**Key Messages**

◊ **This policy note** presents the salient features and lessons learned from implementing food assistance programs globally. It aims to inform key stakeholders and policy makers on this critical form of social assistance in light of the recent pilot launch of the Food Stamp Program (FSP) in the Philippines.

◊ **Recent crises have underscored the urgency of decisive action on food security.** The COVID-19 pandemic, coupled with subsequent food and fuel crises, high inflation, and high levels of malnutrition occasioned the renewed focus on food-oriented social assistance (FOSA). FOSA is vital in ensuring access to food among low-income households and other vulnerable persons and in bolstering nutrition programs—precisely the goals of the Philippines' FSP in the form of food vouchers.

◊ **There are lessons to learn from FOSA’s long history and diverse implementation globally.** Four types of FOSA interventions include: indirect price subsidies, direct in-kind food provision, near-cash transfers in the form of vouchers, and cash transfers. Various experiments comparing these types of FOSA show overall similar and positive impacts on food security. However, implementation costs of cash and near-cash (voucher) interventions are much lower, with some varying effects on food consumption and diet diversity. A global trend is to move away from indirect food subsidies and in-kind food distribution towards vouchers and cash, although different forms can co-exist in the same country.

◊ **To maximize impact on food security and nutrition, the complementation between FSP and other ongoing programs should be ensured.** In particular, the FSP can build on the Pantawid Pamilyang Pilipino Program (4Ps) delivery systems and take a convergence approach in providing supplemental assistance to 4Ps beneficiaries (aspiring, wait-listed or actual beneficiaries) that are in greater need. The FSP will however encounter the similar implementation challenges experienced in 4Ps, such as a static registry for targeting and lack of value adjustments to account for inflation or changes in household size and composition. Supply side considerations for FSP also require attention such as the selection of eligible retailers; equipping them with the point of sale (POS) machines and other necessary infrastructure to accommodate the vouchers; and enforcing the list, quantity, or value of food items under the program.
CONTEXT

Global uncertainties and the increasing vulnerabilities of Filipino families warrant critical policy interventions on food security. These policies should tackle the impacts of: 1) high inflation and increased food costs following Russia’s takeover of Ukraine; 2) the long-standing problem of malnutrition; and 3) the increased vulnerability of low-income households due to the pandemic. Food inflation, in particular, disproportionately affects poor households who spend a larger share of their budget on food. This is an additional burden to the country whose level of malnutrition has been alarmingly high. The under-five stunting rate was 42 percent among the poorest quintile in 2019, reflecting little progress made in the last 20 years in tackling undernutrition among low-income households (Mbuya et al. 2021). Moreover, the wellbeing of the poor and vulnerable in the country was seriously undermined during the COVID-19 pandemic. The Social Weather Stations (2022) reports that the percentage of households who experienced involuntary hunger peaked at 21.1 percent in 2020 and, while it declined afterwards, it remains at levels higher than those in pre-pandemic (i.e., 11.7 percent in 2022 compared to 9.3 percent in 2019).

The Department of Social Welfare and Development (DSWD) has prioritized food assistance to address food insecurity. DSWD rapidly moved forward with the preparation of a Food Stamp Program (FSP) for low-income households to complement the country’s flagship cash transfer Pantawid Pamilyang Pilipino Program or 4Ps. The rationale for the FSP is to help reduce involuntary hunger by allowing beneficiaries to purchase food using issued cards. This will provide extra support to the poorest households as well as infants and other vulnerable pregnant and lactating women that may not be part of 4Ps. With strong political endorsement through an executive order signed by the President in October 2023, the FSP has become the administration’s high priority initiative, with the aim to cover 1 million beneficiaries by 2027. Its design and pilot planning are ongoing. As of March 14, 2024, the FSP has 2,285 registered beneficiaries from Tondo, Manila; San Mariano, Isabela; Dapa, Siargao; Gachitorena, Camarines Sur; and Parang, Maguindanao.

Food security is not the only determinant of nutrition and ensuring food security itself requires multiple interventions. From the food supply side, there is a need to improve the competitiveness of the farming sector, remove import restrictions on certain agricultural products (i.e., rice), improve agricultural infrastructure (e.g., logistics and warehousing, water management), and diversify agricultural production (World Bank 2022). At the same time, social assistance can help improve access to food among low-income households. This widely used policy instrument can be an enabler of other nutrition sensitive interventions such as early childhood development programs. The effectiveness of such interventions, however, depends on their design and implementation, with outcomes measured not only through increased food consumption but also food quality in terms of dietary diversity and ability to address nutritional deficiencies.

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2 Inquirer.net - “DSWD eyeing significant hike in food stamp program beneficiaries” accessed on April 15, 2024. https://newsinfo.inquirer.net/1918812/dswd-on-food-stamp-program.

3 Undernutrition is characterized by high levels of anemia and vitamin A deficiency, which in turn can be explained by a diet dominated by rice, with little diversity and insufficient consumption of vegetables and fruits and lack of animal proteins. The lack of animal proteins in particular is a strong predictor of stunting (Headey et al. 2018). Thus, supporting adequate food supply and access to food is one important dimension for nutrition. Moreover, addressing malnutrition also requires health, sanitation, and nutrition sensitive interventions (Mbuya et al. 2021).
This policy note focuses on demand-side interventions and discusses lessons learned from international experiences in food voucher (FV) design and implementation. It provides a short summary of the global literature on the different types of demand-side programs, their design features, and impacts. It then looks at the Philippine context and presents possible complementary interventions that can be considered when developing an FV scheme. Country case studies on different types of social assistance programs are found in the annexes.

**DEMAND SIDE FOOD-ORIENTED SOCIAL ASSISTANCE**

Food-oriented social assistance (FOSA) is a demand-side intervention comprising four types: indirect support through price subsidies to consumers, direct assistance through food distribution, direct support through vouchers or food stamps, and cash transfers.

**Indirect support through price subsidies operates at the commodity level and therefore is untargeted.** Although subsidies for inferior goods (e.g., lower quality cereals) are used as a strategy to exclude better-off households from receiving the subsidy, food price subsidies like many other price subsidies tend to cause market distortions and offer only short-term support to the poor (IMF, 2000).

Direct in-kind food provision can be unconditional or conditional to a certain segment of populations. Unconditional provisions are provided through public distribution systems to targeted groups of people. Conditional provisions, on the other hand, are provided through school feeding programs and other programs that provide nutritional supplements in certain settings (e.g., in schools or in health clinics following ante-natal and post-natal health visits), or through food for work programs. India has one of the most notable and large-scale in-kind food provision programs (see Annex). School feeding programs are also quite common, with 163 countries using such schemes and reaching on average over 40 percent of school children (WFP 2023).

