

# How does Nepal's Child Grant work for Dalit children and their families?

A mixed-methods assessment of programme delivery and impact in Bajura and Saptari

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## Key messages

- Recipient households are using the Child Grant effectively to contribute to expenditure on food, medicine and more. However, the value of the Grant is too low to have a strong impact on beneficiary households and should be increased.
- The Grant largely seems to reach its target population, despite weak application of the wealth targeting criterion.
- Challenges identified in the management of registration and delivery of the Grant suggest a need to provide more support and training to local officials implementing the Grant.
- Registration and delivery need to be improved to reduce the costs for beneficiaries and to make the most of the critical window of opportunity that exists in children's early years.
- Awareness-raising strategies need to be improved and broadened out to include fathers and in-laws who influence how the Grant is spent.



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# Abbreviations

ADB	Asian Development Bank
ATT	Average Effect of Treatment on the Treated
CBS	Central Bureau of Statistics
DDC	District Development Committee
DFID	Department for International Development
EPRI	Economic Policy Research Institute
FGD	Focus Group Discussion
GIS	Geographic Information System
HFIAS	Household Food Insecurity Access Scale
IDI	In-Depth Interview
ILO	International Labour Organization
KII	Key Informant Interview
M&E	Monitoring and Evaluation
MoFALD	Ministry of Federal Affairs and Local Development
NFSMS	Nepal Food Security Monitoring System
NLSMS	Nepal Living Standards Measurement Survey
PSM	Propensity Score Matching
UN	United Nations
UNDP	UN Development Programme
UNICEF	UN Children's Fund
VDC	Village Development Committee

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# Executive summary

This study examines the delivery and impact of Nepal's Child Grant, so as to identify implementation barriers and recommend ways to improve effectiveness. The cash transfer is targeted at all households with children aged up to five years in the Karnali zone and at poor Dalit households in the rest of the country. Its objective is to improve children's nutrition. The Grant covers up to two children per household, with a transfer level of NRS 200 (\$1.95) per child per month. Dalit households are eligible if they meet the wealth criterion, which is based on food security and land ownership. The focus of this study is specifically on how the Grant works for Dalit households.

The analysis is based on mixed-methods research conducted in late 2014/early 2015, using a survey of 2,000 Dalit households and more than 70 in-depth interviews, focus group discussions and key informant interviews. The two districts selected – Bajura in the Far-Western Mountains and Saptari in the Eastern Terai – have a high share of Dalit households compared with the national average.

## Six key findings

1. **Good general awareness of the Grant, but confusion around the details of the registration process.** General information about the Grant is widely known but more specific information on the registration process is more poorly understood. There is widespread confusion about the difference between *registration for the Grant* and *birth registration*.
2. **Modest targeting errors, despite the wealth criterion not being applied in practice.** Non-application of the wealth criterion seems to be related to weak government capacity at the local level and the additional layer of complexity that having to assess land ownership (the proxy used to judge wealth status) creates for implementers.
3. **Payments infrequent and irregular and not always of the right amount.** It generally takes a long time after registration before people start receiving the Grant, and most households receive it less frequently than they should. This is because, after registration, beneficiaries need to wait for the next distribution day for the first payment; such days are themselves infrequent, with delays in budgets received from the central level and limited capacity at the local level.
4. **Distribution is often chaotic and can take a long time.** As local officials are overburdened, Grant distribution often takes a couple of days. Beneficiaries complained of large crowds gathering around distribution points and, as a result, frustration and long waiting times.
5. **Limited awareness of grievance mechanisms and general reluctance to speak out.** Even when beneficiaries do possess adequate knowledge about how the Grant works and what they should be expecting, there are still constraints on their capacity to raise problems and concerns with officials.
6. **Despite low transfer levels, some (modest) impacts.** The Grant has *contributed* to expenditure on a whole range of items for sampled households, particularly on food and medicine for children, but most impacts are short-lived because of the low transfer level.

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## Six key policy recommendations

1. **Increase the financial value.** At the current level, the Grant has positive but limited impacts, for example on nutritional outcomes. A higher transfer could mean sustained impacts for children.
2. **Scrap the wealth targeting criterion.** It is too difficult to implement, and, based on our estimation of targeting errors, does not make much difference to targeting outcomes.
3. **Consider scaling up to a universal transfer.** In communities where almost everyone can be considered poor, targeting the Grant by caste group makes little sense, and may even contribute to a sense of social injustice among non-beneficiaries.
4. **Provide more support to local officials who implement the Grant.** Government capacity is particularly weak at the local level, and officials are often overburdened. Any trainings are brief, one-time-only, affairs, and unlikely to result in effective knowledge-sharing and translation into better behaviour. In particular, providing more support to sustained monitoring of the programme will help identify problems as they evolve on a continual basis.
5. **Rethink how ‘distribution windows’ work in practice.** Distribution windows tend to be short and can be chaotic. In particular, it is important to consider extending the length of the window, increasing the number of distribution points to improve access for remote households and staggering pick-up times to avoid the formation of crowds. Related to this, linking registration to birth registration and having more frequent registration days or even open/rolling registration will increase effectiveness on the stated objective of improving under-five nutrition, where the first years of life represent the key window of opportunity for high returns. This may also ease the burden on officials.
6. **Share accurate information about the Child Grant policy with mothers, as the primary care-givers, but also fathers, grandparents and the community in general.** Grant awareness-raising strategies often target women, and particularly mothers. But mothers are not the only ones who go to collect the Grant, and they often do not have complete autonomy over household spending practices. Therefore, awareness-raising should also target husbands and in-laws, and outreach and dissemination strategies in general need to be improved. Related to this, it is also important to strengthen social monitoring and grievance mechanisms.

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# 1 Introducing the study

This study analyses Nepal's Child Grant cash transfer in order to identify any barriers to effective programme delivery and impact. The Child Grant is targeted at all households with children aged up to five years in the Karnali zone and at poor Dalit households in the rest of the country. Previous studies have focused on the effects of the Grant in the Karnali zone (Adhikari et al., 2014; Okubo, 2014), where the Child Grant is universal; this study has a specific focus on the effectiveness of the targeting mechanism in the rest of the country.

The analysis is based on mixed-methods research conducted in late 2014/early 2015. It draws on a survey of 2,000 Dalit households and more than 70 in-depth interviews (IDIs), focus group discussions (FGDs) and key informant interviews (KIIs). We use a quasi-experimental impact evaluation design to assess impact (Propensity Score Matching (PSM)).

This is a case study: the research is not intended to be representative for Nepal. The two case study districts have a proportionally high share of Dalit households compared with the national average (12% of Nepal's population). These districts are Bajura (25% Dalit population), in the Far-Western Mountains, and Saptari (23% Dalit population), in the Eastern Terai. The case studies are intended to highlight the extent and scope of impact and to identify barriers to effectiveness.

## 1.1 What we know about the Child Grant

Social protection has become an increasingly prominent public policy tool in Nepal over the past two decades. Social protection, particularly social insurance, has a long history in the country, with social transfers even provided throughout the Maoist insurgency between 1996 and 2000. Since the conflict's end, the government of Nepal has ramped up its efforts, with social protection programming explicitly integrated into the broader post-conflict development and reconstruction agenda (Holmes and Uphadya, 2009; Koehler, 2011). Social protection provision has a wide range of objectives, from increasing income and food security to overcoming social exclusion and assisting with the process of political healing (Koehler, 2011).

The Child Grant is seen as a key mechanism to support children in the government's draft National Framework for Social Protection (Rabi et al., 2015). It was launched by the government of Nepal in 2009 and covers about 20% of the population of children aged under five (CBS, 2011; MoFALD data, 2015). The Grant is domestically funded and delivered and total expenditure in 2014/15 was 0.19% of the national budget and 9.67% of the national social protection budget (MoFALD data, 2015). The Ministry of Federal Affairs and Local Development (MoFALD), District Development Committees (DDCs) and Village Development Committees (VDCs) are in charge of implementation.

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The objective of the Grant is ‘to bring about improvement in the condition of childcare in poor and highly backward families<sup>1</sup> [...] and to be used for the nutrition of the children’ (Ministry of Finance, 2009). In other words, the objective of the Grant is to improve the nutrition of children. In practice, the Grant is unconditional, but birth registration is in fact necessary. Children are eligible from birth until their fifth birthday, but in reality this period is often shorter owing to delays in birth registration and the once-annual nature of the registration period.

The transfer covers up to two children per household, at a level of NPR 200 (\$1.95) per child per month. Transfers are not made on a monthly basis, however; beneficiaries are supposed to receive three transfers per year of NPR 800 a time, at four-month intervals (equivalent, therefore, to NPR 200 per month). As noted previously, the Child Grant is universal in the Karnali zone and targeted at poor Dalit households in the rest of the country. In order to target poor Dalit households, a wealth criterion is included. Households are eligible if they are landless, if they have less than a specified area of land (2 *ropani* in Mountain areas and 2 *kattha* in the Terai) or if they cannot feed themselves for more than three months per year from their own land.

The transfer targets Dalit households because these have faced long-standing discrimination and poverty. Caste discrimination has been outlawed since the 1950s; the 1990 Constitution described Nepal as a multi-ethnic, multilingual and democratic state, with all citizens being equal. However, Dalit and other low-caste groups continue to face obstacles in terms of participating in the overall political system as well as in accessing government services, resources and opportunities (UNDP, 2009). Dalit, Hill Janajati and Muslim groups experienced the lowest decline in poverty between 1995/96 and 2003/04 (ADB, 2009). The percentage of child labour is the highest among Dalit children, at 60.4% (ILO, 2012).

Meanwhile, there are overlapping issues between caste and gender, with Dalit women faring the worst, for example in terms of education. Among Dalit women in the Terai belt, literacy is at only 17%, which is the lowest compared with the national average among women of 55% and a male average of 81% (ADB, 2010).

Finally, caste is still a strong influential factor in interpersonal relations in Nepali society (Bennett, 2005). Among Dalit respondents in a survey on social inclusion, 20% reported experiencing high levels of restriction or intimidation; all Dalit reported experiencing it to some degree (ibid.). Caste-based discrimination occurs in most aspects of life; for example, in some cases, higher castes still refuse to use the same water sources as, or try to avoid direct contact and touching of, the ‘untouchables’ (ibid.).

A number of other studies consider various aspects of the Child Grant. Some focus on implementation, sensitisation campaigns and birth registration (e.g. Rana, 2012; UNICEF, 2010a, 2012, n.d.), as well as proposing funding options for the scale-up and enhancement of the Grant (Rabi et al., 2015). Two studies so far have analysed the impacts of the Child Grant, both with a focus on the Karnali zone. Using a PSM design that compared beneficiary households with non-recipient households with somewhat older children, Adhikari et al. (2014) did not find any significant impacts of the Child Grant, while the qualitative research for the same study suggested it made a small contribution to household expenses. Okubo et al. (2014) focus on effects on nutrition, using a multivariate probit modelling approach. This study found that receiving the full transfer amount was associated with lower prevalence of underweight and severe wasting.

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<sup>1</sup> ‘Highly backward families’ refers to socially excluded families.

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## 1.2 Focus of this study

The overall objectives of this research are to assess the coverage, registration, delivery and effects of the Child Grant on Dalit children outside the Karnali zone; understand the bottlenecks in these processes; and suggest policy recommendations on how to strengthen implementation to maximise impact and improve the effectiveness of programme delivery.

The main research questions covered in this study are as follows:

1. What is the impact of the Child Grant on household members in Dalit households, in terms of economic wellbeing, social wellbeing, food security, nutrition and empowerment?
2. How effective is the targeting procedure of the Child Grant? Are eligible households reached and to what extent are ineligible households included?
3. What are the major institutional bottlenecks hindering effective delivery and programme impact?

## 1.3 Structure of the report

This report is structured as follows. The next section introduces a simple analytical framework that provides a structure for the analysis of impacts and processes. Section 3 explains the methodology in detail, including sampling, control groups and research methods. The remainder of the report focuses on the main research questions. Section 4 starts with the effectiveness of programme delivery, including registration, targeting and delivery. Section 5 discusses the effects of the Child Grant on economic wellbeing, food security and nutrition and empowerment. Section 6 reviews the institutional bottlenecks identified. Section 7 concludes.

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## 2 What effects can cash transfers have on beneficiary households?

Cash transfers like the Child Grant have increasingly been adopted in low-income countries over the past decade as central elements of their poverty reduction and social protection strategies (Hanlon et al., 2010). There is a substantial body of evidence on the positive effects of cash transfers on core dimensions of wellbeing, such as food consumption and access to health and education (see Baird et al., 2013; DFID, 2011; and Gaarder et al., 2010 for reviews of the evidence). However, we also see a great variation in types of impacts and the extent to which we see impacts. This is because, while cash transfers are classified as a single policy instrument, they can display considerable variation depending on the design details of their individual components (Bastagli, 2010). For example, cash transfers can be targeted at different groups, be conditional or have very different core design parameters (e.g. size and frequency of payment). Further variation occurs in implementation of the transfer (e.g. punctuality of payment).

This section outlines a basic conceptual framing to guide the empirical analysis in later sections. It draws heavily on the conceptual framework developed for an ongoing rigorous literature review on the impacts of cash transfers (Barca et al., n.d.).

In its most basic form, a cash transfer is a monetary payment that recipient households can then spend, save or invest. Depending on how it is used, it may then have further second- or third-order effects on household members or others outside the household. As Barca et al. (n.d.) state,

*The core theoretical case in support of cash transfers revolves around a sequence of intended positive impacts: when cash is transferred in a predictable way directly to poor households, it is expected to be used in ways that have immediate effects on household expenditure (food, health and education, as well as other household needs), and saving/investment behaviour, and could have longer term effects on households' human capital accumulation, asset accumulation, livelihood strategies, in turn reducing poverty and increasing resilience.*

The current study focuses on the short-/medium-term effects that cash transfers may have on individuals and households in terms of economic wellbeing and food security and nutrition. Furthermore, cash transfers may have 'unintended effects', including changes in bargaining power and gender relations, social relations and psychosocial wellbeing; some of these may even be negative (Barca et al., n.d.). This study considers the effects the Child Grant may have had on the empowerment of the mothers of Grant recipients.

However, the impacts of cash transfers can be affected by cash transfer programme design and implementation elements, as well as external factors at the household, local/community and country level, such as the strength of local institutions or the availability of economic opportunities (Barca et al., n.d.). Through qualitative fieldwork, we collected data on context, and thus explicitly consider community- and country-level factors that could mediate impact.

It is worth considering programme design and implementation elements in more detail. Design details and the way the transfer is delivered in practice can have considerable effects on the extent to which a cash transfer can have an impact and the types of impacts it can have. For example, we might expect a transfer with a low transfer level that is only distributed twice per year to have a *lower impact potential* than one with a higher transfer level that is distributed monthly. Likewise, conditionality or the identity of the main recipient may determine the *types of impacts* the transfer can potentially have.

It is important to note that a cash transfer programme, like any other policy intervention, may not always work in practice as the formal design dictates. Policymakers expect their policies to operate a certain way, but contextual variations across culture, geography and time tend to *mediate* the particular form and function of a given programme. The way a policy is implemented is also contingent on the fundamental issue of state capacity: even if we think the state is capable of delivering on our expectations, how the policy is *actually* implemented in practice tells us a great deal about the kinds of real-world constraints that shape state capacity.

Table 1 – based on Barca et al. (n.d.) – outlines the design and implementation factors of cash transfers that may mediate impact. Of particular importance to the current evaluation are the core cash transfer design parameters, the targeting parameters, the payments process, the communications strategy and social accountability mechanisms. The analysis pulls out these elements.

**Table 1: Design and implementation considerations**

Dimension	Design considerations	Implementation considerations
Core cash transfer design parameters	Level of the transfer Frequency of payment Duration (maximum time limit?) Main recipient (male or female?)	Who receives Grant in practice How much is received in practice How frequently is transfer delivered
Conditionality	Unconditional or conditional Type of behavioural requirements (e.g. education, health, job-related) Non-compliance; whether sanctions imposed	Behavioural requirements clearly communicated to the public Behavioural requirements and non-compliance monitored Response to non-compliance implemented
Targeting	Targeting design (who is being targeted and proportion within community) Targeting mechanism and informational requirements Frequency of recertification/re-targeting	In practice, information used to identify beneficiaries Frequency of information recertification in practice
Payment systems	Payment modality (e.g. smart-card, phone, paypoint)	Regularity and predictability of payment in practice

<b>Dimension</b>	<b>Design considerations</b>	<b>Implementation considerations</b>
Communications strategy	Quality and extent of the communications strategy Role assigned to community committees responsible for cash transfer processes	Is communications strategy rolled out in practice? Training and set-up of the community committees responsible for cash transfer processes
Social accountability mechanisms	Grievance mechanism, other feedback mechanisms and participatory monitoring and evaluation (M&E) included in cash transfer design	Whether the mechanisms are implemented Whether grievance, feedback and M&E data are analysed to improve programme design
Complementary interventions	Whether complementary interventions are linked to cash transfers by design Types of interventions linked (e.g. informational/training sessions, etc.)	Whether accompanying services are implemented in practice

Source: Based on Barca et al. (n.d.).

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# 3 How was the research conducted?

This study was designed to be a mixed-methods study combining quantitative and qualitative research tools. The research was conducted in Bajura and Saptari districts: the quantitative survey was conducted in November-December 2014 and the qualitative fieldwork from December 2014 to February 2015. The sample size for the quantitative study was 2,000 households in total (1,465 beneficiary households; 535 non-beneficiary households). We conducted 74 qualitative interviews.

The quantitative assessment used a comparison between the treatment households (beneficiary households) and control households (non-beneficiary households) to establish the impacts of the intervention, using quasi-experimental methods (PSM). The quantitative data were also used to create descriptive statistics on beneficiaries' perceptions and experiences of implementation of the Grant, including registration, targeting and delivery.

This was complemented by the qualitative fieldwork. Here, we conducted FGDs with beneficiary household members, both men and women, IDIs with beneficiaries and non-beneficiaries and KIIs with different officials at different levels in the administration of the Child Grant, (local level, VDC/municipality level, DDC level and in the central ministry), all of whom were involved in delivering the programme. Besides this, we interviewed local-level leaders as key informants to collect detailed information on their perspective on the implementation of the Child Grant, effects on the household level and broader contextual data.

Finally, we included a small Geographic Information System (GIS) component in the analysis to illustrate the geographical barriers and distances that beneficiaries may face in registering the birth of children, registering for the Child Grant and picking up the transfer payment.

## 3.1 How we selected case study districts

This is a case study: the research is not intended to be representative for Nepal. Two districts with a high concentration of Dalit households were carefully selected as case study areas to allow us to draw broader findings. At the same time, we selected two districts with somewhat different characteristics in terms of geography, livelihoods and food security in order to be able to identify potential structural factors that may mediate impacts and implementation. These factors were chosen because geography (particularly remoteness) plays an extremely important role in determining wellbeing outcomes in Nepal, and livelihoods and food security are of particular relevance, given that the objective of the Child Grant is to improve the nutrition of children.

Using secondary literature and data, the following criteria were used to select districts:

- Being UNICEF priority districts;
- High concentration of Dalit households (compared with national average);
- Patterns of food insecurity (compared with national average);
- Geographical diversity, using physiographic zones as an indicator;
- Livelihood patterns.

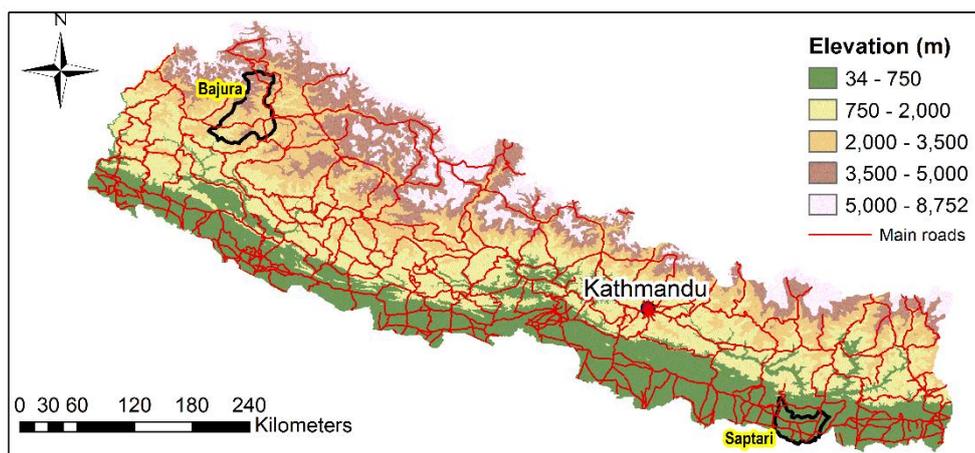
Both districts were to have a proportion of Dalit households that was greater than the national average and both were to be UN Children’s Fund (UNICEF) priority districts. However, we excluded districts in the Karnali zone, as these were the focus of another recent Child Grant evaluation and also use a different targeting approach for the Child Grant. We included one district with high levels of food insecurity and one with lower levels of food insecurity, using data from the Nepal Food Security Monitoring System (NFSMS, 2013).

On the basis of these indicators, we selected **Bajura** district in the Far-Western Mountains – some VDCs are fairly remote and can take days to reach. Typically of the Far-Western region, more than 71% of households participate in own agriculture (World Bank, 2011). This district experiences very high levels of chronic food insecurity (NFSMS, 2013) and has 25% of Dalit households in the population (CBS, 2011). The government is planning to expand coverage of the Child Grant in Bajura in the near future, hence this survey can also serve as a quasi-baseline.

In the Eastern Terai, we sampled **Saptari**, a district with low levels of chronic food insecurity (NFSMS, 2013) and a greater-than-average share of households employed in non-agriculture self-employment (World Bank, 2011). The share of Dalit households is 23.1%, much higher than the national average (CBS, 2011) and in other districts of the Terai. All VDCs in the Terai have settlements of the Dalit population of every category and the district has good accessibility. Dalit households in the Terai face greater social exclusion and poverty than Hill Dalit.

Figure 1 shows the location of both districts.

**Figure 1: Location of two case study districts**



### 3.1.1 Selection of VDCs, wards and households

VDCs/municipalities were purposively selected using two criteria: i) a measure of remoteness and ii) share of Dalit population. To meet the research objectives, both remote and less remote VDCs were included, so differences in terms of targeting, registration and access to social protection could be assessed. Remoteness is defined as geographical distance to the VDC municipality. As exact data on

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distances (in either kilometres or travelling time) are unavailable, VDCs were classified as ‘low’ in terms of remoteness if they were the municipality headquarters or a fairly close or neighbouring VDC. VDCs with ‘medium remoteness’ were those that bordered ‘low-remoteness’ VDCs, and ‘highly remote’ VDCs are furthest away from the VDC headquarters.

Both district headquarters were included. Apart from the headquarters municipality, within the low-/medium-/high-remoteness categories, those VDCs with the highest share of Dalit households were selected. Table A1 in Annex 1 shows which VDCs were selected for the quantitative survey. Bajura has 27 VDCs/municipalities, and we covered 40% of VDCs/municipalities by sampling 11 VDCs/municipalities. Saptari has 115 VDCs/municipalities, and we covered 11% of VDCs (13 VDCs). For the qualitative fieldwork, we covered two VDCs in each district – the district headquarters and one more remote VDC. Furthermore, we also conducted four case studies in a third VDC focusing on outlier cases.

