

**After the FACT:
An Evaluation of Concern Worldwide's
Food and Cash Transfers Project
in Three Districts of Malawi, 2006**

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June 2006

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Acknowledgements

The evaluation team thanks all the community members in Dowa, Lilongwe and Nkhosakota districts, who gave generously of their time and knowledge to discuss issues relating to the FACT project with us. The team was ably assisted in the fieldwork by Maclean Chunda and Ester Saka. The quantitative findings in this report depended heavily on the household surveys conducted by Concern Worldwide as part of its internal monitoring and evaluation of the FACT project, which was led by Mike Brewin and Vincent Gondwe. Statistical analysis of the FACT household survey datasets was done by José Manuel Roche, of the University of Sussex.

Our thanks go also to all the Concern Worldwide staff who contributed in various ways to this evaluation, including:

In Lilongwe:

- Fiona Edwards (Country Director);
- James Davey (Assistant Country Director, Systems);
- Mike Brewin (Emergency Coordinator);
- Vincent Gondwe (Monitoring and Evaluation Officer).

In the field:

- Joylet Genda (Traditional Authority Coordinator, TA Mwadzama, Nkhosakota District);
- Kennedy Jeke (Field Assistant, TA Mwadzama, Nkhosakota District);
- Justice Mkwaira (Field Assistant, TA Mwadzama, Nkhosakota District);
- Chris Mzembe (Area Programme Manager, Dowa District);
- Timothy Chimwenje (Traditional Authority Coordinator, TA Chakhaza, Dowa District);
- Fraughton Kachere (driver).

This report has also benefited from comments and discussions by participants at workshops held to present the preliminary findings to Concern Worldwide, in Lilongwe on 12 May and in Dublin on 1 June 2006.

Acronyms

ADMARC	Agricultural Development and Marketing Corporation
CBO	community-based organisation
CFSAM	Crop and Food Supply Assessment Mission
CSI	Coping Strategy Index
CTC	Community-based Therapeutic Care
DFID	Department for International Development
EU	European Union
FACT	Food and Cash Transfers
FAO	Food and Agriculture Organisation
FEWSNET	Famine Early Warning Systems Network
GAM	Global Acute Malnutrition
GoMVS	Government of Malawi Voucher Scheme
HBC	Home-based care
JEFAP	Joint Emergency Food Assistance Programme
MFE	missing food entitlements
MK	Malawi Kwacha
MT	metric tonnes
MVAC	Malawi Vulnerability Assessment Committee
NRU	Nutrition Rehabilitation Unit
OTP	Outpatient Therapeutic Programme
PDM	Post-Distribution Monitoring
TA	Traditional Authority
TIP	Targeted Inputs Programme
VTF	Village Task Force
WFP	World Food Programme

Note

The unit of currency in Malawi is the Malawi Kwacha (MK). The exchange rate in January 2006, at the start of the FACT project period, stood at approximately MK150 to the Euro.

EXECUTIVE SUMMARY

Concern Worldwide implemented its Food and Cash Transfers project ('FACT') in three districts of central Malawi as a complementary humanitarian intervention during the food crisis of 2005/06. Though limited in scale (5,050 households) and duration (4 months), FACT was highly innovative and generated a range of positive impacts. Drawing on FACT monitoring surveys and qualitative fieldwork conducted immediately after FACT ended, this evaluation report reviews the design, implementation and impacts of the project on households, communities and markets, and draws lessons for Concern Worldwide and for wider social protection debates in Malawi and beyond.

Three innovative design features combined to make FACT a unique intervention. Firstly, FACT delivered a package of food (20kg maize, 4kg beans, 1 litre cooking oil) plus cash (equivalent to the cost of buying the same package of food at current local prices) each month from January through April 2006. The intention was to cover half of beneficiary households' food needs, 25% through food aid and 25% through cash transfers. ***This evaluation endorses this approach: providing food met subsistence needs directly, while providing cash allowed beneficiaries to meet non-food needs; moreover, the combination of food plus cash appears to have provided all the benefits of both while avoiding the limitations of each.***

Secondly, FACT transfers were adjusted for household size. While the food package was constant across all households every month, smaller households (1-3 members) received less cash than average-sized households (4-6 members), who received less than large households (7+ members). ***The evaluation team endorses this principle, but suggests that a more accurate method than 'banding' would be to adjust payment levels by household size and composition – using adult equivalence scales – which might be administratively more feasible in a social protection context than it was in an emergency programming situation.***

Thirdly, FACT cash transfers were adjusted each month to allow for changes in food prices and ensure that a constant entitlement to food was maintained throughout the project period. While retail maize prices doubled between January and March 2006 (from MK34 to MK69/kg) in FACT project areas, these costs were underwritten by Concern, not borne entirely by poor households. ***This evaluation unreservedly endorses this approach, which circumvented a fundamental critique of cash transfers – that their purchasing power is vulnerable to erosion when food prices rise, as is typical during food crises.***

The delivery of transfers to FACT beneficiaries was close to impeccable, with commendably few errors, late deliveries and complaint from beneficiaries, and no incidents of corruption or theft. ***The evaluation team commends Concern for their professional management of FACT, but recommends that, should similar projects or longer-term social protection variations be implemented in future: (1) more efficient ways of handling cash are explored, such as sub-contracting or automation (i.e. ATM or 'smart cards'); (2) more attention is paid to the potential security risks, especially where the delivery of large sums of cash are involved.***

FACT beneficiaries were targeted by publicly discussing lists of potential beneficiaries compiled by three groups of community members. Where this community-based methodology was strictly applied, targeting was accurate and fair. But biases were introduced, such as favouring Concern livelihood loan beneficiaries, and allowing village headmen and Concern committee members to register for FACT. ***At national and district levels, high exclusion errors were inevitable given Concern's limited geographical coverage, but within communities unacceptable inclusion and exclusion errors followed when targeting was dominated by local elites, or incorrect targeting criteria were applied. On the other hand, the evaluation team accepts that some level of 'leakage' to influential local leaders might be necessary to secure political support.***

Almost all of the food transferred under the FACT project – maize, beans and oil – was consumed by beneficiary households, usually within the month of distribution. Some food was stored for later consumption, especially in March and April when the new harvest was coming in. Small amounts

of FACT food were shared with hungry relatives or neighbours – about one in four female-headed non-beneficiary households reported having received such assistance from FACT beneficiaries.

FACT cash transfers were used for a wide variety of purposes – basic needs (staple food, relish, groceries, health), investment (farming, business, education, assets), other needs (repaying debts, social obligations), and wasteful consumption (alcohol, womanising). FACT cash primarily allowed beneficiaries to meet immediate subsistence needs, but also to invest in agriculture and other livelihood activities, and to protect and even accumulate assets – especially after the final distribution in April, when the need to purchase food was declining. ***This evaluation concludes that FACT food and cash transfers achieved significant ‘livelihood protection’ for most beneficiary households, as well as ‘livelihood promotion’ impacts for many beneficiaries, but the evidence that cash was wasted by some male beneficiaries is worrying. The team recommends that cash transfers are delivered directly to women whenever possible.***

FACT achieved positive impacts on beneficiary well-being, across a range of indicators. Food consumption was higher and diets were more diversified in beneficiary households than among non-beneficiary households, over the period November 2005 to April 2006. FACT beneficiaries were less likely to adopt damaging coping strategies that could undermine their future livelihood viability, such as selling their productive assets and borrowing at high interest rates to buy food. ***This evaluation concludes that the FACT project protected food consumption, assets and livelihoods in beneficiary households, and that these positive impacts are attributable to the combination of food and cash transfers that were provided.***

There is no evidence that FACT had any discernible impact on local or national food markets in Malawi, either negative (inflationary consequences of cash transfers) or positive (cash transfers stimulating traders to supply food to deficit markets). This is probably attributable to the project’s limited coverage and short lifetime. ***A large-scale cash-based intervention might well have exacerbated price inflation in local food markets, given the evidence of supply constraints in Malawi in early 2006, despite the large food aid programme that was in place at the time.*** FACT had a limited impact on rural labour markets, firstly by allowing beneficiaries to reduce their dependence on casual labour (*ganyu*) and secondly by making more employment opportunities available locally to non-beneficiaries – a positive side-effect of FACT on the wider community.

Social impacts of FACT were observed at the intra-household and intra-community levels. Within households, tensions sometimes arose between husbands and wives over the use of FACT cash, especially when men squandered this money (e.g. on alcohol). In certain cases, women reported such abuses to local leaders or Concern staff, and FACT ration cards were taken from the men and given to their wives. Within communities, tensions arose between included and excluded households, especially where the selection of FACT beneficiaries was not done in a transparent and public manner. ***The evaluation team concluded that these problems arose because of power inequalities between men and women within households, and between local leaders and residents within communities – which might require gender sensitisation and other training to resolve conflicts arising from targeted resource transfer programmes in future.***

This report concludes by arguing that the experience gained from designing and delivering the FACT project could be applied to non-emergency contexts such as the annual hungry season. ***The evaluation team recommends that the principles and innovative design features of FACT should be integrated into future livelihood programming by Concern, and applied to future social protection programming in Malawi. One potential application is to establish a cash-based ‘seasonal safety net’ for vulnerable households that expands or contracts each year, according to the severity of the annual hungry season.***

CHAPTER 1. INTRODUCTION

1.1. Food crisis in Malawi, 2005/06

In 2005 and early 2006, Malawi suffered its second serious food crisis in four years, triggered by erratic rains – a prolonged dry spell in February, followed by localised flooding in March/April – that reduced the national maize harvest by 25% compared to 2004, from 1.7 to 1.225 million metric tonnes (MT).⁴ The joint FAO/WFP Crop and Food Supply Assessment Mission (CFSAM) estimated a food shortfall for 2005/06 of approximately 400,000 MT.⁵ The Malawi Vulnerability Assessment Committee (MVAC) forecast that between 4.2 and 4.6 million Malawians, or 37–40% of the national population, would need food assistance amounting to 270,000–414,000 MT maize equivalents, depending on food price trends in local markets.⁶

A relief programme was set up by the Government of Malawi, with funding and technical support from Malawi's development partners and implementation by a consortium of NGOs. The Joint Emergency Food Assistance Programme (JEFAP) started food distribution in the worst affected districts in Southern Region in June, with food aid provided by WFP. A parallel food assistance programme was administered by the Government of Malawi in Central and Northern Regions – which were generally less severely affected than the south – primarily through a Voucher Scheme that was supported by DFID and the European Union.⁷

By September 2005, many NGOs were reporting that maize prices were rising “more rapidly than normal” in local markets, threatening access to food for poor households.⁸ FEWSNET reported that the demand for maize from ADMARC (the agricultural marketing parastatal) was already exceeding supplies, as farmers whose granaries were running low queued at ADMARC depots for maize that was imported by the Government of Malawi and sold at a fixed (subsidised) price of MK17/kg. But the Government imported only 70,000 MT in 2005, considerably less than the 250,000 MT it had imported during the food crisis of 2002/03, when fewer numbers of Malawians (3.2 million) were declared in need of humanitarian assistance.⁹ With government imports unable to keep pace with demand, ADMARC soon rationed maize purchases to a maximum of 25kg per person per day, which was later cut to 9kg.¹⁰

On 14 October 2005 the President of Malawi declared a ‘State of Disaster’ and a full emergency appeal was launched.¹¹ Between August and October, the two main food assistance programmes (JEFAP, coordinated by WFP, and the Voucher Scheme, supported by DFID) had targeted 55% of the population identified by the MVAC as ‘at risk’ under scenario 1, but after the declaration of

⁴ FEWSNET (April 2005: 1). The agricultural marketing year in Malawi officially begins on 1 April and ends on the following 31 March, or roughly from one main annual harvest to the next.

