



The Importance of Being Early in Humanitarian Response

Digital Development Dialogue
27.06.2024 Seminar Summary

Can anticipatory cash transfers help families better cope with climate shocks? In this dialogue, **Stefan Dercon**, Professor at Oxford University, and **Jonas Heirman**, Head of the Impact Evaluation Unit at the World Food Programme, discuss the results of two cash transfers programs to flood-prone households in Bangladesh and Nepal. The speakers introduce the idea and concept behind the approach of anticipatory interventions and present recent empirical results. The dialogue was moderated by **Jonathan Garcia**, PhD candidate at Humboldt-University of Berlin, affiliated with the Development Economics Network Berlin (DENEb).

Stefan Dercon started the dialogue by presenting an anticipatory climate disaster response program implemented in Bangladesh. He noted that most aid programs are reactive, often arriving too late, once damaged and long-lasting consequences have materialized. However, with advanced forecasting systems, governments are already able to implement anticipatory action plans to mitigate the impact of climate crises.

In 2020, the World Food Program provided mobile money to 23,000 flood-prone households on five different days before and during the crisis. Using a quasi-experimental approach, Dercon, Pople, Hill, and Brunckhorst **evaluated the program** and found positive outcomes to providing assistance before the peak of the flood. Anticipatory cash significantly improved welfare indicators, even three months after the event. The assistance was primarily used for food and water, followed by medicine and health services, agricultural inputs, and loan repayments. Households who received assistance before the flood were less likely to experience food shortages during the flood, and post-crisis benefits included increased life satisfaction, better child food consumption, and improved earning potential.

In the second presentation, Jonas Heirman explained the implementation and evaluation of a World Food Programme's humanitarian program in Nepal. Households in the Karnali River Basin were randomized using an A/B testing approach into anticipatory- or post-shock assistance to floods experience in 2022. The aim of the trial was to understand whether early disbursements better enabled households to cope with climate shocks compared to later ones.

The program's evaluation revealed positive outcomes on food security, mental health, and coping strategies. Households in the anticipatory activation group, which received transfers immediately after the flood peak, exhibited a boost in food consumption relative to the regular transfers group. Although this overall effect faded in the medium run, higher meat consumption was still observed eight months after the flood peak. Improvements in depression, anxiety, and life satisfaction were noted in the first survey but also diminished in the medium term. While both groups resorted to negative coping strategies in response to the shock, such as borrowing and reducing the portion of meals, those receiving early transfers did so less frequently than the regular transfers group.

Despite access to vaccination arising as a key challenge in many developing countries, Cernuschi pointed out the importance of considering contextual factors. While in some region's vaccine costs are the most relevant constraints, the availability of healthcare workers, or transport infrastructure are the most critical in other settings. According to her, effective interventions and R&D teams must consider and address these specific issues. In this sense, the strengthening of health community-based organizations or the development of more heat-stable vaccines can be some examples.

In the Q&A session, a participant questioned how researchers ensured that the positive results were due to cash transfers and not merely due to better information. Dercon clarified that both control and treatment groups received preventive information about climate shocks, and that families receiving the transfers indeed invested in flood prevention measures like transportation and food.

Another concern was whether externalities from the interventions could skew results downward if families from treated villages helped neighbouring families. The speakers acknowledged the difficulty in ruling out externalities despite the study's clustering design and noted this as a key issue for such research. In addition, another participant asked if the anticipatory transfers could generate an increased local price effect, limiting the ability to buy necessary goods and potentially exaggerating the crisis. Yet highlighting that the presented evidence suggests anticipatory transfers to improve purchasing power, the speakers agree that this is a critical area for further study.

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