Each VDC has nine wards, with municipalities having more than nine. These are the lowest administrative unit. Within a VDC, the quantitative survey covered five wards, which were purposively selected to sample the wards with the highest Dalit population. These wards were selected in cooperation with the VDC secretary and/or local facilitators. In some cases, five wards was insufficient to reach the sample size, in which case another ward was included.

The quantitative survey compared beneficiary households with two types of comparison groups (see Section 3.2 below). In order to select specific households, within VDCs fieldwork supervisors obtained Central Bureau of Statistics (CBS) data and a VDC-wise population list from the DDC (containing information about caste) and updated these for the five wards with the most Dalit households, with the help of the VDC secretary and/or local facilitators, notably noting down whether the household had children under the age of 10. These updated lists formed the sampling frame in the VDCs. Depending on the required sample size for the cluster, either all households on the sampling frame were selected or we selected a random sub-sample. No specific share for beneficiary and comparison households was set, as long as the share of control households did not exceed 50%, which it did not. Within the households we interviewed the mother or official guardian of the child, as these are the official beneficiaries of the Grant. In a few cases, we interviewed the father (see Section 4.1).

The qualitative study was conducted within the same population that had participated in the quantitative survey. Two entry points were used to select respondents. In the first, information about the respondents was accessed through the quantitative team, which introduced us to the household. Apart from this, and as a second entry point, respondents were accessed with the help of other local key informants who had participated in or knew about the quantitative study. These informants introduced the team to respondents who had participated in the survey or were receiving the Child Grant. After that, snowballing was used to obtain access to other respondents.

### **3.1.2 Sample size**

The quantitative sample is not representative at the national, district or VDC level. However, the sample is statistically significant at the district, VDC and ward level. The overall sample size was calculated bearing in mind budget and geographical constraints. Bajura district is very remote, with the district headquarters, Martardi, not accessible by road and some VDCs four days’ walking distance from the district capital. Other VDCs can be reached only via other districts, given the geography. The overall population of Bajura is only 134,912 (CBS, 2011). Hence,

the sample for Bajura was 800 households. Saptari is comparatively more accessible and has a population of 639,284 (ibid.). Here, the overall sample was 1,200 households.

The overall sample was divided up between VDCs (clusters). Dalit households are a minority group in VDCs; further, not all Dalit households have children under the age of 10, as required by the research design. Hence, per VDC relatively few households met the sampling criteria (estimated to be between 135 and 166 households, on average). As travel between VDCs is time-consuming and costly, we opted for larger samples per cluster but a lower number of clusters. We interviewed all/the vast majority of households that met the sampling criteria within each cluster.

The number of clusters was determined by using Census and NSLMS data to get to the approximate mean number of Dalit households with a child under the age of 10, per cluster (see Table 2 for the exact calculation). We then calculated the number of clusters needed to get to the required sample size, assuming that five wards per VDC are surveyed. This was 11 VDCs in Bajura and 13 VDCs in Saptari.

**Table 2: Cluster calculations**

District	Dalit population* (A)	Mean hh size in district* (B)	No. of Dalit hhs (C=A/B)	Share of hhs with child <10 ** (D)	No. of Dalit hhs with child <10 (E=D*C)	No. of VDCs (F)	No. Dalit hhs for 5 wards per VDC (G=E/F/9*5)	No. VDCs to reach sample size (800/G; 12000/G)
Bajura	33,816	5.42	6,239	0.5833	3,639	27	75	11
Saptari	147,788	5.28	27,990	0.6944	19,436	115	94	13

Note: \* Based on Census 2011 (CBS, 2011); \*\* Based on NLSMS 2011 (World Bank, 2011).

The average sample per cluster was 75/94 households respectively, for Bajura and Saptari. As these are averages and VDCs have differently sized Dalit populations, the sample size was different for larger and smaller clusters. For larger VDCs, the sample size was 100/120 (Bajura/Saptari) and for smaller VDCs the sample was 50/60 households (Bajura/Saptari). Clusters were defined as small or large on the basis of the size of the Dalit population according to the Census.

### 3.2 Comparison groups

In order to assess impact, beneficiary households should be compared with a comparison group (control group). These should include households that have very similar characteristics in terms of economic wellbeing and social status. Hence, we interviewed only Dalit households. We compared beneficiary households with two types of comparison groups (who may be eligible or not eligible), both of which have their merits and drawbacks.

The first comparison group comprised eligible Dalit households that do not receive the Child Grant. These households should be eligible in terms of the official targeting criteria, but do not/not yet receive the Child Grant. This is an ideal comparison group, because they have similar characteristics and children of similar

ages. However, there could be specific reasons why these households do *not* receive the Grant (e.g. they are more socially isolated) – known as selection issues – which means they differ from comparison groups and this could bias the findings. By including this comparison group, we collect valuable information about the targeting and registration process, and also use the comparison group when looking at outcomes for children aged less than five.

The second comparison group comprised Dalit households with children aged five to nine years that do not receive the Grant (only those that did not receive it in the past). These households are not eligible for the Grant as their children are older, but may nevertheless share many of the economic and social characteristics of eligible households. Having slightly older children means these households could have somewhat different economic and social challenges than the beneficiary group, but a recent assessment of the Child Grant (Adhikari et al., 2014) shows this is a reasonable control group, which is quite similar in terms of wealth and demographics. This is the main comparison group for the impact assessment.

The groups are referred to as follows, from here on:

- Beneficiary households: **recipient, beneficiary or treated group**
- Dalit households, children <5, not receiving Grant: **non-recipient group**
- Dalit households, children 5-9, not receiving Grant: **control group**

The non-recipient and control group are together referred to as the non-beneficiary group.

### 3.2.1 Characteristics of respondents

As outlined in the sampling strategy, we aimed to conduct about half of the interviews with treated households and the other half with non-recipient/control households. As shown below, in practice we were not able to find enough non-recipient/control households to reach the target. While this meant we could not achieve the sampling strategy, it is also an encouraging sign because it means coverage of the Child Grant is high. Table 3 shows the composition of the sample by the different groups and by district. A total of 73% of the sample consisted of treated households, receiving the Grant (79% in Bajura). Non-recipients, households with a child under the age of five but not receiving the Grant, accounted for 23% (27% in Saptari). Control households, with children aged five to nine and that have never received the Grant, accounted for 4.2%. The latter group is particularly small, so we need to be careful in interpreting comparisons with the control group.

**Table 3: Composition of the sample (%)**

	Bajura	Saptari	Total
Treated	79.1	69.3	73.3 (1,465)
Non-recipients	15.5	27.3	22.6 (451)
Control	5.4	3.4	4.2 (84)
Total	100	100	100

A total of 88% of respondents were the mother of the youngest child in the household, 10% were the father and less than 3% were the guardian/care-taker of the youngest child (Table A3 in Annex 3). A total of 90% of respondents were female. Respondents had about two and a half years of education on average and were about 40 years of age on average (Table A4 in Annex 3).

### 3.2.2 Share of eligible households covered

This sub-section gives a brief overview of what share of the *sample* population is receiving the Child Grant – that is, coverage. Remember that the sampling strategy specifically sought out non-recipient Dalit households (with younger and older children). We break down coverage according to three eligibility criteria:

- The household is eligible according to the age of children (households with at least one child under the age of five).
- The household is eligible according to the wealth criteria (see Section 1.1. for a full list of criteria).
- The household is eligible according to the age *and* wealth criteria.

Coverage is fairly high, with the Grant covering 75% of eligible households according to the age eligibility criteria and 76% of eligible households according to the wealth criteria (Table A5 in Annex 3). Likewise, coverage according to the full eligibility criteria stands at 76% (see Table 5). Around the same share of non-eligible households in our sample are also covered by the Child Grant. While coverage of 76% is fairly high, this also means about a quarter of eligible households are not/not yet receiving the Grant, and this study proposes some explanations for this. Section 4.2 discusses targeting errors in more detail.

**Table 4: Coverage of eligible households, according to age and wealth criteria (%)**

HH receives Grant	Not eligible	Eligible	Total
No	24.3	24	24.1
Yes	75.7	76	75.9
Total	100	100	100

We see some distinct differences by district: coverage of eligible households is higher in Bajura, according to all targeting criteria. In Bajura, 84% of eligible households are covered, compared with 69% of eligible households in Saptari. Coverage of non-eligible households is also slightly higher in Bajura, but the difference is not statistically significant.

**Table 5: Coverage of eligible households by district, according to age and wealth criteria (%)**

Bajura				Saptari			
Receive Grant	Not eligible	Eligible	Total	Receive Grant	Not eligible	Eligible	Total
No	23	16	17	No	25	31	29

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Yes	77	84	83	Yes	75	69	71
Total	100	100	100	Total	100	100	100

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### 3.3 How we conducted the research

#### 3.3.1 Quantitative methods

The objective of the quantitative survey was to collect data on household living conditions, livelihoods, expenditure,<sup>2</sup> food security and nutrition, access to social protection programmes, empowerment, use of health services and of course experiences and perceptions of Child Grant registration, targeting, delivery and impacts to answer the first two research questions.

The quantitative analysis involved two distinct stages. In the first stage, detailed descriptive statistics were produced, measuring the statistical significance of differences between the beneficiary and non-beneficiary group.<sup>3</sup> Where appropriate, we also compared outcomes by district. The findings from the descriptive statistics were then used to define the next stage of the analysis. Those outcome variables that showed differences between the groups were included in the econometric analysis.

The objective of the econometric analysis was to discern whether the Child Grant had had an impact in terms of economic wellbeing, food security and nutrition and empowerment. Impact in this context can be defined as the difference between specific outcome indicators for the beneficiary and the non-beneficiary groups. Outcomes for the comparison groups are taken as a proxy for an actual counterfactual and, as argued above, were selected carefully to be very similar to the treated group, apart from not receiving the treatment. Our research design is *ex-post* quasi-experimental: the data are collected after treatment has taken place and, as we have neither baseline nor panel data, we employed PSM, which is a well-regarded quasi-experimental research method, to measure impact.

When comparing outcomes for the comparison and the treatment groups, the results will be biased, as there may be observed (i.e. ‘measurable’) and unobserved differences between the groups that we have not controlled for. The PSM approach (Rosenbaum and Rubin, 1983; Rubin, 1974) seeks to eliminate the observed bias by comparing each beneficiary household with a very similar non-beneficiary counterpart based on characteristics that do not influence the outcome variable – called pre-treatment factors (resulting in a so-called propensity score). Beneficiary and non-beneficiary households are ‘matched’ on the basis of their propensity score and their outcomes are compared. The difference in outcomes can then be attributed to the intervention – to the extent that there are not unobservable differences across groups.

Propensity scores are defined as the probability that a person would participate in the programme given a set of pre-treatment variables. The objective of the pre-treatment variable is to measure the likelihood of receiving treatment. One obvious set of factors to include in PSM estimation includes explicit criteria used in determining participation in the intervention, such as a project or programme’s

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<sup>2</sup> Following the work of Morris et al. (2000) and using existing household survey data, we measured expenditure by constructing a list of specific items and asking respondents to report against these, before then estimating total expenditure.

<sup>3</sup> These tables are not weighted by sample size in order to preserve information on statistical significance.

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eligibility and targeting criteria (factors associated with both self-selection and administrative selection). The pre-treatment variables used in this study were:

- Household lives in same ward as VDC office (only for comparison with control group);
- The VDC the household is in has a VDC office (only for comparison with non-recipient group);
- Household owns bike/rickshaw (only for comparison with control group);
- Household has registered birth of at least one child;
- Household is in possession of birth certificate of at least one child;
- Total household size;
- Number of children less than 18 years.

These variables are a good assessment of participation because they are measures of the geographic/transportation barriers households may face in registering for the Grant (VDC office; owning a bike); the documents needed to register for the Child Grant (birth certificate); and the likelihood of having a child who is eligible for the Grant (family size; number of children).

The pre-treatment variables used to calculate the propensity score have to meet a number of assumptions, all of which were considered here. First, they have to satisfy the conditional independence assumption. This means the pre-treatment variables should not affect the outcomes we are estimating. The pre-treatment variables were carefully selected to meet this condition. That is why we did not include obvious targeting criteria, like land ownership, as these would also affect outcomes.

Second, PSM also requires so-called ‘common support’, which means treatment and comparison households have a similar distribution of propensity scores.<sup>4</sup> Figures A1 and A2 in Annex 2 show this is achieved. We decided to exclude observations that were ‘off’ common support, thereby strengthening the analysis. We generally had strong common support, although for some analyses we had around 100 observations off common support (85 observations for some analyses with control households and 114 observations for some analyses with implementation households). Figures A3 and A4 in Annex 2 show the distribution of the sample that is on/off common support, with most being on support.

Third, we passed the balancing property with our choice of pre-treatment variables, according to which households with the same propensity score must show the same distribution of pre-treatment variables. In other words, the balancing property is satisfied when the pre-treatment variables are all statistically the same between the beneficiary and the non-beneficiary groups. We examine this by comparing the differences (called standardised percentage bias) across pre-treatment variables, before and after matching. These show that, for the majority of pre-treatment variables, which were dissimilar (the majority of the mean values are significantly different between the beneficiary and the non-beneficiary groups) before matching, they were more similar after matching (mean values are statistically the same between the beneficiary and the non-beneficiary groups) (see Figures A5 and A6 in Annex 2).

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<sup>4</sup> More specifically, in order to calculate the difference in mean outcomes, there must be a positive probability of finding both a treated and an untreated subject or unit to ensure each treated unit can be matched with an untreated unit. If some units in the treatment group have combinations of characteristics that cannot be matched by those of units in the comparison group, it is not possible to construct a counterfactual, and therefore the impact for this subgroup cannot be accurately estimated. This is commonly known as the common support or overlap condition.

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As the above tests have shown the results are valid, we can now match households and calculate impact. Different matching algorithms are available to match treated and control observation with the estimated propensity scores. We employed nearest neighbour matching and kernel matching. The former selects households in the control group as matching partners for beneficiaries, on the basis of the closest propensity scores (Abadie and Imbens, 2006; Abadie et al., 2004). In order to ensure robustness of the findings, we applied kernel matching as a second matching method. We used matching with replacement.

Once households are matched, average effect of treatment on the treated (ATT) is calculated. This is a measure of the impact the Child Grant has had on the specified outcomes for the treatment group. The results were also tested for statistical significance. The PSM findings are presented in Section 6, with a full list of results reproduced in Annex 4.

We have shown above that the PSM findings meet all the standard assumptions. The PSM findings should nevertheless be interpreted with care, as they are based on fairly small samples (see Annex 4). The findings must not be extrapolated to the population level – they are sample-specific.

The Stata software was used to conduct the quantitative analysis.

### **3.3.2 Qualitative methods**

The quantitative research is complemented by qualitative fieldwork to illustrate some of the main findings with case studies and to understand the implementation process and specific bottlenecks. As such, the qualitative and quantitative research processes complement each other, and the qualitative analysis seeks to understand beneficiary experiences in more depth. We used four tools for the qualitative fieldwork: IDIs, FGDs, KIIs and case studies.

The FGDs were conducted with beneficiary households to discuss some of the main impacts in detail, but mainly to understand the targeting, application, registration and delivery processes. Within these groups, we had separate male and female discussions, to ensure we could tease out gender and age perspectives. We conducted 23 FGDs with the beneficiaries group (14 in Bajura and 9 in Saptari; 20 with women, 3 with men) (see Table 6). More FGDs were conducted in Bajura because the field team was able to spend more time there. We also conducted a small number of FGDs with eligible, non-recipient households in order to generate better understanding on (possible) information gaps on the application and targeting process, as well as non-recipient Dalit households. We held 11 FGDs with non-recipients (9 in Bajura and 2 in Saptari; 6 with women, 5 with men) (see Table 6). Hence, in total we conducted 34 FGDs: 11 FGDs in Saptari and 23 in Bajura, in two locations in each district; 23 with beneficiary households and 11 with non-recipient households.

Further, we also conducted a number of in-depth interviews with beneficiary and non-beneficiary households in order to collect detailed experiences of beneficiary and non-beneficiary households. Six IDIs were conducted in Bajura – all with female respondents (four with beneficiaries and two with non-beneficiaries). We conducted 12 IDIs in Saptari (nine with beneficiaries and three with non-beneficiaries). Hence, in total 18 IDIs were conducted (13 with beneficiaries and five with non-beneficiaries; 16 with female and two with male respondents).

Besides these, we conducted four case studies that can be used as illustrations to show outlier cases. Among these, one was in Bajura with non-beneficiary women and three in Saptari with non-beneficiary men.

Finally, we conducted KIIs with knowledgeable local, district and central officials and other persons of authority at the local level in order to specifically understand the bottlenecks in the targeting, registration and delivery process that may limit effectiveness. These included VDC secretaries, VDC assistants who helped in the distribution of the Grant, local mobilisers, female community leaders, teachers, officials from DDCs and officials from MoFALD. We conducted a total of 18 KIIs.

**Table 6: Number of qualitative interviews conducted**

	Bajura	Saptari
IDIs	6 (4 with beneficiary, 2 non-beneficiaries)	11 (9 with beneficiary, 3 non-beneficiaries)
FGDs	23 (14 with beneficiaries 9 with non-beneficiary)	11 (9 with beneficiaries, 2 with non-beneficiaries)
KIIs	6	12
Outlier case studies	1 (non-beneficiary)	3 (non-beneficiaries)

All interviews were conducted in Nepali, transcribed in full and then translated into English. Researchers developed a common coding strategy, which aimed to focus the qualitative analysis on a set of key themes of interest to the objectives of this study. These included, among other things, aspects of registration, targeting and the distribution process, including any problems involved with these; relationships between recipients and others (family members, community members, local government officials and other people in positions of authority); usage of the Grant; and perceived effects and meanings of the Grant. The English interview transcripts were read through, and relevant raw material was coded appropriately. With coding complete, new documents were created that aggregated interview data by theme. From this, researchers were able to start building up narratives about particular themes, identifying common issues and pinpointing tensions in the data. Quotes included in the text, will refer to the specific interview (see Table A2 for an overview of all qualitative interviews).

### 3.3.3 GIS analysis

In order to illustrate the geographical barriers and distances that beneficiaries may face in registering the birth of children, registering for the Child Grant and picking up the transfer payment (all done at the VDC office), we decided to produce some maps to show this. Fieldwork supervisors collected GPS location data in a central point in each ward the survey was conducted in, as well as at the VDC office/the place where registration or payment takes place. This was achieved in almost all locations. These GPS recordings were then mapped using ArcGIS software using open data source maps on Nepal.<sup>5</sup> These maps show the location of the GPS reading, super-imposed on an elevation map of Nepal that also shows the main roads. They thus give an indication of the distances beneficiaries have to cover in order to access the Child Grant. The maps can be found in Section 4.

<sup>5</sup> Data on road network: [http://sedac.ciesin.columbia.edu/downloads/docs/groads/groadsv1\\_documentation.pdf](http://sedac.ciesin.columbia.edu/downloads/docs/groads/groadsv1_documentation.pdf); data on elevation: <https://lta.cr.usgs.gov/GTOPO30>; data on administrative areas: <http://www.gadm.org/>

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# 4 Delivery works for most, but implementation gaps remain

In this section, we examine the effectiveness of the Child Grant programme, with a particular focus on its implementation. We focus on three aspects: the registration process; the targeting process; and the delivery process. Throughout each subsection, we draw on both quantitative and qualitative data to examine levels of respondents' awareness regarding the *official* policy, as well as their *actual* experiences of the process as a whole.

## 4.1 The registration process

In our examination of whether the Child Grant registration process is working, we identified three overall findings. First, while there are good levels of awareness about the existence of the Grant in general, in practice a mixture of mechanisms are used to raise this awareness. Many of these are informal in nature, and some operate in an almost arbitrary manner, meaning there are no guarantees that all eligible households will learn about the policy. Second, although general information about the Grant is widely known, more specific information about how the registration process officially works is much more poorly understood. This, we suggest, is linked to the variety of the ways through which people find out about the Grant, as well as to the more general idea that, without strong local government capacity, official policies get diluted and distorted as they 'move' from the central government to the intra-community level. Third, when people go to submit their application, the process seems to operate fairly smoothly for most – although a high percentage of respondents reported having to make an average payment to officials of around NRS 50 to register for the Grant (41% of the sample).

### 4.1.1 There is high awareness of the Grant in general, but a range of informal methods are used to disseminate information

Our quantitative data show us there is, generally speaking, a high level of awareness of the Child Grant, with 98% of respondents having heard of it (Table A6 in Annex 3). There is no statistical difference between districts. Among non-recipients, 93% have also heard of the Child Grant (Table A7 in Annex 3). The majority of respondents first heard of the Child Grant from the VDC office (66% of the sample on average), with some distinct differences between districts (Table 7). Unlike Bajura, in Saptari a much lower share first learnt of the Child Grant from the VDC/municipality office (54%), with a third first hearing of it from relatives. The qualitative fieldwork showed that VDC officials in Bajura are more effective in disseminating the ward. One of the reasons could be that a Dalit representative was included in the civil society ward level committee, who also helped in disseminating the programme. This was not the case in Saptari. Among non-recipients, we also see that 34% heard of the Child Grant from relatives, but 59% heard of it from the VDC office.

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**Table 7: How beneficiaries learnt of Child Grant (%)**

	Bajura	Saptari	Total
VDC office	84.3	53.8	65.9
Radio/newspaper	3.2	2.6	2.9
Female community health volunteer	2.8	3.2	3
Other group/institution	1.2	3.2	2.4
Relative	8.5	37.1	25.8
Total	100	100	100

*Note: Differences between districts significant at the 1% level; table shows respondent's first response.*

Our qualitative research confirms the idea that awareness of the Grant is raised through multiple means. There is clearly no single mechanism, even though nearly two-thirds of respondents in the survey sample identified the VDC office as the ‘source’. In Saptari, several interviewees reported learning about the Grant through conversations with neighbours, while participants in one focus group cited the local market as a good place to hear about such programmes.<sup>6</sup> This ‘word-of-mouth’ approach to awareness-raising has its limits: according to non-recipients in Bajura, it is difficult to find out about new interventions, because the large size of their village (and with Dalit households often physically isolated from the rest of the village) prevents an easy, quick flow of information from one person to the next.<sup>7</sup> We heard of similar issues in Saptari. In one municipality in particular, one respondent told us she had never even heard of the Grant prior to the interview. In the same place, it was explained in a separate interview that a ‘lady from the municipality’ attempted to raise awareness of the programme by telling ‘whomever she met on the way [back from the office]’. It seems the informality (and, indeed, the sheer arbitrariness) of this dissemination method was partly responsible for our former interviewees’ ignorance of the policy.

Generally speaking, many of the means through which people discover the Child Grant are of a fairly informal nature, and do not necessarily conform to the way in which government officials might assume them to work. This is a double-edged sword: while it is probably the informality of the methods that enables people living in remote places to find out about the policy, when information is transmitted through these means it risks becoming diluted or distorted, in particular with potential language issues coming into play too. In other words, as information about the policy ‘filters down’ through the various levels – from central government to DDC to VDC to community – pieces can get lost along the way, or even replaced with falsities. It is likely that this is what (partly) accounts for many beneficiaries’ incomplete knowledge of how the Child Grant should officially work according to its formal design (see Section 4.3).

#### **4.1.2 Knowledge of official registration rules is low, and there is confusion on the differences between birth registration and Grant registration processes**

Remember, in order to receive the Grant, the parents must have registered the birth of the child at the VDC office and be in the possession of a birth certificate. Birth

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<sup>6</sup> 52

<sup>7</sup> 12

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registration can be done any time of the year, whereas the official registration period for the Grant is once a year in November.