⁵ FEWSNET (July 2005: 2).

⁶ Under ‘scenario 1’, maize prices were assumed to follow the same trend as in previous years, adjusted for inflation, while under ‘scenario 2’, prices were assumed to reflect import price parity (US\$ 220/MT), plus storage and distribution costs (MVAC, June 2005: 3).

⁷ FEWSNET (August 2005). The Voucher Scheme operated by issuing vouchers to beneficiaries, often on the day of a distribution at the distribution point itself, which were later returned by the transporters to a central point so that they could be paid for delivering the food aid.

⁸ Save the Children US (2005: 1).

⁹ Conroy, *et al.* (2006: 3–4). These authors explain the Government's decision to import less maize in 2005 than in 2002 to the unsustainable debt burden that the 2002 import programme had created, which contributed to a fiscal crisis and “led to exchange rate depreciation”.

¹⁰ FEWSNET (September 2005: 1).

¹¹ This early declaration might have been responsible for the much speedier and more effective international response to the crisis than in 2001/02, when a similar collapse in the harvest of 2001 did not result in a declaration of a State of Disaster until 27 February 2002, by which time the crisis had already peaked and thousands of Malawians had already died (Devereux 2002).

a State of Disaster this coverage was increased to 100%. Because of rapidly rising food prices, however, even this expanded coverage was inadequate. Maize prices had risen to 'scenario 2' levels, prompting the MVAC to revise its estimate of the affected population upward (from 4.2 to 4.9 million people, or 43% of the national population) and of 'missing food entitlements' (from 270,000 to 280,400 MT).¹² In December, a further update by the MVAC resulted in the estimate of Malawians 'at risk' being increased to 5.5 million – almost half the national population – with a food aid requirement of 335,400 MT.¹³ Table 1 shows how the MVAC predicted that 'missing food entitlements' would evolve over the course of the year, increasing from season to season, and includes the upward revisions of the population 'at risk' and the associated food aid requirements that the MVAC made in November and December 2005.

Table 1. Seasonal progression of 'missing food entitlements' (2005/06)

Season	Population affected	% of national population	Missing food entitlement (MT)
April–June	1,571,600	13.8%	21,100
July–September	2,883,500	25.3%	46,400
October–December	3,993,300	35.0%	76,000
January–March	4,224,400	37.1%	126,100
Total (June 2005)	4,224,400	37.1%	269,600
Total (November 2005)	4,900,000	43.0%	280,400
Total (December 2005)	5,500,000	48.2%	335,400

Sources: MVAC (June 2005); FEWSNET (November 2005, March 2006)

A National Nutrition Survey in December 2005 found that the nutrition situation was 'serious' in five of Malawi's 26 rural districts – including Lilongwe (GAM=10.7%), one of Concern Worldwide's programme areas – and that an 'alert' was warranted in eight districts – including Nkhosakota (GAM=6.4%), another of Concern's programme areas.¹⁴ Of the three FACT project districts, acute malnutrition was lowest in Dowa (GAM=2.9%).¹⁵ High levels of malnutrition were recorded in all three regions, with "considerable variation within regions". The report concluded: "With the peak of the hunger season expected in February-March, it is important to take appropriate actions to adjust response in order to mitigate deterioration from these already high levels".¹⁶ While GAM is an anthropometric measure of acute malnutrition (an indicator of food crisis), very high levels of chronic malnutrition (stunting > 40%, an indicator of chronic poverty) were also recorded in 16 Districts – including Dowa, Lilongwe and Nkhosakota.

As the 'hungry season' intensified,¹⁷ access to food deteriorated rapidly throughout rural Malawi. With ADMARC selling maize at around half the price on local markets (which averaged over MK30/kg by November [see Figure 1]), lengthy queues outside ADMARC depots signalled the continuing failure of government imports to meet demand. By January, ADMARC had run out of maize, while most farming households had empty granaries and were totally dependent on local

¹² FEWSNET (November 2005: 3).

¹³ FEWSNET (March 2006: 4).

¹⁴ A 'serious' nutrition situation is defined by levels of Global Acute Malnutrition (GAM) $\geq 10\%$ (weight-for-height z-scores less than -2 standard deviations from the median of the NCHS/CDC/WHO reference population), and/or oedema. 'Alert' is defined as GAM falling between 5% and 9%.

¹⁵ This figure is similar to the figure recorded in a nutrition survey commissioned by Concern in Dowa District in August 2005, which recorded a GAM of 2.7% (Concern Worldwide, 2005a: 4).

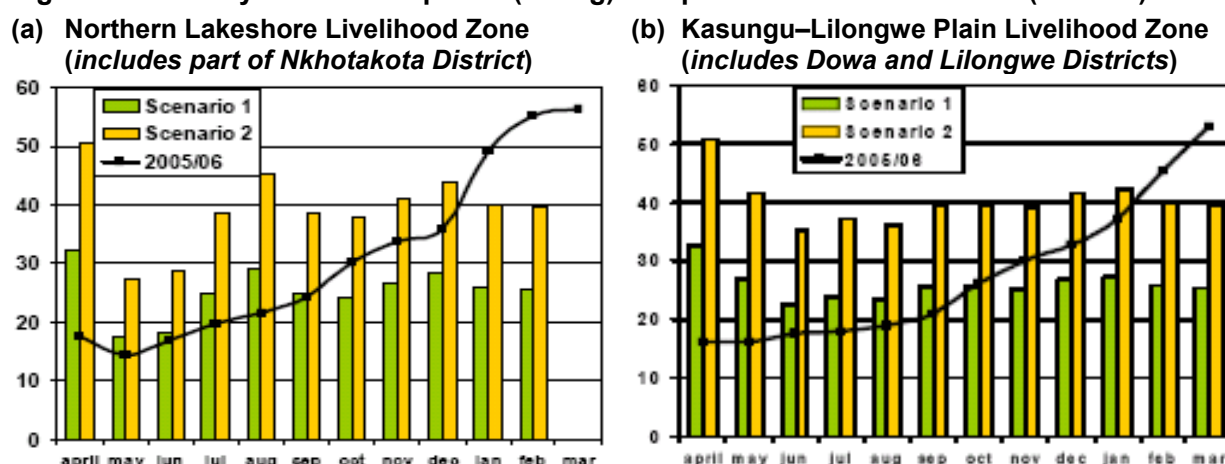
¹⁶ Government of Malawi (2006: 2).

¹⁷ The 'hungry season' in Malawi starts when farming households run out of own-produced staple food, on average around November/December (though this varies from place to place and year to year), and continues until the main annual harvest in March/April. In some areas the hungry season is offset by winter cropping, which produces a second harvest in September/December.

markets, with the result that prices accelerated to unprecedented levels.¹⁸ The MVAC had predicted in May 2005 that maize prices would peak in January 2006, either at MK19-23/kg in 'scenario 1' (with prices rising in line with inflation rates, to 35% above the baseline prices in 2002/03), or at MK32-40/kg in 'scenario 2' (with prices reflecting import parity prices from South Africa plus a 5% marketing margin, which translates to a 110% rise above baseline).¹⁹ Instead, prices continued to spiral upwards, reflecting scarcities in both formal and informal markets. The inadequate government import programme was exacerbated by problems with sourcing supplies from Mozambique (a traditional exporter of maize and cassava to southern Malawi, but which also faced shortages in 2005/06) and Tanzania (which banned informal traders from buying maize in Tanzania for resale in Malawi).²⁰

Figure 1 illustrates the evolution of retail maize prices in local markets in Central Region (i.e. in those districts where the FACT project was implemented) for the agricultural year from April 2005 to March 2006. The comparison of actual prices against the MVAC predictions (on which aid agencies and NGOs, including Concern Worldwide, made programming decisions) is interesting, and falls into three distinct periods. In the first half of the year (April to September), actual prices were below MVAC predictions – both their conservative 'scenario 1' forecasts and their more pessimistic 'scenario 2' forecasts. Between October and December, maize prices started to exceed scenario 1 forecasts but were below scenario 2 forecasts. In the early months of 2006, however, actual maize prices continued to rise to unprecedented heights, well above scenario 2 predictions. At a time when the MVAC assumed that prices would level off at around MK40/kg, prices as monitored by FEWSNET were close to MK60/kg in parts of Nkhosakota District, and above MK60/kg in some markets in Dowa and rural Lilongwe Districts.

Figure 1. Monthly retail maize prices (MK/kg) compared to MVAC scenarios (2005/06)



Source: FEWSNET (March 2006: 5-6)

Average maize prices in Southern Region, where the food crisis was most severe, were even higher than in Central Region, which was moderately affected, and Northern Region, which was least affected. But there was great variability between markets, both within and between regions. In March 2006, for instance, the lowest price reported by FEWSNET (which monitored over 60 markets across the country) was MK29/kg, at a market in Nsanje District in the south, while the highest price recorded was MK69/kg, from one market in Ntchisi District in Central Region.²¹ FEWSNET also noted that prices were peaking at even higher levels in some smaller markets in

¹⁸ FEWSNET (January 2006: 1).

¹⁹ FEWSNET (March 2006: 4).

²⁰ Because of shortages of maize in Mozambique, food traders turned to Tanzania instead, but the Government of Tanzania had an agreement with the Government of Malawi to supply maize through formal channels, and informal traders who tried to import Tanzanian maize into Malawi risked having their stocks confiscated (FEWSNET, February 2006: 4).

²¹ FEWSNET (March 2006: 3).

remote communities that were not monitored by the market information system. In Chikwawa District, for instance, FEWSNET reported in February 2006 that traders were selling 50kg bags of maize for MK3,800, equivalent to MK76/kg.²²

It is rather puzzling that maize prices rose so high in early 2006 – much higher in nominal and real terms than during the food crisis of 2001/02, which was certainly worse in terms of mortality and other outcomes – especially since there was a more effective government, donor and NGO response in 2005/06. Over 200,000 MT of cereals (mainly maize) were distributed as food aid between June 2005 and March 2006,²³ yet this was apparently insufficient to prevent maize prices spiralling out of control in some markets.

Fortunately, the food crisis ended in March/April 2006, with most farming districts reporting good harvests. National maize production was estimated at 2,350,159 MT, almost double the harvest of 1,225,234 MT in 2005.²⁴

1.2. Concern Worldwide's response to the food crisis

Concern Worldwide Malawi²⁵ was not part of the NGO consortium that delivered the emergency relief programme in 2005/06, but by late 2005 Concern was increasingly convinced that the emergency response was inadequate to address the magnitude of the food security crisis in rural Malawi. In November 2005, Concern conducted a Rapid Food Security Assessment in the three districts of Central Region where it is operational, and found evidence that food prices already exceeded 'scenario 2' predictions in some isolated rural markets, and that "households are already exhibiting unusually high levels of stress for this time of the year".²⁶ The Food Security Assessment concluded that there was an urgent need for additional intervention.

"The situation in the TAs surveyed can be summarised as one where households are already resorting to destructive coping strategies (reducing meals, selling livestock and assets). Very few households are receiving food aid. Prices of staple food stuffs in the market are beyond the purchasing power of most households (hence the distress sales). It would appear that there is considerable need for urgent interventions that serve to address immediate hunger needs and protect households from further asset depletion."²⁷

Concern decided to complement the official relief programme with an innovative project that would include cash transfers as part of the response, in order to avoid food aid dependency. This was the origin of the 'Emergency Cash And Food Transfers for Livelihood Protection' project proposal, which became known as the 'Food and Cash Transfers' project (FACT). According to the project proposal, FACT had three objectives:

1. "to provide nutritional support to targeted households" that were overlooked by the Government of Malawi's emergency response;
2. "to provide a temporary safety net to minimize the need of households to resort to destructive coping strategies during the lean period";
3. "to explore the effectiveness of cash transfers in addressing food insecurity in humanitarian emergencies in Malawi".²⁸

²² FEWSNET (February 2006: 2).

