a wealth of evidence about direct monetary transfers that empirically evaluates many of the concerns that USAID staff may consider (see Box 1). But it is not always clear where to find and how to apply the large body of evidence produced *outside* of USAID to the design of USAID activities. In cases where in-house experience is limited, people may overestimate the downsides and underestimate the upsides of transfers for USAID's development objectives.

The fact that transfers can be used flexibly by the individuals, households, and microenterprises that receive them for a variety of purposes also means that they may not *seem* like a fit for sectorally specific activities. These individuals, households, and microenterprises (hereinafter referred to as "recipients") can use transfers to meet their specific needs, so results are not guaranteed to accrue within a specific sector or reporting indicator. For instance, transfers might be intended to increase consumption of nutritious foods, but a transfer could end up partially spent on business investments. This is, in fact, a key upside of transfers: people have the freedom to choose how best to use the resources to improve their lives. This Position Paper highlights the empirical evidence on which sectors can deploy transfers as an important tool in their portfolio of approaches, and provides best practices to help USAID staff and implementing partners weigh the risks and rewards of this development approach.

**Box 1. Does "evidence" mean benchmarking studies?**

Starting in 2015, USAID launched a series of multi-arm impact evaluations comparing direct monetary transfers to alternative interventions for several development outcomes. These "benchmarking studies" were a milestone for the Agency, asking the question "how does the per-dollar impact of alternative approaches compare with that of an equivalent-sized monetary transfer, provided directly to individuals or households?" While these studies constitute a foundational piece of the evidence about transfer programs, they are one part of a much wider set of impact evaluations conducted in low- and middle-income countries, which can inform activity design.

Benchmarking—i.e. comparing interventions to a highly cost-effective default, based on the impact per dollar they achieve on target objectives—should be done based on the full set of available impact evaluation evidence. In the case of direct monetary transfers, there are more than 100 randomized evaluations from dozens of countries which can help form a benchmark that informs decision-making.


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## VISION, GUIDING PRINCIPLES, AND BEST PRACTICES

USAID should include direct monetary transfers to individuals, households, and microenterprises as a core element of its development toolkit, expanding the use of transfers when both contextually appropriate and cost-effective for priority outcomes. This is often the case, and, as such, transfers—alone, or combined with "plus" elements—should become a familiar approach for activity design teams across many sectors. USAID staff can build on established legal authorities and operational guidelines to inform the design, procurement, and monitoring of activities that include transfers. These principles and best practices will equip USAID and its partners to understand whether and how transfers fit into their development portfolios, and how to operationalize such activities.

**Guiding Principle 1: Follow the evidence to achieve greater impacts, whether on short- or longer-term outcomes.** Multiple studies from a variety of contexts show that transfers to households, individuals, and microenterprises achieve positive short- and longer-run impact on many key development outcomes. Transfers are cost-effective for many outcomes of interest for USAID, but they are not a silver bullet. Activity designers should always start with the outcomes they are targeting and then consult evidence syntheses to decide if transfers are a good fit for their objectives and context.

**Best Practice 1.1: Leverage direct monetary transfers to improve food security and economic well-being in both the short- and longer-run.** A large body of impact evaluations shows that transfers consistently improve consumption, dietary diversity, food security, assets, and income. Contrary to what people might expect, these impacts are sustained after transfers themselves have ended (see Box 2). A meta-analysis of more than 70 direct monetary transfer activities finds that impacts on household consumption and total assets remain the same both one and two years after transfers ended.[6] In fact, impacts on assets *increased* over

**Box 2. The impacts of transfer programs last longer than the transfers themselves.**

Some may assume that money transferred to poor households will be spent on immediate needs that, while important, do not generate long-lasting benefits for households. On the other hand, if people spend on investments, impacts could continue well after transfers themselves have stopped.