According to the quantitative results, there seems to be a great deal of confusion regarding some of the rules and procedures of the registration process. Just under 50% of all respondents, for example, believe one can apply for the Child Grant at *any* time in the year – when in fact this is certainly not the case (Table A6 in Annex 3). Awareness is lower in Bajura, where 65% think one can apply at any time in the year (compared with 34% in Saptari; Table A6) and with no significant differences between beneficiary and non-recipient households (Table A7 in Annex 3). There is also low awareness of the registration month, with only 53% of respondents aware that it is in November (Table A8 in Annex 3). As before, awareness is lower in Bajura, where only 34% of respondents knew the correct registration month (Table A8). Awareness is higher among non-recipient respondents (74% know the correct month); it is not clear what accounts for this, but it might be related to the fact that some of these respondents recently applied for the Child Grant (Table A8). Again, these figures illustrate the idea that, by the time information about the policy ‘reaches’ the individual – after it has filtered through the various levels and chains of intermediaries involved in the dissemination process – much of the detail has been lost. This is reflected by the fact that, in many of the qualitative interviews, we were told people simply go to collect the transfer when they are called, and they simply take whatever money they are given (for more on the delivery process, see Section 4.3).

The qualitative data also reveal a further problem regarding levels of awareness, with many eligible households confused about the difference between *registration for the grant* and *registration of births*. Most respondents in Bajura as well as in Saptari were under the impression that they automatically receive the Grant if they obtain a birth certificate for their child. Hence, it is sometimes the case that parents do not register their children for the Grant after applying for a birth certificate. This confusion seems to be because both Grant registration and birth registration are done at the VDC. It is also related to the fact that the Child Grant and birth certificates appear so closely intertwined: in both the districts, many beneficiary households only started making birth certificates for their children once it became a condition for Grant registration. Thus, they are often seen to constitute one and the same thing.

In order to mitigate this problem, the municipality office in Bajura has now developed a strategy. The municipality keeps an additional register for Grant registration at the same desk and, when parents come to apply for a birth certificate, the officials of the municipality themselves put the names of the eligible children into the register (even if they do not start receiving it till the next budget is released). Now they have also started making identity cards for children. In Saptari, a big problem to the municipality is making people understand they have to register a child for the Grant, and that only making the birth certificate is not enough.

*People quarrel and complain they did not get the money and we look at the name list and find the name of the child is not here. What happens mostly is they just make the birth certificate and go home – they do not register. So when they come to collect money they are angry their children’s name is not here.<sup>8</sup>*

Within our survey sample, coverage of birth registration is high: 92% of respondents had registered the birth of at least one child in the household, 91% had

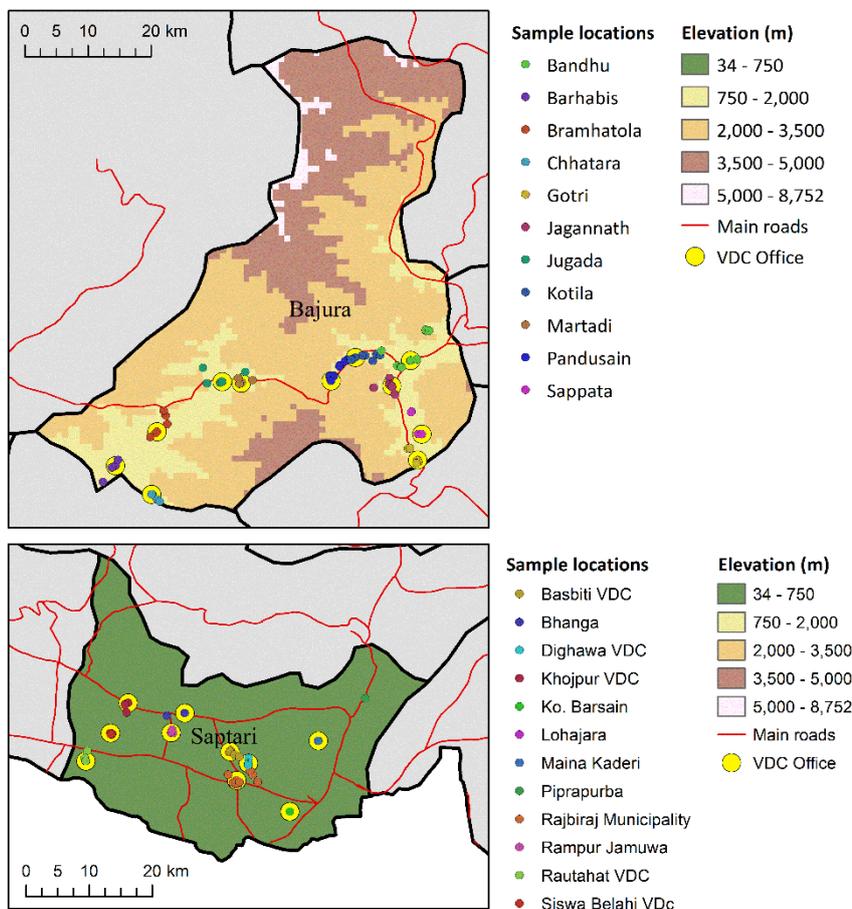
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<sup>8</sup> 49

received a birth certificate for at least one child and on average households had registered the birth/had a birth certificate for about 80% of the children in their family (Table A6 in Annex 3). There are differences in terms of district in terms of how long the parents waited with birth registration: in Bajura only 15% of parents applied within 35 days of the birth and 67% waited for more than three months (Table A12 in Annex 3). In Saptari the pattern is reversed: 62% of parents applied soon after the child’s birth. Across both districts, 93% of households received the birth certificate straight away on application (Table A6 in Annex 3).

Why might we be seeing far lower numbers of people complying with the ‘35-day rule’ in Bajura? One explanation may be that it is more difficult for households in this district to access VDC offices. On average, it took respondents more than one trip to register. Registration involved a higher number of trips for respondents in Bajura (1.4 trips compared with 1.2 trips in Saptari) (Table A6 in Annex 3). For 77% of sample, it took less than half a day to go to register and come back; for more than 30% of households in Bajura it took more than half a day (Table A11 in Annex 3), which makes sense given Bajura’s geography. This is illustrated in the maps in Figure 2 below, which were produced using GPS data recorded by fieldwork supervisors. It shows that, in some of Bajura’s VDCs, VDC offices are 5-10 km from wards where respondents live. Given that elevation is very high and some wards are off the main roads, it is clear it can take respondents half a day or longer for a return trip. In Saptari, on the other hand, VDC offices are much closer, usually less than 2 km from sampled wards.

**Figure 2: Distance to the VDC office from sampled wards**



Yet, our qualitative research suggests an alternative explanation. Across both districts – but probably more pronounced in Bajura – it appears that information asymmetries are at play, despite the fact that the ‘35-day rule’ has been in place for quite some time. In the words of one local government officer in Saptari, ‘Registration is free if done within 35 days of a child’s birth. This has been in practice since 2035 BS. It has been 36 years today, [yet] people are still not aware of that.’<sup>9</sup> This again underscores the idea that, while the majority of people within our survey sample become aware of the Child Grant through the VDC, there are still certain problems with the way in which government communicates policy to eligible Dalit (and, arguably, to broader sections of society more generally).

At the same time, we continue to see a similar assumption among some local government officials that, when it comes to the relationship between birth registration and Grant registration, the official process is working as it should. As the VDC secretary in one research site in Bajura told us,

*Like I said [...] the Dalit come to register immediately after the birth of the child within 35 days [...] So because of these things at the moment, there have not been big problems concerning these kinds of issues for spreading information to the people.*<sup>10</sup>

#### **4.1.3 The actual registration process works smoothly for many beneficiaries, but for some it takes time and money**

On average, 87% of respondents applied at VDC offices; however, in Bajura 18% applied in village, which makes sense as not all VDCs in Bajura have VDC offices (Table A9 in Annex 3). In terms of who applied, Table 8 below it shows it is mostly fathers who applied (44%). In Bajura a more equal share of mothers and fathers applied, whereas in Saptari fathers and other relatives (mostly grandfathers) are the biggest groups (Table 8). Among non-recipients, a larger share of ‘other relatives’ applied (32%), compared with beneficiaries, but with fathers still being the largest group (Table A10 in Annex 3).

**Table 8: Who applied for the Grant (%)**

	<b>Bajura</b>	<b>Saptari</b>	<b>Total</b>
Mother of child	42.2	27.2	33.1
Father of child	42.8	44.4	43.8
Other relative	14.4	28.4	22.8
Neighbour/friend	0.6	0	0.2
Total	100	100	100

*Note: Differences between districts are statistically significant at 1% level.*

The vast majority of respondents (93%) had to bring their birth certificate to register for the Grant. This was almost universal in Saptari (Table 9). In Bajura the application process seems slightly more relaxed: 7% of respondents did not have to bring anything (Table 9).

<sup>9</sup> 70  
<sup>10</sup> 30

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**Table 9: Documents brought for Grant registration (%)**

	Bajura	Saptari	Total
Birth certificate	83.4	99.4	93
Marriage certificate/citizenship	8.2	0.6	3.6
Other evidence of child's birth	1.6	0	0.6
None	6.8	0	2.7
Total	100	100	100

*Note: Differences between districts are statistically significant at 1% level.*

Approximately half of all respondents in Bajura had to make a financial payment when applying for Child Grant,<sup>11</sup> compared with 32% in Saptari (Table A6 in Annex 3) (and with no significant differences between beneficiary and non-recipient households; Table A7 in Annex 3). In the survey, our question asked specifically about whether a payment was made for the Child Grant registration process. Given that a ‘yes’ response to this question would essentially constitute a deviation from formal policy design – possibly signalling ‘corruption’ on the part of local government officials – these results are potentially quite concerning. However, more than 90% of respondents in both districts said this payment was for paperwork, and just 13 respondents in Saptari and one respondent in Bajura said this was for a ‘gift’. This again tells us something about people’s awareness of the official rules of the Child Grant. Because of the close association between birth certificates and the Grant, and because of a more general condition of poor awareness as to how things should be working in a formal sense, it is actually quite difficult for recipients to know what constitutes an official registration fee and what constitutes a bribe. In many of the aforementioned cases where respondents were reported as having to make a payment, we suspect this was probably for the birth certificate that would first be required in order to process the Grant application (and which, if ‘made’ more than 35 days since the child’s birth, would indeed attract a fee).

The survey data show that average payment for registration of the Grant is NRS 53 and is slightly higher for non-recipient households (NRS 64) (Table A7 in Annex 3).<sup>12</sup> Even though payments made are low, it is nevertheless of concern that a fairly high share of respondents have been asked to make a payment. And there are, as might be suspected, some outliers. For example, when one qualitative respondent in Saptari went to apply for the Grant, he was reportedly asked to pay NRS 500 for two birth certificates;<sup>13</sup> in the same research site, interviewees widely discussed the extractive practices of one local government official. According to that respondent,

*He [the local official] used to say that if we don't work, we won't [get] registered. So poor people like us felt it was okay to work for an hour or two hours. But still, he did not give us.<sup>14</sup>*

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<sup>11</sup> The question asked specifically whether a payment was made for the registration process, but, as the qualitative analysis above shows, Child Grant registration often place at the same time as birth registration, when people may indeed be charged if they register the birth more than 35 days after the birth of the child.

<sup>12</sup> The standard deviation of the size of the payment made is 55, suggesting high variation in the amount of payment made.

<sup>13</sup> 6

<sup>14</sup> 71

More detail on this man's story can be found in Box 1.

### Box 1: Case study – difficulties faced when registering for the Grant

Mr Shyam<sup>15</sup> is the grandfather of two grandchildren but they have not received the Grant yet. One of his grandchildren is five years old and the other is two years old. A VDC official came to inform them about the Grant and they were asked to make birth certificates. So he went to the Panchayat building and made a birth certificate for both grandchildren. He was charged NRS 250 for this. It was hard for him to register the births as it took him three days to do it: on the first two days the VDC officials were too busy with other work. Similarly, he had to go to the VDC four times just to register the name to receive the Grant. After a few months, he learnt the money was being distributed. On visiting the office to pick up the Grant, he was told that, since he had just registered that year, the Grant would come only the next year.

He was not hopeful he would be receiving the Grant anymore so he went to Kalu Man, a VDC official, who has the original birth certificates of all the children of the village. When he went there, Kalu Man made him work in his field for free for three days before he finally got the original copy of the birth certificate. Mr Shyam says that, if the Grant money is given to him, he will go to the VDC office and collect it; otherwise, he will keep quiet. But he will definitely try to register the younger child for the Grant again next year. He finds this task of registering hectic because they always take a couple of days to complete a simple task. This he feels is a problem for all the people in the village. He feels none of the people who have power is interested to help them. He believes that, if the Grant money is provided in the village, with all people collected in one place, people will feel confident enough to ask and everyone will get the money; if not, people will continue to get cheated.

Source: Interview # 71

Despite having to make payments, only 20% of respondents perceived they had a problem when registering (Table A6 in Annex 3). The main problems experienced differ by district (see Table 10). In Bajura, the main problem appears to be queuing and waiting (79% of the sample), which may be a bit more of an inconvenience to households because of the larger distances to even reach the office. In Saptari, the biggest problem appears to be bureaucratic hassles (55%). This is consistent with the stricter application requirements shown above. While based on an extremely small sample (29 respondents), it is nevertheless interesting that 45% of non-recipients experienced bureaucratic hassles and 6% of non-recipients experienced negative attitude of officials (Table A14 in Annex 3).

**Table 10: Problems experienced during registration (%)**

	Bajura	Saptari	Total
Queuing and waiting	78.8	43.5	60.1
Bureaucratic hassle	18.5	54.7	37.7
Negative attitude of officials	2.6	1.8	2.2
Total	100	100	100

Note: Differences between districts are statistically significant at 1% level; table shows respondent's first response.

<sup>15</sup> All names changed

Finally, our survey also asked whether the respondent received help when registering for the Child Grant. A total of 67% of respondents say they did; however, some respondents may have also considered the birth registration process. There are large differences between districts (Table A6 in Annex 3): 88% of respondents in Saptari received help, compared with only 36% in Bajura. Out of those who received help, most received help from VDC officials (39%) and friends/neighbours (21%), with some differences between districts. Officials and teachers/social mobilisers play a larger role in Saptari (Table 11). Brokers play a minimal role in both districts. Non-recipients mostly received help from VDC officials (46%) and teachers/social mobilisers (22%) (Table A15 in Annex 3).

**Table 11: Who helped with the Grant application? (%)**

	Bajura	Saptari	Total
Husband	27.0	7.6	11.7
Other family	14.3	11	11.7
Friend/neighbour	17.8	22.3	21.3
Teacher/social mobiliser	3.5	16.3	13.6
VDC official	36.5	42.1	40.9
Broker	0.9	0.8	0.8
Total	100	100	100

*Note: Differences between districts are statistically significant at 1% level; table shows respondent's first response.*

On the whole, the registration process seems to work fairly effectively, with some exceptions/problems: 41% of respondents were required to make a payment when applying for the Grant; one-fifth of sample in Bajura had to travel for more than one day (likely related to remoteness); awareness is low on the registration period. Awareness is high among non-recipients and almost two-thirds of these have received help from officials in the application process. Indeed, almost 50% of this group stated they were not yet receiving the Child Grant, because they just applied.

## 4.2 The targeting process

In our examination of the Child Grant's targeting process, we identified two central findings. First, despite only modest targeting errors – that is, the share of households either incorrectly included or excluded from the programme – we find that service providers are not applying all of the policy's eligibility criteria evenly. In particular, we find *household wealth* is rarely, in practice, used as a criterion for selection (when in fact it should be). Our second finding is closely linked to the first: citizens themselves demonstrate generally good awareness of the fact that the Grant is for Dalit households with children under five, but are often completely unaware of the wealth criterion.

### 4.2.1 Modest targeting errors, despite wealth criteria not being applied in practice

As discussed earlier, outside the Karnali zone, the Child Grant is officially targeted at households exhibiting three characteristics: i) they are of Dalit caste; ii) they have at least one child under the age of five; and iii) they meet the wealth criterion

(that is, owning no land/owning less than a stipulated amount of land/only being able to feed themselves from their own land for three months of the year).

While service providers should obviously apply each of these three criteria evenly and consistently, it is quite clear from our qualitative research that, in practice, they do so with only two of the three. Speaking to various government officials, it was apparent that the wealth criterion rarely formed part of the basis for determining eligibility. It is also likely that, although the national guidelines stipulate a clear set of targeting criteria, in practice the wealth criterion is difficult to apply (although officials did not bring this up much in interviews). This is likely related to questions of limited state capacity to deliver the policy effectively at the local level, as we began to see in the previous sub-section. As such, a procedural norm seems to have become embedded into the operation of the Grant whereby eligibility is *de facto* defined by two out of three criteria: Dalit caste status and presence of a child/children under the age of five. Subsequently, in communities populated by a high number of Dalit households, some wealthier than others, it may seem the Grant is almost universal. As one respondent told us in Saptari, ‘Everyone with a [child] under-five is getting money here<sup>16</sup>’.

We might expect this unevenness in criteria application to throw off the ability of the programme to target the right people. So just how ‘accurate’ is it? Recall that the sampling process for our survey deliberately sought out *non-recipient households with children under the age of five, some of whom may be eligible*. This was so we would be able to calculate targeting errors (even though our samples are not representative for the entire Dalit populations of Bajura and Saptari). Targeting errors measure the effectiveness of the implementation of targeting guidelines – that is, the extent to which official selection criteria are followed.

The exclusion error measures the share of *eligible* households that are *not receiving* the Child Grant. The inclusion error measures the share of beneficiary households that are *ineligible* but *are receiving* it nevertheless. Table 12 shows inclusion and exclusion errors by district, taking all targeting criteria into account.

**Table 12: Targeting errors (%)**

	Bajura	Saptari	Total
Exclusion error	16***	31***	24
Inclusion error	17***	37***	29

Note: Asterisks indicate whether the mean for each group is statistically different from the sampled population as a whole (\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%).

We find that both the exclusion error and the inclusion error are fairly modest, with the exclusion error lower. For the sample as a whole, 24% of eligible households are excluded, whereas 29% of beneficiary households are included despite not being eligible as per the targeting criteria.<sup>17</sup> It should be noted that we did not sample non-Dalit, who could theoretically receive the Grant and hence contribute to a higher inclusion error. This is highly unlikely, however, as people tend to know who is Dalit and who is non-Dalit.

<sup>16</sup> 51

<sup>17</sup> When only considering the age targeting criteria, we find a similar exclusion error and a somewhat lower inclusion error, as is to be expected.

International evidence suggests exclusion errors in means-tested programme tend to be quite high, and it is common for over half of eligible beneficiaries to be excluded from programmes (EPRI, 2011). For instance, based on the programme eligibility threshold, in 2004 Brazil's *Bolsa Família* had an exclusion error of 59% and Mexico's *Oportunidades* an exclusion error of 70% (ibid). However, these examples should be examined with caution, as the degree of targeting accuracy depends on a number of factors, such as the choice of proxy measures to estimate income poverty, the strength of monitoring and information systems and the degree of programme dissemination and outreach; these vary by context.

There are statistically significant differences by district. Both exclusion and inclusion errors are considerably lower in Bajura. In Bajura, because of the mountainous terrain, people tend to own less land, and the land is generally less fertile than that in the Terai. Hence households in Bajura are more likely to meet the wealth criterion and Bajura's inclusion error is lower. What this essentially means is, the poorer the location, the less a relaxation of the wealth criterion actually matters (because a higher proportion of the households meeting the first two criteria *should* be receiving the Grant anyway). This may in fact help account for the fact that the inclusion error across *both districts* is perhaps lower than one might expect: even though officials appear to be fairly indiscriminate in their targeting, and there is little evidence of application of the wealth criteria, about 70% of beneficiary households are eligible anyway when the wealth criterion *is* taken into account (given the widespread condition of 'land poverty').

The exclusion error also is significantly lower in Bajura. One possible (partial) explanation from this to emerge from the qualitative material is that high numbers of Nepali children – who theoretically qualify as eligible – are actually born in India, as a result of high levels of seasonal migration. When this happens, it appears quite common for parents to fail to register their children in their 'home' VDC (maybe because they know they have missed the '35-day rule' or maybe because it simply is not considered a priority).

So, who are the 'excluded yet eligible' and 'included yet ineligible' households? We find that excluded households are more likely to be headed by women compared with the total population (15% are, compared with 11% for the total sample; Table A17 in Annex 3) and the main livelihood activity of the household is more likely to be paid employment and less likely to be agriculture (see Table 13).

**Table 13: Main livelihood of household, by inclusion status (%)**

	Eligible and included	Eligible but excluded	Total
Agriculture	42.4	33.5	40.3
Business/trading	6.9	6	6.7
Private/public sector	9.8	11.8	10.2
Paid housework	39	46.2	40.7
Foreign employment	1.9	2.4	2
Total	100	100	100

Note: Differences between groups are statistically significant at the 5% level

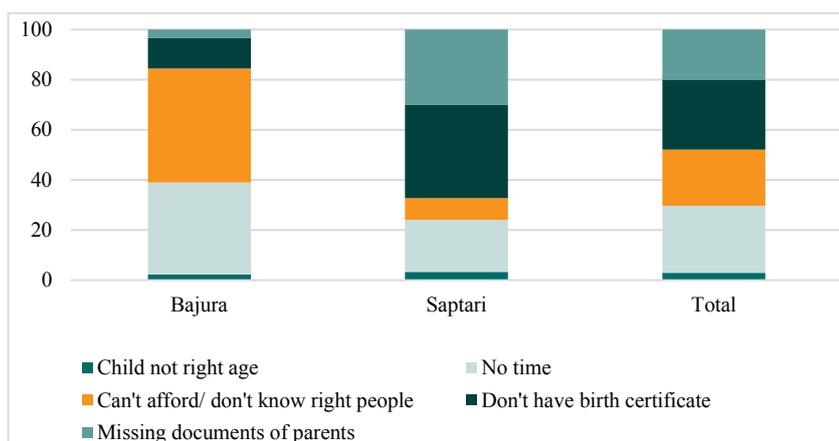
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At the same time, and somewhat counter-intuitively, ‘eligible yet excluded’ households have a significantly higher household expenditure per capita and significantly lower food insecurity compared with ‘eligible and included’ households (Table A17, Annex 3). On the one hand, officials may have deliberately excluded them as they earn a relatively better income, but we have no evidence to support this. Another explanation lies in the higher share of ‘eligible yet excluded’ households in paid employment, which is a source of cash income. It may be that, while they theoretically qualify for the Grant because of low land asset holdings, the income earned through alternative, higher-return activities offsets their reliance on the Grant – and therefore their propensity to register for it in the first place. When we consider other evidence (cited above and below) that both registration and collection of payment attract an opportunity cost – in terms of labour time lost – and on top of that the low transfer level, there may be something in this intuitive hypothesis. That said, our qualitative interviews returned relatively little on this issue, so it is difficult to say with any certainty whether it is actually the case. This is potentially an area for further research.

When it comes to ‘ineligible yet included’, it is perhaps less surprising these households are wealthier and better off compared with eligible beneficiary households. On average, these households are significantly better educated, have higher household expenditure, have significantly lower food insecurity scores, are significantly less likely to be in debt (Table A18 in Annex 3) and are likely to live in better-quality houses (Table A19 in Annex 3). Being better educated than other groups means they have the knowledge and power to access the system.