²³ FEWSNET (April 2006: 1). This food assistance was divided roughly equally (±100,000 MT each) between WFP food aid and the Government of Malawi's Voucher Scheme (GoMVS).

²⁴ FEWSNET (April 2006: 1). The maize harvest figure for 2006 is a 'second round' estimate; for 2005 it is the 'final round' estimate.

²⁵ In this report, 'Concern' will be used to mean 'Concern Worldwide Malawi'.

²⁶ Concern Worldwide Malawi (November 2005c: 2).

²⁷ Concern Worldwide Malawi (November 2005b: 5).

²⁸ Concern Worldwide Malawi (November 2005c: 1).

The proposal was approved and fully funded, and FACT was implemented in three districts from January through April 2006, reaching 5,050 beneficiary households each month [Table 2].

Table 2. FACT beneficiaries, by District and TA

District	Traditional Authority (TA)	Beneficiaries per TA	Beneficiaries per District
Dowa	Chakhaza	454	3,138
	Kayembe	1,015	
	Dzoole	876	
	Mponela	793	
Lilongwe	Chitukula	644	1,012
	Kabadula	368	
Nkhotakota	Mwadzama	900	900
Total			5,050

1.3. Structure of this report

This report divides into eight chapters. A description of the Methodology used in this evaluation follows this Introduction. **Chapter 3** describes the conceptualisation, design and delivery of the FACT programme, while **Chapter 4** focuses specifically on the issue of targeting beneficiaries. The next three chapters analyse the impacts of the FACT project. **Chapter 5** considers the use of food and cash transfers by beneficiaries. **Chapter 6** assesses the impacts of FACT on household food security, livelihoods and local markets. **Chapter 7** examines social impacts – between men and women within beneficiary households, and between beneficiaries and non-beneficiaries, within FACT project communities. The report concludes with recommendations for possible future programming and for dissemination of lessons from the FACT project. There are also a number of annexes which provide more detailed information on the FACT project, and additional statistical tables to complement the findings presented in the main report.

CHAPTER 2. EVALUATION METHODOLOGY

The findings on which this evaluation is based are derived from two sets of data; one mainly quantitative and one mainly qualitative. Firstly, as part of its internal management of the FACT project, Concern Worldwide Malawi implemented a comprehensive monitoring system, which included several household surveys involving several hundred beneficiary and non-beneficiary households. Secondly, the external evaluation team conducted fieldwork in several communities soon after FACT ended, in early May 2006, which generated useful insights and qualitative data. This chapter describes the methodologies used in data collection and data analysis.

2.1. Household surveys

Six household surveys were conducted by Concern Worldwide's monitoring and evaluation team, between November 2005 and April 2006. These surveys can be grouped into three periods, in relation to the lifetime of the FACT project: pre-project, project period, and post-project. Table 3 summarises the timing and sample sizes of these six surveys.²⁹ After each survey a report was written presenting the main findings, mostly in the form of descriptive statistics (frequencies and averages, disaggregated by household type). Each sample was divided into FACT beneficiaries and FACT non-beneficiaries, in order to provide a control group against which the impacts of FACT transfers could be compared.

Table 3. FACT-related household surveys (November 2005 – April 2006)

Date	Survey	Sample size		
		Total	Benefi- ciaries	Non-ben- eficiaries
<i>Pre-project period</i>				
November 2005	Food Security Assessment (FSA)	400	226	174
December 2005	Baseline Survey (BS)	1,000	500	500
<i>FACT project period</i>				
January 2006	1st Post-Distribution Monitoring (PDM1)	500	250	250
February 2006	2nd Post-Distribution Monitoring (PDM2)	500	250	250
March 2006	3rd Post-Distribution Monitoring (PDM3)	500	250	250
<i>Post-project period</i>				
April 2006	Internal Evaluation (IE)	1,000	500	500

In addition, the FACT team conducted regular **market surveys** in each of the seven TAs where FACT was implemented, to monitor food prices in the week before the monthly FACT distribution, in order to establish the correct level of the cash transfer. Also, a one-page **on-site monitoring** questionnaire was administered to 45 beneficiaries on the day of each FACT distribution, which focused on perceptions about the delivery process, security around distribution points, and so on.

The SPSS data files for all six household surveys were kindly provided to the evaluation team by Concern Worldwide, and further analysis of the data was undertaken at the University of Sussex. The results are discussed in later chapters of this report. For most of this analysis the sampled households are divided into four groups: male-headed and female-headed FACT beneficiaries, and male-headed and female-headed non-beneficiaries. As well as comparing findings across these four household categories, trends over the six-month survey period are analysed. Although the households interviewed do not constitute a panel (the same households were not necessarily interviewed in each survey round), it is possible to identify interesting trends between November 2005 and April 2006.

²⁹ Further information on the type of data collected in each survey is provided in Annex 6 [Table 16].

2.2. Qualitative fieldwork

Qualitative fieldwork was conducted by the external evaluation team between 2 May and 10 May 2006, in all 3 Districts and 5 of the 7 TAs in which FACT was implemented. Because of time constraints, a limited number of project sites could be visited, but a total of 14 communities was surveyed – at least 2 villages in each TA. The TAs visited by the evaluation team were as follows:

- Nkhatakota: TA Mwadzama (the only TA in this district where FACT was implemented);
- Dowa: TA Chakhaza; TA Kayembe; TA Mponela (TA Dzoole was not visited);
- Lilongwe: TA Chitigula (TA Kabadula was not visited).

In each TA and each village a combination of qualitative research methods was used to explore issues related to the FACT project. These methods included:

- **Community level:** Community meetings; focus group discussions; group interviews;
- **Household level:** Beneficiary and non-beneficiary case studies (where non-beneficiaries included Red Cross beneficiaries, Alinafe³⁰ beneficiaries, as well as households excluded from all three programmes);
- **Project level:** Key informant interviews with village headmen and headwomen, Concern cluster chairpersons and village chairpersons, and Concern staff (e.g. TA Coordinators).

A checklist of questions was developed for use by interviewers, to structure the household case studies, key informant interviews and focus group discussions with communities [see Annex 2]. The household-level checklist probed FACT beneficiaries about their 'normal' sources of food and income, coping strategies during food shortages (including migration and access to *ganyu*), perceptions of FACT design and implementation (including timing, targeting, and composition of the transfer package), intra-household decision-making around the use of the food and cash transfers, impacts of FACT on household food security and local markets, and any other positive or negative impacts of the FACT project. The community-level checklist asked communities about their involvement in selecting FACT beneficiaries, their views on the combination of food plus cash, impacts of FACT at household and community levels (such as the consequences of excluding most community members), and interactions between FACT and 'traditional' informal mechanisms of mutual support.

2.3. Limitations of the fieldwork

Because our time in the field was limited, it is not always possible to generalise from the specific experiences and opinions recorded in a few villages and TAs to the FACT project area overall. Also, despite our efforts to introduce ourselves as impartial researchers, it was impossible to convince communities that we did not represent either Concern Worldwide or donors in general, and this made respondents understandably guarded.³¹ At times it was clear we were being told a sanitised version of the truth. For instance, since beneficiaries had been instructed by project staff not to 'waste' FACT money on drink and womanising ("*Don't catch AIDS with this money!*"), they emphatically denied any such irresponsible behaviour, fearful no doubt of being excluded from future rounds of FACT. (Similarly, in the FACT monitoring surveys, no respondents admitted to squandering FACT transfer resources.)

³⁰ Alinafe is one of the local NGOs that contributed to the emergency relief programme in 2005/06.

³¹ In one community, for example, women participants in a focus group terminated a discussion saying it was time for them to prepare the evening meal, but then refused to return to their homes until they saw us leave. They were convinced that our purpose in visiting the village was to register households for a further round of FACT, and they did not want to be excluded from the registration. It is of course probable that this perception influenced the conversation between the community and the evaluation team, both in this case and in other communities.

On the other hand, the individual case studies and quotations included in this report provide far more than contextual background information, and should not be dismissed as anecdotal, biased or unrepresentative. In fact, the qualitative fieldwork allowed for validation and triangulation of the quantitative survey data, and often provided additional insights or alternative interpretations. One issue that illustrates this point is the controversial evidence of wasteful use of FACT transfers. In both the quantitative and qualitative interviews, as noted, not one individual admitted to doing this. In focused discussions with groups of women, however, several women in FACT beneficiary households complained about their husbands' extravagant spending – whether 'frittering away' some of the cash on cold drinks or tea, diverting some cash to other wives and girlfriends and neglecting their children, or in a few cases wasting all the cash in drinking binges in local bars. (Detailed discussion of these findings is provided in later chapters of this report.) Only by indirect probing – asking respondents about the behaviour of others – was this problem uncovered, though it proved impossible to quantify.

CHAPTER 3. CONCEPTUALISATION, DESIGN AND DELIVERY

This chapter explains how the FACT project was conceptualised as an emergency intervention that enhanced household access to food, by providing both food packages and ‘entitlements’ to food, in the form of cash transfers. Next, the chapter examines three innovative design features of the FACT project: the combination of food plus cash transfers; adjustment of transfers by household size; and adjustment for market food prices. Finally, the delivery of FACT transfers to beneficiaries is assessed. Note that it was beyond the scope of this evaluation to assess the management of the FACT project, so there is no analysis here of administration and delivery costs, financial management, cost-effectiveness, and so on. Instead, this chapter comments on the conceptualisation, design and delivery of the FACT project as a humanitarian relief intervention, with a focus on how decisions that were taken around the design and delivery of FACT affected its impacts on beneficiaries.

3.1. FACT conceptualisation

Two points about the way FACT was conceptualised are important to emphasise. Firstly, the project was conceptualised as an emergency food security intervention (not as a social protection programme or an anti-poverty intervention). This is confirmed by several design features.

- (1) According to the project proposal, FACT was introduced specifically as a response to “the hunger crisis that has hit Malawi”.³²
- (2) FACT was implemented only during the ‘hungry season’ months of January to April 2006, at the peak of Malawi’s food crisis – it started when most farmers had emptied their granaries and it stopped when harvesting began.
- (3) FACT was implemented in communities where Concern’s Livelihood Security Programme also operates, and targeting was often linked to participation in the Livelihood Programme.³³
- (4) The composition of the FACT transfer package was designed to provide 50% of household food needs, on the assumption that affected households could cover, on average, half their food needs from their own resources, but needed external assistance to cover the rest.

Secondly, however, FACT was not a conventional humanitarian relief programme. The project’s conceptualisation was based on Amartya Sen’s ‘entitlement’ approach to poverty and famines, which provides a framework for quantifying a household’s access to food in terms of the value of its production-based, labour-based, trade-based plus transfer-based ‘entitlement to food’.³⁴ A farming household that is self-sufficient derives 100% of its food needs from production-based entitlements. Sen argued that it is not only the supply of food, but access to food that matters. When farmers’ harvests are reduced because of drought their subsistence can be protected with food aid – the standard humanitarian response – but it can also be protected with cash transfers that allow the household to purchase the food it needs, provided the market can meet the additional demand for food that cash transfers create.

The FACT project adopted this principle, at least in part. Instead of covering households’ ‘missing food entitlements’ (MFE)³⁵ with food handouts, Concern Worldwide decided to provide enough food and cash to guarantee access to half of each household’s food needs throughout the 2006 ‘hungry season’, whatever the size of the household and whatever the price of staple food. This

³² Concern Worldwide Malawi (2005c).

