

# ICC

# The delivery of humanitarian aid and its consequences on recipients' livelihoods

#### Miguel Fajardo-Steinhäuser and Danish Sarwar

- This brief describes findings from small-scale pilots that will inform a
  larger project exploring how to deliver cost-efficient aid and assess its
  effects on recipients' livelihoods in fragile countries.
- Two pilots were conducted with vulnerable women in Pakistan's
   Shikarpur and Rajanpur districts. The participants represent some of
   the most vulnerable populations in their communities, with households
   averaging just GBP 1 per day, experiencing frequent shocks, and
   reporting severe food insecurity.
- Preliminary results indicate that humanitarian assistance had a significant positive impact on mental wellbeing and food security, validating the effectiveness of aid delivery in alleviating immediate humanitarian needs.
- Contrary to a common concern when targeting women, the aid
  payments do not seem to have led to problems within the household.
   Only 3% of the women who disclosed the aid payment to their partner
  or other male household members (around 90% of recipients) reported
  that the payment caused any problems within the household.
- Humanitarian aid impacts recipients' political attitudes. The direction of these effects crucially depends on who recipients believe is responsible for providing the aid.
- Cash aid is easier to access, but digital payments show potential for long-term efficiency and savings when recipients are supported.





There are more hungry people now than at any point since 1945, with aid budgets strained by competing priorities (Global Humanitarian Assistance Report, 2023). Hunger and deprivation are increasingly concentrated in fragile states among hard-to-reach groups, where diversion threatens donor commitments. Yet, little is known about how to efficiently distribute humanitarian aid and what the overall effects of this aid are beyond traditional humanitarian outcomes. Innovation in the humanitarian space has also been muted, as highlighted by the FCDO in a recent white paper on the topic.

This brief presents the preliminary results of two pilot studies conducted in Pakistan to address these questions. Specifically, Rajanpur in Punjab and Shikarpur in Sindh were selected due to their high vulnerability, and the most vulnerable women in these pilot communities were targeted. While promising, these findings are highly preliminary and should be interpreted cautiously, as the pilots are designed to inform a larger future project.

#### Pilot design and implementation

These pilot studies took place in Pakistan, the country with the fourth largest population in need of humanitarian aid, where ongoing economic, political, and climate crises emphasise the need for efficient aid distribution. Pakistan has been categorised as fragile since the OECD started compiling fragility information. A grant from the International Growth Centre (IGC) funded two pilots that strengthened our partnership with the Pakistan Poverty Alleviation Fund (PPAF) and the Centre for Economic Research in Pakistan (CERP), both of which are experienced in field experiments and have been instrumental in designing and preparing for the full project.

#### Partners and locations

PPAF assisted our team in executing the pilots through their partners, the local development organisations AGAHE (Association for Gender Awareness and Human Empowerment) in Rajanpur, Punjab, and SRSO (Sindh Rural Support Organisation) in Shikarpur, Sindh.

AGAHE and SRSO have been crucial in identifying and onboarding the most economically vulnerable women from two urban settlements in each study district: Eidgah Colony and Faridabad Colony in Rajanpur, and Khanchandabad Colony and Unar Colony in Shikarpur.

#### Beneficiary identification and selection

We employed a two-step process to identify the most vulnerable women in the targeted communities so that our population is representative of those who usually receive humanitarian aid. The first step consisted of conducting community-level meetings where many community members gathered to i)

identify what vulnerability means in the community, and ii) rank all community households into different socioeconomic groups based on their conception of vulnerability. Those households that ranked at the lowest socioeconomic stratum in this exercise moved to the second one, which consisted of collecting a Poverty Scorecard. This tool targets potential ultra-poor households and consists of easy-to-collect and objectively verifiable indicators. Those households with the highest poverty levels were invited to participate in the pilots.

Community-level meetings (left) and onboarding sessions (right).

Image credit: Sindh Rural Support Organization





#### Sample characteristics

The results suggest that the population we worked with is indeed extremely vulnerable, and our approach worked in accomplishing the selection goal: Despite an average household size of close to 7, the average household in t he sample barely makes more than GBP 1 per day. Over 90% of participants reported experiencing a shock in the past 12 months. Almost 50% of respondents reported that children in the household had skipped meals in the past 2 weeks, and food insecurity was also high among older household members.

#### Research design

We conducted a randomised controlled trial (RCT) with 100 participants from Shikarpur and 83 from Rajanpur. Women were randomly assigned to one of three groups:

- A control group receiving no aid.
- A treatment group receiving cash aid via computerized national identity cards (CNICs), which then needed to be cashed out.
- A treatment group receiving digital aid via mobile wallets.

This approach allows comparisons between no aid and aid recipients, as well as between traditional cash aid and digital aid. In terms of outcomes, we focused on traditional humanitarian outcomes (nutrition, food security, and needs) along with other outcomes that have received less attention in the humanitarian literature, such as mental wellbeing, political attitudes, and intra-household dynamics.

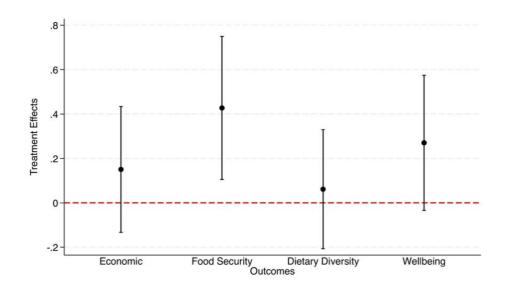
Payments were made through CNICs only in the first pilot, since we ran into issues with setting up mobile wallets. In the second pilot, we rolled out the full plan, which allowed us to compare cash versus digital aid. Each pilot looked at the impact of a single payment, while the full project will include four monthly disbursements.