Food vouchers (FV) or food stamps provide access to food of a given value or quantity at unregulated prices in pre-identified private or public outlets. These vouchers can prescribe a list of legitimate food consumption items, thus nudging consumers towards specific commodities. Governments can specify the quantity of consumption (e.g., Indonesia) or specify the value instead (e.g., United States [U.S.]). FV are often used to support vulnerable groups affected by economic reforms (e.g., reforms in price subsidies), or to protect food consumption in crisis situations and high food inflation (see Annex for examples of how they are used in the U.S., Indonesia, and Mongolia).

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4 A particular in-kind modality is known as rationing, whereby governments limit the quantity of food commodities that can be purchased on markets. Such quotas reemerge in times of crisis, including during world wars, the post-1990 war period of sanctions in Iraq, and in the planned economies of the former Soviet Union and the Democratic People's Republic of Korea (World Bank 2005).

5 Based on the Annual Poverty Indicators Survey 2019, nearly 62 percent of households in the Philippines have children between 5 and 17 years old and hence can benefit from school feeding programs.
Cash transfers have become an increasingly important form of support. There is an extensive body of literature regarding the effects of cash transfers (Bastalgi et al. 2016 for an overall review; Gentilini 2022 for the review of cash transfers as pandemic response). Cash transfers can be conditional or unconditional. They can be provided for a specific purpose even if they are unconditional. For instance, cash transfers for food assistance can be offered as “cash to support food consumption,” with a labeling of policy objective, as is the case in Mexico, Peru, and Sri Lanka.⁶

The global trend has been to move away from generalized food subsidies towards targeted FOSA, especially through vouchers or cash schemes. Nonetheless, there are exceptions, and most countries adopt a hybrid of in-kind and cash transfers. There is a path dependence given the long history of food assistance in many countries. The social assistance spending across low- and middle-income countries (Figure 1) shows that countries spend 0.43 percent of GDP on conditional and unconditional cash transfers, excluding social pensions. This share is twice as much compared with the amount spent for food and in-kind transfers, school feeding included, at 0.18 percent of GDP. New social protection measures introduced in response to the pandemic, however, included a non-negligible share of food assistance although cash transfers were most prominent (Gentilini et al. 2022). The choice of instruments are determined by multiple factors such as timeliness and efficiency of delivery, cost-effectiveness, local market’s ability to provide food, the quality of food, beneficiaries’ satisfaction with the service delivery, and the capacity of small holder suppliers and retailers (Lentz et al. 2013).

**Figure 1.** Average Expenditure for Social Assistance in 101 Developing Countries and Type of COVID Response

<table>
<thead>
<tr>
<th></th>
<th>% of GDP</th>
<th>% of SA New Measures During COVID-19 (Jan 20 - Jan 22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conditional and Unconditional Cash Transfers</td>
<td>0.43</td>
<td>41%</td>
</tr>
<tr>
<td>Food and In-kind Transfers and School Feeding</td>
<td>0.18</td>
<td>20%</td>
</tr>
<tr>
<td>Others (social pensions, public works, education, and housing waivers, etc.)</td>
<td>0.77</td>
<td>39%</td>
</tr>
</tbody>
</table>

**Sources:** Analysis of ASPIRE administrative data (accessed in October 2023); Gentilini et al. 2022.

⁶ Cash transfers tend to have advantage over vouchers in terms of beneficiary choice and agency.
GLOBAL EXPERIENCE ON FOOD-ORIENTED SOCIAL ASSISTANCE

This note reviewed FOSA programs in eight countries, looking specifically at the variety of interventions used: Egypt with food price subsidies; India with a targeted price subsidy system; U.S., Mongolia, and Indonesia, which transitioned from food assistance to voucher schemes; and Sri Lanka, Mexico, and Peru with cash transfers. A summary of the review follows, with the cases presented in more detail in the Annex.7

Design

Objectives. Food provision and subsidies are used in programs that not only support consumers but also protect agricultural producers. This is the case in India and Indonesia, and in the initial policy design of Sri Lanka and the U.S. before major reforms to move to food vouchers were introduced. All these programs aim to increase food security, consumption, and nutrition, which are key objectives of FOSA interventions.

Size of programs. Size varies in terms of population coverage and budget cost, with the value of the transfer usually between 10 and 20 percent of household consumption. Some countries provide support that varies with household size and poverty level. Household size is an important consideration, and so is the capability to respond to specific household needs, for example, pregnancy and childbirth. Such program flexibility needs to be assessed in relation to the cost of adjusting the support to match household characteristics.

Dynamics of program enrolment. Beneficiary enrolment tends to rely on large outreach activities conducted every 3-4 years, sometimes even less regularly. The lack of on-demand access can deprive vulnerable groups of the benefits of nutrition programs, particularly women who become pregnant and give birth, young children, and infants in their first 1,000 days. The problem can be tackled in two ways: i) if the household is already a beneficiary of a social assistance program, there should be a mechanism to enroll new household members (e.g., newborn children) or update the household profile (e.g., pregnancy), and adjust the level of support accordingly; and ii) any new household should be assessed and allowed to enroll in the program, based on an on-demand system at any time or during regular enrollment periods. Dynamic updating of data allows more accurate and timely targeting, enrollment, and case management of beneficiary households.

Mode of benefit transfer. New technologies enable the use of electronic transfers, as is the case of vouchers in the U.S. and Indonesia. Digital transfers are more cost-efficient, faster, more convenient for beneficiaries, and easier to monitor. They also mitigate the potential stigma associated with participating in a social assistance program. Conversely, digital transfers are not without challenges.

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7 Refer to the Annex for the objectives, context and evolution of these programs, number of beneficiaries and eligibility rules, value of transfers, mode and frequency of transfer, duration of support and exit from the program, conditionalities and linkages with the broader social protection system, and major program impacts.
These include the upfront cost of setting up point of sale (POS) machines, compliance with Know Your Customer (KYC) regulations, and drawbacks inherent in the use of electronic cards—such as the risk of forgetting PINs and loss of cards.

**Market environment.** Retailers and food suppliers are important players in FOSA, particularly in in-kind and voucher-based assistance. The Supplemental Nutrition Assistance Program or SNAP program in the U.S. specifies eligibility criteria for retailers, requiring them to have sufficient and diverse food inventory and the required capacity to procure food items as needed.

**Adjusting the transfer value to account for inflation.** In many countries, this crucial policy action is not done, thus raising concerns about program effectiveness, especially if the program aims to be countercyclical and provide a safety net during crisis. To address this, policies should be in place to enable the update the value of transfers on a regular basis, with provisions for ad hoc adjustments in cases of crises. For instance, the U.S. SNAP adjusts benefit levels annually in October to account for inflation.