In addition to the above, the quality of the targeting mechanism can be assessed on a slightly different level. We have so far discussed eligibility at the household level, but what about the identification of eligible children *within* an ‘already eligible’ household? We find that about 74% of households receive the Child Grant for all eligible children in the household, meaning that, while the policy is working as it should for the majority of households (against this particular metric), still roughly one-quarter of eligible households are losing out. It is not clear what accounts for this: it is potentially related to a failure to ‘make’ birth certificates for all children (as shown in Section 4.1.3) – and to therefore comply with the Grant registration rules – or difficulties related to registering a second baby when already taking care of a toddler. It may instead be related to a distortion of official policy at the local level. For example, in one site in Bajura, VDC officials have reportedly been telling beneficiaries that only one child per household can receive the Grant. But this seems to be a relatively isolated case. Rather, quantitative evidence suggests the latter hypothesis is more likely. In Saptari, for example, not having a birth certificate or missing parents’ documents (e.g. marriage certificate or citizenship) account for two-thirds of explanations given by respondents for not getting the Grant for all eligible children (see Figure 3).

**Figure 3: Why households didn't apply for grant (%)**



Note: Differences between districts significant at the 1% level; only for households with children <5.

#### 4.2.2 Among citizens too, there is high awareness of age and caste targeting criteria but low awareness of wealth targeting criteria

Awareness of the age targeting criteria among treated and eligible non-recipient households is very high. A full 97% of respondents know children can start receiving the Child Grant aged less than one year (Table A20 in Annex 3) and 98% of respondents know the Child Grant stops at age five (Table A21 in Annex 3). Knowledge of the age targeting criteria is just as high among the non-recipient group (Tables A20 and A21).

Knowledge of the caste criteria is also high – more than 92% of respondents know only Dalit households receive the Grant (Table 14). However, knowledge of the wealth criteria is lacking, as Table 14 also shows. Only 8.4% of respondents know only poor Dalit households with a child under the age of five are eligible. This shows a strikingly large proportion of treated and eligible non-recipient households – more than 90% of the sample – are unaware of the actual targeting criteria. In terms of differences between districts, in Bajura knowledge of the wealth criteria is virtually non-existent, with only 1% of respondents noting this option (Table A22 in Annex 3). In Saptari, on the other hand, 15% of respondents perceive that only poor Dalit households are eligible (Table A23 in Annex 3) – still low.

Out of these, 69% think the wealth criterion is assessed by looking at food consumption (Table A24 in Annex 3). Again, awareness is similar among non-recipient households.

**Table 14: People respondents think are eligible for the Grant (%)**

	Treated	Non-recipient	Total
Anyone with a child	1.3	1.2	1.3
Anyone with a child under the age of five	6.3	6.9	6.5
Any Dalit family with a child under the age of five	84.2	82.8	83.9
Poor Dalit families with a child under the age of five	8.2	9.1	8.4
Total	100	100	100

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In short, respondents' knowledge of targeting criteria mirrors the actual targeting process: they have high awareness of age and caste criteria but very weak awareness of poverty criteria. The qualitative data strongly confirm this: quite simply, wealth status was rarely – if ever – cited as a way in which the Grant was allocated. People's understanding of an 'eligible household' was limited to the idea that it was Dalit with children under five.

Yet, in other cases, the targeting criteria, as interviewees understood them, are simplified even further. According to one respondent, it is 'the children who are very small, who feed on [their] mother's milk' who get the Grant.<sup>18</sup> There may also be some distinct gender differences in knowledge of targeting criteria, at least in certain places. In Bajura, it became apparent during one focus group with men that women were seen as the main targets of Grant awareness-raising efforts:

*They mostly focus on ladies; we are not informed by any of the sources. So we don't have much knowledge. They don't involve male members in meetings. If they inform us like today, then we might have knowledge about all that [...] The female volunteers call the female community members only for distributing knowledge. But we are never involved.*<sup>19</sup>

Given the widespread lack of awareness of the wealth criterion, what are respondents' perceptions of the effectiveness of targeting? On the whole, people think the targeting mechanism is working well, but perceptions are more negative among non-recipient household respondents. On average, 91% of respondents from beneficiary households perceive that *all* eligible households are receiving the Grant, while only 67% of respondents from non-recipient households perceive this (Table A25 in Annex 3). Furthermore, 92% respondents believe eligible persons always receive the Child Grant, but again perceptions are more negative among those not receiving the Grant – 86% believe eligible persons always receive the Grant (Table A26 in Annex 3).

However, as we have shown, these perceptions are based on incomplete knowledge of how the targeting mechanism actually works. As such, many of those who *do not* receive the Grant – and who are not eligible in the first place, because of their caste – perceive the policy as a whole to be quite unfair. Our qualitative data show that non-Dalit households feel they are losing out, because – in their eyes – all Dalit households with young children qualify for the transfer, regardless of whether they are poor or rich. This is understandably seen as unfair, because, in the kinds of communities we selected for this research, practically *everyone* is poor. Indeed, this was put forward as a critique of caste targeting even before the introduction of the Grant (Koehler et al., 2009). Most households suffer the same disadvantages, which are in turn a function of geographic marginalisation, structural problems in the labour market and weak investment in public services. The following quote is illustrative of many people's feelings:

*If the poorest of the poor had been selected then it would have been better [...] It would have been better if there was a kind of government that looks after the poor.*<sup>20</sup>

For non-Dalit, there is a strong perception that the Grant ought to be allocated solely on the basis of wealth status – that the policy should drop the caste criterion. The way the policy is implemented in practice entrenches such a view: the service provider (generally) does not implement the wealth targeting criterion when

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<sup>18</sup> 7

<sup>19</sup> 42

<sup>20</sup> 9

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selecting households, and people – beneficiaries and non-beneficiaries alike – do not believe poverty status comes into it. Thus, it is quite understandable that the poorer non-Dalit household not receiving the grant develops feelings of jealousy and antagonism towards the richer Dalit household that *is* receiving it.

### 4.3 The distribution process

This section discusses the effectiveness of Child Grant delivery, looking at where people receive the Grant and who picks it up, how much it is and how frequently they receive the Grant, as well as awareness and usage of grievance mechanisms. By definition, this section looks only at the experiences of beneficiary households. We find that, while households often receive close to the full amount, there is variation in terms of how much they receive. Furthermore, payments are infrequent and irregular, and the collection process is often chaotic and non-transparent. Given large information asymmetries, many beneficiaries possess incomplete knowledge of how the Grant should work. This is particularly in terms of the registration process – many people tend to confuse birth registration with Grant registration, not perceiving there to be any distinction – but also in terms of when and how much they should be getting (but it also links back to poor awareness of the full targeting criteria, as outlined above).

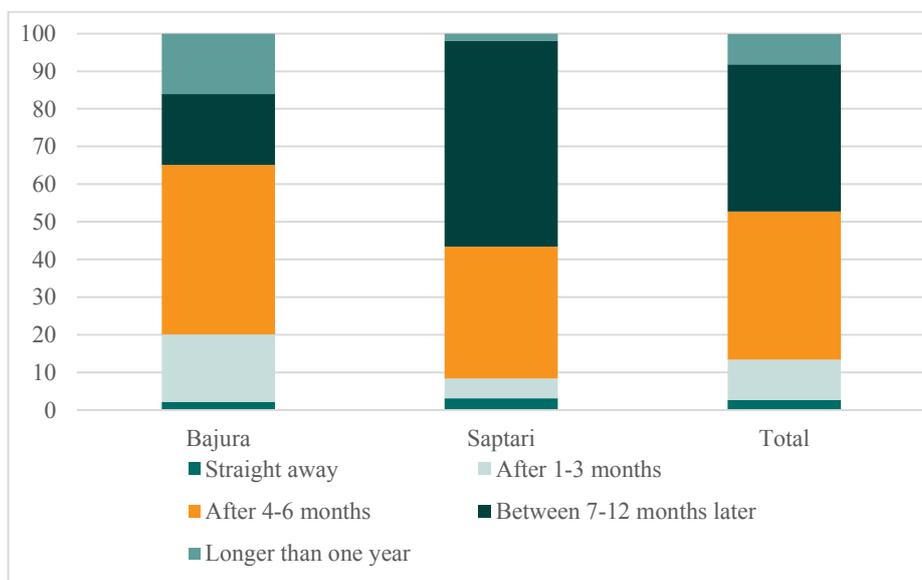
#### 4.3.1 Infrequent and irregular payments

In terms of where people pick up the Grant, we see some statistically significant differences between districts (Table A27 in Annex 3). Close to 100% of recipients in Saptari collect the Grant at the VDC office/municipality. In Bajura, 26% receive it in the village (usually in public places like schools; sometimes VDC officials go to each community to give out the Grant). This makes sense given that some VDCs do not have an office and because in some VDCs in Bajura the wards are a considerable distance apart (see also Figure 2). Either the VDC secretary or the assistant makes the payment. In Bajura in 77% of cases, the VDC secretary made the payment; in Saptari it was split about 50-50 between the VDC secretary and the assistant, because in municipalities, in the absence of VDC secretaries, other personnel make the payment (Table A27 in Annex 3).

In the majority of cases, the mother picks up the Grant (65%), with a somewhat higher share in Saptari (69%) and more fathers picking up the Grant in Bajura (23%) (Table A28 in Annex 3). For 82% of the sample, it takes less than half a day to pick up the Grant and return home (81% in Bajura and 83% in Saptari) (Table A29 in Annex 3). However, for close to 20% of the sample in Bajura it takes more than half a day – as we already saw in Figure 2, wards are further apart in Bajura and are at higher levels of elevation, resulting in longer trips. As with registration, the majority of respondents leave their children with the mother at home (36%), or take them along (36%) (Table A30 in Annex 3). The share of households who leave their children alone when picking up the Grant is low, but somewhat higher in Bajura (3% of households).

It generally takes a long time before people start receiving the Grant: almost 40% of respondents waited for longer than seven months (Figure 4). This is considerably longer than it should take, as payments should take place every four months. The wait is especially long in Saptari, where more than 55% of respondents waited for longer than seven months.

**Figure 4: Beneficiaries tend to wait for months before they start receiving the Grant (length of wait after registration)**



Beneficiary households are meant to receive the Grant three times a year. On average, they received it twice per year,<sup>21</sup> although the frequency was higher in Saptari (2.44 times compared with 1.64 times in Bajura) (Table A31 in Annex 3). Evidently, Grant payments are not made as frequently as officially stipulated. The qualitative evidence generally supports this, with the odd exception. In some places, for example, respondents were clear on when and how much they should be receiving, and the Grant was distributed on exactly this basis (NRS 800 a time, three times a year). But in the majority of cases, people’s actual experience differed quite drastically from the formal policy design. The following quotes are illustrative of a much broader trend of variation:

*I received 800 rupees, once in the year.*<sup>22</sup>

*I got 800 the first time, 400 the second time, 800 the third time.*<sup>23</sup>

*800 rupees twice in the year.*<sup>24</sup>

*I received 800 rupees the first time and 1,200 rupees the second.*<sup>25</sup>

What might account for the fact that so many people fail to receive payments in accordance with the timings of the policy? A number of people we talked to suspected government corruption was to blame. It was reported within some communities, for example, that government officials ‘eat’ the money themselves, meaning it goes into their pockets rather than into the hands of beneficiaries. It is difficult to estimate how widespread this practice is on the basis of our data alone, although other research on service delivery suggests a ‘culture of corruption’ is in fact quite characteristic of the way local governance works across Nepal (The Asia Foundation, 2012). However, it seems unlikely entire distributions’ worth of budget are simply ‘eaten’ by local government officials in one go. Instead, what also appear important are bottlenecks in the state system, particularly further ‘up the

<sup>21</sup> With a standard deviation of 0.7, showing considerable variation.

<sup>22</sup> 3

<sup>23</sup> 4

<sup>24</sup> 8

<sup>25</sup> 27

chain'. We heard from a number of local and district officials that funding from the centre is sometimes not released on time, meaning local distribution of the transfer can become delayed for up to months. According to one VDC Secretary in Bajura, the question of whether funds get sent every four months from central government 'depends on how much the budget there is centrally [i.e. at the national level]'.<sup>26</sup> Another interviewee suggested party politics in Kathmandu affects the timing of the budget allocation. These delays in the transfer of Child Grant budget reflect the broader nature of flows between national, district and local levels of government, which, in the words of one interviewee, are characterised by 'ups and downs'. This relates also to the payment of officials' salaries; these too are subject to the inconsistency and unpredictability of central budgeting.

Another factor that potentially affects the promptness of distribution is local government capacity. Delays in the transfer of the central budget are one thing, but there is no guarantee the policy will run according to plan once the budget reaches local government. Qualitative data suggest simple lack of human resources within many VDC offices constrains local government capacity to deliver the programme effectively and on time. While accusations of corruption at this level of government are rife, it is also important to remember that VDC offices are expected to deliver multiple policies and perform various functions in the absence of any real decentralisation of power and resources (The Asia Foundation, 2012).

#### 4.3.2 Most receive close to the full amount, but with considerable variation

We now know a large number of beneficiaries are not receiving transfers on time, or as many times per year as they ought to be. But, when they do receive the Grant, how much are beneficiaries actually getting, and do they know how much they are entitled to? Our survey data show 80% of respondents say they *do* know how much they should receive. There is a statistically significant difference between districts, with the vast majority of respondents in Saptari stating they know how much they should receive (Table 15), but with almost half of the sample in Bajura not knowing how much they should receive. This is consistent with responses to further questions: when asked to state the official entitlement (NRS 800 per child, per payment), estimates of respondents in Saptari were much more accurate and very close to the actual amount (Table 15). Respondents in Bajura, on the other hand, seem to have lower awareness on entitlement.

**Table 15: Awareness of entitlement**

	Bajura	Saptari	Total
Respondent does not know how much they should receive	43%***	3%***	20%
Amount respondent thinks they should receive, per instalment	1351.11***	813.83***	979.46

*Note: Asterisks indicate whether the mean for each group is statistically different from the sampled population as a whole (\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%).*

While it should be mentioned that, during the fieldwork, there were some inconsistencies in the way enumerators asked the question about how much the household actually received,<sup>27</sup> it appears households received close to the official

<sup>26</sup> 30

<sup>27</sup> It appears some enumerators calculated monthly or tri-annual payment size, instead of writing down the actual payment per transfer. The raw data on amounts received have been cleaned and recalculated systematically on the basis of assumptions on enumerators' recording techniques.

payment (Table 16), with a standard deviation of 50 indicating some variation in terms of size of payment received. The amount received is lower in Bajura, but still well above NRS 700 per payment. The ratio of how much households received compared with how much they expected to receive is lower in Bajura (Table 16), as they do receive somewhat lower payments and were less aware of the amounts they should receive. The ratio of how much households should receive to how much they are entitled to is close to 1 (Table 16). We can draw the tentative conclusion that households mostly receive the full amount they are entitled to.<sup>28</sup>

**Table 16: Actual payments received**

	Bajura	Saptari	Total
Actual amount received, per instalment	759.95***	797.87***	781.48
Ratio actual payment to expected payment	0.76***	0.99***	0.92
Ratio actual payment to official entitlement	0.95***	1.00***	0.98

*Note: Asterisks indicate whether the mean for each group is statistically different from the sampled population as a whole (\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%).*

Nevertheless, only about two-thirds of respondents think they always receive the full payment (63%) – 43% perceived this in Bajura, where 33% of respondents think they *never* receive the full payment (Table A32 in Annex 3). Given actual payments received are on average close to official entitlements, this probably has more to do with limited awareness about entitlements than poor delivery (see also further discussions based on the qualitative analysis above and below). A follow-on question confirms this. When asked why the household did not receive the full amounts, there were some interesting differences between districts (Table 17): 66% of respondents in Bajura said they did not know the official amount (consistent with the above findings), whereas 50% of respondents in Saptari said the VDC office took some. About 12% of respondents said the VDC office did not have enough budget.

**Table 17: Why beneficiary did not receive full amount (%)**

	Bajura	Saptari	Total
VDC office took some	13.3	50.3	25.6
VDC didn't have enough budget	13	11.2	12.4
Late registration	3.6	8.4	5.2
Broker took some	4.4	2.8	3.9
Doesn't know official Grant amount	65.7	27.4	53
Total	100	100	100

*Note: Differences between districts significant at the 1% level.*

In Bajura more respondents said the child did not get full payment, particularly in the first and fifth years of the child's life (it is not paid retroactively for the first year). As the following quote illustrates:

<sup>28</sup> With the caveat that there are some uncertainties in the way that the data were collected.

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*Here, we do not get money in the first year and the fifth year; by the time we do the registration and all the child is above one years of age. And when the child has completed four years they say the child is five years and do not give the Grant.<sup>29</sup>*

However, the officials in MoFALD say they have a clear rule that the child is supposed to get the Grant money up to the day he or she enters the fifth year of age:

*We have made it very clear to the district – calculate the age by the date of birth – not month and year and give the Grant – so if child is born on 29 March 2000, he should get it till 28 March 2005<sup>30</sup>.*

This discrepancy suggests there is an implementation gap affecting policy effectiveness. A large part of this implementation gap concerns the transfer of diluted or distorted information, both to government officials at the local and district levels as well as beneficiaries. People often feel they do not receive the right amount. This comes out strongly from both the qualitative and the quantitative data. These feelings seem to be frequently grounded in incomplete knowledge of the formal policy design, which is likely related to the informal and arbitrary ways in which information about the policy is first communicated to households and individuals (see above discussion). And while some beneficiaries have a set figure in mind when it comes to how much they think they should be receiving, others may have very little idea at all. Regarding the latter, there is some qualitative evidence to suggest geographical remoteness – and the wider marginalisation this sometimes helps produce – might be associated with generally limited awareness. In one male focus group in Saptari, one participant explained:

*From here in the village, it is 10-12 km south where women go to get the [Grant] money. They will take as much as [the VDC] staff give them. If they give 500 rupees, they will take it and come back. The women cannot talk with the staff; they cannot say that they should be provided 800 rupees from government. They do not know. In such a village [like this one], the [VDC] staff do not tell us how much money has been provided from government. That's the matter [...] people of the village get the money and run away.<sup>31</sup>*

Our analysis suggests widespread incomplete information about the Child Grant policy may be related, in part, to the way the transfer is actually delivered on the day. We talked above about how payments of the Grant are often delayed and less frequent than they should be. However, even once the central government budget for the Grant has been released, problems still arise when local government attempts to deliver it. While this is certainly not the case for everyone – some respondents reported no delays at all when collecting the transfer, and we were told in one site in Saptari that those community members with *source* (or ‘power’/ ‘influence’) will ‘get his work done earlier’<sup>32</sup> – many people complained of the large crowds that gathered around the distribution points (often the VDC office, but not always). Part of what accounts for the congregation of large crowds is the time window in which recipients can collect the transfer, which we actually found to vary from place to place. While it generally seemed to be the case that these windows remain open for around two to three days, in some instances – for example, in one site in Saptari – the VDC office continues to distribute the Grant for a full 15 days before ‘sending the record’ to the DDC.<sup>33</sup> Such an approach

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<sup>29</sup> 10

<sup>30</sup> 74

<sup>31</sup> 51

<sup>32</sup> 58

<sup>33</sup> 70

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would likely help address the issue of crowds forming around Grant distribution points, which, while usually representing little more than a tedious frustration, can occasionally be quite problematic for certain beneficiaries. The case of one respondent in Saptari illustrates this point:

*Respondent: [When I went to collect the Grant] there were no staff; the boss was not there, he had gone for tea.*

*Interviewer: So the heavy crowd and queue are because of that?*

*Respondent: Yes, there is no boss, so people gather and gather and become [a] crowd. One after another people stand. If anyone has to go toilet then [he loses] his turn in the queue. Because of that there occurs fighting between people.<sup>34</sup>*

In the end, this individual actually lost two days' worth of labour income from cart pulling (*thela*) as a result of delays in the distribution of the Grant. As we have seen, some people have to travel for several kilometres to the VDC office, sometimes without the aid of a vehicle if money is tight. This takes time itself. But when delays occur at the office, beneficiaries may be forced to return home (to feed children, to look after elderly in-laws, to take care of other domestic responsibilities) and try their luck again the next day. When this happened to our respondent, they reportedly forewent NRS 1400 in lost income (more than one Grant payment), representing a significant opportunity cost in collecting the transfer. Box 2 presents another example of a beneficiary experiencing problems during the distribution process.

The large crowds and long waiting times that often accompany the Grant distribution windows further constrain the capacity of beneficiaries to learn about the proper functioning of the policy. As we mentioned above, there is a generally low awareness of the formal stipulations regarding registration. The same applies when we look at the frequency and size of the transfer. As has been shown above, many beneficiaries simply do not know how much they should be receiving each time. This information asymmetry is reinforced and sustained by the chaos of the distribution environment, where, because of the large number of people clambering for attention, it becomes almost impossible to ask even a simple question to the one or two (already overloaded) local government officials. For example, recipients are required to provide their signature or thumbprint on receipt of the transfer, ideally alongside the amount they have just received (if it is even stated, that is). But it is quite common for recipients to not really know how much they are signing for: because of the crowded environment, it does not 'matter whether the person is educated or not. They will not have time to look over it [the amount written down]'.<sup>35</sup>

### **Box 2: Case Study – delivery of the Grant**

Mr Khang is 40 years old. He is from Koiladi, Ward 8, Saptari. He has five children but only two of them receive the Grant as the others were over five when the programme first started there. The money has been distributed here for the past six years but he does not know the amount provided. He received information about the Grant from the clerk of the VDC at the beginning. However, this information was not detailed.

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<sup>34</sup> 58

<sup>35</sup> 26

At first all the Dalit of the village were asked to make birth certificates for their children. This certificate was kept at the village Panchayat. It was not returned to the respective parents. When Mr Khang asked the VDC officials to return it, they said it would be kept until the Grant was available and would be returned once the child was five years of age. But when they asked for it after the child turned five, the people of the VDC office did not return it.

The VDC office seems to have lost one of his child's birth certificates; he has gone to ask for it several times but each time he is asked to come the next day. After going regularly for a few days, they told him they would make a new one for him. But he was made to pay a fine for losing it. He did not have any option other than to make the birth certificate again as a birth certificate is needed to admit children to school. Some people quarrel and shout at the VDC staff for not providing the birth certificate.

Usually, he goes to take the Grant; if he is busy his wife goes to take it. The situation is the same for other villagers as well; it is mostly men who go to get the Grant money. He uses the Grant money for the children but there are some men in the village who use the money to drink alcohol.

Mr Khang feels individuals do not have the courage to go to the Panchayat and ask for the money if they are left out. He believes that, rather than giving out the money in the Panchayat building, this money should be provided in the centre of the village. By doing so, all the villagers would know when the money is distributed and hence no one would be excluded. People who do not receive the Grant consider it a burden because they do not know whether they will be getting it or not and they have to bear the loss of their daily wage.

Similarly, people should be informed about the Grant in detail – why it is being given, for what purpose and to whom. He even thinks every person who has received money should have written proof saying they have received money so no one can be cheated.