The long-run effects of direct monetary transfers—and other development programs against which transfers are compared—should be evaluated empirically with impact evaluations that directly measure recipient outcomes in the longer run. Many development programs lack evidence about whether impacts persist in the very long term (e.g., 20 years or more). There are, in fact, relatively more medium- and long-term evaluations of transfer programs which document persistent effects even after transfers end.

time, indicating the necessary change processes to generate long-run sustainable impact. As part of a study in Kenya, recipients of a large one-time transfer were found to have 40 percent more assets than non-transfer recipients three years after the transfers were given.

**Best Practice 1.2: Take advantage of direct monetary transfers to mitigate the effects of shocks and encourage resilience.** In conflict, climate-fragile, and non-conflict settings, transfers can bolster resilience. They help people, households, and firms prepare for and adapt to shocks, manage risks, and avoid negative coping strategies. For instance, an activity in Nigeria combined transfers with information on early planting/harvesting and drought resistant crops in advance of seasonal flooding, so that farmers do not have to sell assets or go into debt, and can maintain higher income.

**Best Practice 1.3: Add targeted "plus" elements that leverage the market power of direct monetary transfers to address other constraints.** Markets are a powerful tool for driving development, but in many of the contexts in which USAID works, there are systemic issues with market supply, information gaps, coordination failures among market actors, or gaps in property rights. Small, targeted technical support, such as provision of actionable information or behavior change messaging can, when combined with transfers, generate larger impacts than either transfers or "plus" components would alone.[7] In Bangladesh, for example, a USAID-funded activity combined direct monetary transfers with small amounts of food and a behavior change component focused on dietary diversity, resulting in greater impacts on dietary diversity than transfers alone (see Appendix 1, Example 1).

Photo Credit: Suraj Ratna Shakya for USAID

**Guiding Principle 2: Direct monetary transfers can strengthen local markets**. In many contexts, transfers allow recipients to engage more in markets, strengthening existing markets and in some cases creating new ones. For example, an evaluation of an activity in Malawi found that providing transfers to farmers around planting time generated a larger increase on fertilizer use than directly providing traveling agricultural input markets. Transfers create demand for goods and services, and under the right conditions draw in more suppliers, generating local if not regional growth.

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**Best Practice 2.1: Account for the indirect benefits of direct monetary transfers when thinking about which outcomes to target, how to monitor results, and potential evaluation options.** Transfers provide economic benefits beyond direct recipients as the funds recirculate within the economy (a "multiplier effect"). This strengthens local communities and market systems. There is emerging evidence that transfers to microenterprises can drive micro- and small business profits, contributing to overall business growth even in fragile market settings. For example, a study of a program in Kenya—which gave large transfers to very poor households—found that for every $1 transferred, $2.50 of additional economic activity was generated in the local economy. The study found local businesses had higher revenues, household income among those who did not receive transfers increased, and there was no rise in local inflation.

**Best Practice 2.2: Use market information to inform the use and design of transfers.** Understanding market functionality is foundational to assessing whether market-based approaches are likely to be appropriate in a given context. Even in contexts such as Mali and Somalia where markets may appear weak, and access to certain goods and services is limited, several studies show that transfers can be highly effective. An evidence-based approach is critical for maximizing impact and leveraging multiplier effects (Best Practice 2.1), as well as preventing unintended harm for market systems, communities, and individuals. USAID and its partners should use both primary and secondary market information (for example, see the Cash Learning Partnership Network's Market Assessments) to inform decision-making. In Bangladesh, for example, a USAID-funded direct monetary transfers activity used market assessments to understand what foods were available in different parts of the country, and what complementary components might be needed to drive impact on dietary diversity (see Appendix 1, Example 1).

**Best Practice 2.3: Leverage and invest in local digital ecosystems for more transparent and efficient transfers.** USAID has a long history of investing in digital infrastructure in low- and middle-income countries, and leveraging this infrastructure to deliver development activities. Ensuring that implementers provide robust data governance and responsible data practices, and using digital financial services where they are available, can make transfers more efficient and auditable.[8] Where digital transfer systems are not yet mature or widespread, USAID investments can help to strengthen local digital capacity and infrastructure, while also enabling the rapid delivery of direct monetary transfers.