**Behavioral change conditionalities.** Most FOSA programs do not strictly enforce the performance of specific actions or behavior as a condition for receiving social assistance. For example, proper education about diet and nutrition is commonly recommended but without strict enforcement. The food stamp program in Mongolia added an employment requirement but this led to a drastic reduction in the number of beneficiaries (ADB 2022). In the U.S., there are employment and training conditionalities that able-bodied adults without dependents must meet within a specific time period. However, despite the work requirement, a U.S. survey of income and program participation (SIPP) in 2020 found that over 61 percent of recipients were not employed at all that year (Pew Research Center 2023). This indicates that enforcing conditionalities is challenging when the ability of recipients to comply with the work requirement largely depends on the overall labor market and economic conditions.

**Beneficiary targeting and synergies between FOSA and other programs.** One form of linkage is the use of the same delivery system such as a targeting mechanism and social registry. In Mongolia, Mexico and Indonesia, voucher schemes complement other cash transfers, with the beneficiaries identified using proxy means tests (PMT). In the case of Mongolia, the voucher beneficiaries are a subset of those receiving cash transfers given the high coverage of the Child Money Program. In Indonesia, it is the opposite: recipients of conditional cash transfers (CCT) are a subset of those receiving vouchers. Another form of linkage is the complementation between the FOSA and another nutrition program that targets young children and pregnant or lactating women (e.g., U.S. SNAP and Women, Infants and Children [WIC] program). The complementation is necessary as one program alone is unable to address the complex income and food security concerns for health and nutrition of the target population. A third form of linkage is used in Peru, where FOSA (in this Juntos cash transfer program with a supplemental food assistance) is part of multi-sectoral intervention, which includes water and sanitation, maternal education, and behavior change communication (BCC) (Huicho et al. 2020). Particularly, the importance of BCC when providing assistance is affirmed in other contexts such as Bangladesh (Ahmed et al. 2019).

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8 The Child Money Program went through different policies on targeting over time. As of 2019, the program is almost universal in that about 80 percent of children are covered. See UNICEF (2019).
Unintended consequences. There can be possible unintended and negative effects of FOSA, including an increase in food prices, crowding out of private transfers, and reduced labor supply. Overall, the evidence suggests that FOSA interventions have limited effect on prices. However, such effect depends on the size of local markets and how food is procured for FOSA. In certain market segments such as remote communities, prices may increase if there is low supply of goods and the programs increase the demand. There can be cases where suppliers and shopkeepers increase prices knowing about the assistance. There is no conclusive evidence regarding crowding out of private transfers, a situation where the cash and in-kind transfers provided by individuals and organizations decline as a result of the government’s transfer program. On labor supply, the cases reviewed confirmed the limited evidence on any work disincentive caused by FOSA in developing countries. Finally, in Mexico, it was also found that not all nutritional changes related to FOSA were positive, with reports of increased cases of child obesity.

Effectiveness of in-Kind vs. Voucher vs. Cash

The effectiveness of FOSA modality is contextual (Gentilini 2016). It depends on each country’s policy and delivery path, the impact of the policy choice on food production, and the expected effects on food access and nutrition. Table 1 summarizes the results of several experimental evaluations, with some using randomized control trials, and comparing the effects of different food assistance modalities on food consumption, calorie-intake, and food diversity. The corresponding cost of each modality was also considered.

<table>
<thead>
<tr>
<th>Country</th>
<th>Comparison</th>
<th>Best Performing Modality on:</th>
<th>Lower Cost or Most Cost-effective</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Food Consumption</td>
<td>Calorie-intake</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>Food-cash</td>
<td>Cash</td>
<td>Cash</td>
</tr>
<tr>
<td>Cambodia</td>
<td>Food-cash</td>
<td>Cash</td>
<td>-</td>
</tr>
<tr>
<td>DR Congo</td>
<td>Voucher-cash</td>
<td>Same</td>
<td>Same</td>
</tr>
<tr>
<td>Ecuador</td>
<td>Food-voucher-cash</td>
<td>Same</td>
<td>Food</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Food-voucher</td>
<td>Voucher</td>
<td>-</td>
</tr>
<tr>
<td>Mexico</td>
<td>Food-cash</td>
<td>Same</td>
<td>Food</td>
</tr>
<tr>
<td>Niger</td>
<td>Food-cash</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>Food-cash</td>
<td>Cash</td>
<td>Same</td>
</tr>
<tr>
<td>United States</td>
<td>Voucher-cash</td>
<td>Voucher</td>
<td>-</td>
</tr>
<tr>
<td>Yemen</td>
<td>Food-cash</td>
<td>Cash</td>
<td>Food</td>
</tr>
</tbody>
</table>

Sources: Gentilini 2016; Banerjee et al. 2023; Oliveira et al. 2017.

9 Hidrobo et al (2014) for discussions. In Mexico and South Africa, public transfer programs have been found to crowd out private transfers as cash transfer recipients are significantly less likely than control households to take out a loan or borrow money from family or institutions. The same is not true for households receiving food and vouchers.
Both cash and vouchers have a stronger impact on food consumption and food diversity, whereas in-kind results in higher calorie-intake. Significant differences exist in implementation costs: the cost of delivering cash is lower than providing food even though there may be differences in measuring implementation costs.\textsuperscript{10} The implementation modality is also important: cash can be delivered physically or through bank accounts, and vouchers can be paper vouchers or electronic ones. Some implementation measures entail considerable administrative costs, such as in the Democratic Republic of Congo where the cost of holding special voucher fairs was substantial (Aker 2017). In Ecuador, a rigorous evaluation comparing the three modalities found that the interventions improved the quantity and quality of food consumption, and that food is least cost-effective whereas voucher has greater impact on food diversity than cash (Hidrobo et al. 2014).

Following is a summary of the key features of the modalities:

**Context.** For cash transfers to be effective in food security, sufficient and accessible food supply is required. If the supply is disrupted and the supply chain is rendered ineffective, cash transfers will not work. Market disruptions can be caused by a natural disaster, where disruptions are likely to be temporary or concentrated in certain market segments such as remote areas and involving some perishable goods. In the latter case, cash transfers can increase the prices of certain goods and thus have negative effects, as was the case in the Philippines (Filmer et al. 2018). This situation underscores the effect of FOSA on local markets and the need to stimulate local production of certain goods.

**Choice.** Cash gives people the choice to use it as they see fit. In contrast, in-kind transfers and vouchers can limit that choice and direct people's consumption towards certain goods (thus more paternalistic). If the in-kind transfer is within what people would have consumed anyway based on their preferences (inframarginal transfers), the type of modality is irrelevant, and results should be the same. However, if the in-kind transfers provide people with a certain type of food that is above their preference, a second-best result will be achieved (Gentilini 2016). Nevertheless, such theoretical discussion abstracts from the practical way people make consumption decisions, for example, cultural habits or other factors influencing their decisions, such as advertising. Indeed, it has been shown that, even when transfers remain inframarginal, in-kind and more specifically, vouchers, can influence food choices more than cash (commonly referred to as ‘cash out puzzle’) and this can be used to nudge consumers towards healthier choices (Breunig et al. 2001). This explains some of the results seen in both food consumption and diet diversity.

