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from EVIDENCE to POLICY

Phone monitoring to improve service delivery

A SIEF-supported *nimble* evaluation in India

Problem. In many low-income countries, improving service delivery can be challenging, whether it's making sure that teachers are in the classroom ready to teach or that cash transfers reach intended beneficiaries. One reason is that it's often difficult to cost-effectively monitor programs, especially when they cover thousands of communities and include very remote areas. This was the challenge faced by the Indian state of Telangana when it introduced a new program to make payments to farmers to help them buy seeds and fertilizer before each of the two major planting seasons. The government wanted to ensure that people received their money in the expected time frame and that farmers were not asked to make any payments for receiving their money.

Intervention. Under the state's new *Rythu Bandhu* (Friend of the Farmer) program, landholding farmers are supposed to receive the equivalent of about US\$55 per acre before the summer and winter planting seasons. About 5.7 million farmers qualified and close to 90 percent of them owned less than three acres. The first distribution was made before the 2018 summer planting season. Beneficiaries were given checks that could be exchanged for cash at a local bank, regardless of whether a person had a bank account. The checks were distributed during village meetings organized by the state's agricultural officer in each subdistrict, known as a mandal, who supervised agricultural workers sent to villages to deliver checks.

Phone monitoring plan. The study tested whether using phone calls to monitor the distribution of checks—and telling agricultural officers that calls were being made to

beneficiaries—would lead agricultural officers to improve their performance so that more farmers received their payments. The government had collected phone numbers when it updated landholding records the year before, and it hired a call center to ask farmers if and when they received their check, if and when they cashed it, whether they faced problems receiving or cashing the check, and how satisfied they were with the program. The study also was going to measure the impact of giving performance reports, based on the calls, to agricultural officers and their supervisors, but the reports weren't available in time.



Photo provided by study team.

Evaluation design. This study was a randomized control trial. It covered 30 of the state's 31 districts, excluding urbanized Hyderabad, where there weren't many beneficiaries. In Telangana, districts are divided into mandals. Each agricultural officer oversees one or more mandals. The study randomly assigned 122 mandal agricultural officers to the treatment and 376 to the control group, for a total of 584 mandals. In the treatment group, agricultural officers were told that the program would be

monitored through phone calls to 150 randomly selected beneficiary farmers in each mandal. In the control group, 50 randomly selected farmers in each mandal were called, but the agricultural officers weren't informed about the plan.

Results. Phone-based monitoring improved the rate at which farmers received their checks based on the bank records showing which checks were cashed. In the control group, 83 percent of farmers cashed their checks in the four-month period after check distribution began. In the treatment group, there was a 1.3 percentage point increase in the number of farmers who cashed their checks. Among farmers with the smallest landholdings, the increase was 2.2 percentage points. Overall, about US\$1.0 million more reached farmers when agricultural officers were told they were being monitored.

Cost-effectiveness. The program was highly cost-effective. The government paid the call center about US\$36,000, meaning that the cost-per-dollar of benefits delivered to beneficiaries was 3.6 cents, which is lower than the administrative cost of almost any anti-poverty program for which such data is available.

In addition, the program, which led to more farmers receiving their checks and receiving them earlier, reduced farmers' need to borrow money before the planting season. Researchers estimated \$140,000 in additional benefits for the farmers, based on what farmers would otherwise have had to pay for loans to cover their costs versus what the government would have earned in interest by holding on to the \$36,000.

Impacts. The government of Telangana is considering using this type of phone monitoring in other programs. In addition, the research team will now help the state government of Jharkhand apply phone monitoring to its implementation of the central government's heavily subsidized wheat and rice distribution system. Researchers are also in touch with the central government to discuss introducing similar programs at scale nationwide.

Publications. NBER Working Paper Series, "Improving Last-Mile Service Delivery Using Phone-Based Monitoring," Karthik Muralidharan, Paul Niehaus, Sandip Sukhtankar, Jeffrey Weaver, Working Paper 25298.

How can we learn better and faster for maximum policy impact? SIEF has chosen 20 rapid, low-cost evaluations for funding through its now closed fourth call for proposals. For the first time, SIEF focused on nimble evaluations, studies designed to produce rapid but rigorous information on implementation and program impact. The nimble evaluations chosen cover SIEF's core areas of basic education, early childhood development and nutrition, health, and water and sanitation, and they will provide valuable evidence on how to improve programs in these sectors.

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