**Guiding Principle 3: Direct monetary transfers can help USAID achieve its localization ambitions and USAID's broader goal to support local systems, actors, and communities.**
Providing transfers recognizes people's dignity and lets them decide whether and how much to spend, save, and invest. The power of highly localized decision-making can foster sustainable, meaningful, and responsive results.

**Best Practice 3.1: Use direct monetary transfers as a tool to pursue locally led development programming.** By their very design, transfers enable households and local communities to make their own spending, saving, and investing decisions to match their specific needs. Starting in 2024, activities that use such transfers can be counted as fulfilling one good practice of USAID's Locally Led Programs indicator.

**Best Practice 3.2: Consider delivering direct monetary transfers through government social protection systems.** In addition to working through non-governmental implementing partners, USAID can consider delivering transfers through or in collaboration with government social protection systems, where feasible and appropriate.[9] Working with local governments and their multilat-


Photo Credit: Mercy Corps

eral partners, potentially including investments to strengthen government systems, can enhance local ownership by reinforcing the role governments play in providing social safety nets. This approach can also address the humanitarian-development nexus, building up systems that are capable of both delivering development activities and providing humanitarian assistance in times of acute crisis. During the COVID-19 pandemic, for instance, USAID worked through the National Aid Fund in Jordan to provide poor households with transfers. Working through an existing social protection system allowed USAID to both leverage and reinforce the government safety net (see Appendix 1, Example 2).

**Guiding Principle 4: Design matters.** Many details in the design and delivery of direct monetary transfers can be adapted to fit an activity's development goals and target population, amplifying impact for specific populations and nudging recipients toward certain development outcomes. Evidence from impact evaluations testing innovative designs for transfer activities, conducted within and beyond USAID, can and should guide such decisions. For more details, see "*How to Design Direct Monetary Assistance Activities*" (USAID only resource).[10]

Photo Credit: by Naomi Logan, USAID

**Best Practice 4.1: Be intentional about targeting, timing, and labeling of transfers**. Activity designers should leverage innovations in how, when, and to whom monetary transfers are delivered to maximize impact on target outcomes in their context. For example, pairing transfers with local market linkages and technical training can be deployed when an activity's objective is to increase people's economic stability where they live. Such design choices can improve the impact of transfers at little or no cost. A study in Malawi, for instance, compares a transfer *given immediately before planting season* with a series of traveling agricultural markets that provided access to farm inputs in remote areas with limited access to improved seeds and fertilizer. Results from Malawi show that the transfer alone increased spending on fertilizer by nearly 30 percent (while the traveling markets alone had no impact, likely because people simply lacked the money to purchase inputs).

**Best Practice 4.2: When choosing transfer size, consider the trade-off between impact per recipient (with larger transfers) and number of recipients reached (with smaller transfers).** Evidence shows that transfers of even small amounts—as low as $250 transferred in total, in some cases—can have positive, albeit small, impacts on household consumption. Two meta-analyses find that the impact that direct monetary transfers have on household consumption is essentially proportional to the size of transfers being given.[11] Activity designers should, therefore, consider whether budgets are better spent increasing impact *per person*, or extending a more moderate impact to a wider group of recipients.

**Best Practice 4.3: Pair direct monetary transfers with other activity components judiciously, weighing the trade-off between spending on direct monetary transfers versus on other components.** Activity design teams should assess the expected additional impact of a "plus" component and whether that merits the reduction in an activity's reach that this additional cost will require. In many activities that have proven to be cost-effective, the "plus" component has been relatively simple and inexpensive, such as text message nudges.[12] A transfer activity in Madagascar—which aimed to improve early child development through bimonthly transfers to mothers of young children—was supplemented with the creation of "mother leader groups" and goal-setting activities. These low-cost add-ons significantly increased impacts on children's cognitive development scores, while still maintaining the impacts on food security seen from transfers alone. For more on applying "cost-effectiveness thinking" to weigh such trade-offs, see USAID's Position Paper on Cost-Effectiveness.