**Intra-household distribution and decision making.** Another important element of people's consumption choices is the intra-household dynamics that can be triggered by different modalities of transfers. A study in India suggests that in some context, cash is more likely controlled by men in the household (regardless of who the actual grantee is) and this can result in different spending decisions (Bhattacharya et al. 2018). In such cases, providing food instead of cash may ensure that the benefits reach women and children, whose voice and preferences would not to be considered otherwise.

\textsuperscript{10} For example, whether food should be priced at farmer-gate prices or at retail prices could make a difference, as well as whether costs include the cost of procurement, transportation, and storage.
Stigma. Providing cash (or use of electronic vouchers) is less stigmatizing than in-kind transfers or physical vouchers that identify beneficiaries as recipients of social assistance, especially when the transfers are given in a public place or in shops.

Targeting. In-kind transfers, even if untargeted, tend to exclude well-off households for whom food may not be attractive, especially if the food distributed through FOSA is of low quality and take-up requires efforts (e.g., visiting local offices, going through administrative process). On the other hand, the provision of food tends to be less traceable than cash, thus more likely to suffer from leakages and not reach the intended beneficiaries. Indonesia is an example, where a comparison of in-kind distribution and vouchers showed that vouchers were better able to improve targeting and poverty reduction (Banerjee et al. 2023).

Other considerations. In certain cultures, in-kind provision may be more acceptable, because it connotes support for practical and specific purposes, whereas cash could be used for unintended purposes. The political economy of FOSA is thus an important consideration (Gentilini 2023).

DESIGNING FOOD ASSISTANCE TRANSFERS IN THE PHILIPPINES

The Food Stamp Program, introduced through Executive Order No. 44 and signed by the President on 12 October 2023, aims to reduce involuntary hunger among low-income households. It is aligned with the country’s commitment to UN Sustainable Development Goal No. 2 on ending hunger through food security, improved nutrition, and sustainable agriculture.

Various other programs contribute to this goal: Major programs include the 4Ps through cash transfers, health and education conditionalities, and Family Development Sessions (FDS); Supplemental Feeding Program; school-based feeding programs; and disaster response social protection programs that use in-kind and cash support. 4Ps is the largest anti-poverty program in the country, introduced in 2008 with the aim of enhancing low-income households’ human capital investment in health, nutrition, and education. The impact of 4Ps on reducing severe stunting at the program’s initial stage was well recognized (Kandpal et al. 2016). This finding is noteworthy given that the impact of cash transfers on nutritional outcomes and anthropometric measures is often difficult to prove and may emerge only after some period of time.13

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11 The Supplemental Feeding Program, introduced in 2018, provides food in addition to regular meals to target children who are enrolled in Child Development Centers and Supervised Neighborhood Play. The program is jointly implemented by DSWD and the Department of Education.

12 The School Based Feeding Program (SBFP), renamed and relaunched from Breakfast Feeding Program in 2012, caters to stunted and wasted beneficiaries among kindergarten through grade 6 students. In 2018, Republic Act No. 11037, the Masustansyang Pagkain para sa Batang Pilipino Act (Healthy Food for Filipino Children Act) institutionalized the national feeding program and created a five-year plan to fully implement the SBFP. The program is implemented by the Department of Education, with majority of the funds executed by local government units.

13 Recent evidence from Indonesia (Cahyadi et al. 2020) shows that after six years, the cumulative investment of support resulted in a 23 percent drop in stunting among beneficiary children. Another study (Araujo and Macours 2021) found that after 20 years, cash transfers in Mexico showed positive impact on educational attainment as well as higher incomes, and indirectly linked the effect of nutrition to schooling and productivity.
Despite positive results found during an early stage of the program, 4Ps has not shown sustained evidence of significant impact on nutrition (PIDS 2016, 2020). Cho et al. (2020) cite several reasons why 4Ps has been unable to achieve its full impact on nutrition. First, eligibility criteria assessment and targeting (initial identification, revalidation, enrollment, and of households) are done using a static database (i.e., Listahanan) that has not undergone a major update for beneficiary revalidation. As of 2022, close to 90 percent of beneficiaries have been in the program for over seven years, with most of them entering the program based on the first Listahanan conducted in 2009. The consequence is that most households have grown older, and the share of young children under age 5 is very low at around 5 percent of all 4Ps children. Currently-enrolled 4Ps families also have little incentive to register newborns as doing so does not increase their benefits: health grants remain the same regardless of the number of children. In fact, registering newborns may be perceived as a burden as registration would require compliance with additional conditionalities. A very low level of benefits without inflation adjustment and a reduced focus on nutrition may also explain the difficulty in demonstrating the impact of the program on nutrition (see HCR companion policy note on 4Ps).

To enhance food security and nutrition impacts, the new FSP should pursue complementation with 4Ps and build on lessons from its implementation. The following are critical policy considerations:

◊ Targeting and delivery requirements

- **Beneficiary target groups.** For greater impact on nutrition, pregnant women and children under a certain age (example 5 years old and below) can constitute a target group. To address more severe levels of poverty, the FSP should support a subset of eligible 4Ps households through food vouchers or cash top-ups for existing beneficiaries or provide a path toward participation in 4Ps if they are not enrolled in 4Ps yet. If involuntary hunger is prevalent, the FSP could set a higher PMT threshold than 4Ps while examining the coverage and adequacy of benefit levels within the budget, and provide assistance to those vulnerable but excluded from 4Ps.

- **Benefit amount.** The value of the transfer should be tailored to household size and composition, responding to the different needs of the household in case of pregnancy and new births. In this way, the structure of the benefit can also highlight the importance of nutrition and early investment. Mechanisms to adjust the benefit level to account for inflation and living costs (i.e., food cost) should be incorporated in the FSP.

- **Registration and enrolment.** A dynamic enrollment mechanism should be incorporated in the design of the FSP. It should allow potential beneficiaries to apply for the program on-demand and have their eligibility assessed. The entry into FSP should be able to lead to the enrollment into 4Ps if eligibility criteria are met, and vice versa.
• **Payment modality.** Cash or vouchers can work when markets are functioning with sufficient food supply. There should be flexibility in using variations of delivery modalities in remote settings where market functions are incomplete and food supply is limited. In terms of benefit transfer, electronic cards make payment of goods easier; they also make monitoring of purchased items more efficient. The cards require POS machines, and retailers should have these machines available at their stores. Whether it is the bank or the government that should purchase and install the POS machines should be determined, along with which entity covers the transaction costs. Plans should also be in place for the collection of KYC details from beneficiaries and the recourse for beneficiaries when cards are damaged or lost.