The pilots primarily focused on logistics and feasibility rather than definitive results, meaning the findings reported here are subject to many limitations and should be interpreted with caution.

# Humanitarian aid quickly improves needs, nutrition and wellbeing

We combined the outcomes related to humanitarian needs and nutrition, dietary diversity, (mental) wellbeing, and economic indicators into indices to more accurately estimate the effect of aid. The results, shown in Figure 1, suggest that aid significantly improved measures of food security and mental wellbeing – the primary outcomes of interest for humanitarians aiming to alleviate needs – while marginally improving dietary diversity. There was no significant improvement in economic outcomes, which is in line with expectations since the goal of the aid payments is to provide short-term relief and not to alleviate poverty.

FIGURE 1: Humanitarian aid provides short-term relief in terms of improving food security and mental wellbeing



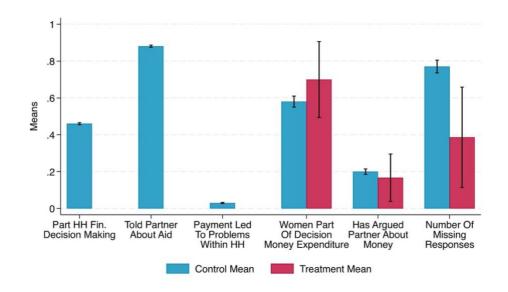
### Other outcomes are unaffected by humanitarian aid

We also explored whether humanitarian aid promotes women's empowerment or potentially creates friction within households - a common concern, especially when aid recipients are female.

Figure 2 highlights these findings. Despite concerns about potential household conflicts, the aid had little impact on family dynamics. About 90% of recipients shared the news of the aid with their partners, and fewer than 3% reported any issues arising from it. It is worth noting that, despite high levels of vulnerability, women in our sample were integral parts of their households. Over 55% are the head of their household, and around 50% say they are involved in the household's financial decision-making. Two-thirds of participants decided how to spend the aid payment independently, while the remaining one-third decided with their husband or partner.

It is difficult to measure women's empowerment in this context and to consider how it could change in the very short run. One clear sign of increased empowerment is whether women are more likely to answer questions on this topic. When comparing missing survey responses between the control and treatment groups, we found that women who received aid were more likely to answer sensitive questions. These women were also more involved in household financial decisions and less likely to argue with their partners about money, suggesting subtle empowerment effects. While preliminary, the results are encouraging.

FIGURE 2: Humanitarian payments don't seem to lead to within-household friction, but could improve the empowerment of female aid recipients



#### Political effects of aid

Given the increased amount of humanitarian assistance flowing into fragile countries, how does this assistance affect recipients' political attitudes and engagement with the state? This question is particularly important to consider in settings where the state is trying to consolidate itself. Preliminary results from the pilots suggest that aid has an important effect on recipients' political attitudes. This effect crucially depends on who recipients believe is providing the aid: Those who correctly identify the money to be coming from an international donor see no changes in their political attitudes as measured in lab-in-the-field games, while those who can't correctly identify the project's funder show improved views on the state.

## There is much to learn about aid delivery mechanisms

While digital aid has potential advantages, it can be challenging for women who are not familiar with mobile wallets or have low literacy levels, as seen in our sample. Women receiving aid via mobile wallets were more likely to report difficulties accessing their money than those who cashed out using their CNIC (7.4% vs. 2.8%). On the other hand, women who received their funds digitally were more likely to save part of the aid (39% vs. 29%), had lower transport costs to cash out (PKR 24 vs. PKR 68), and made purchases directly from merchants. These results suggest that the effectiveness of the delivery mechanism depends heavily on the context and the population and that teaching participants how to use their mobile wallets plays a crucial role in the success of any digital aid delivery program. This aligns with results from another project conducted in Afghanistan by one of the authors (Callen et al., 2024).

#### Conclusion

Humanitarian aid plays a vital role in fragile settings, offering immediate relief to those in dire need. Yet, there is still much to learn about delivering aid effectively and understanding its impact on people's lives. As global needs continue to grow, it has never been more urgent to drive innovation in providing assistance.

These pilots have played a crucial role in preparing for a full project that will generate actionable insights into how aid can be delivered more cost-efficiently.

The results are promising. They suggest that: i) the full project will be well-equipped to detect meaningful treatment effects, ii) humanitarian aid has a significant, immediate impact on the needs of the most vulnerable, and iii) the treatment effects are aligned with what would be expected.

#### References

- Callen, Michael, Miguel Fajardo-Steinhäuser, Michael G. Findley, and Tarek Ghani. "Can Digital Aid Deliver During Humanitarian Crises?." *arXiv preprint arXiv:2312.13432* (2023).
- Development Initiatives. "Global Humanitarian Assistance Report 2023" (2023). https://devinit.org/resources/global-humanitarian-assistance-report-2023.
- Foreign, Commonwealth & Development Office. "International Development in a Contested World: Ending Extreme Poverty and Tackling Climate Change" (2023).
  - https://assets.publishing.service.gov.uk/media/6576f37e48d7b7001357ca5b/international-development-in-a-contested-world-ending-extreme-poverty-and-tackling-climate-change.pdf.