**Guiding Principle 5: Leverage USAID's existing authorities and experience to operationalize direct monetary transfers.** In the past ten years, USAID has used direct monetary transfers as an approach to pursue a number of Agency objectives through grants, cooperative agreements, and Public International Organization (PIO) awards, among others. Operating Units can rely on existing legal authorities, and can use existing USAID processes to identify and mitigate risks associated with transfers.

**Best Practice 5.1: Pursue greater use of direct monetary transfers to support Agency priorities, using existing authorities and funding already provided by Congress.** Transfers are not a new programming area requiring new authorities or funding. Instead, they should be viewed as one effective way of achieving development objectives that Congress directs USAID to pursue. For instance, direct monetary transfers—combined with focused behavior change communication—are an evidence-based approach to improve nutrition and early childhood development targeted by the Global Child Thrive Act.

**Best Practice 5.2: Operating Units should work with their legal backstop to apply USAID's legal authorities for direct monetary transfers.** The Foreign Assistance Act provides a wide variety of authorities for USAID's activities, including express legal authorities to provide assistance on cash terms[13] and to provide assistance to *individuals*.[14] Operating Units should work with their legal backstops to discuss how to apply these authorities. Legal backstops can also consult as needed with the USAID Office of the General Counsel (GC/DDE and GC/LAF), which has expertise with transfer activities.

**Best Practice 5.3: As with any USAID activity, use proven risk management tools to address the risk of diversion and misspending by recipients.** USAID should consider the political and operational context and be guided by USAID's Anti-Fraud Plan. Staff should discuss risk identification, analysis, and mitigation processes, including the application of USAID's 7-Step Risk Management Process, with implementing partners and determine whether their existing risk management processes sufficiently address identified risks.[15] [16] Finally, staff should be guided by USAID's Risk Appetite Statement on the level and type of risks USAID is willing to take to achieve development outcomes, and remember that "the greatest risks of all are often the byproduct of inaction or inadequate action."


Photo Credit: Mehzabin Rupa, World Vision

## CONCLUSION

Direct monetary transfers are a cost-effective, evidence-based, and dynamic localization tool that can help USAID better achieve its development goals. USAID should aim to be a leader in the use of direct monetary transfers to individuals, households, and microenterprises for development outcomes, when contextually appropriate.

Following these guiding principles and best practices will help USAID deliver activities based on strong evidence. Better leveraging direct monetary transfers—designed and adapted for the specific context and objectives at hand—can drive greater progress on global development challenges. Transfers not only generate consistently and comparatively strong impacts on common development outcomes, but also further other USAID priorities. Critically, transfers respect the dignity of individuals, households, and microenterprises by allowing them to make spending and investing decisions, while also promoting efficient markets such that entire communities and regions, not just recipients benefit. In sum, direct monetary transfers provide USAID with a flexible and localized programming approach to achieve development objectives.

# ENDNOTES

1. Direct monetary transfers are often referred to as "cash transfers" in the broader global development and humanitarian sectors. This Position Paper uses the term "direct monetary transfers," or the shortened phrasing "transfers", to ensure readers do not confuse this modality with "cash grant transfers" as defined in Section 531 of the Foreign Assistance Act of 1961, as amended, codified at 22 U.S.C. § 2346.

2. Per USAID ADS 201, an activity "generally refers to an implementing mechanism that carries out an intervention or set of interventions to advance identified development result(s) in a CDCS. Activities may be component activities under a project, or standalone activities that are not part of a project approach." Outside of USAID, the words "intervention," "project," or "program" might be used to refer to the same idea as a USAID "activity."