◊ **Program design and institutional mechanism**

• **Program conditions.** Imposing design parameters such as prescribing the quantity or value of food items (e.g., rice, vegetables, fruits, eggs, milk) requires compliance enforcement or verification mechanisms and therefore can increase the infrastructure requirements and administrative costs. Employment or other productive activities (such as skills training and job search), if imposed strictly, may inadvertently exclude the very population in need who are pregnant and are with young children in poverty.

• **Program duration and exit.** The maximum duration that a child can avail of a benefit can be set from child's maximum eligible age for the program. One area that needs review is the implementation of the maximum lifetime duration of availing of benefits per family. For example, Section 4 of the 4Ps Act “provides conditional cash transfer to poor households for a maximum period of seven (7) years” but allows the National Advisory Council (NAC) to also recommend providing conditional cash transfer “for a longer period under exceptional circumstances,” which can include instances where the household is still unable to meet basic needs.

• **Coordination.** DSWD is the main institution responsible for the FSP, but it is important to recognize that program success depends on the collaboration between local government units (LGUs) and other government agencies. LGUs could play an important role in the management of the community-based monitoring system (CBMS), 4Ps FDS, and training on nutrition and household food production. They could also play a role in the selection of participating stores and monitoring prices. Linkages should be established with the Department of Health and local clinics so that referrals of new mothers can be done smoothly, with the CBMS contributing to the identification of the eligible populations. Finally, there should be a linkage with the Department of Agriculture in monitoring the production of certain food items and, where necessary, setting up complementary interventions to support production, especially of local perishable goods. Roles and responsibilities of different actors should be clearly defined.

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14 An area for further research is the assessment of market functions in the context of food assistance delivery, including how a “working market” is defined and measured.
Knowledge/evidence generation and utilization

- **Positive labeling focusing on nutrition.** 4Ps added the rice subsidy to their benefits in 2017. However, while this can help address food security, its promotion for nutrition is incomplete since it does not tackle the fundamental diet deficiencies of animal-sourced food.\(^{15}\) The new FSP should not only promote food access and consumption but also nudge beneficiaries towards a better diet. Positive labeling of healthy food and education on better diet can be promoted and such trainings can be delivered including through 4Ps FDS.

- **Monitoring and grievance handling systems.** It is crucial to develop a robust monitoring and evaluation (M&E) system and engage the help of evaluation experts at the pilot stage. One area that must be monitored carefully is the unintended effects of FOSA on prices, especially of products in certain market segments, mainly perishable goods in remote areas. Regular surveys among beneficiaries and implementers should be conducted to gather input and feedback similar to spot checks regularly conducted for 4Ps. The program information systems should be developed to facilitate the entire process of program management, from initial enrollment, M&E, transfers, and grievances, with the interoperability with 4Ps and other programs embedded in the system.

CONCLUSION

With appropriate design, implementation, and complementation with other programs, FOSA can help address the challenges of food insecurity, inflation, hunger, and malnutrition among low-income households. It is certainly not a panacea. Setting the clear policy objective with strong complementation with other programs is critical. The Philippine FSP focuses on the food security of the poorest segment of the population with an expectation of positive impact on nutrition outcomes through a voucher program. Following a review of a range of food assistance programs and international literature on various delivery options, this note recommends designing the FSP to complement the current 4Ps and building on its experience and delivery systems. Unlike cash transfers, vouchers will require additional considerations in the supply side, such as eligibility criteria of participating retailers and stores, infrastructure, reporting and monitoring mechanisms, prices monitoring and market supply conditions, among others. Requirements of certain food items and their quantity and value as well as employment and training participation have to be carefully designed to minimize unnecessary burdens and costs to administrative systems and beneficiaries. It is also recommended that the program incorporates flexibility to adjust the value of benefits and design according to the policy environment and lessons learned from the pilot.

\(^{15}\) With the adoption of Listahanan 3 and subsequent increase in the number of pregnant women and young children in 4Ps, the program’s impact on nutrition is expected to increase.
Annexes
Anexo: Estudios de Caso de Países

Egipto: Esquemas de Subsidios Alimentarios (Tarjeta de Ración y Pan Nacional) y Esquema Tamween
Desde la Prestación Subvencionada Inversa hasta un Esquema de Cupones

Objetivos, contexto, y evolución. En el Medio Oriente y el Norte de África existe una larga tradición de intervención estatal en las mercados alimentarios para garantizar que los alimentos esenciales estén disponibles para todos. Esto se considera parte fundamental del contrato social en estas sociedades. Egipto tiene una larga historia de intervención en los mercados alimentarios, tanto para reducir el precio de los artículos importados como el aceite, el arroz y el azúcar. Con los problemas de fuga, naturaleza regresiva y eficiencia de entrega, se inició una reforma significativa en 2014. Esto resultó en la creación del esquema Tamween con Tarjetas de Ración (RC) y Pan Nacional (BB). RC proveen cupones para más de 100 artículos en lugar de unos cuantos selectos. Los principales elementos de la reforma en BB implicaron un cambio del tipo de subsidio de la materia prima (harina) a un subsidio de los productos (panecillos) y poner un límite de consumo a través del sistema de tarjeta inteligente.

Número de beneficiarios y reglas de elegibilidad. Con criterios de elegibilidad laxos, tanto RC como BB son universales con cerca de 90% de la población beneficiada del esquema. Con las subidas de precios siguientes a la ocupación rusa de Ucrania en 2022, se han introducido varias reglas para reducir el número de beneficiarios excluyendo a los mejor equipados (viajando al extranjero, con altos ingresos formales, o activos).

Valor. El monto del beneficio es equivalente al 6.8% del consumo alimentario, pero para el décimo más bajo es del 10.5% del cesta de alimentos. El costo de los programas ha fluctuado, alcanzando un pico del 8.1% del PIB en los 70s, y luego en los 90s una baja del 0.9% del PIB.

Modo de transferencia, frecuencia, y uso. El FSS proporcionaba acceso de tipo directo a tres productos (arroz, aceite, azúcar), pero la gente tenía que pagar un cierto monto adelantado para obtener el subsidio. El sistema reformado proporciona un valor por persona por mes y no está disponible para los tres productos, permite su uso para hasta 100 diferentes artículos. Esto fue posible gracias a la entrega de una tarjeta de suscripción a cada hogar. Todos los supermercados que son parte del esquema RC habían de instalar una lectora de POS. El esquema BB permitió la compra de pan a precios subsidizados fijos en panaderías registradas (aunque el reparto se llevó a cabo con colas y largas horas de espera), pero el sistema tenía ineficiencias en el proceso de adquisición de la producción doméstica de trigo y la fuga de grano de las panaderías que vendían el producto subsidiado en el mercado ilegal. La introducción de tarjetas inteligentes para BB implicó que cada panadería tuviera que instalar una lectora de POS y las transacciones entre panaderías y el gobierno fueron automatizadas y transparentes. La tarjeta de suscripción fue vinculada a la asignación RC. El límite es de cinco panes para cada persona por día y permite a las personas que no utilizan todo el subsidio para transferir los sobrantes a la RC. En la práctica, esto resultó en consolidar el BB y el sistema RC en uno: el esquema Tamween. Unir los dos sistemas ha significado que el consumo de pan ahora tiene un costo de oportunidad, lo que ha animado un consumo de pan más equilibrado.
Duration and exit. Currently there is no exit expected in the system.