Source: 72

#### **4.3.3 Low awareness of formal grievance procedures and a reluctance to speak out**

Of course, an individual's capacity to ask questions to and of those in positions of (relative) power is not simply a question of logistics. It is also rooted in state–society relations more broadly, which – depending on the particular *nature* of those relationships – can work to deter citizens (or at least certain groups of citizens) from 'speaking out'. Particularly for Dalit, this can be very challenging owing to their long history of social exclusion (see Section 1.1). One way governments can try to address this situation is to incorporate what we might call *grievance mechanisms* into the design of their programmes. These function as a means through which beneficiaries can hold the provider accountable for bad service – that is, if beneficiaries' expectations go unmet or if the provider denies them of something to which they are formally entitled. Even in a clientelistic environment, grievance mechanisms have been shown to be effective. For example, in the Philippines, the Pantawid Pamilya conditional cash transfer has a systematic, professional and rules-based grievance mechanism (World Bank, 2014). Despite high levels of corruption and pervasive patronage politics, this has been both popular among beneficiaries and highly effective (ibid.).

Accountability mechanisms can include a number of tools, as outlined in the framework in Section 2, including social monitoring tools and grievance mechanisms. VDC offices in theory all have social monitoring mechanisms in place: social audits are meant to take place once a fiscal year and are undertaken by all stakeholders in the activities of VDCs to make programmes and projects more

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efficient and transparent. However, while on paper there is a grievance mechanism for social assistance programmes as a whole, there is no formal grievance redress system specifically for the Grant. It is not clear to what extent the broader grievance mechanism is actually implemented. Furthermore, even if local or informal grievance mechanisms do exist, they are not integrated or institutionalised in the design of the Grant.

As is to be expected, our survey data show a relatively low degree of awareness of grievance mechanisms within the Child Grant intervention: only 14% of respondents said they knew how to make a complaint, with no difference between districts (Table A31 in Annex 3). On the other hand, among those who do know how to make a complaint, on average one in two did make a complaint. A higher share in Saptari made a complaint (70% compared with 28% in Bajura) (Table A31). It is interesting that, while the delivery process seems to have been more effective in Saptari (in terms of frequency and amounts of payments), more respondents have made a complaint in Saptari. The vast majority made the complaint to the VDC secretary (Table A31). However, respondents show low levels of satisfaction with the response: 45% are not satisfied and 35% are only satisfied to some extent (Table A31).

Coming back to social accountability more broadly again, one key aspect of accountability is access to information. In order to voice a concern about their experience with the programme, the beneficiary first needs to possess enough information about how the service is supposed to work (and therefore about what specifically they are entitled to). Thus, when the provider falls short of meeting this entitlement, the beneficiary *knows* this is the case.

This is the first accountability problem we see with the Child Grant. As discussed above, many of those who go to collect the Grant during the distribution window – including fathers and grandfathers, who may not be targeted by policy dissemination strategies – have a limited understanding of how the Grant works (in terms of when they should be receiving it, how often and how much they should be getting). People just go to the distribution point, ‘take the money, and come back’.<sup>36</sup> No questions are asked, partly because those collecting the Grant are not entirely sure if they are getting the right amount.

The second problem we see is that, even when beneficiaries do possess adequate knowledge about how the Grant works and about what they should be expecting, there are still constraints as to their capacity to raise problems and concerns with VDC officials. Analysis of the qualitative data suggests there is almost a ‘culture of not speaking out’ within beneficiary communities. It is possible this is particularly pronounced among Dalit communities, who share a historically difficult (to say the least) relationship with the Nepali state. This relationship has been one of marginalisation and disenfranchisement, in multiple spheres of social, economic and political life. The following quote is illustrative:

*The government is formed of big people who go up [into positions of power].  
How can Dalit go up?*<sup>37</sup>

However, it is also possible that the unwillingness to ‘speak power to authority’ is more broadly characteristic of the areas we studied – geographically distant from Nepali centres of power.

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<sup>36</sup> 38

<sup>37</sup> 51

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Part of what appears to constrain people's capacity to 'speak out' is a problem of collective action. In many communities, we heard that, as Dalit women, they would never consider making a complaint at the VDC office alone. Even going in small groups was seen by some to be meaningless: 'Even if we know [they are giving us less than they should], we are helpless. They do not listen to two to three people talking about it.'<sup>38</sup>

These experiences must be understood within a wider context of intersectional inequality, where certain cohorts of society suffer greater marginalisation than others. While all individuals and groups are defined, as Lynne Bennett (2005: 13) puts it in her work on Nepal, 'in terms of multiple layers of institutions that surround them', it is Dalit women in particular who are most likely to experience the disempowering effects of the norms, values and beliefs conveyed through those institutions. As Bennett goes on to show, Dalit women face challenges to their agency not just in the home but also in the community, where 'caste-based discrimination is likely to be most strongly enforced and harshly experienced' (ibid.: 13). It is the *intersection* of these individuals' gender and caste that is important here in explaining their marginalisation, rather than simply one or the other (see also Kabeer, 2014 on intersectional inequality).

The third problem we see is that the symbolic value of the Grant – as opposed to its financial value – acts as a constraint on 'speaking out'. Particularly for the poorest people, the mere fact the government is giving *anything*, however limited, may be interpreted as a reason not to complain (akin to 'biting the hand that feeds'). Interviews suggest VDC officials sometimes appropriate this logic when beneficiaries start talking about problems: 'When we shout for our money, the VDC staff say, "You bargain for this money, [so] now the Government will stop distributing this grant amount."<sup>39</sup> There is an implication here that beneficiaries should just be satisfied with whatever they get – because at least they are getting it in the first place.

Finally, and certainly linked to the preceding discussion, it may be that people's pre-existing expectations of the state deter them from voicing complaints. In a context where people do not necessarily have high expectations of the state, there may seem little point wasting time and effort going through a tedious bureaucratic process to raise a concern. As we saw above, only 15% of the sample knows how to make an official complaint. Furthermore, when asked why they had never made a complaint to the VDC about a problem with the Grant payment, many respondents seemed to feel officials would simply shrug them off with some excuse: 'Sometimes they say there is not enough budget. Sometimes they say they will manage it the next time.'<sup>40</sup> Another respondent told us, 'Should we go and complain to the VDC or to the headsir [the school principal – considered an influential person in a position of authority]? Because the headsir has the same behaviour [as the VDC officials], so where should we go?'<sup>41</sup> In short, when people feel 'speaking out' is highly unlikely to make any difference, it is understandable they see little point in doing so in the first place.

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<sup>38</sup> 38

<sup>39</sup> 11

<sup>40</sup> 41

<sup>41</sup> 40

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## 5 Despite low transfer levels the Grant has some (modest) impacts

This section assesses the effects the Child Grant may have had on household members in Dalit households, in terms of economic wellbeing, food security and nutrition and empowerment. We consider each of these dimensions in turn, using three different assessments: i) an analysis of the treated group's self-perceived impact; ii) a comparison of treated households and the control group (Dalit household children aged five to nine who did not previously receive the Grant); and iii) a comparison of treated households with non-recipient households (that have children aged younger than five but are not receiving the Grant).

The analysis is based mainly on the quantitative analysis, on descriptive statistics showing some indicative differences between groups (but unable to show causality) and on the findings of a PSM analysis that give an indication of *impacts* the Grant may have had. Even though the PSM analysis has been applied carefully and passes the appropriate tests (see Section 3.3.1), it is still necessary to be careful in drawing conclusions as the analysis is based on a small sample (in particular the control group is very small). These findings cannot be extrapolated to the population level – they are specific to the sample of this study.

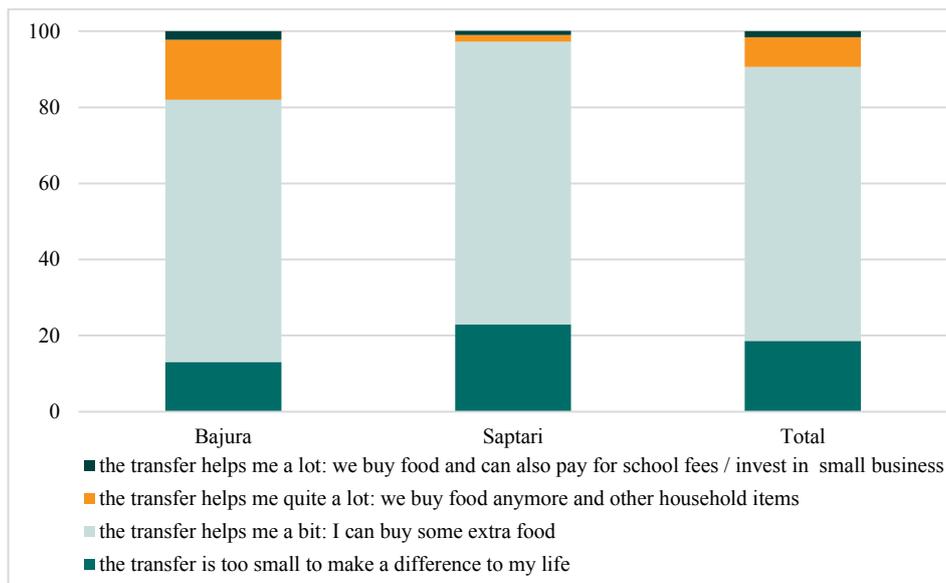
### 5.1 Impacts on economic wellbeing are low

Before looking at how the Child Grant may have enabled better access to formal and informal loans and access to health services and treatment, we look at self-perceived impact and how the Child Grant has been spent.

Before doing so, we need to take a short detour to look at issues of fungibility. Fungibility of money means one unit of money is equivalent to the same unit of money, so money raised for one purpose can easily be used for another purpose. This also means that, even when beneficiaries claim to have spent the Child Grant on a particular item, they may have spent money on that item anyway and having the Child Grant just frees up money to spend on something else. In other words, given the fungibility of money as well as the low value of the Grant, it is difficult to disentangle *how* and *on whom* this particular transfer has been spent. Instead, it is more appropriate to consider the Grant's *contribution* to the household budget. The objective of the Grant is to improve the nutrition of beneficiary children. However, given fungibility, it also becomes difficult to measure whether the transfer has been spent on children – and the fact that households name a whole range of expenditures does not mean they are depriving their children. Even when they increase expenditure on a non-child-related area, like investment, they may be freeing up money to be spent on children.

This is what our first question on self-perceived impact asked. For the sample as a whole, 72% of treated households found the transfer had helped them ‘a bit’ (Figure 5). Less than 20% found it was too small to make a difference to their life. Treated households in Bajura had more positive perceptions of the impact – 16% said the transfer had helped them ‘quite a lot’. This makes sense: since Bajura households tend to be subsistence farmers with no cash income and Saptari households are more likely to work in the informal economy, the cash the Grant provides is likely to make a bigger contribution to the income of Bajura households.

**Figure 5: Self-perceived impact of the Grant (%)**



*Note: Differences between districts significant at the 1% level.*

Treated households reported that they had spent the Child Grant on a number of different areas (see Table 18, with multiple responses possible). Remember, this does not mean the Grant covered their entire spending in this area, but rather it may have made small contributions to different expenditures. A total of 85% of households spent some of it on food, 55% spent it on children’s clothes and 41% spent it on medicine. Spending on education<sup>42</sup> and health services was less common, but still reported by a sizeable proportion (18% and 13%, respectively), and by a higher share in Bajura. There is little spending on investment, community or social activities and children’s ornaments.

<sup>42</sup> Even though the Grant is for under-five children in the household, fungibility means it may still be spent on the education of older children.

**Table 18: What the Child Grant was spent on (%)**

	Bajura	Saptari	Total
Food	84	87	85
Education	33***	7***	18
Health services	23***	5***	13
Medicine	25***	53***	41
Children's clothes	66***	46***	55
Investment, savings or productive activities	2	2	2
Community/social/religious activities	0	0	0
Children's ornaments	0***	2***	1

*Note: Asterisks indicate whether the mean for each group is statistically different from the sampled population as a whole (\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%).*

The qualitative interviews revealed similar spending patterns. Indeed, some even referred to the Grant as the ‘nutrition allowance’, and had been instructed by VDC officials to use the money to buy food for their children. That said, there is some qualitative evidence that the transfer is sometimes used to buy ‘junk food’, such as instant noodles and sweetened drinks, because this is often what children hassle parents for. In addition, it is not always clear the Grant is being used to purchase food specifically for children. In some cases, it appears the transfer is simply used to augment the existing household budget for food expenditure, as the following quote suggests:

*Interviewer: What things do you buy at the hatiya [with the Grant money]?*

*Respondent: Things to eat – salt, oil, spices.*

*Interviewer: You spend Grant money for children on these things?*

*Respondent: Yes.<sup>43</sup>*

Has overall expenditure of the household – an indication of the household’s consumption – increased? In short, the answer is no. Comparing total household per capita expenditure of treated households with control households, we actually see a decrease in expenditure (only significant for the kernel matching method) and, while we see a small increase compared with non-recipient households, this difference is not significant (see Table A58 in Annex 4). This is not surprising, given the low value of the Grant. However, we do see a significant decrease in the likelihood of treated households having to borrow food or money from others: treated households are 10% less likely to do so compared with control households (see Table A57). Furthermore, treated households are 5% less likely to have children living elsewhere (for work/education) compared with control households (Table A57; only significant for kernel matching). However, the explanation for this may lie in the fact that control households have older children.

<sup>43</sup> 4

In a previous study on the Child Grant, anecdotal evidence suggested receipt of the Grant enabled access to informal loans (Adhikari et al., 2014). As such, this study asked a number of in-depth questions regarding access to credit. Close to 50% of treated respondents stated that access to the Child Grant did improve access to some form of credit (Table 19). Of these, 95% of households stated that the Grant had enabled credit in shops (98% in Saptari and 92% in Bajura). Around 12% of treated respondents said it had enabled access to informal loans (21% in Bajura). However, the impact analysis does not confirm self-perceived effects in terms of loans: there is only a weakly significant difference between treated and control households in terms of having applied for an informal loan and it is negative implying that treated households are in fact less likely to apply for one (see Table A57 in Annex 4). There are also no significant differences in the reasons why treated/control households did not seek or receive informal credit (Table A34 in Annex 3).

**Table 19: Whether Grant enabled access to credit (%)**

	Bajura	Saptari	Total
Grant has enabled credit in shops	92***	98***	95
Grant has enabled loans from informal lenders	21***	3***	12
Grant has enabled loans from bank	1	0	1
Grant has enabled to join savings group	6***	1***	4

Note: Asterisks indicate whether the mean for each group is statistically different from the sampled population as a whole (\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%).

The qualitative data show that, for some, receiving the Child Grant has enabled access to credit, but only for particular purchases/types of shops – namely, ‘small shops’. While such an effect does not appear to be particularly widespread, some cases were observed:

*To big shops in the market, we do not say we will give after we get the Grant money, we tell them we will pay them from remittances money. But to small shops in the neighbourhood, we tell them we will pay when the Grant money comes and they give us things on credit.<sup>44</sup>*

In terms of access health services, self-perceived impacts are again more positive than the findings of the PSM analysis. Around 14% of treated respondents said the Grant had helped pay for formal fees,<sup>45</sup> compared with 4% who said it had helped with informal fees and to pay for transport, with higher shares on both among Saptari respondents (Table 20). Very high shares of treated respondents (97% in Bajura and 76% in Saptari) said the Grant had helped them pay for medicine. There are no statistically significant differences in terms of the place where households usually seek medical advice/treatment, with 53% of the sample initially going to a pharmacy/medical shop and another 30% going to the primary health point/sub-health post (Table A35 in Annex 3).

<sup>44</sup> 13

<sup>45</sup> In principle, access to basic health services should be free and respondents should only have to pay for medicine (which respondents may consider formal fees).

**Table 20: Whether Grant enabled access to health services (%)**

	Bajura	Saptari	Total
Grant has enabled paying of formal fees	6***	21***	14
Grant has enabled paying of informal fees	2***	7***	4
Grant has enabled paying for transport to health service	0***	7***	4
Grant has enabled paying for medicine	97***	76***	86

Note: Asterisks indicate whether the mean for each group is statistically different from the sampled population as a whole (\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%).

This is fairly consistent with the PSM findings, which show the Grant has not changed the likelihood of beneficiary households seeking advice or treatment in the event of an illness of their child (Table A58 in Annex 4). However, there is a statistically significant difference in terms of ability to pay for medicine. Treated households are 11% more likely to never/rarely have difficulties paying for medicine compared with control households (finding only weakly statistically significant for nearest neighbour matching, Table A57 in Annex 4). While these effects are small and the ability to access health services have not changed, it is nevertheless encouraging that the Grant has eased payment of medicine for some.

### Box 3: Case study – perceptions by non-beneficiary mother

Tara (a non-Dalit) is 25 years old and is HIV-infected. She has two sons and two daughters (10, eight, six and four years of age, respectively). She lives with her husband, her children and her mother-in-law in Barbise, Bajura. Her husband, who is now 30 years old, was the sole breadwinner when he worked in Delhi but for four years he has stayed at home because he tested positive for HIV. He is taking medicine and cannot do labour-intensive jobs as he is weak.

For a living, they are engaged in farming and wage labour. Tara has only a small vegetable garden and the production from there is not even enough for a month for a family of seven people. Recently, she bought a buffalo, thinking she could increase her earnings by selling its milk, but she had to sell it as she did not have enough time and energy to care for it. Tara works as an agricultural wage labourer in her neighbours' fields. Her job is irregular and the income is mostly in kind rather than cash. Her husband usually crushes stones for living and is paid around \$40 per month.

Tara and her husband both get free medication from the district health office but she cannot afford to the travel costs, which are around \$7. Tara's neighbour, who is also HIV-infected, brings medicine each month for all those infected in the village, including her.

Tara feels the Child Grant should be given to poor non-Dalit as well because many of the non-Dalit in her village are poor, like her. It is very hard for her to raise her children because she does not earn enough even to feed them. She feels the Grant would help her provide food and educational materials for them. She has not been able to express this to anyone because she knows the Grant is provided only to Dalit. Her children also complain about not getting the grant: their friends in school show off things they buy with Grant money. Tara is very worried about the future of the children because she and her husband both cannot work hard enough because of their deteriorating health and feel they will not live until their children are old enough to sustain themselves.

Source: 73

In brief, the Grant has contributed to expenditure on a whole range of items, particularly food and medicine. It also appears to have eased access to informal credit, particularly in shops. However, given the size of the Grant payment, it has not had a significant impact on household expenditure or economic wellbeing.

## 5.2 Greater usage of Vitamin A and de-worming among treated group children

### 5.2.1 Changes in diet and food security

As seen above, 85% of respondents said they had spent the Child Grant on food. The survey asked some detailed follow-on questions on changed eating patterns; these are somewhat ‘leading’, so we should be careful not to overstate the findings. On average, 33% of respondents felt adults’ eating patterns had changed, but almost 80% said children’s eating patterns had changed (Table 21). When asked how children’s eating pattern had changed, some interesting differences emerged. A quarter of respondents in Saptari said the Grant had enabled a greater number of meals, and almost one in two respondents in Bajura said it had allowed children to eat bigger portions. Across both districts, two-thirds of respondents said the Grant had allowed them to eat more desirable food (Table 21).

**Table 21: Respondents perceived changes in eating patterns (%)**

	Bajura	Saptari	Total
The Grant has changed eating patterns of adults	41***	26***	33
The Grant has changed eating patterns of children	64***	91***	79
Greater number of meals	18***	25***	22
Greater variety of food	27***	16***	20
Bigger portions	44***	10***	22
Eating more desirable food	62***	70***	68

*Note: Asterisks indicate whether the mean for each group is statistically different from the sampled population as a whole (\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%).*

Indeed, the qualitative evidence strongly confirms the latter finding. The interviews showed respondents used the Child Grant to buy ‘desirable food’, such as biscuits and noodles (to a large extent) and milk and fruit (to a smaller extent).

How have such changes in eating patterns changed dietary diversity? We built an index of dietary diversity for the respondent and the youngest children in the household (under the age of five but above six months). In terms of the dietary diversity of the respondent, we see a *lower* level in dietary diversity compared with control households (only significant for kernel matching; Table A57 in Annex 4). However, children in treated households have significantly higher levels of dietary diversity compared with non-recipient households (Table A58 in Annex 4).

But how has this changed the household’s level of food security? In the survey, we measured household food security using the Household Food Insecurity Access Scale (HFIAS) (Coates et al., 2007). However, while on average treated households have a lower HFIAS score than control household, which means they are less food-secure, and this difference is statistically significant for descriptive statistics (Table A35 in Annex 3), this difference is not statistically significant when applying PSM

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(Table A57 in Annex 4). When comparing treated with non-recipient households, we find a significant *increase* in the HFIAS score for treated households (kernel matching only), but with lower observations,<sup>46</sup> so this finding is less reliable (Table A58).

The HFIAS index is constructed from nine questions related to food security, asking about specific concerns and behaviours. When looking at the responses to some of the individual questions, we see treated households fare better. Compared with control households, they are 15% less likely to worry about food and 18% less likely not to be able to eat the kinds of food they preferred (both highly significant, see PSM Table A57 in Annex 4).

We also asked questions about coping strategies the household used to deal with concerns about food security. The findings are not fully consistent. While the descriptive statistics suggest treated households are less likely to employ negative coping strategies (Table A36 in Annex 3), the PSM analysis only partially confirms this. According to the kernel matching analysis, they are less likely to sell assets but more likely to take an in-kind loan (only the latter is statistically significant but only for kernel matching; Table A57 in Annex 4). Compared with *non-recipient* households, treated households are significantly more likely to eat seeds intended for planting (Table A58 in Annex 4).<sup>47</sup> A separate question asked whether the household had borrowed food in the past 30 days. Compared with control households, treated households are 20% less likely to have to borrow food (highly significant for both matching methods; Table A57 in Annex 4).

In short, the quantitative analysis suggests treated households are to some extent less worried about food security and may be employing some negative coping strategies less, but not consistently so. The qualitative analysis also suggests households depend mainly on remittances both in Saptari and Bajura for food security and to a smaller extent on the Child Grant. They frequently take loans from extended family members and neighbours, both in cash and in kind (food).

*When our husband is late in sending money, we borrow it from each other – this happens in the village very often – when I have it I give it to her, when I need it she gives it to me – it goes like that.*<sup>48</sup>

### **5.2.2 Changes in vaccination, usage of supplements and breastfeeding**

We also compared treated households with non-recipient households in terms of participation in vaccination programmes and in relation to the child receiving Vitamin A supplements and being de-wormed. Children under the age of five in treated households are 6% less likely to be vaccinated (only significant for kernel matching; Table A58 in Annex 4). However, they are significantly more likely to receive Vitamin A and to be de-wormed (e.g. they are 11% more likely to receive Vitamin A) (Table A58). It is not clear from the qualitative data we have what the specific reason for this is. However, one plausible hypothesis might be the higher rates are a result of complementary programmes/information-sharing at VDC offices.

*We do not have to pay for the vaccinations, vitamins or the de-worming tablets. The female community health volunteer comes regularly and gives*

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<sup>46</sup> We experienced big losses of observations to uphold the common support assumption.

<sup>47</sup> Again, we should be careful because of small sample sizes.

<sup>48</sup> 7

*them to children in each settlement. She informs us and we take the child to a designated spot. It is from the government, it is free.*<sup>49</sup>

Finally, do we see any differences in terms of exclusive breastfeeding and the age at which breastfeeding stopped? There is no significant difference in terms of exclusive breastfeeding; in fact, across the sample, only 21% of mothers practised exclusive breastfeeding in the first six months (Table A37 in Annex 3). However, there is a slightly significant effect in terms of age at which breastfeeding stopped. The PSM analysis suggests treated mothers breastfed for almost two months longer (only significant for kernel matching at 10% level; Table A58 in Annex 4). While this is an encouraging finding, it is not strongly significant, and holds only for the limited sample this survey covers. A follow-up study could look into the reasons for this – does it owe to complementary information campaigns or were beneficiary mothers able to eat better food and withstand the strain of breastfeeding longer?