³³ The Livelihood Security Programme has been implemented in Dowa, Lilongwe and Nkhosak districts since January 2004, with the long-term objective of reducing chronic poverty and chronic malnutrition in the Central Region of Malawi. As of October 2005, the Livelihood Programme had 13,600 direct beneficiaries in 6 districts (Acacia Consultants, 2005: 17).

³⁴ Sen (1981).

³⁵ The concept of ‘missing food entitlements’ follows the MVAC definition [see Annex 3].

approach ensured that household entitlements to food were fully protected, even though cash transfers were provided and despite abnormally high food prices.

3.2. **FACT design**

Concern Worldwide's FACT project delivered a package of food plus cash transfers to 5,050 beneficiary households in rural Malawi, each month for four months, from January through April 2006. The FACT project had three innovative design features:

- (1) it delivered both food and cash (rather than either food or cash alone);
- (2) the value of the cash transfer was adjusted ('banded') for household size;
- (3) the value of the cash transfer was adjusted each month by the price of food.

3.2.1. **Food plus cash**

The delivery of a combination of food plus cash transfers each month to FACT beneficiaries was extremely unusual. The intention was to meet half of the beneficiary household's food needs for the consumption year 2005/06. This section explains why the decisions were taken (a) to cover 50% of food needs; (b) to provide food to beneficiaries; and (c) to provide cash to beneficiaries.

Why 50%?

Initially, Concern planned to cover 80% of household food needs with a food plus cash package, as this was the average size of the 'missing food entitlement' for affected households, as estimated by Concern following its 'Rapid Food Assessment' of November 2005. This exceeded the predictions made by the MVAC, which estimated in June 2005 that total food deficits (as a percentage of 2,100 kcal per person/day) would be no higher than 35% in Dowa and Lilongwe Districts, and no higher than 45% in Nkhosakota.³⁶ Concern's Rapid Food Assessment report argued that the MVAC underestimated the need for assistance in rural Malawi, because: (a) the MVAC "overestimated the resources that many households have available to cater for their food needs";³⁷ and (b) the MVAC calculation of household food entitlements assumed that households would liquidate their assets for food, but this should be avoided as asset depletion would leave households even poorer and more vulnerable to future livelihood shocks. In the end, Concern decided to align itself behind the MVAC's updated recommendation, that external interventions should aim to meet up to 50% of affected households' food needs.

Concern Worldwide's transfers to FACT beneficiaries therefore aimed to cover half the annual food needs of an average-sized Malawian household (with 5.5 members), on the assumption – derived from the MVAC estimates – that the average farming household in Malawi could meet about half of its food needs in 2005 from its own resources (harvest plus income). Half of this transfer (25% of total food needs) would be provided in the form of food, and half (a further 25%) in the form of enough cash to purchase the same quantity of food [Figure 2].

Figure 2. Contribution of FACT food and cash transfers to household food needs³⁸

Household food production + income (50%)	Food (25%)	Cash (25%)
<i>Food available to households, according to MVAC</i>		<i>Missing food entitlement, provided by Concern</i>

Why food?

The decision to provide a food package as well as cash transfers was taken in order to protect the subsistence consumption of FACT beneficiaries against the possibility of complete market

³⁶ MVAC (June 2005: 18-19).

³⁷ Concern Worldwide Malawi (2005b: 1).

³⁸ Source: Achtell (2006: 5).

failure, in the context of a national food crisis during which adequate market supplies of staple food were not guaranteed. Since many beneficiaries would be older people or female-headed households with time and labour constraints, it was considered important that beneficiaries should not face long journeys to and from markets in search of food. Concern staff were also aware of the need to provide a balanced diet at a time when rural Malawians were under severe nutritional stress, and with this in mind a package of food was designed, to provide protein and fat as well as a staple cereal.³⁹

The composition of the food package provided by FACT therefore included cereals (20kg maize), pulses (4kg beans) and cooking oil (1 litre vegetable oil). The inclusion of beans and oil ensured that the food package was compliant with Sphere guidelines for minimum nutrition standards in humanitarian assistance, which specifies a daily ration of 2,100 kcal, 10-12% of total energy provided by protein and 17% provided by fat.⁴⁰ The FACT food package provided 560 kcal per person per day (27% of the daily requirement of 2,100 kcal) for an average sized household.

Why cash?

During the FACT planning process, three advantages to providing cash to beneficiaries were identified by Concern staff in Malawi.

- (1) Cash is considered to be empowering, as it gives beneficiaries choices (in contrast to food aid, which is often considered to be patronising);
- (2) Delivering cash is generally believed to be more cost-effective than delivering food (since many of the handling costs of food – shipping, storage, trucking – are avoided);
- (3) Cash transfers should have a ‘catalyst’ effect on local markets, by attracting traders and enhancing the availability of food and the performance of commodity markets.⁴¹

A final advantage of cash transfers, related to the first point about giving people choices, is that cash allows both food and non-food needs to be met. Though food aid can be sold or exchanged for other things, cash tends to be put to a wider range of uses than food (as will be seen).

3.2.2. Banding by household size

The amount of cash transferred by the FACT project was determined firstly by market prices, and secondly by household size. As noted above, the cash transfer was intended to provide enough income to purchase an equivalent package to the food commodities that were provided in-kind: 20kg of maize, 4kg of beans and 1 litre of cooking oil. However, it was recognised that smaller households require less food, while larger households require more. Accordingly, households were classified as either ‘small’, ‘medium’ or ‘large’, and three ‘bands’ were specified: Band 1 (1-3 members), Band 2 (4-6 members), and Band 3 (7 or more members). Cash transfers paid varied according to which band the beneficiary household belonged to: Band 2 households received the ‘average’ amount, Band 1 households received 75% less than this, and Band 3 households received 75% more than the average [see Table 4].

Ideally, the cash transfer would have been adjusted for each beneficiary’s household size, or (even better) by adult equivalents, so that the exact amount of food plus cash was transferred to meet each household’s subsistence needs.⁴² But this was deemed too complex and impractical in

³⁹ This preoccupation with balanced nutrition was in line with Concern Worldwide’s nutrition education messages. Many respondents to this external evaluation demonstrated an awareness of these messages, for instance by stating that they cooked using the beans and the oil provided by FACT in order to have a balanced diet for themselves and their children.

⁴⁰ Sphere Project (2004: 138).

⁴¹ However, it was recognised that these catalytic effects on markets were “unlikely in this case due to relatively small size of the cash component and short duration of the project” (Achtell 2006: 4).

⁴² Adult equivalence scales recognise that children consume less food than adults; so (for example) a drought-affected household with four adults would require more relief assistance than a household with one adult and three young children, even though both have the same number of members.

the context of the need for a rapid emergency response. It might also have created incentives for households to adjust their members (e.g. for non-beneficiary households to send some children to beneficiary households, in order to qualify for more cash from FACT), which would have made the calculation of transfer entitlements even more complicated.

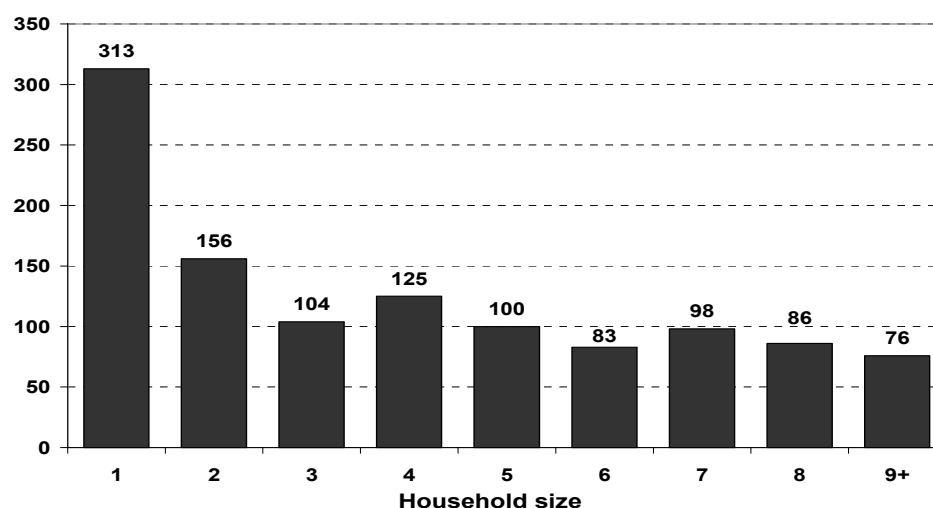
Table 4. FACT cash transfer by household size (January 2006)

Household band	Adjustment from medium transfer (MK1,400)	FACT cash transfer (MK/month)	Household size	Percentage of MFE attainable (food + cash)
Band 1: Small household (1–3 members)	–75%	350	1	313%
			2	156%
			3	104%
Band 2: Medium household (4–6 members)	No adjustment	1,400	4	125%
			5	100%
			6	83%
Band 3: Large household (7+ members)	+75%	2,450	7	98%
			8	86%
			9+	76%

Source: Achtehl (2006: 7)

Although there were some complaints from smaller households about the size of their cash transfer relative to larger households, in reality households with fewer than 5 members derived more than the average food entitlement from FACT transfers (cash plus food), while households with more than 5 members derived less than the average entitlement. As Figure 3 reveals, one- and two-person households derived the greatest per capita benefit from FACT. FACT transfers covered more than 3 times the ‘missing food entitlement’ (MFE) of one-person households, and 1.5 times the MFE of two-person households, even though medium-sized households received four times, and large households received seven times, the cash payment of small households.

Figure 3. Missing food entitlement covered by FACT transfers, by household size (%)



3.2.3. Adjusting cash transfers by food prices

A recent review of experiences with cash transfer schemes in east and southern Africa noted that one of the main limitations with using cash to enhance access to food is that the value of cash transfers fluctuates with food prices, whereas commodity transfers do at least retain their value in food terms. The report concluded that, if cash transfers are used in social protection schemes: “Payment levels should be index-linked, so that payments are adjusted automatically (every six

months or once each year) in line with price variations, especially of food staples”.⁴³ Of course, in an emergency context, food prices are moving much faster, and most donors and governments would find the idea of adjusting cash transfers by tracking food prices during the crisis period itself completely impractical. To its credit, this is precisely what Concern did in the FACT project.

In order to ensure that beneficiary households maintained constant access to half of their food needs, the cash component of the FACT transfer package had to track food prices closely, throughout the duration of the project. Since transfers were delivered every month for four months, prices were monitored four times, and the cash transfer was adjusted accordingly each time.⁴⁴ Prices of three commodities (maize, beans and cooking oil) were collected from seven markets – one in each TA where FACT was implemented – and these prices were averaged across the seven markets. The average price of 20 kilograms of maize, 4 kilograms of beans and 1 litre of cooking oil were added together to determine the cash transfer payment for the month, which was rounded up to the nearest 50 or 100 Kwacha.

Because food prices rose in February and March, the level of cash transfers increased in parallel: by 14% from January to February, and by a further 37% between February and March, a 58% increase in two months. In April, though, with food prices coming down rapidly in anticipation of the harvest, the transfer payment was cut by 41% [Table 5]. Interestingly, reports from the field staff, and observation of a distribution by the evaluation team, confirmed that beneficiaries did not complain about this cut in their payment in April. This is a tribute to excellent sensitisation by Concern staff, who explained at the start of the project in January, and again during the March and April distributions, that the amount of cash in the envelopes would be enough to purchase the equivalent food as beneficiaries received in kind – whether prices went up (as in February and March), or down (as in April).