Conditionalities and linkages. In recent years, the Government of Egypt introduced targeted cash transfer schemes for poor households, but there is no link between these schemes and the Tamween.

Impacts. There has not been a rigorous evaluation of the reform impact, but the general assessment is that implementation efficiency has improved and leakages reduced although regressivity remains.


India: Targeted Public Distribution System, In-Kind Subsidized Provision

Objectives, context, and evolution. Public food distribution has a long history that started with the country’s independence. While at the beginning it was effectively operating in urban areas to ensure food availability, the assistance also expanded to rural areas. In 1997 it moved from universal public distribution to a more targeted approach to contain its high costs. The National Food Security Act of 2013 recognizes that the Targeted Public Distribution System (TPDS) is a fundamental pillar of food security and that the subsidies are mandatory provisions establishing the program as a citizen's right. The program is linked to agricultural production in the country and managing two objectives: ensure food price stability for both producers and consumers, and ensure food security, especially for the poor. The market intervention is through both procurement (including storage) and distribution of food grains.

Number of beneficiaries and eligibility rules. The TPDS reached about 67 percent of the population (800 million people) and it was assessed moderately progressive. There are three categories of beneficiary households, each with a different degree of support: the poorest of the poor, the poor, and those above the poverty line. Beneficiaries receive a ration card that contains information about the category of the household and the number of eligible household members. In practice, based on the 2013 National Food Security Act, each state is asked to determine TPDS beneficiaries based on census data, but keeping within minimum target levels and ensuring that 75 percent of rural population and 50 percent of urban population are eligible for the support.

Value. Eligible households are entitled to a fixed quantity of wheat and rice at subsidized prices, which is calculated for each household member: 5 kilos per member per month (before 2013 the entitlement was at the household level). However, the poorest of the poor can receive 35 kilos per household and can buy the allocated food grains at a price that is half that of the other households. On average the value of the transfer is equivalent to about 43 percent of household food expenditure. The cost of the program is almost 1 percent of GDP and about half of the total social protection expenditure.
**Mode of transfer, frequency, and use.** Grains are distributed through a network of government-licensed fair price shops (these can be private, government-run stores or cooperatives). All beneficiaries are linked to one distribution point. The government buys food grains from farmers at a minimum guaranteed price and then provides these commodities to low-income and vulnerable households at highly subsidized prices. Reforms have focused on deploying the country’s ICT tools for the targeted public distribution system. Computerization and GPS monitoring of procurement, storage and transportation of food grain, as well as identification and enrollment of beneficiaries using national ID (Aadhaar), contributed to reducing leakages.

**Duration and exit.** The household’s eligibility is based on the ration card, which is irregularly issued and verified with rules that vary state by state.

**Conditionalities and linkages.** The TPDS is complemented by a school-based feeding program for children aged 6-14, and Integrated Child Development Services targeting children under 6 and pregnant and lactating women.

**Impacts.** Studies show how the TPDS is significantly reducing poverty levels.

*Source:* Bhattacharya et al. (2017).

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**Indonesia: Rastra (Rice for Welfare) and BPNT (Non-Cash Food Assistance)**

*From In-Kind Food Distribution to Electronic Food Voucher*

**Objectives, context, and evolution.** The Rastra program started in 1998 during the Asian financial crisis to provide direct support to poor and near-poor households through subsidized rice. In 1998, the country’s GDP per capita fell by 15 percent and returned to the 1997 levels only in 2005. A shock of such proportion meant that many people fell into poverty and required support. The previous mechanisms to guarantee food availability consisted of interventions that aimed to support the supply chain and stabilize prices. However, this approach became untenable during the 1998 crisis and hence, Indonesia created targeted food subsidies. In 2017 a national reform introduced an electronic food voucher (BPNT) that aims at gradually replacing the Rastra. These schemes co-exist with cash transfer programs that also reach poor households.

**Number of beneficiaries and eligibility rules.** The Rastra program aims to reach 15 million households representing about 24 percent of the population. Eligibility is based on a proxy means test conducted by the central government, but eligibility thresholds are decided at the district level and some adjustments are made at the local level to replace households that have duplicate records, have moved, or whose members are deceased.
**Value.** Every beneficiary household is entitled to 10 kilos of rice per month. This is equal to 6.5 percent of the food consumption of a household of four that lives at the poverty line. The BPNT replaced the Rastra and targeted the same households, with the value of the electronic voucher equivalent to the value of rice under Rastra. The budget cost of the program is 0.2 percent of GDP. In 2020, in response to the COVID-19 crisis, the value of the voucher was increased by 30 percent.

**Mode of transfer, frequency, and use.** Under the Rastra, the 10 kilos of rice were physically delivered to eligible households every month. Rice was procured by the government through a central logistics agency and transported to district-level warehouses, which in turn deliver the rice to the relevant locations (food is distributed in fixed locations in the neighborhoods or door-to-door). To the contrary, electronic vouchers provide monthly transfers and enable people to buy rice and eggs in eligible private small shops (these shops need to register as remote agents with the state-owned bank that issued the cards). From 2020 the number of eligible items expanded to include other cereals, animal protein, vegetable proteins, fruits, and vegetables (the program name was changed to Program Sembako).

**Duration and exit.** A household’s eligibility is reassessed every 3-4 years when the central government conducts a proxy means test assessment.

**Conditionalities and linkages.** Rastra’s beneficiaries receive other forms of support. A subset of the beneficiaries is included in the Family Hope Program (PKH), a conditional cash transfer for the poorest 8 percent of the population based on the PMT score. Furthermore, all Rastra beneficiaries are entitled to health insurance cards and some children are entitled to scholarships. There are strong linkages between these programs because they all share the same targeting mechanism.

**Impacts.** Making use of the gradual transition from Rastra to BPNT, a study compared the effectiveness of in-kind transfers and electronic vouchers. It found that electronic stamps achieved better results by not only increasing the share of support that reaches poor households, but also better influencing people’s diet, thus achieving a larger poverty reduction and nutritional impact.

*Sources:* Banerjee et al. (2023) and Alderman et al. (2018).