In conclusion, we do not find strong impacts on treated households’ level of food security. However, in the short term, the Grant may have positive impacts on children’s dietary diversity, and respondents report being able to buy more ‘desirable foods’ for their children. But these kinds of effects are short-lived, given the low transfer size. Children in treated households are also more likely to receive Vitamin A and be de-wormed, possibly because of complementary interventions.

### 5.3 Limited impacts on empowerment

This study also set out to assess whether the Child Grant had affected the empowerment of mothers of Grant recipients. Previous studies have argued that social protection programmes can lead to empowerment if designed with transformative goals in mind (Babajanian et al., 2014; Sabates-Wheeler and Devereux, 2004). The Child Grant was clearly not designed to achieve these objectives, so the findings below should be interpreted with care. To assess effects on empowerment, we considered spending decisions on the Grant and decision-making in general, participation in care activities, feelings of respect and confidence and participation in community decision-making processes.

About 45% of respondents said they gave the Grant to their husband after receiving it (no statistically significant difference between districts; Table A38 in Annex 3). Just over half of respondents said women made the decisions on how the Grant amount was spent; another quarter said the parents of the child decided this jointly (see Table 22). There are some statistically significant differences by district: a higher share of mothers in Saptari make the decision alone.

**Table 22: Who makes decisions on how to spend the Grant? (%)**

	Bajura	Saptari	Total
Mother of the child(ren) receiving the grant	49.8	62.3	56.9
Father of the child(ren) receiving the grant	11.2	6.3	8.4
Joint decision of mother and father	27.3	20.8	23.6
Other men	5.7	3.7	4.6
Other women	4.1	2.2	3

<sup>49</sup> 8

All household members	1.9	4.8	3.5
Total	100	100	100

Note: Differences between districts significant at the 1% level.

In terms of general decision-making, we asked respondents whether they felt the mother’s role in decision-making processes had changed since receiving the Grant, and compared treated and control households in terms of participation in decision-making of specific activities (Table 23). More than 50% of respondents said the mother’s participation in the decision-making process on shopping for food and allocating food had stayed the same. Around 46% and 44% of respondents felt mother’s participation had increased (both slightly higher in Bajura). However, when we compared treated and control households in terms of decision-making concerning shopping, meals, children, mother’s health and family planning, we found female respondents in control households were more likely to take the decision alone (Tables A39-A53 in Annex 3). In treated households, respondents are more likely to take decisions together with their husbands or other relatives.

**Table 23: Changes in decision-making (%)**

	Bajura	Saptari	Total
Mother’s participation in decision-making on shopping for food			
Increased	47.1	44.5	45.6
Decreased	52.3	55.2	53.9
Same	0.6	0.4	0.5
Total	100	100	100
Mother’s participation in decision-making on food allocation			
Increased	45.3	43.5	44.3
Decreased	3.2	0.1	1.4
Same	51.5	56.4	54.3
Total	100	100	100

Note: Differences between districts significant at the 1% level for decisions on food allocation.

Are there any differences in terms of involvement in care activities? Sections 5.1 and 5.3 have already shown us that, in most cases, mothers take the child along when registering for the Grant or picking it up, or stay home with the children. In more than 94% of both control and treatment households, women do the main chores (no statistically significant difference; Table A54 in Annex 3). A total of 92% of respondents receiving the Child Grant said this had not changed (Table A55 in Annex 3).

Qualitative interviews confirm there is no difference in care activities. However, *non-recipients* in Bajura think that, by getting the Grant, recipient mothers also indirectly learn more about caring – for example officers say what to use the money for. Hence, in their perspective, child care activities in beneficiary households are improving.

We also looked at confidence or respect in general. We asked whether the respondent/respondent's wife felt respected by other household members. Around 87% of the sample felt this was the case (Table A36, Annex 3). In terms of the impact analysis, when comparing treated with control households, there is no significant difference, but when comparing treated with non-recipient households there is a significant positive difference across both matching methods. Treated respondents are 10% more likely to feel respected (Table A58 in Annex 4). However, in terms of self-perceived impacts, we do not see much of an effect: 71% of treated respondents felt levels of respect had stayed the same since receiving the Grant and only 27% of respondents felt they had increased (Table A55 in Annex 3).

The qualitative data show beneficiaries do not feel there are lasting changes in levels of respect, as illustrated by this quote:

*Change? No. On the day we bring the money, they are different – they may even tell us to do less work – but from the next day they forget and it is the same.<sup>50</sup>*

We do not see differences in terms of social activities between beneficiaries and control households. A total of 90% across both groups said they interacted with people from other ethnicities, castes and religions; the majority said they interacted by helping each other (Table A36 in Annex 3). As Section 5.1 showed, beneficiary households rarely spend the Grant on social activities.

Finally, we want to know whether the Grant has enabled beneficiaries to participate in community-level decision-making processes and interaction with officials. We asked about awareness of community and public events, participation and whether respondents voiced their opinion. Compared with control households, treated households are significantly *less* likely to be aware of community events and to participate in them (Table A57 in Annex 4). There is no statistically significant difference compared with non-recipient households. However, slightly contradictory, 67% of treated respondents said receiving the Child Grant made it easier to participate in meetings (Table 24). Likewise, 48% of treated respondents perceived that receiving the Grant had given them more confidence to approach the VDC secretary; this is 60% in Saptari (Table 24), but the impact analysis does not show a statistically significant impact in terms of having voiced their opinion at such meetings or ever having approached a VDC secretary (Table A57 in Annex 4). Again, this is likely to be linked to their caste status. Self-perceived effects should be interpreted with caution as the questions can be considered leading, so impacts on community participation are probably limited.

**Table 24: Self-perceived effects of Grant on community decision-making (%)**

	Bajura	Saptari	Total
Grant makes it easier to participate in community events	0.60***	0.74***	0.67
Feel more confident to make a request to VDC secretary since receiving Grant	0.33***	0.60***	0.48

Note: Differences between districts significant at the 1% level.

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<sup>50</sup> 46

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Overall, this study finds very limited impacts of the Child Grant on beneficiary empowerment. Although sizeable proportions of treated respondents reported a self-perceived positive change against certain measures, such as decision-making within the household or willingness to approach figures of authority, in terms of actual behaviour we find no statistically significant differences between treatment and control groups. However, it needs to be emphasised that empowerment is not an explicit objective of the Grant, so these findings are not surprising.

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# 6 Four bottlenecks in policy implementation

The previous two sections talked about the quantitative and qualitative findings of our research in relation to two of the main objectives of this study: the process of implementing and delivering the Child Grant; and the effects of the Grant on treated households. In this final analytical section, we draw primarily on qualitative evidence to highlight a series of *bottlenecks* that exist within implementation of the Grant, which, we believe, are tempering some of its potential impacts (as do some of the core design parameters, also discussed here). It is also our belief that something can be done about these bottlenecks; we discuss this in the concluding section that follows.

We identify four aspects of the implementation of the Grant in which crucial bottlenecks are evident. While the preceding sections have partly covered these, we are synthesising them here in order to provide a more comprehensive overview of the situation. They are as follows:

1. Limited and problematic application of the wealth targeting criterion;
2. An implementation gap between the way the policy is laid out on paper at the central level and the way it is operationalised locally;
3. Inadequate outreach and information dissemination;
4. Limited formal accountability mechanisms, which prevents beneficiaries from speaking out and also means data to improve programme delivery are not being collected.

## 6.1 Limited application of wealth targeting criteria

As previously discussed, three criteria should be used to identify eligible households: they must be of *Dalit* caste with at least one *child under the age of five* and *land poor*. Thus, wealth status is determined by ownership of land assets and the extent to which these can be used to provide for the household. There are several problems with this. First, it represents a very narrow idea of what constitutes poverty. Our evidence suggests a number of ‘eligible yet excluded’ households are in fact better off in some ways than eligible households that do receive the grant. This is arguably because, while the former households may not own much, if any, land (and are therefore entitled to the Grant), they are more ‘cash rich’ than other households – even those that own enough land to render them ineligible. They might, for example, be more cash rich because they engage more extensively in cash-based livelihood options, such as working in the informal economy, running their own business, working for someone else’s private enterprise or having a migrant in the family. Similarly, it is possible the policy does not capture households that own too much land to qualify for the Grant but are otherwise relatively cash poor. As such, the rather limited way of operationalising the idea of poverty status into one of the targeting criteria risks undermining the pro-poor purpose of the policy as a whole.

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It is clear from our evidence that, in practice, the Grant is not targeted in accordance with wealth status – even despite the narrow, simplistic way in which it is currently defined. There appears to be both limited application of this particular criterion by government officials and extremely low awareness of it among both beneficiary and non-beneficiary households. Yet, is it even necessary to poverty target? Our analysis of targeting errors (Section 4.2.1) shows modest inclusion and exclusion errors. This means that, even though the wealth targeting criterion has not been applied in practice, few non-eligible households are included – most Dalit households are poor enough to meet the poverty criterion. In other words, the caste targeting criterion is sufficient, if the objective is to target a poor and vulnerable population group.

A third problem we see with the current wealth criterion is that this may not in fact be viable. It is likely related to the fact that it is probably quite challenging for VDC secretaries to measure and take into account land ownership when identifying eligible households. As we have already seen, there are various issues with data collection and verification even when wealth status is not considered; in some places, households appear able to claim the Grant without providing much in the way of official documentation. This, in turn, is likely related to questions of limited local government capacity. VDCs are expected to function as the implementing institution of multiple policies (including other social protection programmes, but also other services). However, they are typically under-resourced and under-staffed. There are limits on officials' ability to deliver each and every policy 'by the book', quite simply because they do not have enough time (among, of course, other factors). Against this backdrop, the wealth criterion represents just one more layer of complexity, which an over-burdened VDC office could probably do without.

## 6.2 Implementation gap between design and operationalisation

This issue of weak local government capacity is related to the second bottleneck: an implementation gap between how the policy is laid out on paper at the central level and how it is operationalised locally. Policies that are produced and 'written down' in a particular place – the Nepali government's 'Red Book' of Directives is one good example – rarely work *in practice* as they are formally supposed to (even if they diverge by just a few degrees). This because policies mutate across space and time, becoming diluted and distorted as they 'travel' from one level to the next (national to district to local to household, to put it crudely) (Peck and Theodore, 2012). They are subject to the nuances and variations of local governance, which include geographical differences in state capacity.

We have found this to be the case with the Child Grant. Our evidence points to a considerable gap between the formal design of the Grant and the ways government implements it. For example, we see large variations in the methods through which information on the policy is disseminated to potential beneficiaries ('sensitisation strategies'), as well as in the timing of payment distributions and transfer sizes. On the former, VDCs seem to use some quite informal, almost arbitrary methods to raise community awareness about the Grant, such as using brokers of various kinds (heads of schools, female community health volunteers) to spread the word. In fact, many of those we surveyed and talked to found out about the programme through relations, friends and neighbours, which illustrates how information about the Grant is quite often *not* received directly from the government. When this happens, the potential for *misinformation* flows opens up (as we see below).

Regarding the timing and amount of payments, the official policy states beneficiaries should receive NRS 800 three times a year. It is quite clear this does not happen in all cases. This is not to say that the policy is *never* followed, but in

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many cases beneficiaries receive less than they should and less frequently than they should. Our qualitative evidence suggests this owes, in part, to further bottlenecks within the state system: funds housed at the central level can take some time to reach the local level, for various reasons, which places obvious limits on VDCs to ‘follow the policy’ as it is stated. But there are also some claims of corruption at the local level of government (discussed in Section 4.3.1), with some interviewees accusing politicians and bureaucrats of ‘eating’ the money to which they are entitled. The interviews showed ‘corruption’ could take different forms. In some cases, people view it as illegal extraction, plain and simple; officials cream off some of the funds in order to line their own pockets. But in other cases, it may take a more subtle form. In one community, for example, we were told that a NRS 100 ‘levy’ would be taken if officials delivered the payment to the beneficiary’s house.

### 6.3 Inadequate outreach and information dissemination

Both the first two bottlenecks help account for the existence of the third bottleneck: inadequate outreach and information dissemination. Many beneficiaries possess incomplete knowledge of how the Grant should work, particularly in terms of the registration process – many people tend to confuse birth registration with Grant registration, not perceiving there to be any distinction – but also in terms of when and how much they should be getting (but this also links back to poor awareness of the full targeting criteria, as outlined above). Our quantitative data show a distinct difference between districts regarding people’s knowledge as to how much they should be receiving – with high awareness in Saptari. There are nonetheless multiple examples within our qualitative data that speak to information asymmetries in terms of the registration and payment process across sites in both districts (as Section 4 above shows). Perhaps unsurprisingly, non-beneficiaries also operate on the basis of incomplete knowledge. This, in some cases, can fuel feelings of resentment towards beneficiary Dalit households perceived to be wealthier than non-Dalit households in the same community.

It is our sense that this information asymmetry is rooted in the kinds of methods local government uses to raise awareness about the Grant. As previously discussed, these risk missing large numbers of potentially eligible households – particularly those in more remote, geographically disconnected parts of the district – and often do little to provide clear, accurate information to non-beneficiaries (which is why rumours and jealousies arise in the first place). It also appears to be the case that, in some places, the dissemination strategies target – either intentionally or otherwise – certain groups of people. In one community in Bajura, it became apparent from one male FGD that the dissemination strategy in their area is heavily biased towards women: information is conveyed through and by female community health volunteers, who, the men claimed, never invited them to their meetings.

This says something quite interesting about the gendered construction of the Child Grant policy and of the way it is locally implemented. Service providers may apply their own notions of what the policy is ‘about’, which may in turn shape their approach to targeting and dissemination. Our evidence suggests the Grant is locally understood as a form of ‘nutrition allowance’, which is targeted towards mothers, as these are seen as the family members responsible for young children (the target group). In some ways, it is framed as a ‘feminised policy’; an intervention that, like the issue of (mal)nutrition it seeks to address, is seen to be the concern of women (see Mallett and Denney, 2014). However, the implicit assumptions behind the design of the Grant may contradict actual family practices in terms of who makes decisions on spending the Grant.

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Women in beneficiary households are not always in a position to exercise full agency, to make their own decisions and to act freely, as our study also shows (Section 5.3). These issues are shaped by the nature of the relationships they hold with other members of the (extended) family, as well as with others in the community. More practically, it is not always the eligible child's mother who goes to collect the Grant; our survey data show that mother in only about two-thirds of households pick up the grant (Table A28 in Annex 3) and 45% of mothers hand over the transfer over to their husband after receiving it (Table A38). Similarly, it is not always mothers who control how the Grant is spent (Table 22). Given these realities, it makes little sense to maintain the current gendered construction of the Grant. Fathers, husbands, in-laws and others are all part of the process of how it is collected and used, but – as a result of the kinds of awareness-raising strategies used, which inform mainly mothers about the objectives of the Grant – they might actually have very little idea about what they should be expecting.

#### **6.4 Limited formal accountability mechanisms**

This problem of information asymmetry, which has the potential to reduce the effectiveness of the policy, shares a reciprocal relationship with the fourth and final bottleneck our analysis identified: limited formal accountability mechanisms, which prevents beneficiaries from speaking out and also means data to improve programme delivery are not being collected. If people do not know what they are officially entitled to, it is that much more difficult for them to hold the provider to account if (or when) they fail to deliver. Beneficiaries who simply do not know how much they should be receiving each time (particularly the case in Bajura, see Table 15) may be satisfied with an amount that is just a fraction of what it ought to be. This might particularly be the case for individuals who go to collect the Grant – fathers, grandfathers – but who have not been 'sensitised' to the policy.

However, even where 'complete knowledge' exists within a beneficiary household, there are still several issues that prevent problems from being communicated to the authorities. Our analysis has identified three issues in particular. The first relates to the way payments are distributed locally. There are typically quite short distribution windows (of around two days, although in some communities it appears to be possible to collect the money at a later date), and payments are often distributed from a single point in the community (usually the VDC office, although there are also variations on this). As a result, some of our qualitative interviews showed the 'distribution environment' can become quite chaotic and disorganised (see Section 4.3). Our evidence suggests this can sometimes discourage beneficiaries from raising concerns with VDC officials, or even from asking simple questions about the logistics of the Grant.

The second issue concerns people's lack of access to formal grievance mechanisms. While on paper, there is an overarching formal grievance mechanism for a number of social assistance programmes, we did not find evidence of this mechanism being implemented. Furthermore, even if other local or informal grievance mechanisms do exist, many people do not seem aware of them (only 14% of respondents know how to make a complaint; Table A31 in Annex 3). Respondents felt frustrated they were unable to highlight their problems to the government, either because they had no idea about what channel to go through (without having to pay money) or because they felt going through the process would yield nothing except lost labour time. There is a strong need to develop clear grievance mechanisms that allow people to channel their problems, or at least alternative mechanisms that help promote policy transparency. In other countries, such accountability mechanisms have been shown to improve programme performance (Browne, 2014). The

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grievance mechanism needs to be gender- and caste-aware and ensure these disadvantaged persons can be safe in making a complaint.

Related to this, academics and policymakers may expect cash transfers to help generate certain ‘empowerment outcomes’ for beneficiary households, particularly mothers (e.g. as argued in Sabates-Wheeler and Devereux, 2004), if designed with these objectives in mind. Our statistical evidence suggests this is not really happening for the Grant (keeping in mind this was never an official objective). Yet evidence from other studies suggests the way policies and programming may help contribute to more transformative outcomes, such as women’s empowerment or better caste relations, is through the way they are actually designed and delivered – as opposed to the type of intervention being delivered. In other words, it is the *how* of delivery rather than the *what* that matters. For example, cross-country survey evidence from the Secure Livelihoods Research Consortium suggests people’s perceptions of the government are driven, in part, by the existence of grievance mechanisms for public services as well as opportunities for civic participation (engagement in community meetings, getting together with others to raise an issue to government), rather than what service is being provided, be it health or social protection (Mallett et al., 2015). There is a strong theoretical literature supporting this association: put simply, when people are given the opportunity to ‘see’ how the state works, and to feel a part of that process (to some extent at least), it is possible for their trust in that institution to develop and for their relationship with the state to mature (Van de Walle and Scott, 2011). What this all suggests is that revisiting the design of the Child Grant policy in order to create space for genuine grievance mechanisms – which people actually know about and feel able to use – might be a more fruitful way of generating empowerment outcomes, if these are deemed to be an objective for the Grant.

The third issue, related to the lack of formal channels through which to voice concerns, is that a culture of ‘not speaking out’ seems to prevent individuals from asking questions to and of their government. This is an historical condition, rooted in both gender and caste relations and state–society relations; it cannot be easily ‘undone’. Yet, while there are no quick fixes to this, it is nonetheless important that we understand it as a key part of the context in which the Child Grant exists. What it means is that, even where you have formal grievance mechanisms or committees that work on paper, as a result of pre-existing structural factors there is no guarantee that people will use them. However, as mentioned above, examples from other countries show people will express their voice if grievance redress is properly designed and enforced (e.g. World Bank, 2014).

These four bottlenecks that come out of the implementation of the Grant together generate an account for why the Child Grant is not being as effective as it potentially could be. They also speak to an issue that is at the heart of this ‘lost potential’: the noticeable absence of a process that encourages monitoring, reflexivity and continual adaptation. It seems to us that few attempts are made to ‘follow the policy’ down to the local level. Rather than checking in on how the policy is mutating – which of course costs time and money – it is simply assumed things are working. But this is not enough. As our analysis has shown, various problems with the way the Child Grant is *actually implemented* are limiting its overall effectiveness. By investing in better monitoring, as well as in better state capacity to respond to the subsequent monitoring data, it will be possible to learn more about how the policy ‘lives and breathes’ in the everyday – and to tweak it as necessary.

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# 7 Conclusion: six key findings and six policy recommendations

This paper has reported on the findings of a study into Nepal's Child Grant – a national cash transfer targeted to poor Dalit households with children under the age of five and to all households with children under the age of five in the Karnali zone. Past studies have focused on the impacts of the Child Grant in the Karnali zone on nutrition and other indicators (Adhikari et al., 2014; Okubo, 2014). Attempts to look at how the Grant is working throughout the rest of the country have been limited.

This is where our study comes in. We have been interested in evaluating two key aspects of the Child Grant: the quality and nature of the programme's implementation process; and its effects on beneficiary households. We have also been interested in identifying any bottlenecks or barriers within the implementation process that may be limiting the Grant's ultimate effectiveness. Our analysis and findings are based on mixed-methods research conducted in late 2014/early 2015. More specifically, it draws on original quantitative data generated through a survey of 2,000 Dalit households, as well as qualitative data from more than 70 IDIs, FGDs and KIIs.

It must be emphasised that the findings are not nationally representative. We conducted research in multiple sites across two districts – Bajura in the Far-Western Mountains and Saptari in the Eastern Terai – which have a proportionally high share of Dalit households compared with the national average. That said, we believe our findings do have relevance to policymakers and implementers interested in other parts of the country (or in the country as a whole). In particular, we hope our findings prove useful to those currently looking to expand and universalise the Grant to Nepal's earthquake-affected districts as part of the broader recovery response (Rabi et al., 2015).

## 7.1 Six key findings ...

From the analysis presented here, we identify six key findings.

**First**, among our sample populations, we find **high coverage of the Child Grant**. Our evidence also suggests this high level of coverage is related to – and has possibly encouraged – greater rates of birth registration than was previously the case (see also Rabi et al., 2015). This is because birth certificates are required as part of the Grant registration process. A full 92% of our respondents have registered the birth of at least one child in the household and on average households have registered the birth of 80% of children in their family. This is an important outcome in itself, as birth registration facilitates future access to other social protection programmes, as well as health and education services and citizenship.

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**Second**, we find that there are only **modest targeting errors** in the implementation of the Grant. For the sample as a whole, 24% of eligible households are excluded, while 29% of beneficiary households are included despite not being eligible as per the targeting criteria. This is good news, because it means that, in comparison with other programmes, low numbers of poor, eligible households are not receiving the transfer. This also implies that few, non-eligible households receive the Grant. What is more, these low targeting errors exist despite the fact that, in practice, the wealth targeting criterion of the Grant is rarely (if ever) applied. Our analysis suggests this is to do with weak government capacity at the local level, and the additional layer of complexity that having to assess land ownership (the proxy used to judge wealth status) creates for implementers.

**Third**, we find **the financial value of the Child Grant is generally too low to make much of a difference** to the livelihoods of beneficiary households. While we are able to detect some modest impacts, for example on the ability to buy medicine, (temporary) food diversification for children and others, none of these effects appears to be sustained over longer time periods, given low transfer value and infrequent payments, echoing previous studies (e.g. Adhikari, 2014). However, despite the limited transfer value, recipients are using the Grant in the best way they can. This suggests households would use a higher transfer level well, with the potential for more sustained impacts for children.

An understanding of the economic context surrounding the Grant is important. Our qualitative data reveal how recent changes to the structure of local economies in Nepal, combined with a situation of chronic public and private underinvestment in markets of any kind, have created an enduring condition of economic marginalisation for people in rural areas. Technological advances have displaced multiple forms of manual labour – previously a major source of wage-based income for men – and one of the few livelihood options generally available to most (if not all) households, agriculture, today produces marginal returns for many families. As a result, many households in our research sites have become dependent on migration, not necessarily to the ‘far-off’ locations of Qatar or Malaysia – a hugely expensive undertaking, as recent research has shown (Hagen-Zanker et al., 2014) – but to the less exotic destinations of Kathmandu, Delhi or just across the porous Indian border. This is the contemporary economic context in which the Child Grant exists. Our qualitative evidence suggests that, while poor, rural households appreciate the Grant, there are clear limits on its capacity to alter the economic status of recipients in any significant way *at the current transfer level*. But then, this was never the idea behind the Child Grant, and this finding should come as no surprise.