Table 5. Market price monitoring and FACT cash transfer costs

Month (2006)	Market prices			Cost of full ration		Total cost for 5,050 house- holds (Euros)	Change from last month
	Maize (MK/kg)	Beans (MK/kg)	Cooking oil (MK/litre)	MK	Euros		
January	34.17	95.00	319.33	1,383	9.22	51,690	–
February	50.75	98.33	275.29	1,684	11.22	59,075	+14%
March	69.43	120.00	316.43	2,185	14.58	81,228	+37%
April	34.00	82.50	295.71	1,306	8.70	48,261	–41%

Source: Calculated from Concern market price monitoring data (December 2005 – April 2006)

Note: Total cost of ration = 20x maize price + 4x beans price + 1x cooking oil price

One error was made in calculating the cash transfer payment. In January one market monitor reported the price of half a litre of cooking oil instead of one litre, which reduced the average price estimated for oil from MK297 to MK275, and cut the payment to beneficiaries in February from MK450 to MK400 (Band 1), from MK1,800 to MK1,600 (Band 2), and from MK3,150 to MK2,800 (Band 3).⁴⁵ While this saved Concern Worldwide 7,300 Euros, the cost to FACT beneficiaries in maize equivalents amounted to 1kg (Band 1), 4kg (Band 2) and 7kg (Band 3).

The effect of the combination of ‘price banding’ and ‘price monitoring’ can be seen in Figure 4, which displays the cash payment made each month to each band of FACT beneficiaries. Over

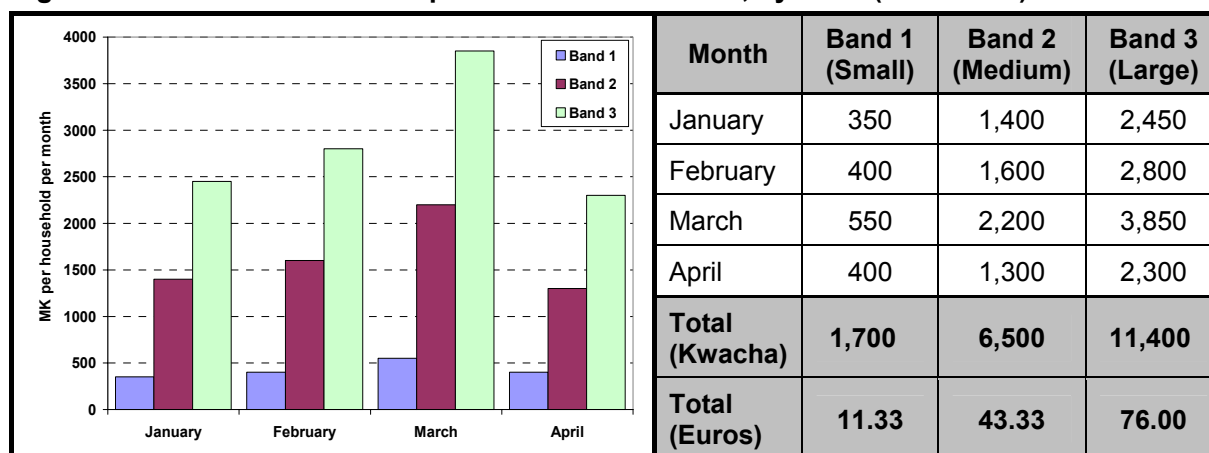
⁴³ Devereux, *et al.* (2005: 46).

⁴⁴ In fact, food prices were monitored a total of five times. Initially, markets were monitored in the month before each distribution – so the cash transfer value for January was based on food prices collected in December – but by February prices were rising so rapidly that the prices collected during February were not used for determining the transfer value in March. Instead, prices for March and April were collected in the week before the distribution started.

⁴⁵ Achteell (2006: 7).

the four months of the project, the level of transfers ranged from as low as MK 350 (for Band 1 households in January) to as high as MK 3,850 (for Band 3 households in March) – more than ten times higher.

Figure 4. FACT cash transfers paid to each household, by band (MK/month)



3.3. FACT delivery

A detailed overview of the procedures for delivering FACT food and cash transfers is provided in Concern Worldwide's internal 'Project Evolution, Planning and Implementation' document, which also includes recommendations and lessons for improvements and for other agencies to learn from.⁴⁶ The external evaluation did not explicitly focus on the administration and management of the FACT project, so only a few brief comments will be made here, before adding some feedback received from FACT beneficiaries in the qualitative fieldwork.

One general observation is that implementing the FACT project was extremely time-consuming and labour-intensive, and made heavy demands on Concern staff at all levels, from management and finance to fieldworkers. For instance, after beneficiaries were identified, all beneficiary details were entered into an Excel spreadsheet, which became the database that was used to generate information for ration cards and beneficiary distribution lists, and to print labels for the envelopes. "It took approximately 40 person days to complete beneficiary details on 5,050 ration cards", a highly inefficient process that should have been sub-contracted or, better still, automated.⁴⁷

Instead of asking beneficiaries to queue up and receive their cash by counting off banknotes (which was considered impersonal and demeaning), each beneficiary received a personalised sealed envelope addressed to him or her with the correct amount of cash inside. (In fact, many beneficiaries were unfamiliar with envelopes and had to be shown how to open them, so perhaps this added an unnecessary complication to the delivery process for Concern staff.) Partly because of this laborious process and partly to minimise the risk of errors or corruption, each envelope was handled no less than 7 times before the beneficiary received it. Three people were involved in filling each envelope (a counter, a checker, and a stuffer), which contributed to an impressively low error rate: "only one mistake was identified at point of delivery out of 20,200 cash transfers made."⁴⁸

The advantages of this attention to detail were significant. The FACT project was implemented in a way that put beneficiaries first, ensuring their needs were met and their dignity was respected.

⁴⁶ The 'Evolution document' was written by Ernest Achteell in February 2006, and updated by James Davey in April 2006.

⁴⁷ Achteell (2006: 13).

⁴⁸ Achteell (2006: 17).

Strict financial controls were maintained, and there was no evidence of any cases of corruption in the handling of either food or cash. The decision was taken to adopt a low-key approach to security. Police were not asked to accompany vehicles carrying cash, nor were security guards hired. No attacks on vehicles were made, and no money was stolen. If the project was scaled up and/or implemented over a longer period of time (e.g. as a regular social protection intervention), more stringent attention to security risks would certainly need to be taken, as larger amounts of cash would be involved and the dates and routes of regular deliveries of cash would become widely known to potential criminals.

From the perspective of beneficiaries, the FACT project was implemented with commendable efficiency, and several respondents commented on its smooth implementation and reliability. Few cases were reported of delayed deliveries of rations or cash, we heard no complaints of incorrect payments, and no reports of cash or food going missing after leaving the Concern offices or warehouse. The few complaints we recorded on the FACT delivery process were minor.

1. For beneficiaries who are elderly, disabled or chronically ill, some distribution points were said to be far from their homes and difficult for them to reach.
2. In some cases when proxies were nominated to collect the food and cash on someone's behalf, the FACT staff or community representatives (who observed the distribution process) refused to recognise the proxy and the beneficiary had to make a long journey to the nearest depot or Concern project office to collect their transfers.
3. In a few cases, one component of the transfer package (beans or oil) was delivered late, but in all such cases the beneficiaries received a double ration the following month.⁴⁹
4. Because the exact number of bags of maize and beans and bottles of oil were transported to each distribution centre, there was no allowance for breakages or leakages, so beneficiaries either had to accept some loss of maize, beans or oil if they were given a split bag or a leaking bottle, or had to wait until the following month when they received a double ration.
5. Because of heavy rains, trucks delivering food occasionally got stuck and arrived at the distribution centre late or the following day. In one case in TA Mwadzama, beneficiaries were paid their cash on one day and had to return the next day to receive their food.

Overall, FACT beneficiaries were satisfied that Concern almost always kept to their delivery dates, which were announced one week in advance, and that the four deliveries promised at the beginning of the project were made to all registered households, in full. Many beneficiaries compared the FACT deliveries favourably against certain other aid agencies that delivered food aid erratically – often failing to arrive on the pre-announced date, changing rations without explanation, requiring beneficiaries to share a bag of food with others when their supplies ran low, and so on. FACT beneficiaries were generally considered by themselves and their neighbours to be fortunate compared to beneficiaries registered with other agencies, some of whom admitted that: *“It would be better if I was registered with Concern instead.”*

⁴⁹ For instance, in January beans were not delivered in time to 2 distribution points in TA Mwadzama in Nkhotakota District, so 366 beneficiaries received 8kg of beans in February instead.

CHAPTER 4. TARGETING

This chapter describes how FACT beneficiaries were identified and targeted, and examines three types of targeting error that were associated with the project: exclusion errors or under-coverage, inclusion errors or 'leakages', and 'over-funding'.

4.1. FACT targeting procedures

FACT beneficiaries were identified in a multi-stage targeting process. Firstly, the selection of project communities was determined by Concern Worldwide's programme areas. Concern is currently operational in four districts of Malawi – Dowa, Lilongwe Rural and Nkhosakota in Central Region, and Nsanje in Southern Region. It was decided to exclude Nsanje, for a number of practical programming reasons,⁵⁰ and to implement FACT only in Central Region. Within the three Central Region districts, Concern was implementing a Livelihood Security Programme in some Traditional Authorities (TAs) and a Nutrition Programme in others (though the two programmes have since been merged), and it was decided to implement FACT in TAs and communities where the Livelihood Security Programme was ongoing – partly to provide support to these participants.

Secondly, within communities, Concern has devised a standard methodology for identifying poor and vulnerable households, essentially a variation on community-based targeting (or community selection), which was adopted for identifying FACT beneficiaries in many communities (but not all). This 'community triangulation' method works by dividing communities into three groups and asking each group to compile an agreed list of neediest households. The three lists are compared in a public forum and names appearing on all three lists are automatically selected, while those appearing on only one or two of the three lists are publicly discussed until consensus is reached on whether they should be included or excluded. The intention of this procedure is to ensure a fully democratic and participatory targeting process, and to avoid the nepotism and favouritism that can occur if beneficiary selection is left to key informants (say, the village headman) or an elite group of community representatives (e.g. a village committee).

In communities where this procedure was rigorously followed, targeting seems to have been well done, with relatively few inclusion errors. On the other hand, different approaches were followed in different locations – including setting quotas, suggesting vulnerability criteria to communities, favouring Concern club members, and allowing Concern committees or Village Headmen too much power over the selection process – which often led to sub-optimal targeting outcomes. The consequence in many FACT project communities was levels of inclusion and/or exclusion errors that were unacceptably high.

4.2. Exclusion errors ('under-coverage')

'Exclusion error' or 'under-coverage' refers to households being excluded from the FACT project, despite being eligible and in need of assistance. Exclusion from the FACT project occurred at two levels. 'Macro-exclusion' can be defined as the exclusion of entire communities from the project, whether or not they needed assistance in 2005/06, which mainly reflected Concern Worldwide's limited number of operational areas (districts and TAs) within Malawi. 'Micro-exclusion' can be defined as the exclusion of needy households within targeted communities, which occurred because of budget constraints and targeting errors. (Micro-exclusion will also be discussed under 'inclusion errors', since one consequence of mis-targeting or elite capture of FACT resources by some people who did not need assistance was the involuntary exclusion of others who did.)

⁵⁰ Reasons for excluding Nsanje included: (1) Concern Worldwide started working in Nsanje only in December 2005, with an initial focus on establishing Community-based Therapeutic Care (CTC); (2) Concern did not yet have an office in Nsanje; (3) Concern was not implementing its Livelihood Security Programme in Nsanje; (4) the distance from Concern's head office in Lilongwe to Nsanje in the south was so great that managing FACT would have been almost impossible.

On 'macro-exclusion', the first obvious point to make is that the FACT project was subject to enormous levels of under-coverage, at all levels from the nation to the village [see Table 6].