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**Mexico: Programa de Apoyo Alimentario (PAL), Food Support Program – Voucher and Cash Program in 2016**

**Objectives, context, and evolution.** In Mexico, food assistance was provided through generalized subsidies on several agricultural commodities (maize, wheat, and others) and benefiting primarily urban areas. In the late 1990s, conditional cash transfers linked to health and education services were introduced. The Government conducted pilots and robust impact evaluations to guide the process of reform and gradual expansion of the program. The flagship program *Prospera* (thrive), a conditional cash transfer previously called *Progresa* and then *Oportunidades*, aims to reduce the intergenerational transmission of poverty by supporting human capital investments. The subsequent *Programa de Apoyo Alimentario* (PAL) was created in 2003 to complement *Prospera* and with clear objectives to support food consumption.
Number of beneficiaries and eligibility rules. The PAL covered 2.5 percent of the population. Eligibility was determined based on a two-step process. First, by selecting communities where the Prospera CCT was not operating, and in small and marginalized communities. Second, within the selected communities, households that live below the “needs” poverty line became eligible for PAL. The needs poverty line ensures the coverage of basic needs for food, health, and education.

Value. The value of the transfer is equal to approximately 28 percent of household income. Initially, it was the same for every eligible household, but then the household component was increased by giving an extra amount for every child under nine.

Mode of transfer, frequency, and use. The transfer initially allowed two modalities: in-kind provision of a basket of basic food products, including powdered (fortified) whole milk; or cash for an equivalent amount of the in-kind provision (this phase was used to conduct an impact evaluation of the two modalities). Initially the transfer was provided twice a month, but after one year the transfer frequency became once a month. Later, every beneficiary household started to receive a cash transfer and the in-kind component was replaced by a voucher for obtaining 19 non-perishable food items from government stores.

Conditionalities and linkages. PAL complements the Prospera CCT. Note that Prospera also had an in-kind component through the nutritional supplements provided to pregnant or lactating women and to children under five, but this is a minor part of the Prospera budget. PAL’s beneficiaries were encouraged to attend educational classes about diet, nutrition, and health-related issues.

Impacts. The initial phases of the program allowed for an impact evaluation that randomly assigned communities in one of three sets: receiving cash, receiving in-kind, and a control group with no assistance. This experiment found that both cash and in-kind assistance achieved similar positive impacts on food consumption and total consumption and found no negative effect on labor supply. Another evaluation focused on the impact on nutrition, finding that in both cases, there was an increase of energy consumption and a positive effect on the consumption of fruits and vegetables and animal-source foods.

Sources: Scott and Hernandez (2018); Skoufias et al. (2008); and Leroy et al. (2010).

Mongolia: Food Stamp Program

Objectives, context, and evolution. The program started as a response to the high food inflation due to the global financial crisis of 2008-09 to protect the most vulnerable groups of the population and ensure that they get at least the minimum food consumption requirements. What started as a project was then included in the Social Welfare Law and entirely funded by the Government of Mongolia.
**Number of beneficiaries and eligibility rules.** The program aims to reach the poorest 5 percent of the population and the great majority of the beneficiaries are large households with children and households with a member who has a disability. Beneficiaries are identified through a proxy means test and from the beginning, the Food Stamp Program was conceived as a complementary intervention to a cash poverty benefit, which should have used the same targeting mechanism, but with a significantly larger coverage of the population. The latter never materialized, but the Food Stamp Program (FSP) continued, along with the country’s large scale cash child benefit program (the child money program).

**Value.** The value of the food stamp was set to be on average 20 percent of the food consumption of recipients, thus the support provided is only complementary to other sources of income. The amount depends on household size and composition (number of adults and children). The value of food stamps was not updated regularly to account for inflation but in 2020, the amount was doubled for eight months in response to the COVID-19 pandemic. In 2018 the cost of the program was 0.11 percent of GDP but this declined in 2021 and 2022.

**Mode of transfer, frequency, and use.** At the beginning, the program issued paper stamps of a certain value. These could be used at designated food stores in the place of residence of the beneficiaries. However, soon there was a move towards electronic food cards, first in large cities and urban areas and then across the country and used in any shop that issues value-added tax receipts. The frequency of transfer was every two months and then with the move to electronic card, it became a monthly transfer. The stamps can be used to buy 10 different food items aimed at nudging beneficiaries towards a more diversified diet.

**Duration and exit.** The support continues until a new household assessment confirms a positive change in the household circumstances. Assessments are to be conducted at three-year intervals, suggesting that, after assessing that the household is extremely poor, the program assumes that support should be provided for several years. After eight years, the number of households receiving food stamps decreased to one third of the initial cohort.

**Conditionalities and linkages.** The FSP was conceived to complement other cash benefits covering a larger percentage of the population and to provide extra support to extremely poor households. FSP beneficiaries are entitled to a free health insurance package. In 2018 the Ministry of Labor and Social Protection introduced employment conditionalities that were implemented in 2021. Since then, the number of beneficiaries has declined quite significantly.

**Impacts.** The program’s impact was assessed with various qualitative assessments and a quantitative impact evaluation using a regression discontinuity design in 2011 and 2012. Food stamps were found to have a substantial positive impact on food security and consumption by increasing dietary diversity and food quality and reducing the months during which households experience inadequate food provisioning. Furthermore, there was no negative impact on labor supply.

Peru: Juntos (National Program of Direct Support for the Extremely Poor), Conditional Cash Transfer focusing on Nutrition

**Objectives, context, and evolution.** The program started in 2005 to support human capital development and stop intergenerational transmission of poverty. It was a conditional cash transfer, rather than FOSA. It was gradually scaled up in two phases: 2005-2008 and 2010-2014. In 2007 it became part of the national program Crecer, with the primary goal of fighting poverty and child malnutrition and with a specific effort to coordinate different social programs in the country. Thirty-one percent of children were stunted in the country in 2000 and until 2008 the level remained high, but since then it has reduced dramatically to just 12 percent by 2019.

**Number of beneficiaries and eligibility rules.** Between 2012 and 2019 (last year with available data), the program covered between 11 percent and 13 percent of the population. Eligibility determination follows a two-steps process: The first step identifies the poorest districts (with a poverty incidence of 40 percent or above, or indigenous populations in the Amazon). The second step identifies poor households within the district using a proxy means test, along with a verification that at least one household member belongs to any of these eligible categories: pregnant women, widowed parents, elderly, children up to age 19 (before 2014 the adolescent age limit was 14), and indigenous family-inhabitants of the Amazon.

**Value.** The value of transfer was estimated to be about 10 percent of poor household's consumption. The transfer is fixed for each eligible household regardless of household size or composition and its amount has never been updated for inflation, thus losing its real value over time. The cost of the program was 0.19 percent of GDP in 2014 and has declined since then to 0.12 percent of GDP in 2019.

**Mode of transfer, frequency, and use.** Transfers were initially made every month, but since 2010 they have been made every two months. Eighty-five percent of beneficiaries receive the transfers directly in their savings account at the state-owned Banco de la Nacion, while the remaining 15 percent receive in cash.