**Fourth**, we find **the capacity of the Child Grant to generate transformative outcomes is extremely limited**. We found little evidence that the Grant results in observable changes to intra-household decision-making processes, to roles and responsibilities and, more generally, to the nature of relationships between recipient mothers and others (husbands, in-laws, neighbours, local officials). This, again, is perhaps not surprising, and it should also be stated that this was never the intention of the government of Nepal in the first place. While the Grant certainly has a symbolic value (insofar as it signals the state’s intentions), financially its value is too low to generate much in the way of ‘transformative change’. Plus, its outcomes will always ultimately be a product of the environment, and the socio-political context and caste-based society in Nepal – or at least in the parts of the country we looked at – is one that discourages certain groups of people from ‘speaking out’ or from ‘speaking truth to power’. We simply cannot expect something like the Child Grant to alter this in any meaningful way, as was also argued in a recent study looking at the links between social protection and social inclusion (Babajanian et

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al., 2014). If the programme is serious about generating transformative outcomes, its design must first be revisited and altered. As a starting point, in Section 6 we discussed how a series of attempts to essentially ‘open up’ the way the policy is implemented – so grievance mechanisms are more visible and easier to use, so beneficiaries can feed back issues and concerns, so communities can ‘see’ how the government is working in a more transparent fashion – may be a more plausible way of empowering beneficiaries.

**Fifth**, we find that, because in many communities most households can be considered poor, **targeting the Grant towards Dalit households may unintentionally reinforce caste difference**. Our interviews with non-Dalit households showed that non-Dalit households are often just as poor as Dalit ones, and are subject to many of the same aspects of geographic and economic marginalisation. Targeting the Grant towards Dalit households appears to fuel resentment and jealousy towards them, which has some potentially concerning implications for social relations within communities (see also KC et al., 2014 for similar findings in relation to Nepal’s Old Age Allowance and Köhler et al., 2009, who come to similar conclusions on the basis of FGDs with beneficiaries). This raises serious questions about the legitimacy of excluding thousands of under-five children on the basis of caste alone. Current policy discussions in Nepal are indeed moving towards creating universal coverage (e.g. Rabi et al., 2015).

**Sixth**, generally speaking, we find **the Child Grant is weakly monitored, which prevents positive learning and adaptation**. The programme is simply assumed to work as it is written down, with few attempts made to examine how it might have evolved or mutated as it ‘travels’ across the country. This is, in turn, another consequence of weak state capacity: when VDCs are expected to deliver not just one but multiple social protection (and other!) policies at the local level, we find limited human resources and a generally weak decentralisation of power compromise their capacity to do so effectively. Policies are not followed up on, because there are constant demands on officials’ time.

## 7.2 ... and six policy recommendations

From the key findings outlined above, as well as the preceding analysis, there are some clear policy recommendations for both the **government of Nepal**, particularly MoFALD, and one of its main partners in the policy discussions, **UNICEF**.

1. **Increase the financial value of the Child Grant.** It is currently too low to achieve much. At the current transfer level, the Grant has positive but limited impacts; a higher level has the potential to enable more sustained impacts for children. Other studies (e.g. Rabi et al., 2015) have simulated the costs of a different transfer level and Okubo et al. (2014) suggest higher transfer levels have greater impacts.
2. **Scrap the wealth targeting criterion.** It is too difficult to implement, and, based on our estimation of targeting errors, does not make much difference to targeting outcomes.
3. **Consider scaling up the Child Grant towards a universal transfer.** Across Nepal, hundreds of thousands of households are living in poverty – not just Dalit ones. In communities where almost everyone can be considered poor, targeting the Grant by caste group makes little sense, and may even contribute to a sense of social injustice among non-beneficiaries.
4. **Provide more support to local officials who implement the Grant.** Government capacity is particularly weak at the local level, and officials are often overburdened with policy deliverables. Where trainings are given, they are brief, one-time-only affairs, and unlikely to result in effective knowledge-sharing and translation into better behaviour. In particular, it is important invest in providing more support to

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sustained monitoring of the programme; this will help identify problems as they evolve on a continual basis. Sensitisation should also be provided to prevent discrimination against lower-caste households.

5. **Rethink how ‘distribution windows’ work in practice.** Payments are usually distributed from a single point, often the VDC office, over the course of one or two days. This leads to chaotic delivery environments, and works against beneficiaries who live several kilometres from the VDC office and who often spend hours or days (and may sacrifice labour time) collecting the Grant. In particular, consider extending the length of the distribution window; increasing the number of distribution points in a particular VDC in order to improve access for remote households; and staggering pick-up times in order to avoid the formation of crowds at distribution points. Related to this, having more frequent registration days or even open/rolling registration will increase effectiveness and may also ease the burden on VDC officials.
6. **Share accurate information about the Child Grant programme with mothers, as the primary care-giver, but also fathers, grandparents and the community in general.** Awareness-raising strategies that aim to highlight the existence of the Grant often target women, particularly mothers. But mothers are not the only ones who go to collect the Grant, and they often do not have complete autonomy over household spending practices. Therefore, awareness-raising strategies should also target husbands and in-laws, and outreach and dissemination strategies in general need to be improved. Related to this, it is also important to set up and make operational social monitoring and grievance mechanisms.

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# Annex 1: Further information on the sample

**Table A1: Selected VDCs**

Bajura	Saptari
Baddhu	Bamangamakatt
Barhabis	Barsain (Ko.)
Bramhatola	Basbiti
Chhatara	Bhangaha
Gotree	Didhawa
Jagannath	Khojpur
Jugada	Lohajara
Kotila	Mainakaderi
Martadi	Pipra Purba
Pandusain	Rajbiraj municipality
Sappata	Rampurjamuwa
	Rautahat
	Siswa Beihi

**Table A2: List of respondents interviewed for qualitative analysis**

No.	Type	Subject	Date	Location	District
1	KII	Shilla Karn, Supervisor, Social Protection Department	19-Dec-14	Rajbiraj municipality	Saptari
2	KII	Mr Rai, VDC Secretary, Basbiti	13-Dec-15	Basbiti	Saptari
3	IDI	Beneficiary mother	15-Dec-14	Bamangamakatt	Saptari

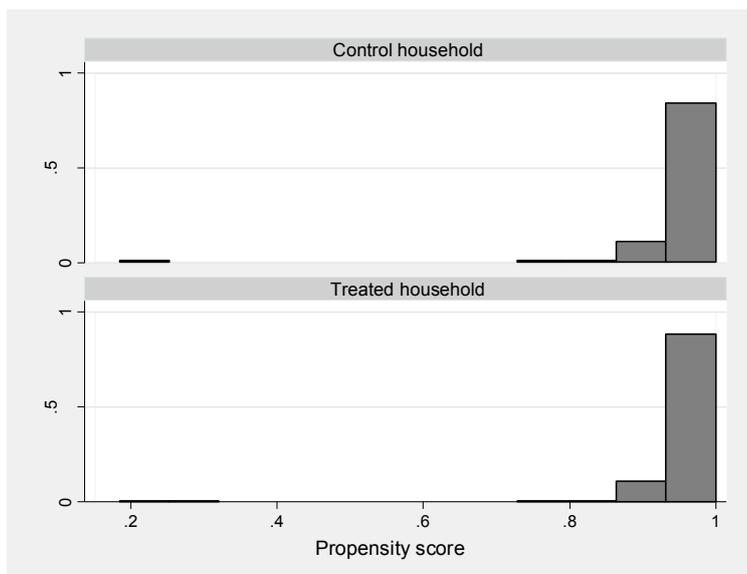
No.	Type	Subject	Date	Location	District
4	IDI	Beneficiary mother	15-Dec-14	Bamangamakatt	Saptari
5	IDI	Beneficiary mother	15-Dec-14	Bamangamakatt	Saptari
6	IDI	Non-beneficiary	16-Dec-14	Bamangamakatt	Saptari
7	IDI	Female beneficiary	30-Dec-14	Koilari	Saptari
8	IDI	Female beneficiary Tara Nepali	21-Feb-15	Martadi	Bajura
9	FGD	Female non-beneficiaries	22-Feb-15	Martadi	Bajura
10	FGD	Female beneficiaries	25-Feb-10	Barhabis	Bajura
11	FGD	Female beneficiaries	20-Feb-15	Martadi	Bajura
12	IDI	Female non-beneficiary	23-Feb-15	Barhabis	Bajura
13	FGD	Female beneficiary	25-Feb-15	Barhabis	Bajura
14	IDI	Female beneficiary	24-Feb-15	Martadi	Bajura
15	KII	Female ex-local politician	30-Dec-14	Rajbiraj municipality	Saptari
16	IDI	Beneficiary father	12-Dec-14	Barsain (Ko.)	Saptari
17	KII	CM: Mushar Tole: Bechani Sada	18-Dec-14	Rajbiraj municipality	Saptari
18	KII	District Chair, Dalit Women Group	15-Dec-14	Bamangamakatt	Saptari
19	KII	Local journalist	14-Dec-14	Bamangamakatt	Saptari
20	FGD	Female beneficiaries	24-Feb-15	Barhabis	Bajura
21	FGD	Female beneficiaries	24-Feb-15	Barhabis	Bajura
22	FGD	Female beneficiaries	24-Feb-15	Barhabis	Bajura
23	IDI	Female beneficiary	25-Feb-15	Barhabis	Bajura
24	FGD	Male beneficiaries	21-Feb-15	Martadi	Bajura
25	FGD	Male non-beneficiaries	20-Feb-15	Martadi	Bajura
26	FGD	Female beneficiary	21-Feb-15	Martadi	Bajura
27	FGD	Female beneficiary	20-Feb-15	Martadi	Bajura
28	IDI	Female beneficiary	19-Feb-15	Martadi	Bajura
29	KII	Former DDC Staff	23-Feb-15	Barhabis	Bajura
30	KII	VDC Secretary	19-Feb-15	Martadi	Bajura
31	KII	Women Activist	24-Feb-15	Barhabis	Bajura
32	KII	Former VDC Secretary	24-Feb-15	Barhabis	Bajura

No.	Type	Subject	Date	Location	District
33	FGD	Female beneficiaries	01-Jan-15	Mehtar Tole, Rajbiraj municipality	Saptari
34	KII	Early Childhood Development Teacher	11-Dec-14	Koilari	Saptari
35	IDI	Beneficiary mother	29-Dec-14	Rajbiraj Municipality	Saptari
36	IDI	Beneficiary grandmother	29-Dec-14	Rajbiraj Municipality	Saptari
37	FGD	Non-beneficiary mothers	21-Feb-15	Martadi	Bajura
38	FGD	Female beneficiaries	22-Feb-15	Martadi	Bajura
39	FGD	Male beneficiaries	24-Feb-15	Barhabis	Bajura
40	FGD	Male non-beneficiaries	25-Feb-15	Barhabis	Bajura
41	FGD	Female beneficiaries	20-Feb-15	Martadi	Bajura
42	FGD	Female beneficiaries	20-Feb-15	Martadi	Bajura
43	FGD	Male non-beneficiaries	23-Feb-15	Martadi	Bajura
44	FGD	Female non-beneficiaries	21-Feb-15	Martadi	Bajura
45	FGD	Male non-beneficiaries	24-Feb-15	Barhabis	Bajura
46	FGD	Female beneficiaries	19-Feb-15	Martadi	Bajura
47	FGD	Male non-beneficiaries	23-Feb-15	Barhabis	Bajura
48	IDI	Non-beneficiary mother	23-Feb-15	Barhabis	Bajura
49	KII	Bdr Singh, Officer, DDC Social Department	19-Feb-15	Martadi	Bajura
50	KII	Former DDC Staff	23-Feb-15	Martadi	Bajura
51	FGD	Male beneficiaries	31-Dec-14	Rajbiraj Municipality	Saptari
52	FGD	Female beneficiaries	31-Dec-14	Rajbiraj Municipality	Saptari
53	FGD	Non-beneficiary mothers	11-Dec-14	Barsain (Ko.)	Saptari
54	FGD	Beneficiary mothers	12-Dec-14	Barsain (Ko.)	Saptari
55	FGD	Non-beneficiary mothers	11-Dec-14	Barsain (Ko.)	Saptari
56	FGD	Female beneficiaries	13-Dec-14	Basbiti	Saptari
57	FGD	Female beneficiaries	13-Dec-14	Basbiti	Saptari
58	FGD	Beneficiary fathers	01-Jan-15	Rajbiraj Nagarpalika	Saptari
59	IDI	Non-beneficiary mother	30-Dec-14	Rajbiraj municipality	Saptari
60	IDI	Non-beneficiary non Dalit	30-Dec-14	Rajbiraj Nagarpalika	Saptari

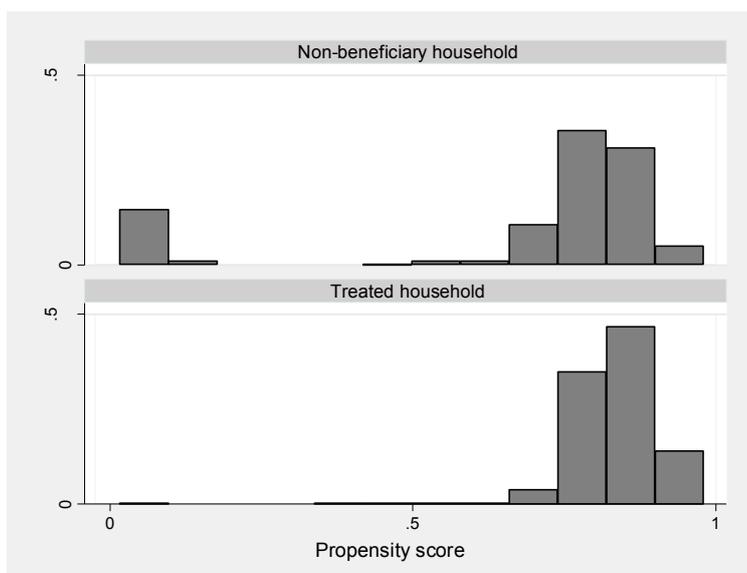
No.	Type	Subject	Date	Location	District
		mother			
61	Case study	Non-beneficiary fathers	29-Dec-14	Koilari	Saptari
62	FGD	Beneficiary mothers	11-Dec-14	Barsain (Ko.)	Saptari
63	FGD	Beneficiary mothers	01-Jan-15	Bamangamakatt	Saptari
64	IDI	Beneficiary mother from Dom community	16-Dec-14	Bamangamakatt	Saptari
65	IDI	Beneficiary mother	15-Dec-14	Bamangamakatt	Saptari
66	KII	Social Mobiliser	13-Dec-14	Basbiti	Saptari
67	KII	Social Mobiliser for NGO Save the Saptari	12-Dec-14	Barsain (Ko.)	Saptari
68	KII	VDC and DDC Social Protection Chief	14-Dec-14	Rajbiraj Nagarpalika	Saptari
69	KII	VDC Secretary	13-Dec-14	Basbiti	Saptari
70	KII	VDC Secretary	12-Dec-14	Barsain (Ko.)	Saptari
71	IDI	Case study with male non-beneficiary	2-Dec-14	Koiladi	Saptari
72	IDI	Case study with male male non-beneficiary	19-Dec-14	Koiladi	Saptari
73	IDI	Case study with female non-beneficiary	23-Feb-15	Barbise	Bajura
74	KII	KII with Shaligram Rijal, Undersecretary, MoFALD	27-Mar-15	Kathmandu	Kathmandu

# Annex 2: PSM figures

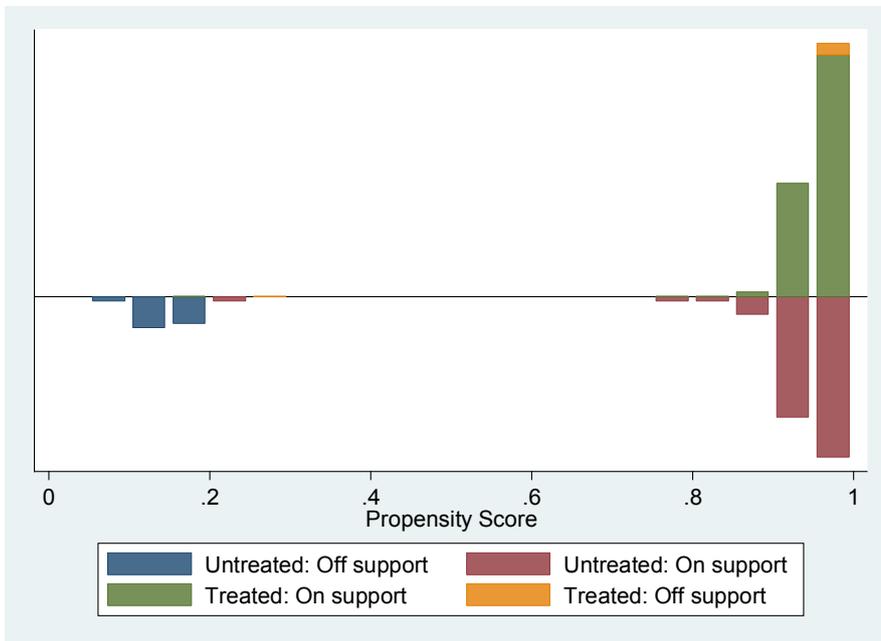
**Figure A1: Distribution of the propensity score for HFIAS indicator (analysis with control group)**



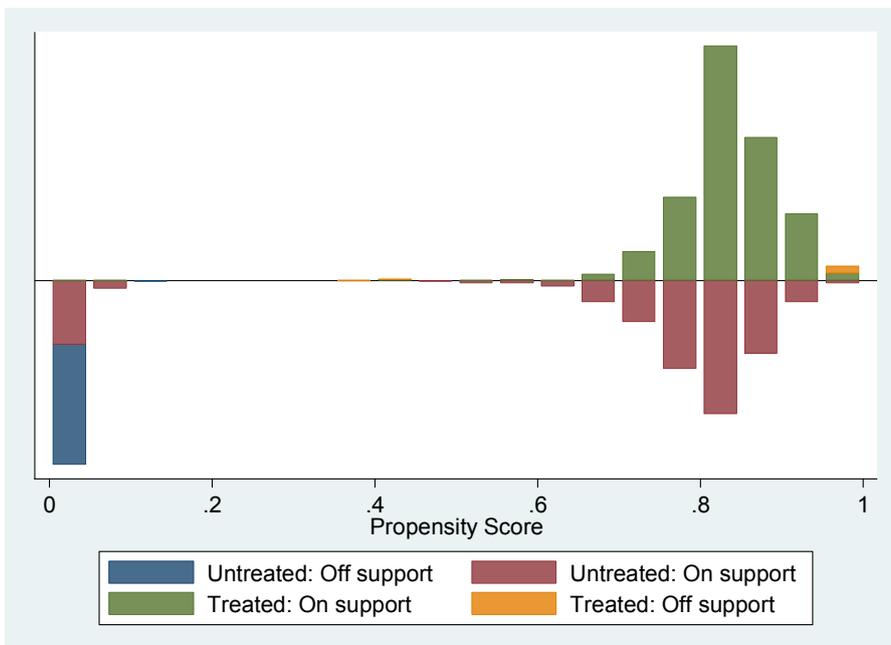
**Figure A2: Distribution of the propensity score for HFIAS indicator (analysis with non-recipient group)**



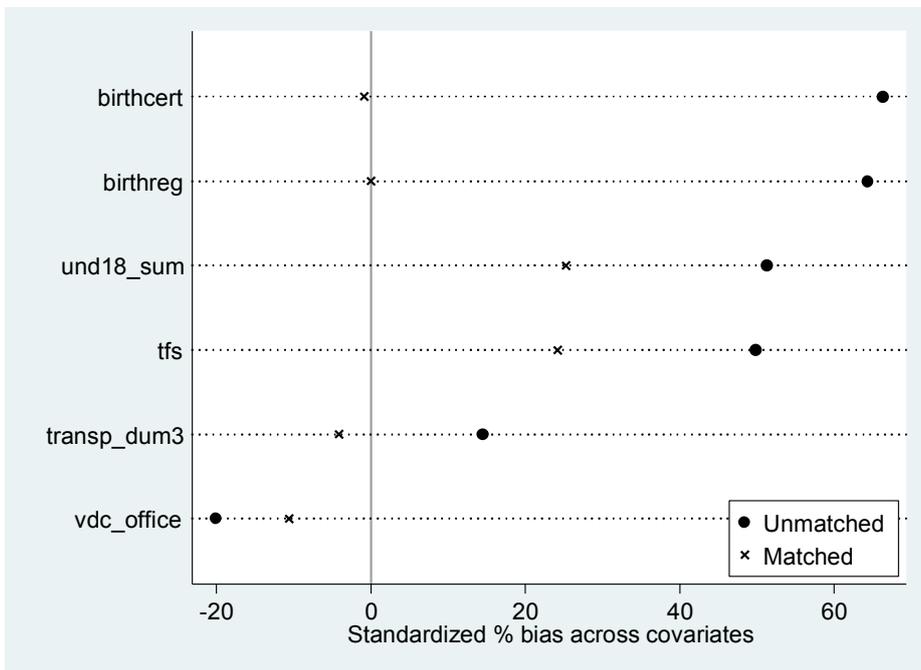
**Figure A3: Distribution of share of sample that is on/ off common support for HFIAS indicator matching for HFIAS indicator (analysis with control group)**



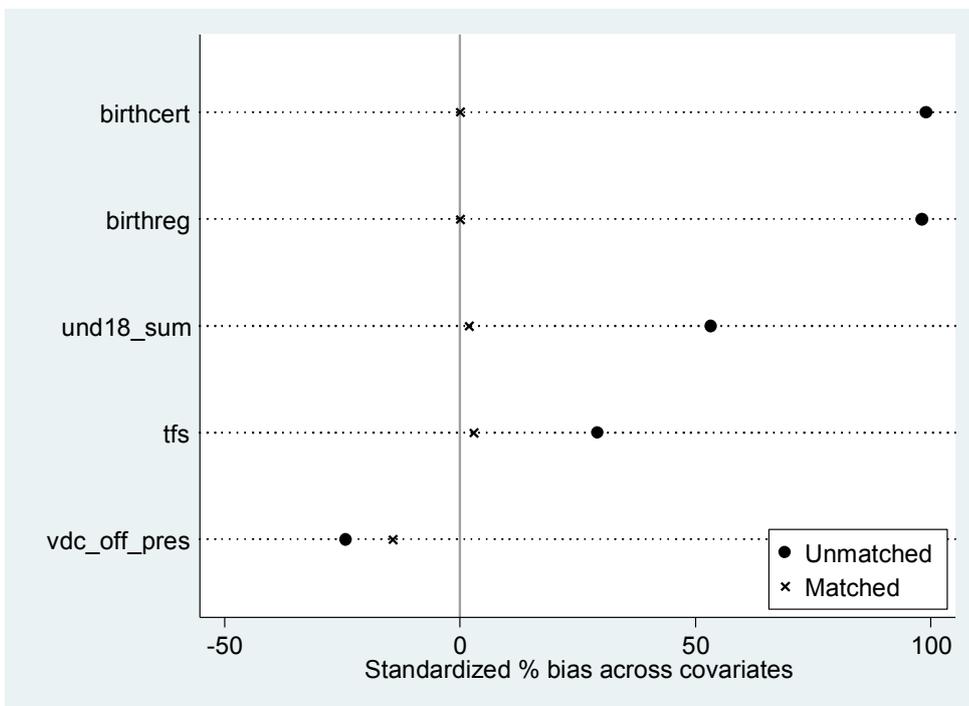
**Figure A4: Distribution of share of sample that is on/ off common support for HFIAS indicator (analysis with non-recipient group)**