Table 6. FACT coverage and exclusion at national, district and TA levels

Level	Population	House-holds	FACT coverage		Excluded population	
			House-holds	%	Total	People "at risk"
National (Malawi)	9,933,868	2,273,837	5,050	0.22%	99.78%	99.5%
Central Region	4,066,340	908,943	5,050	0.56%	99.44%	
Dowa District	411,387	90,379	3,138	3.47%	96.53%	70.5%
TA Chakhaza	93,813	19,951	454	2.28%	97.72%	
TA Kayembe	61,484	13,256	1,015	7.66%	92.24%	
TA Dzoole	53,902	11,384	876	7.70%	92.30%	
TA Mponela	25,393	5,695	793	13.92%	86.08%	
Lilongwe Rural	905,889	209,536	1,012	0.48%	99.52%	97.4%
TA Chitukula	21,900	4,824	644	13.35%	86.65%	
TA Kabadula	80,531	17,435	368	2.11%	97.89%	
Nkhotakota District	229,460	50,031	900	1.80%	98.20%	95.5
TA Mwadzama	45,997	10,226	900	8.80%	91.20%	

Source: Calculated from GoM/IFPRI (2002)

Note: Lilongwe Rural District excludes Lilongwe City

1. At the **national** level, FACT was only operational in one of Malawi's three Regions (=33.3% of Regions), and it reached 5,050 households out of at least 2,273,837 households (=0.22% of households).⁵¹ Put another way, FACT did not reach 99.8% of households in Malawi. Within the Central Region, approximately 0.56% of households were FACT beneficiaries.
2. At the **district** level, FACT was implemented in 3 of Malawi's 27 rural districts (=11.1% of districts), so 89% of districts did not benefit directly from FACT at all. Within each district, FACT reached 3.5% of households in Dowa, 1.8% of households in Nkhotakota, and just 0.5% of households in Lilongwe.
3. At the **Traditional Authority (TA)** level, FACT was implemented in only 7 of Malawi's ±250 Traditional Authorities (=2.8% of TAs), so 97.2% of TAs in Malawi were excluded. Within each District, FACT was implemented in 4 of 7 rural TAs in Dowa (=57.1% of Dowa TAs), 2 of 15 TAs in Lilongwe Rural (=13.3% of Lilongwe TAs) and 1 of 6 rural TAs in Nkhotakota District (=16.7% of Nkhotakota TAs). Across the 3 FACT project districts, 7 of 28 TAs were included (=25%), but 21 TAs were excluded (=75%), even though Concern is operational in many more TAs in these districts, including all 7 TAs in Dowa and all 6 TAs in Nkhotakota.
4. At the **village** level, Concern Worldwide has a policy of working with selected villages, or clusters of villages, within each TA where Concern is operational. In Nkhotakota District, for instance, Concern works in 102 villages in TA Mwadzama (22 'clusters' with 3-6 villages in each), but there are perhaps as many as 1,000 villages in this TA alone, meaning that 10% of villages in Mwadzama were included in FACT, but 90% of villages were excluded.

⁵¹ The calculations in this section (including in Table 6) are based on population data derived from the 1998 Population and Housing Census. Given that populations have inevitably grown since 1998, the percentage of households covered by the FACT project are almost certainly lower than those presented here, at all levels (national, regional, district, and TA).

5. At the **household** level, budget constraints dictated that quotas were set on the numbers of FACT beneficiaries at the district, TA and village levels. This meant that, despite being an emergency relief intervention, FACT was not responsive to community-specific variations in levels of need, except that upward adjustments were made for TAs where the general ration was not being delivered, and downward adjustments were made where more than one donor was already active. The quota system also meant that no allowances were made for differences in population size across communities. For example, in Nkhotakota District, which was given an allocation of 900 FACT ration cards, these beneficiaries had to be allocated to the 102 Concern project villages in TA Mwadzama, at an average of 9 beneficiaries and no more than 11 per village, irrespective of the number of households in each village.⁵²

Two important qualifications must be made. Firstly, not all households in Malawi were affected by the food crisis, so a more accurate measure of exclusion would be as a percentage of crisis-affected households, rather than the total population, at each level from the national to the village. In June 2005, for instance, the MVAC estimated that the total population “at risk” in Malawi was 4,244,400 (0.52% of whom were reached by FACT), of whom 48,400 were in Dowa, 170,400 in Lilongwe Rural, and 90,800 in Nkhotakota [see Annex Table 18]. Applying these figures to the district level (in Table 6) raises the effective coverage percentage for Dowa from 3.5% to 29.5% and reduces the exclusion percentage for Dowa from 96.5% to 70.5%. For Lilongwe, the effective coverage rate rises from 0.5% to 2.6% and reduces the exclusion rate from 99.5% to 97.4%. For Nkhotakota, effective coverage rises from 1.8% to 4.5%, and exclusion is reduced from 98.2% to 95.5%. To sum up, while these effects are fairly small for Lilongwe and Nkhotakota, the impact on coverage and exclusion outcomes for Dowa District is very significant.

Secondly, the FACT project was not of course intended to address all of the emergency relief needs that the food crisis presented, even in the districts and TAs where Concern Worldwide was the leading active NGO. In most communities Concern worked alongside the government relief programme, and in many cases the FACT project added a few households to the relief register, after other agencies (Red Cross, CARE, etc.) had already registered the most vulnerable households for food aid or the government’s voucher scheme. This means that not all of the districts, TAs, villages and needy households in Malawi that were not reached by FACT should be considered ‘exclusion errors’; many of these excluded areas and households were in fact reached by other relief interventions.

On the other hand, interventions by different relief agencies were not always well coordinated, and there were cases where avoidable exclusion errors followed from failures of inter-agency coordination. One case was uncovered in the qualitative fieldwork for this evaluation. The team visited a cluster of villages where Concern had initially registered 98 households for FACT using Concern’s community-based needs assessment method, but later had to reduce this number to 70 after a quota was set by Head Office. In the meantime, CARE had come to these villages to register needy households for emergency food aid, but were told that Concern had already met all local needs. When 28 households were cut from the FACT beneficiary list, they received no assistance from any source.

The point remains that the FACT project was one limited component of a very large emergency response in Malawi in 2005/06, and that no matter how well designed and implemented it was, it is vulnerable to the accusation that FACT communities and households were “islands of privilege in an ocean of misery”.⁵³ But this is not a valid critique of the FACT project, nor of Concern Worldwide Malawi. At the higher levels of targeting (national and district, possibly also TA), these

⁵² One ‘Concern cluster’ in TA Mwadzama consisted of 4 villages with 28,32, 59 and 62 households. Each village was allocated 9 FACT beneficiaries – a generous ratio of one household in three (32%) in the smallest village, but just one household in seven (15%) in the neighbouring largest village – which can hardly have accurately reflected levels of local need in adjacent communities.

⁵³ On the other hand, FACT’s 5,050 beneficiaries is five times more than the 1,027 direct beneficiaries reached by the Kalomo District Pilot Social Cash Transfer Scheme, a social assistance project in Zambia that has enjoyed international publicity and is widely seen as a model to be emulated in other countries planning to introduce cash-based social protection programmes.

sources of under-coverage reflect Concern's status as a medium-sized international NGO with limited financial and technical resources, which requires Concern to focus its activities in selected geographical areas. In this sense, these constraints are largely beyond Concern's control and, as noted, many other agencies were mandated to undertake emergency relief interventions in those districts, TAs and villages where Concern Worldwide is not operational.

However, this does raise the challenge of 'scaling up' innovative interventions like FACT in future, in at least two ways. Firstly, there is a question as to whether the FACT project was successful partly because it complemented other activities undertaken by the coordinated emergency response – would it have been less successful had it been implemented 'to scale' at national level? For instance, the negligible impact of FACT on food prices, as discussed later in this report, might have been a result of the volumes of food aid that kept markets well supplied throughout the crisis period. A national cash transfer programme that substituted for food aid might have had substantial inflationary effects.

Secondly, the question arises as to what extent the principles underlying FACT (especially its defining, and highly innovative, combination of food plus cash transfers) would be, accepted as appropriate and feasible by those who design and implement national emergency relief programmes for Malawi. Are there sufficient political will, financial resources and technical capacity to implement a FACT-type programme at the national level?

4.3. Inclusion errors ('leakages')

Inclusion errors occur when people receive benefits despite not needing assistance. Inclusion errors, or 'leakages' to undeserving beneficiaries, can occur for a number of reasons. The FACT project was prone to inclusion errors, for three main reasons:

- (1) Concern loan beneficiaries were prioritised in many communities, despite not being necessarily among the poorest households;
- (2) several targeting criteria confused indicators of chronic and transitory vulnerability;
- (3) in certain communities, the FACT registration process was prone to elite capture by better-off households.

These three sources of targeting error are discussed in turn below.

4.3.1. *Concern loan beneficiaries*

Concern's Livelihood Security Programme has this 'Wider Objective': "To reduce the proportion of households living in absolute poverty characterised by high levels of chronic malnutrition". Revolving input loans (fertiliser plus seeds) were provided to Concern club members in 2005, as part of the Livelihoods Security Programme. According to several Concern field staff and community members, the FACT project was instigated because of fears that poor harvests would leave Concern farmers unable to repay their input loans. One Concern cluster chairman told us:

*"Concern first came to this village in 2002, with the Drought Relief Programme. Then they started a Food Security Programme, but this was not benefiting people much, so they shifted to the Livelihood Security Programme in 2005, which gave input loans to some farmers. Then the hunger came, so the communities requested assistance from Concern to protect their inputs and allow repayment of the loans. This was around November time. By then Red Cross and Alinafe were already distributing food aid, so Concern at first targeted their input loan beneficiaries, but this was seen to be wrong as these people were not necessarily the most vulnerable to hunger. All the Cluster chairmen in this area were called for a meeting to discuss how to target the FACT project better. We decided to tell the village headmen to identify 8 to 10 households in each village who are vulnerable: disabled, old, keeping orphans, food insecure, and not benefiting from Alinafe or Red Cross."*⁵⁴

⁵⁴ Interview with a Concern cluster chairman in TA Mwadzama, Nkhotakota District.

So the targeting of FACT was confused by two contradictory messages that were sent to field staff – though it should be noted that field staff were also actively involved in developing the targeting criteria. On the one hand, FACT complemented the emergency relief programme implemented by the Government of Malawi, donors (e.g. WFP) and NGOs (e.g. Care, Red Cross and local NGOs like Alinafe) in response to the poor harvests of 2005. On the other hand, FACT was intended to support Concern Worldwide input loan beneficiaries, to ensure that they were able to repay the loans. According to one TA Coordinator: *“Our aim was to ensure that whatever we invested should not be destroyed.”* One consequence of these two messages was that Concern staff felt obliged to prioritise Concern programme participants in their targeting of FACT, whether or not these households were the poorest or most vulnerable in their communities. (Even after a ‘re-targeting’ exercise was done, to identify the most vulnerable community members, it proved impossible to displace Concern loan beneficiaries in many cases.) In reality, Concern participants are typically not the poorest, for several reasons:

1. Most Concern programme participants are able-bodied and working on their farms and in community gardens – they are not the ‘labour-constrained’ poor (the elderly, people with disabilities, chronically ill, orphans) who were targeted for relief assistance by other NGOs.
2. Concern programme villages are screened – those that are unwilling or unable to contribute time and labour are dropped, as are those that fail to meet other Concern requirements – leaving the more dynamic and energetic communities involved in Concern activities.
3. Many households that register for Concern initially drop out once they realise the amount of work and time commitment involved, and those that do drop out are typically from the poorer households in the village, leaving the ‘successful’ households as longer-term participants.
4. Because of local power relations, Concern village committees and cluster committees tend to be drawn from the better-off groups in the villages, and it is often politically impossible to exclude village headmen and their relatives from registering as Concern participants.