**Duration and exit.** The support is provided for four years and after that, there is a reassessment of the household situation. If the household still meets the eligibility criteria, it can continue to receive support, but at a gradually reduced amount.

**Conditionalities and linkages.** To receive the transfer, the household needs to meet four conditionalities: children less than 5 years old need to have regular health check-ups, children between 6 and 14 need to enroll and attend school, children must have a national ID, and pregnant women need to have ante-natal check-ups. Failure to meet the conditionalities triggers a recertification process. More important, the program has clear linkages with other interventions, such as the Food Supplement Program for Higher-Risk Groups and there is an automatic membership to the Integrated Health Service.
Impacts. The program’s impact has been assessed in various studies. There is evidence that Juntos contributed to the improvement of food security and to a decrease in severe stunting, especially among children in the first three years of life. These impressive results in the reduction of stunting were achieved through a coordinated multisector effort; behavioral change communication; and the support of nongovernment organizations, the Government of Peru, and international partners.

Sources: ECLA-CEPAL (2005); Sanchez, Melendez, and Behrman (2015); Huicho et al. (2020).

Sri Lanka: Samurdhi Program

From Vouchers to Cash Transfers

Objectives, context, and evolution. FOSA in Sri Lanka started during the Second World War with a subsidized or free quantity of food per capita that could be obtained in selected distribution points. It was a universal benefit aimed at ensuring food security at a time when imports were limited and expensive. With the liberalization of the economy, associated with a devaluation of the national currency, the subsidy was no longer fiscally sustainable. In 1979, the universal subsidized scheme was substituted with a food stamp, which had a fixed nominal value per capita. This stabilized the budget and gave the private sector an opportunity to enter the food supply market. Furthermore, food stamps were targeted for people with an income below a certain threshold (covering about half of the population) and thus became a poverty alleviation program. However, the program had several targeting problems and the stamps lost value because they were not updated. In 1995, the Samurdhi program was introduced, combining food stamps with cash stamps that could be exchanged for cash or used to buy more food items as well as savings stamps. Since 2012, Samurdhi has become exclusively a cash transfer. The reasons to move from stamps to cash were related to the various implementation inefficiencies of the shops where the stamps could be redeemed. Cooperative stores offered limited choices of goods, provided foods of low quality and at higher prices. The objectives of the cash transfers moved from food security to poverty alleviation and then creating employment opportunities and enhancing productivity.

Number of beneficiaries and eligibility rules. About 16 percent of households in the country receive the Samurdhi transfer, but targeting is not efficient with only 36 percent of households in the poorest decile covered and with significant inclusion errors. Initially the key eligibility rule was associated to an income threshold, but there is little clarity on how this is implemented and the frequency with which this is verified.

Value. The value of the transfer changes based on the size of the household (three categories: less than 3 members, 3 members, and 4 or more). The cost of the program was 0.17 percent of GDP.

Mode of transfer, frequency, and use: Monthly transfers are made directly to the bank account of the beneficiary through the Samurdhi banking system.
**Duration and exit.** Unclear and with low dynamics, whereby people tend to remain in the system without regular verification. Entry in the program appears to be ad hoc, for example, to replace a deceased beneficiary.

**Conditionalities and linkages.** While the food stamp has become a cash transfer, other programs focused on nutrition have continued. A program for children, aged 6 to 59 months and pregnant and lactating mothers, provides monthly food supplements. The only requirement to receive such supplements is to be identified as undernourished. Another noticeable program is the school feeding and the glass of milk initiative for children in grades 1 to 5. The mid-day milk program is also conducted in kindergartens; and in selected geographical areas, school meals are also provided to secondary school students.

**Impacts.** Mixed results due primarily to poor targeting.


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**United States Supplementary Nutrition Assistance Program (SNAP); Voucher Program**

**Objectives, context, and evolution.** Officially launched in 1964, the program has a long history and evolved from previous experiences of federal food assistance during the Great Depression and the Second World War. Throughout its existence, it has remained coherent to its objectives, without dramatic changes, but with adaptations to keep up with changing circumstances. The program intends to support nutrition of low-income families and at the same time ensure demand for domestic agricultural products. However, between 1964 and 1975, access to the program was limited due to decreased budget allocation. It was only after 1975 that the program became an entitlement: every eligible person cannot be denied access to the program.

**Number of beneficiaries and eligibility rules.** The program coverage varies significantly in response to the economic situation in the country, so it is countercyclical: program coverage increases during recession and unemployment and decreases in periods of economic growth. Entry in the program is based on households’ applications. In 2014-15 it covered about 14 percent of the population. The benefit targets low-income households through a means test on household income, which must be below the household poverty line, as well as household assets.

**Value.** The benefit amount increases with household size and decreases with income. This is possible because accurate means tests are conducted with advanced administrative systems. The average value of the benefit is about 10 percent of the average food-at home spending. The value of the benefit is adjusted for inflation every year. The budget cost of the program in 2015-15 was 0.47 percent of GDP.
Mode of transfer, frequency, and use. Beneficiary households receive an electronic voucher card that can be used in any authorized commercial food stores to buy a large variety of food items. Transfers are made each month. Between 1964 and 2003, the stamps were paper stamps that were redeemed at participating stores, which in turn were used to obtain cash from commercial banks, and since 2004, stamps have been electronic. The move to electronic vouchers reduced costs and improved monitoring of the program. It also reduced the stigma attached to paper stamps. However, for a period, it also had the negative impact of reducing the use of vouchers in farmers markets which were not equipped with the infrastructure for electronic transactions.

Duration and exit. A household’s eligibility is reassessed at regular intervals. Initially it was every three months, but this has been relaxed over time up to every 12 months (and 24 months if all adult members are elderly or with disabilities). In any case, usually the household is required to report changes in their income circumstances. The median duration of benefit receipt is about one year, but people who exit might return to the program later.

Conditionalities and linkages. Able-bodied working age household members should comply with employment requirements to continue receiving SNAP, and people aged 18-49 who are not working or are in skills training can receive the benefit only for a maximum of three months. The employment conditionalities are implemented to maintain an incentive to work because the benefit increases as income declines. While SNAP is the largest food assistance representing 71 percent of food assistance in the US, it is complemented by an array of other programs administered by the Department of Agriculture. These other programs serve sub-populations that have specific dietary needs and voucher delivery requirements. There are also significant automatisms, so that if a household is in receipt of some other social assistance program, it is automatically entitled to SNAP. States also implement education nutrition classes for SNAP beneficiaries. SNAP is complementary to other nutrition interventions, including a school feeding program and women, infant and children program (with 50 percent overlap with SNAP).

Impacts. Studies and impact evaluations of the SNAP program in the U.S show strong evidence that vouchers increase food consumption more than an equivalent transfer in cash. The stronger impact justifies the extra costs of the voucher modality. SNAP also increases food security and reduces poverty.

Source: Oliveira et al. (2017).
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