**Figure A5: Standardised percentage bias across pre-treatment variables, before and after matching for HFIAS indicator (analysis with control group)**



**Figure A6: Standardised percentage bias across pre-treatment variables, before and after matching for HFIAS indicator (analysis with non-recipient group)**



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# Annex 3: Additional descriptive statistics

## Additional descriptive statistics Section 3.2 – comparison groups

**Table A3: Relationship of respondent to youngest child in household**

	Bajura	Saptari	Total
Mother	85.8	88.9	87.6
Father	11.5	8.3	9.6
Guardian	2.8	2.8	2.8
Total	100	100	100

**Table A4: Additional descriptive statistics on respondent**

	Bajura	Saptari	Total
Age of respondent	40.53	39.73	40.05
Education of respondent, in years	2.92***	2.44***	2.64
Respondent female	88%	90%	90%

**Table A5: Coverage of Grant**

	Households eligible according to age of children are covered	Households eligible according to wealth criteria are covered
No	24.1	24.1
Yes	75.9	75.9
Total	100	100

## Additional descriptive statistics Section 4.1 – the registration process

**Table A6: Descriptive statistics on awareness and registration (district comparison)**

	Bajura	Saptari	Total
Have you ever heard about the Child Grant?	98%	98%	98%
Can you apply for the Child Grant at any time of the year?	65%***	34%***	46%
Did you have to wait before you could apply or register?	34%***	53%***	46%
How many trips to the registration place (e.g. VDC office) did you make to apply	1.39***	1.21***	1.28
At least one child registered	93%	91%	92%
At least one child birth certificate	91%	91%	91%
Share of <10 children registered	76%***	82%***	80%
Share of <10 children with birth certificate	73%***	82%***	79%
Received birth certificate straight away	93%	90%	93%
Did you have to pay money when applying for the Child Grant for the first time?	54%***	32%***	41%
What amount did you pay?	52.15	54.83	53.42
Did you have any problems when applying for the grant?	23%***	17%***	20%
Did anyone help you complete the application for the Child Grant (the first time)?	36%***	88%***	67%

**Table A7: Descriptive statistics on awareness and registration (treated vs. non-recipient comparison)**

	Treated	Non-recipients	Total
Have you ever heard about the Child Grant?	100%***	93%***	98%
Can you apply for the Child Grant at any time of the year?	47%	43%	46%
Did you have to pay money when applying for the Child Grant for the first time?	42%	38%	41%
What amount did you pay?	52.29*	64.83*	53.42

**Table A8: Month of application, by district and treatment group**

	Bajura	Saptari	Treated	Non-recipients	Total
April	18.6	4	8.8	4.1	8.2
May	4.7	1.9	3.1	0	2.7
June	7	9.4	9.4	4.1	8.7
July	18	11.5	14.5	5.5	13.4
Aug	2.3	1.6	1.3	5.5	1.8
Sep	0.6	1.9	1.3	2.7	1.5
Oct	2.9	3.5	3.4	2.7	3.4
Nov	33.7	60.7	50	74	52.9
Dec	4.7	2.6	3.4	1.4	3.2
Jan	0	1.2	1	0	0.8
Feb	5.8	1.4	3.1	0	2.7
March	1.7	0.2	0.8	0	0.7
Total	100	100	100	100	100

**Table A9: Where applied the first time**

	Bajura	Saptari	Total
Municipality	0.2	9.7	5.9
VDC office	81.9	90.2	86.9
Village	18	0.1	7.2
Total	100	100	100

**Table A10: Who applied for the child grant**

	Treated	Non-recipients	Total
Mother of child	33.3	31.4	33.1
Father of child	44.6	36.5	43.8
Other relative	21.8	32.1	22.8
Neighbour/friend	0.3	0	0.2
Total	100	100	100

**Table A11: Time to register and go back home**

	Bajura	Saptari	Total
Less than half a day	69.5	82.5	77.3
Half to one day	23.3	16.3	19.1
Two days or more	7.3	1.1	3.6
Total	100	100	100

**Table A12: How soon after the child's birth did respondent apply for a birth certificate**

	Bajura	Saptari	Total
Within 35 days	15.6	61.9	45.4
After 1-3 months	17.5	23.9	21.6
More than 3 months after	66.9	14.2	33
Total	100	100	100

**Table A13: What was registration payment for**

	Bajura	Saptari	Total
Transport/ ravel	2	3.2	2.5
Paperwork	97.7	92.7	95.4
Gift	0.3	4.1	2.1
Total	100	100	100

**Table A14: Problems when registering for Grant**

	Treated	Non-recipients	Total
Queuing and waiting	61.3	48.3	60.1
Bureaucratic hassle	37	44.8	37.7
Negative attitude of officials	1.7	6.9	2.2
Total	100	100	100

**Table A15: Who helped with Grant registration**

	Treated	Non-recipients	Total
Husband	12.3	7.2	11.7
Other family	11.9	10.1	11.7
Friend/neighbour	22.4	13.8	21.3
Teacher/social mobiliser	12.4	21.7	13.6
VDC official	40.1	46.4	40.9
Broker	0.8	0.7	0.8
Total	100	100	100

**Additional descriptive statistics Section 4.2 – targeting****Table A16: Household receives Grant for correct number of children**

	Bajura	Saptari	Total
Yes	75%	73%	74%

**Table A17: Additional statistics on eligible but excluded households**

	Eligible and included	Eligible but excluded	Total
Household is headed by woman	10%**	15%**	11%
Full annual household expenditure	54373.34***	62211.98***	56257.57
HFIAS score	9.49***	8.11***	9.16

**Table A18: Additional statistics on ineligible but included households**

	Eligible and included	Ineligible but included	Total
Average education of adults in household in years	2.61***	3.28***	2.8
Full annual household expenditure	54373.34***	61941.21***	56537.8
Household indebted	70%***	55%***	65%
HFIAS score	9.49***	5.88***	8.46

**Table A19: Housing quality by eligibility status**

	Eligible and included	Ineligible but included	Total
Cement bonded bricks/stones/concrete	5	14.6	7.7
Mud bonded bricks/stones	53.3	36.8	48.5
Bamboo with mud	41.3	48.2	43.3
Wood/branches/unbaked bricks	0.5	0.5	0.5
Total	100	100	100

**Table A20: Perception of starting age for Grant**

	Treated	Non-recipients	Total
1 year or younger	96.5	96.7	96.6
Older than 1 year	3.5	3.3	3.4
Total	100	100	100

**Table A21: Perception of maximum age for Grant receipt**

	Treated	Non-recipients	Total
Younger than 5 years	1.8	1.5	1.7
5 years	97.4	98.5	97.7
Older than 5 years	0.8	0	0.6
Total	100	100	100

**Table A22: Perception of who receives Grant in practice (Bajura)**

	Treated	Non-recipients	Total
Anyone with a child'	4%	5%	4%
Anyone with a child under the age of 5	7%	4%	6%
Any Dalit family with a child under the age of 5	89%	90%	89%
Poor Dalit families with a child under the age of 5	0%	2%	1%
Total	100%	100%	100%

**Table A23: Perception of who receives Grant in practice (Saptari)**

	Treated	Non-recipients	Total
Anyone with a child'	2%	4%	2%
Anyone with a child under the age of 5	7%	7%	7%
Any Dalit family with a child under the age of 5	76%	75%	76%
Poor Dalit families with a child under the age of 5	15%	13%	15%
Total	100%	100%	100%

**Table A24: Perception of wealth criteria**

	Treated	Non-recipients	Total
They look at their income	19.5	18.9	19.4
They look at their land	11.9	5.4	10.3
They look at their assets	1.7	0	1.3
They look at their food consumption	66.9	75.7	69
Total	100	100	100

**Table A25: Perception whether all eligible children are receiving the Grant**

	Treated	Non-recipients	Total
Yes	91%***	67%***	85%

**Table A26: Perception of who receives Grant in practice**

	Treated	Non-recipients	Total
Always eligible persons (those who meet the formal criteria)	93.1	86.3	91.6
Sometimes eligible persons, but mostly non-eligible	5.8	11.2	6.9
Always to non-eligible persons (those who do not meet the formal criteria)	1.2	2.5	1.5
Total	100	100	100

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## Additional descriptive statistics Section 4.3

### Table A27: Where the Grant payment is made

	Bajura	Saptari	Total
Municipality	0.3	10.2	5.9
VDC	72.8	89.3	82.2
Bank	0	0.1	0.1
In the village	26.9	0.4	11.8
Total	100	100	100

### Table A28: Who picks up Grant

	Bajura	Saptari	Total
Mother of child	61.1	69.2	65.7
Father of child	22.9	16.2	19.1
Other relative	15.3	14.5	14.9
Neighbour/friend	0.6	0	0.3
Total	100	100	100

### Table A29: How long return journey to pick up Grant takes

	Bajura	Saptari	Total
Less than half a day	81.2	83.1	82.3
Half to 1 day	18.5	16.9	17.6
2 days or more	0.3	0	0.1
Total	100	100	100

**Table A30: Who looks after kids when picking up Grant**

	Bajura	Saptari	Total
Mother stayed home	38.2	34.1	35.9
Mother took kids along	37.1	35.7	36.3
Grandparents	5.2	16.6	11.7
Other family	15.3	11.7	13.2
Neighbour/friend	1.4	0.7	1
Kids left alone	2.7	1.2	1.8
Total	100	100	100

**Table A31: Additional statistics on delivery**

	Bajura	Saptari	Total
How many times in past 12 months did you actually receive Child Grant?	1.64***	2.44***	2.1
Do you know how to make a complaint about the registration or payment process?	15%	14%	14%
Did you ever make a complaint about the registration or payment process?	28%***	71%***	51%
Made complaint to VDC secretary	93%	91%	92%

**Table A32: Did you receive the full payment**

	Bajura	Saptari	Total
Always	42.7	78.1	62.8
Most times	6.8	9.7	8.5
Only a few times	17.5	7.3	11.7
Never	33	4.8	17
Total	100	100	100

**Table A33: Whether satisfied with response to complaint**

	Bajura	Saptari	Total
No	48.1	43.8	44.9
Yes fully	25.9	17.5	19.6
Yes to some extent	25.9	38.8	35.5
Total	100	100	100

**Additional descriptive statistics for Section 5****Table A34: Why didn't seek out informal loan**

	Treated	Control	Total
Don't have collateral	4.5	6.9	4.6
Facility not available	4.4	3.4	4.3
Because of my caste	3.9	10.3	4.2
Do not need it	69.3	62.1	69
Can't afford it/high interest rate	17.9	17.2	17.9
Total	100	100	100

**Table A35: Where respondents sought medical advice/ treatment**

	Treated	Control	Total
Informal/traditional health care provider	0.5	1.2	0.6
Primary health point/sub-health post.	30.2	32.1	30.3
Pharmacy/medical shop	52.9	52.4	52.9
Public hospital	10.8	11.9	10.8
Private hospital	5.5	2.4	5.3
Ayurvedic/herbal medicine	0.1	0	0.1
Total	100	100	100

**Table A36: Additional statistics for Section 6**

	Treated	Control	Total
HFIAS score	8.46**	10.23**	8.55
Collect wild food, yes or no	3%	4%	
Consume seed, yes or no	24%***	39%***	
Sell assets, yes or no	2%***	8%***	
Sell livestock, yes or no	8%	8%	
Sell land, yes or no	1%	0%	
Do you feel you [your wife] are respected by other household members?	87%	90%	87%
Interact by helping each other	90%	90%	90%
Interact by sharing information	40%	40%	40%
Interact by trading	25%	21%	25%
Interact by bartering goods	30%	32%	30%
Interact by inviting them at festivals	23%	31%	24%
Do you interact with people who belong to a different ethnicity/caste/religion?	90%	92%	90%

**Table A37: Additional statistics on exclusive breastfeeding**

	Treated	Non-recipients	Total
Child exclusively breastfed at <6 months	22%	20%	21%
Average age at which stopped breastfeeding children	24.97**	22.94**	24.72

**Table A38: Additional statistics on Section 5, comparison by district**

	Bajura	Saptari	Total
Give the money to your husband after you receive it	43%	47%	45%

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**Table A39: Who makes decision on shopping for food**

	<b>Treated</b>	<b>Control</b>	<b>Total</b>
Mother	26.8	41.3	27.5
Father	30.2	31.7	30.2
Both parents	15.6	14.3	15.5
Combination of other relatives	27.4	12.7	26.8
Total	100	100	100

**Table A40: Who makes decision on animal source consumption**

	<b>Treated</b>	<b>Control</b>	<b>Total</b>
Mother	26.6	41.3	27.3
Father	29.7	31.7	29.8
Both parents	15.5	14.3	15.4
Combination of other relatives	28.2	12.7	27.4
Total	100	100	100

**Table A41: Who makes decision on feeding children**

	<b>Treated</b>	<b>Control</b>	<b>Total</b>
Mother	75.8	76.2	75.8
Father	5.4	7.9	5.5
Both parents	8.5	12.7	8.7
Combination of other relatives	10.4	3.2	10
Total	100	100	100

**Table A42: Who makes decision on children's health care**

	<b>Treated</b>	<b>Control</b>	<b>Total</b>
Mother	68.3	71.4	68.5
Father	7.9	9.5	8
Both parents	11.9	17.5	12.2
Combination of other relatives	11.8	1.6	11.3

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Total	100	100	100
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**Table A43: Who makes decision on buying sanitary items**

	Treated	Control	Total
Mother	47.5	58.7	48.1
Father	16	17.5	16.1
Both parents	15.1	17.5	15.2
Combination of other relatives	21.3	6.3	20.6
Total	100	100	100

**Table A44: Who makes decision on food for self**

	Treated	Control	Total
Mother	60.5	76.2	61.2
Father	12.6	11.1	12.6
Both parents	12.6	11.1	12.6
Combination of other relatives	14.3	1.6	13.7
Total	100	100	100

**Table A45: Who makes decision on own health**

	Treated	Control	Total
Mother	44.8	57.1	45.4
Father	19.6	19	19.6
Both parents	22.2	19	22.1
Combination of other relatives	13.4	4.8	13
Total	100	100	100

**Table A46: Who makes decision on family planning**

	Treated	Control	Total
Mother	75.1	76.2	75.2
Father	5.3	7.9	5.4
Both parents	8.5	12.7	8.7

Combination of other relatives	11.2	3.2	10.7
Total	100	100	100

**Table A47: Who makes decision on participation in meetings and groups**

	Treated	Control	Total
Mother	60.9	69.8	61.3
Father	5.1	7.9	5.2
Both parents	8.2	11.1	8.3
Combination of other relatives	25.9	11.1	25.2
Total	100	100	100

**Table A48: Who makes decision on agricultural production**

	Treated	Control	Total
Mother	56.2	69.8	56.9
Father	5	6.3	5.1
Both parents	7.8	11.1	7.9
Combination of other relatives	31	12.7	30.2
Total	100	100	100

**Table A49: Who makes decision on livestock-raising**

	Treated	Control	Total
Mother	21.6	34.6	22.2
Father	13.1	15.4	13.2
Both parents	28.1	36.5	28.5
Combination of other relatives	37.1	13.5	36.1
Total	100	100	100

**Table A50: Who makes decision on own employment**

	Treated	Control	Total
Mother	60.5	74.6	61.2
Father	5.1	6.3	5.1

Both parents	8.2	12.7	8.4
Combination of other relatives	26.2	6.49	25.3
Total	100	100	100

**Table A51: Who makes decision on major household expenses**

	Treated	Control	Total
Mother	53	66.7	53.6
Father	5.1	6.3	5.1
Both parents	8.2	12.7	8.4
Combination of other relatives	31.7	14.3	31
Total	100	100	100

**Table A52: Who makes decision on own nutrition**

	Treated	Control	Total
Mother	62.9	74.6	63.4
Father	5.2	7.9	5.3
Both parents	8.4	12.7	8.6
Combination of other relatives	23.4	4.8	22.6
Total	100	100	100

**Table A53: Who makes decision on going to relative/ maternal home**

	Treated	Control	Total
Mother	14.6	25.4	15.1
Father	26.2	36.5	26.6
Both parents	29.2	27	29.1
Combination of other relatives	30	11.1	29.2
Total	100	100	100

**Table A54: Who does the main chores in household**

	Treated	Control	Total
Women	96.7	94	96.6

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Men or boys	0.6	1.2	0.6
Women or girls	2.7	4.8	2.8
Total	100	100	100

**Table A55: Has there been a change in who does the most housework since receiving Grant**

	Bajura	Saptari	Total
Not changed	88	95.1	92
A change	12	4.9	8
Total	100	100	100

**Table A56: Does respondent feel more respected since receiving Grant**

	Bajura	Saptari	Total
Increased	26.9	27.9	27.4
Decreased	0.6	1.7	1.2
Same	72.5	70.4	71.3
Total	100	100	100

# Annex 4: PSM results

**Table A57: Treated compared with control households**

	Nearest neighbour					Kernel				
	Treated	Control	ATT	T-statistic	Significant	Treated	Control	ATT	T-statistic	Significant
HFIAS	8.4275	9.8631	-1.4356	-1.36		8.4249	9.4469	-1.0220	-1.18	
Worry about food	0.6965	0.8434	-0.1469	-2.33	***	0.6970	0.8124	-0.1154	-2.24	***
Not able to eat kind of foods	0.7190	0.8868	-0.1677	-2.83	***	0.7188	0.8429	-0.1240	-2.55	***
Dietary diversity respondent	21.2254	22.7952	-1.5699	-1.51		21.2326	23.0841	-1.8515	-2.18	**
Borrow food	0.5887	0.7830	-0.1942	-3	***	0.5884	0.8181	-0.2296	-4.34	***
Ever borrow food/ money	0.8303	0.9311	-0.1008	-2.27	**	0.8302	0.9251	-0.0949	-2.61	**
Took a cash loan	0.5884	0.8181	-0.2296	-4.34	***	0.3724	0.3475	0.0249	0.31	
Took an in kind loan	0.3512	0.2278	0.1233	1.71		0.3512	0.2318	0.1194	1.97	**

Applied for informal credit	0.5761	0.7056	-0.1296	-1.69	*	0.5758	0.6249	-0.0491	-0.78	
Consumed seeds when not enough to eat	0.2240	0.2573	-0.0334	-0.44		0.2240	0.2954	-0.0715	-1.13	
Sold assets when not enough to eat	0.0203	0.0606	-0.0404	-0.91		0.0203	0.0792	-0.0589	-1.63	
Work in PWP when not enough to eat	0.0258	0.0417	-0.0159	-0.36		0.0258	0.0732	-0.0474	-1.31	
Hh expenditure/ capita	57229	67228	-9998	-1.1		57258	72407	-15150	-2.04	**
Never/ rarely have difficulties paying for medicine	0.3493	0.2354	0.1139	1.63		0.3495	0.2850	0.0645	1.13	
Children living elsewhere	0.0141	0.0445	-0.0304	-0.85		0.0134	0.0618	-0.0484	-1.66	*
Feel respected	0.8725	0.9045	-0.0320	-0.73		0.8732	0.9194	-0.0462	-1.28	
Aware of meetings	0.6655	0.7695	-0.1040	1.64	*	0.6660	0.8116	-0.1456	-2.82	***
Attending meetings	0.6258	0.7544	-0.1286	-1.84	*	0.6254	0.7890	-0.1636	-2.72	***
Voicing opinion at meetings	0.6549	0.6725	-0.0176	0.18		0.6543	0.6352	0.0191	0.23	
Request to VDC secretary	0.3958	0.3889	0.0069	0.09		0.3953	0.3530	0.0424	0.7	

**Table A58: Treated compared with non-beneficiary households**

	Nearest neighbour					Kernel				
	Treated	Control	ATT	T-statistic	Significant	Treated	Control	ATT	T-statistic	Significant
HFIAS	8.3614	7.3160	1.0455	1.39		8.4573	7.1441	1.3132	3.5	***
Dietary diversity children	20.4831	18.8972	1.5859	1.82	*	20.4886	19.4820	1.0066	1.82	*
Sought advice/treatment	0.8664	0.9160	-0.0496	-1.16		0.8660	0.9072	-0.0412	-1.6	
Got treatment	0.9823	0.9833	-0.0009	-0.06		0.9822	0.9899	-0.0076	-0.88	
Have immunisation card	0.7305	0.8025	-0.0720	-1.51		0.7301	0.7933	-0.0632	-2.24	**
Child received Vitamin A	0.9530	0.8388	0.1142	2.65	***	0.9529	0.8074	0.1456	5.69	***
Child received de-worming	0.9673	0.8955	0.0717	1.98	**	0.9672	0.9041	0.0632	3.01	***
Child exclusively breastfed for first 6 months	0.2240	0.1504	0.0736	0.89		0.2240	0.1967	0.0273	0.35	
Average age at which stopped breastfeeding	24.9588	24.5103	0.4485	0.34		24.9588	23.1637	1.7951	1.82	*
Borrow food	0.5867	0.6223	-0.0355	-0.62		0.5875	0.5772	0.0103	0.31	
Consume seeds	0.2331	0.1676	0.0656	1.56		0.2333	0.1350	0.0983	3.52	***
Sell assets	0.0202	0.0060	0.0142	0.85		0.0202	0.0129	0.0073	0.74	
Work in public works programme	0.0263	0.0117	0.0145	0.87		0.0263	0.0157	0.0106	1.05	

	Nearest neighbour					Kernel				
	Treated	Control	ATT	T-statistic	Significant	Treated	Control	ATT	T-statistic	Significant
Dietary diversity respondent	21.2820	21.1249	0.1570	0.21		21.2886	21.9916	-0.7030	-1.65	*
Household expenditure per capita	56861	56750	110	0.02		56902	56703	198	0.05	
Feel respected	0.8721	0.7518	0.1204	2.48	**	0.8720	0.7888	0.0832	3.02	***
Ever consulted	0.6012	0.6658	-0.0645	-1.16		0.6014	0.6314	-0.0300	-0.92	
Borrow from others	0.8286	0.8059	0.0227	0.46		0.8291	0.7797	0.0494	1.77	*
Aware of meetings	0.6648	0.5723	0.0925	1.67	*	0.6643	0.6586	0.0057	0.18	
Attending meetings	0.6349	0.5755	0.0594	1.02		0.6352	0.5858	0.0494	1.19	
Voicing opinion	0.6672	0.6731	-0.0059	-0.1		0.6694	0.6781	-0.0087	-0.17	
Request to VDC secretary	0.3946	0.3536	0.0411	0.76		0.3945	0.3524	0.0420	1.32	
Children living elsewhere	0.0152	0.0054	0.0098	0.67		0.0152	0.0062	0.0090	1.24	



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This joint report reflects the activities of individual agencies around an issue of common concern. The principles and policies of each agency are governed by the relevant decisions of its governing body.

Each agency implements the interventions described in this document in accordance with these principles and policies and within the scope of its mandate.

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