The net result of these various levels of screening and self-selection could be summarised as: ‘Concern backs winners’. However, the most vulnerable households in any community are those who are left out or left behind, and it is these households who should logically be prioritised in any emergency relief programme. The two targeting criteria for FACT that Concern staff received (or perceived) – to target those in need, but to give priority to Concern Livelihoods Programme beneficiaries if they were in need – effectively contradicted each other, for this reason.

It is quite clear that Concern input loan beneficiaries received preferential treatment in the FACT registration in many communities – in some cases they were automatically selected – whether or not these households were among the poorest and most food insecure. In TA Mwadzama, one eligibility criterion for FACT was: “farm inputs loan beneficiaries, because they had not been targeted by Alinafe or Red Cross” [Annex 4]. There were 193 loan beneficiaries in Mwadzama; all 193 were included as FACT beneficiaries, with another 707 being added using social vulnerability criteria, to reach the quota of 900 households allocated to Nkhotakota. This means that 21.4% of FACT beneficiaries in this TA were loan beneficiaries, and 193 households who might well have been in a more vulnerable situation in 2005/06 were excluded.

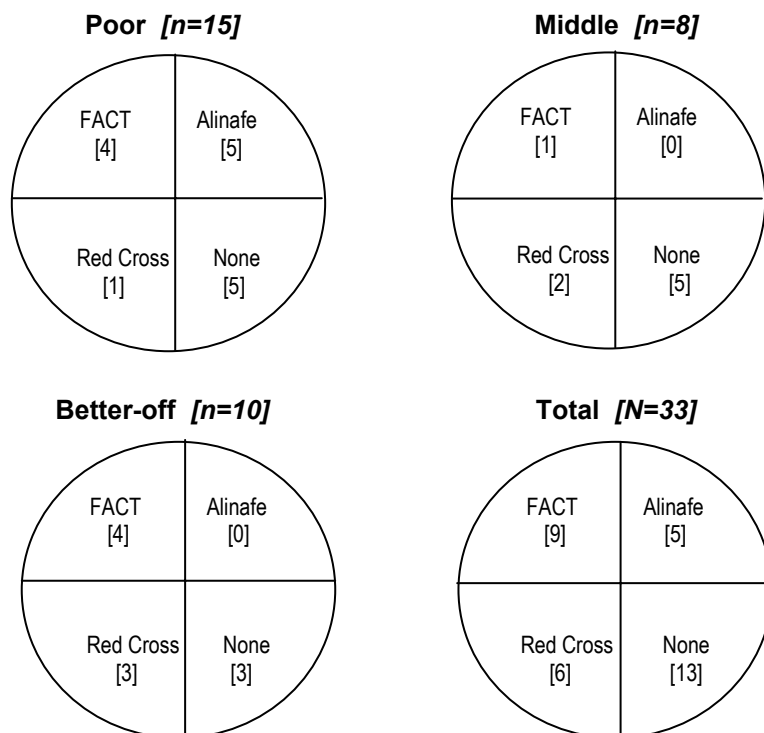
It should also be mentioned that the input loan beneficiaries felt a genuine sense of entitlement to the free food and cash transfers from Concern, partly because they believed that FACT was Concern’s response to their difficulties in repaying their loans, and partly because they saw themselves as hard-working and deserving of Concern support, unlike their ‘lazy’ neighbours who had never registered with Concern or had dropped out when they realised how much hard work was involved on community gardens, building village grain banks, and so on. When the FACT project was announced, loan beneficiaries felt strongly that they should be prioritised for the first ‘handouts’ that Concern had delivered since the drought relief programme in 2002. (The social tensions that this created within communities are discussed in Chapter 7 below.)

A wealth ranking exercise conducted for this evaluation in a village of TA Mwadzama found that 9 households (of 33 in total) were FACT beneficiaries, 4 of which were classified as ‘poor’, 1 as

'middle' and 4 as 'better-off' households by community members themselves [Figure 5]. Of the 4 'better-off' FACT beneficiaries, 2 were also input loan beneficiaries and a third was the village headman. By contrast, all 5 households registered for food aid with Alinafe⁵⁵ were in the 'poor' category (though the Red Cross targeting was even worse than Concern's).

One problem that FACT faced was that Concern typically arrived last, after Alinafe and the Red Cross had already registered the neediest households for assistance. This left few 'absolutely needy' households for Concern to register, and made it more likely that 'middle' and 'better-off' households would be included. In all cases, households that were already registered to receive relief assistance from either Alinafe or the Red Cross were consistently excluded.

Figure 5. Wealth ranking exercise, Nkhotakota District (3 May 2006)



Interestingly, the use of FACT cash for investment or asset-building purposes assisted some households to 'graduate' to better off groups. In the wealth ranking exercise above, the FACT beneficiary classified as a 'middle' household was a 'poor' household before FACT started, but used FACT cash to buy a goat which qualified this household for categorisation as a 'middle' household by the time FACT ended.⁵⁶ This is an important example of how FACT facilitated the accumulation of small but important assets that could generate economic returns in the future, thereby supporting longer-term 'livelihood promotion' as well as immediate 'livelihood protection' goals. On the other hand, critics would point out that this amounts to 'over-funding' (as discussed below), and that these households received more transfers from FACT than they truly needed.

⁵⁵ Alinafe (Chichewa for "He is with us") is a Catholic local NGO that provides assistance in areas such as health (e.g. HIV testing and counselling), nutrition and food security (including relief food aid). In Nkhotakota, Alinafe also runs a district hospital. Alinafe apparently targeted food aid beneficiaries in many communities on the basis of physical appearance – if people's clothes were ragged and they looked ill or destitute, they were registered!

⁵⁶ During the wealth ranking, this man became indignant at being placed in the 'middle' category by his friends, who pointed out that one criterion they had agreed on for this category was ownership of at least one goat or sheep. The man complained that he had only bought the goat as a "memory" of the FACT project – "but I am still remaining a poor man!"

4.3.2. *Transitory vulnerability or chronic poverty?*

Although the criteria for identifying the neediest households were supposed to be decided by the communities, Concern field staff and Concern committees did give some guidance, suggesting possible characteristics of households that might be eligible for inclusion. These included:

- households with chronically ill members
- households headed by orphans
- households headed by older people
- households headed by people with disabilities
- households involved in Concern's Outpatient Therapeutic Programme (OTP)
- households that received agricultural input loans from Concern (in November 2005)
- households facing severe hunger (e.g. eating only one meal per day)
- households that are not already receiving food aid from another source.⁵⁷

Table 7 compiles the reasons given by Concern field staff for registering households for FACT in Mwadzama. It is striking how closely these reasons mirror the criteria listed above. Approximately 75% of beneficiary households were registered because of their demographic characteristics – caring for orphans or older people, having a physical or mental disability in the household – or because of their health status (chronic illness, HBC patient). These are all well-known indicators of chronic poverty and vulnerability, but not necessarily of household food insecurity resulting from harvest failure in 2005. Only 3 households out of 900 were registered for FACT because they were “food insecure” or suffering from “poor nutrition”. A further 20% of households were registered for FACT because they had received agricultural loans from Concern in November 2005. As discussed above, these households were not necessarily among the poorest or most vulnerable in their communities.

Table 7. Reasons for targeting FACT households, TA Mwadzama, Nkhotakota

Reason	Households	%
Keeping orphans/ orphan caretaker/ orphanage	160	37%
Aged/ keeping old aged	102	24%
Concern loan beneficiary	88	20%
Disabled (e.g. blind, “mental retardation”)	33	8%
Critically ill/ chronically sick/ long illness	23	5%
Poor/ “poorest of the poor”	16	4%
HBC patient	7	2%
Food insecure/ poor nutrition	3	1%
Lactating and vulnerable	1	0%
No reason given	467	52%
Total beneficiaries	900	100%

Source: Compiled from FACT project beneficiary lists, TA Mwadzama

Table 8 compares demographic characteristics of beneficiary and non-beneficiary households sampled for the FACT monitoring and evaluation surveys. This table shows that beneficiary households are generally larger than non-beneficiary households, perhaps because beneficiaries are more likely to be caring for orphans and older or sick relatives, so they tend to have higher dependency ratios. On the other hand, female-headed households are smaller on average than male-headed households. Many more female- than male-headed households are divorced or widowed, and there are more widows among beneficiaries than in non-beneficiary households. This is not surprising, given that female-headed households are often vulnerable precisely because they lack access to male labour and the assets that are typically controlled by men. Finally, beneficiary households sampled had older heads, on average, than non-beneficiary

⁵⁷ Achteell (2006: 9).

households, and female-headed households had older heads than male-headed households and non-beneficiaries. This confirms that targeting was done partly on the basis of age and gender – older household heads and female-headed households were assumed to be more vulnerable.

Table 8. Characteristics of households sampled for FACT monitoring surveys

Demographic Characteristic	FACT beneficiaries		Non-beneficiaries		Total
	Male-headed households	Female-headed households	Male-headed households	Female-headed households	
Household size					
1–3 members	6.5%	18.6%	12.0%	22.0%	11.9%
4–6 members	49.2%	52.5%	53.1%	61.0%	52.5%
7+ members	44.2%	28.8%	34.8%	16.9%	35.6%
Marital status					
Married	97.1%	12.7%	95.8%	19.5%	77.5%
Divorced	0.5%	30.5%	1.6%	39.8%	9.1%
Widowed	1.0%	55.9%	0.8%	39.0%	11.9%
Single	1.3%	0.8%	1.8%	1.7%	1.5%
Age of household head					
<24	7.6%	7.7%	14.5%	12.0%	10.8%
25–34	27.6%	15.4%	31.6%	17.1%	26.4%
35–59	44.9%	45.3%	40.8%	48.7%	43.8%
60+	19.9%	31.6%	13.2%	22.2%	19.0%

Source: Analysis of FACT survey data

Those who designed FACT might argue that these demographic and health-related indicators of vulnerability should correctly identify the ‘hungry’ in most cases, since these households are also most likely to be vulnerable to transitory food insecurity. It is well established, for instance, that households affected by HIV and AIDS in southern Africa are highly vulnerable to food insecurity, and 42% of FACT beneficiaries in TA Mwadzama were orphans or orphan caretakers and the chronically ill (many of these being people with AIDS). But these ‘vulnerable groups’ are food insecure even in good rainfall years – so these characteristics are weak proxies for vulnerability to erratic weather. Besides, FACT was an emergency relief intervention, not a social assistance programme. Targeting households whose entitlements to food collapsed suddenly because of poor harvests in 2005 would require identifying who was worst affected by the erratic rainfall in each village, in terms of lost food production – and these are more likely to be farmers than the chronically poor who are unable to work because they are orphans, infirm or chronically ill.

4.3.3. Elite capture

A high proportion of FACT beneficiaries were village headmen – no fewer than 10 out of 14 interviewed during fieldwork for the external evaluation. Headmen were not actually disqualified from benefiting from FACT, but in most cases they do not meet the eligibility criteria in terms of food insecurity or vulnerability, so they ought not to have been selected either by Concern field staff or by their communities. Clearly, many headmen found ways around these considerations – and in so doing, deprived more needy community members from benefiting from FACT.