3. This Position Paper does not cover monetary transfers which are distributed as an incentive for behaviors such as sending children to school or attending antenatal health visits. That kind of transfer can be cost-effective for outcomes like antenatal healthcare uptake or educational outcomes, particularly when there are coordination challenges and a public benefit to the behavior change being incentivized (e.g., health behaviors that reduce contagious diseases). It is a tool used by many partner governments around the world.

4. In the last 10 years, studies on the "psychology of poverty" have examined the ways that scarcity affects people's opportunities and especially their decision-making processes. The psychological pathways through which scarcity can affect decision-making are clear: A meta-analysis of 17 randomized evaluations concluded that transfer programs significantly reduced depression and anxiety among recipients. Researchers have similarly studied how poor households' decision-making can change, depending on the amount of money they have on hand. A randomized evaluation in India, for instance, demonstrated that sugarcane farmers perform significantly better on basic cognitive and decision-making tests when they have just received their harvest income (compared to tests given before the harvest). As a Chicago Booth Review article summarized it, "while scarcity can help people focus on costs and benefits, it can also cause stress that shifts attention and steals cognitive bandwidth." This body of research helps to explain how even short-term transfer programs can drive longer-term impacts on household well-being. Transfers help people meet basic needs, and in doing so they can also free up mental space to invest in businesses, education, or other opportunities that generate longer-term gains.

5. In Fiscal Year 2023, the Bureau for Humanitarian Assistance allocated over $1.5 billion in emergency cash and voucher assistance, most of it without specific conditions such as school enrollment requirements.

6. A meta-analysis is a kind of systematic review that uses statistical analysis on the results from previous research (in this case, more than 100 randomized evaluations of transfer activities) in order to draw

general conclusions derived from the full set of studies. The lessons learned from meta-analyses can be particularly informative (typically more so than any one study from one place and time) when predicting what policy option will likely deliver the greatest impact. Ideally, meta-analysis also helps test the strength of theories that explain under what conditions interventions work well, or not, so as to help improve the ability to predict what intervention is best in a given context for a given problem.

7. "Plus" components can take many forms. As Best Practice 4.3 suggests, staff should use cost-effectiveness thinking and cost-effectiveness evidence to weigh the additional impacts with the additional costs of more complex and multi-layered activities. The Graduation approach is an intervention which combines direct monetary transfers with numerous other complementary services to build sustainable livelihoods for households that face multiple kinds of marginalization. In contrast to a simpler "transfer plus" approach, the Graduation approach sequences five components: consumption support (i.e., the transfers), a productive asset or grant, business training, ongoing coaching and mentoring, and financial access. While the Graduation approach includes direct monetary transfers, the additional components are complex and costly enough that Graduation is not considered a "transfers plus" activity. The fact that the Graduation approach is highly cost-effective demonstrates that larger bundles of components beyond simple "transfers plus" can also be cost-effective.

8. USAID's Procurement Executive Bulletin 2014-06 provides clear guidance on the use of digital financial systems for USAID stakeholders considering direct monetary transfers. Digital transfers can help mitigate risks to recipients in contexts where carrying physical cash would make them a target for crime.

9. For design guidance on assessing the state of national social protection systems, refer to the US Government Global Food Security Strategy (2022-2026) guidance on social protection. Also see guidance in ADS 220 on Strengthening the Capacity of Partner Governments through Government-to-Government (G2G) Assistance and in ADS 350 on Bilateral Assistance Agreements.

10. Although it is targeted to a humanitarian audience, USAID's Modality Decision Tool for Humanitarian Assistance provides several helpful guiding questions around feasibility and market conditions that could apply in (non-emergency) development contexts.

11. Two meta-analyses, *Intervention size and persistence* (2021) and *Unconditional Cash Transfers: A Bayesian Meta-Analysis of Randomized Evaluations in Low and Middle Income Countries (2024)*, review the literature and effects associated with different transfer sizes. They find that larger transfers do not lead, on average, to more persistent effects and that the marginal effects of direct monetary transfers are constant on average regardless of the amount transferred.

12. In a suite of seven behaviorally informed transfer plus activities across different African countries, researchers tested a variety of plus components that targeted savings, spending behavior, and even parenting. Despite costing between $0.22 and $14.04 per recipient (a small fraction of the cost of transfers themselves), these plus components amplified the effectiveness of the monetary transfers and drove greater overall impact.

13. Foreign Assistance Act of 1961, as amended, Section 635(a), codified at 22 U.S.C. § 2395(a).

14. *Id.* at Section 635(b), codified at 22 U.S.C. § 2395(b).

15. The 7-step risk management process has been used successfully for a variety of types of programming, including in Government-to-Government (G2G) assistance. This is a USAID only resource.

16. The pre-obligation checklist for an award will necessarily include the activity's Risk Based Assessment (RBA). Where there are particular concerns about diversion for Registered Money Service Businesses in that context (see the 2024 National Terrorist Financing Risk Assessment), it may be advisable to conduct an activity-specific risk assessment. If an activity award has already been obligated, staff can review the RBA as well as the statutory country checklist to help identify potential diversion risks. If the activity is in the design stage, staff can work with the person in charge of completing the RBA for your OU and review the SEC Threat Matrix.

# APPENDIX 1: EXAMPLES OF COST-EFFECTIVE DIRECT MONETARY TRANSFERS

Many direct monetary transfer activities from within and outside of USAID combine thoughtful designs, for example with "plus" components, that are motivated by specific contextual needs and demonstrate many of the guiding principles and best practices outlined above. This Appendix provides summaries of key examples that relate back to the main issues of this Position Paper.

## Example 1: The Importance of Nutrition Education in Achieving Food Security and Adequate Nutrition of the Poor: Experimental Evidence from Bangladesh

Low-income women and children in rural Bangladesh are more likely to face food security challenges compared to men. This USAID-funded activity worked in two regions, Rangpur division in the northwest, and Khulna and Barisal divisions in the south, which both experience low rates of food consumption and high rates of extreme poverty. The authors conducted an initial study of market conditions in rural Bangladesh to understand constraints to using various transfer modalities. Despite similar levels of deprivation, the north and south are very different in terms of market functionality and infrastructure. To address this, IFPRI and WFP combined direct monetary transfers with food and a behavioral change communication (BCC) component.

Two hundred villages across the two regions were given a mix of transfers, transfers plus in-kind food, or transfers, food, and the BCC activity. The transfer amounts varied from $9.38 US to $18.75 US to US, with rice, lentils, and cooking oil provided as part of the in-kind food transfer. The BCC component provided information on nutrition and dietary diversity. For households with the lowest dietary diversity, in-kind food provided a large improvement in caloric intake relative to transfers alone. Transfers alone and transfers plus the BCC component had large impacts on a much wider range of outcomes compared to providing food alone. For example, transfers plus BCC reduced hunger; improved dietary diversity; reduced reliance solely on staples; and improved women's empowerment by giving them the knowledge and means to improve their food security.

## Example 2: Jordan Emergency Cash Transfer Project Rapid Social Assessment

The Government of Jordan partnered with USAID and The UK's Foreign, Commonwealth, and Development Office to provide direct monetary transfers in response to the COVID-19 pandemic. Nearly 300,000 poor and near poor households that derive their income from informal sources received monthly sliding scale transfers with a total annual maximum transfer amount of $192 US.

USAID signed an agreement with the Jordan Ministry of Planning and International Cooperation to provide 20 million dollars in government-to-government support to provide the transfers. Jordan's National Aid Fund then supplied the direct monetary transfers to the poor and near-poor households, many of whom were not previously enrolled in NAF's social protection programs. Data collection challenges during the pandemic limited the ability to rigorously study the impacts of USAID's support of NAF. However, projected impacts in the planning phase suggested direct transfers would mitigate 20 percent of the increase in poverty and alleviate about a third of the poverty gap.

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