Excluding headmen from receiving benefits they believed they were entitled to receive – by virtue of their status rather than their need – was a problem that recurred across many sites. In many cases the headman argued that it was the community that decided he should be included, not himself. (*“At the village meeting to decide who should be included, the community voted to add my household to the list.”*) A local Chichewa saying helps to explain this tendency: *“Ufume nkudyera!”* (*“The chief is entitled to eat!”*)

In TA Mwadzama, one village headman told us that he knew he was not entitled to benefit from FACT so he registered his wife instead. (*"I am not a beneficiary but my wife is!"*) His wife was also a Concern input loan beneficiary. He was also aware that his household was ineligible to receive assistance from more than one agency, so registering his wife disguised the fact that he was already registered with the Red Cross. (*"I knew I should not receive too much assistance, so I gave some of the Red Cross food to my daughter, who lives in a separate house in this village."*)

In TA Chakhaza, Dowa District, another headman who benefited from FACT, despite being the richest man in the village, explained that Concern had asked him to register all food insecure Concern club members in the village, and since he – like everyone else – had failed to achieve maize production self-sufficiency in 2005, he registered his household along with all the other local Concern households. The injustice of this is clearly revealed by contrasting the headman's situation with that of a *de facto* single mother in the same village, who was excluded from FACT and received no food aid either, despite being desperately in need of assistance [Box 1].

Box 1. Case studies of inclusion and exclusion errors in one village of Dowa District

Inclusion error: The wealthy headman

In normal years this headman produces enough maize to last all year and leave a surplus to sell, but in 2005 his harvest lasted only until December. He also grows tobacco and groundnuts, together with his three sons. In 2005 he earned MK 20,000 from tobacco sales, which he used to buy food until FACT started. He owns a pair of oxen and six goats, but sold none of his livestock for food in 2005/06. He did not get an input loan from Concern because he belongs to a farmers club and gets fertiliser from the club.

As the headman he was asked by Concern to register all households in his village who are actively participating in Concern projects, and who were food insecure in late 2005. He went from house to house and found that all Concern participants had insufficient food to last until the next harvest, so he wrote down all their names (including his own). There are some poor people in the village who were also very food insecure, but they are not Concern participants so he did not register them.

Exclusion error: The destitute single mother

In the same village a woman is living with her 14-year-old son. She is married, but her husband abandoned her for a woman in another village when their son suddenly fell critically ill in February 2005, and spent three weeks in hospital. She has since incurred heavy debts – MK 5,000 with the hospital, MK 3,000 with a local witch-doctor – that she is still struggling to pay off. In a good year her maize lasts until October, but in 2005 it ran out in July because she sold half her harvest (3 bags @ MK 600) to pay some of the health care costs. She survived the hungry season by looking for *ganyu* on nearby tobacco estates, and begging for food from friends and relatives, including some on the FACT project who gave her a plate or basin of maize flour after the monthly FACT distributions.

"I do not know why I was left out from FACT. My mother told me there was a meeting, but I did not know about it. Sometimes when good things come to the village, those that go to the meeting don't want to tell those who weren't there – maybe that happened with FACT. The targeting was not fair because some families that are very poor were left out while others that are quite rich were included. As for myself, I am in deep trouble with my sick child and no husband and debts I can't repay. I am hoping that next time I will be considered for FACT."

This discussion has shown that the FACT targeting criteria, as suggested to communities by Concern staff, confused three distinct notions of vulnerability and need: (1) 'emergency affected households' (farmers with bad harvests); (2) 'chronically vulnerable groups' (the elderly, orphans, people with disabilities, the chronically ill); (3) 'Concern households' (input loan beneficiaries). Since the second and third sets of criteria were generally given precedence, this made 'hunger' secondary to other factors that were not directly related to the ongoing food crisis. This problem was compounded by the involvement of village elites in the selection of FACT beneficiaries. The role of village headmen was especially problematic, since they had a vested interest in ensuring that they benefited directly from FACT – and usually did.

4.4. Over-funding

Another form of 'leakage' is caused by providing too much assistance to a household that is entitled to receive support. This issue is not about reaching ineligible or non-needy households, but about wasting resources on one household that could be given to two or more households. One criterion of eligibility for FACT was that households should not be receiving assistance from any other agency, which was a possibility given that the FACT project was introduced after the emergency food aid programme had already started. Also, no beneficiary household should have been given more than one FACT ration card, since the transfer package was intended for the entire household (and was adjusted for household size). When either of these rules was violated, cases of 'double targeting' occurred.

In Dowa District, one case of double targeting of the same household by FACT was discovered in February, seven more cases of 'double targeting' with CARE Malawi were discovered in March, and in April it was discovered that two church volunteers who had been collecting FACT rations for five home-based care patients had been keeping the food and cash transfers for themselves [see Box 2]. The Concern TA Coordinator for Kayembe concluded that the problems of double targeting were caused by *"lack of coordination with partners on targeting ... Consultation should be done in the process of targeting to avoid double targeting i.e. CARE and CWW targeting the same household"*, and that the problems of corruption arose when other agencies were involved in targeting beneficiaries and/or distributing FACT transfers.

"Targeting through HBC/CBO has a lot of risks compared to village targeting. This has come up after getting some rumours from other non-beneficiaries that some Church leaders targeted themselves. ... targeting through CBOs/partners needs a lot of patience and proper triangulation for accountability purposes."

Box 2. Targeting errors reported in Dowa District (February–April 2006)

February: A couple was disqualified from FACT after it was discovered that both husband and wife were registered by Concern and were collecting FACT food and cash transfers. The husband was targeted by the Village Committee, while the wife was targeted by the local Home-Based Care (HBC) committee. *"Both cards were used to get the rations yet the couple knew that it was against Concern policy. Because of their unfaithfulness both Village and HBC Committees decided to withdraw the cards and target other needy people."*

March: In one village in Dowa District, three FACT ration cards were taken away from beneficiaries, *"due to double targeting with CARE Malawi"*. In another community, four ration cards were taken away and given to other needy households, for the same reason.

April: It was discovered that 2 volunteer workers at Nambuma Home-Based (Catholic) Parish had collected food and cash from the FACT project on behalf of 5 registered beneficiaries, but did not give it to them. The money paid to the 2 volunteers in January and February was recovered and the cards and cash were given back to the 5 targeted beneficiaries.

Source: FACT Distribution Reports, TA Kayembe, Dowa District (February, March, April 2006)

Although it is impossible to know how many cases of double targeting or misappropriation of FACT transfers went undetected, the evaluation team believes that these problems were confined to very small numbers, most of which were detected and rectified.

CHAPTER 5. USE OF FOOD AND CASH TRANSFERS

This chapter considers the immediate impacts of FACT food and cash transfers on beneficiary households, in terms of how the food and cash were actually used. The following chapter will analyse the impacts of these consumption decisions and spending patterns on household food security and livelihood outcomes.

The decision by Concern Worldwide to provide a combination of both food and cash goes to the heart of the ‘food *versus* cash’ debate in emergency relief and social protection programming, a debate which is often heated but which is grounded in a very thin evidence base. Proponents of cash transfers argue that cash is preferable to food aid because:

- (1) it allows beneficiaries to meet a range of other basic needs, whereas food aid only meets food consumption needs (unless the food aid is monetised (i.e. sold) by the beneficiary, which is inefficient);
- (2) cash can also be used for investment and asset accumulation, which links the transfer to livelihood promotion and economic growth objectives (this argument asserts that cash transfers can contribute to sustainable poverty reduction more than food aid can);
- (3) beyond the household level, cash transfers generate income and employment multipliers at the community level (so that a second round of indirect beneficiaries is created); and
- (4) cash transfers stimulate production and markets (so that beneficial side-effects are generated at the level of markets and the local economy).

Critics of cash transfers argue that cash is more likely to be ‘misused’ on ‘wasteful’ consumption. Even if food can be sold or exchanged, it is more likely to be consumed and to benefit women and children in the household, whereas cash is more likely to be spent on other things instead of (or as well as) food, dissipating the benefits to women and children’s nutrition. This argument is also gendered: the stereotypical assumption is that women who receive food will use it to feed their children, while men who receive cash will waste it on womanising and drink.

A third group sees little difference between transferring resources to households in the form of either food or cash – this is just a modality; “food aid is an in-kind income transfer”; food aid is fungible (it can be sold for cash, it releases income that would have been spent on food, etc.).

Testing these assumptions rigorously would require comparing the behaviour of individuals or households who received only cash transfers against another group who received only food aid, whereas the FACT project transferred a package of both food and cash to the same households. Nonetheless, some conclusions with respect to these assumptions can be drawn by examining the evidence on how beneficiaries used the food and cash they received from FACT. This chapter therefore considers: firstly, beneficiary use of FACT food, and secondly, beneficiary use of FACT cash transfers.

5.1. Use of FACT food

For decades, food aid has been the default response to food security shocks in African farming communities, because of the assumption that subsistence-oriented households who derive most of their food directly (from crop production) will be unable to secure access to adequate food if their harvests are undermined. One way of confirming this assumption – and of verifying that targeting was accurate – is to ask food aid beneficiaries how they used the food they received. If it was consumed, the assumption is probably correct. If it was sold (and the cash raised was used for something different than purchasing other types of food), the beneficiary presumably had other sources of food and income, and this household should probably not have received food (‘inclusion error’). If the food was shared or given away, this suggests that other equally needy or needier households were overlooked by the food aid programme (‘exclusion error’).

5.1.1. Consumption of FACT food

Data from both the quantitative monitoring surveys and the qualitative methods (focus group discussions, key Informant interviews and household case studies) reveal that the bulk of food transferred to FACT beneficiaries was consumed at home. Results from the household surveys indicate that beneficiary households consumed more than 90% of the maize and more than 80% of the beans and oil they received from FACT between January and March 2006 [Table 9]. Almost all the remaining food was saved or stored for later use. The FACT food package included 4kg of beans and one litre of oil, as well as 20kg of maize. More maize was consumed than beans and oil, and more beans and oil were 'saved' than maize.

It is interesting to note from Table 9 that the proportion of FACT food consumed fell significantly in March. These trends are even more pronounced across household 'bands', with smaller households ('Band 1') consuming only about 60% of their FACT maize in March and storing the rest.⁵⁸ Presumably this trend continued with the final round of FACT distribution in April, when the new harvest would have further reduced the need for food aid, and much of this food might have been saved or monetised for cash.

That said, we found no cases, in either the qualitative discussions or the household survey data, of beneficiaries selling their food.⁵⁹ There were more reports of beneficiaries sharing their FACT food in the qualitative fieldwork (see below) than in the monitoring surveys. This suggests that targeting was accurate (most beneficiaries needed this food) but that coverage was incomplete (some needy households were not reached directly, but benefited from informal redistribution).

Table 9. Use of FACT food, by month

Food item	Food use	January	February	March	Mean
Maize	Consumed	95.7%	94.9%	81.3%	90.6%
	Shared	2.8%	1.9%	1.0%	1.9%
	Saved	1.0%	3.1%	17.5%	7.2%
Beans	Consumed	90.0%	89.0%	73.6%	84.2%
	Shared	4.2%	4.2%	1.3%	3.2%
	Saved	3.8%	3.8%	24.5%	10.7%
Oil	Consumed	83.7%	87.7%	74.2%	81.9%
	Shared	4.5%	2.1%	0.4%	2.3%
	Saved	11.5%	10.2%	25.4%	15.7%

Note: Differences between January and March are significant at 0.001 level (t-test) for all three uses of all three food items

Most beneficiaries indicated that the food from the FACT programme saved household members from serious hardship, and sometimes from certain death. (*"This organization has kept us alive, some of us would have been buried!"*⁶⁰) Another woman claimed that FACT had literally helped her to gain weight and reverse negative perceptions about her in her home town. (*"Before FACT, I was so thin that when I was walking about around Madisi people used to point at me saying she is HIV-positive, but now they are surprised that I look normal".*)

⁵⁸ See Annex Table 19, which also reveals no significant differences in food utilisation between male- and female-headed households.

⁵⁹ This is one case where respondents might have concealed the truth, fearful that admitting to selling FACT food might disqualify them from future disbursements. However, there is no reason to believe that beneficiaries would have sold their food except in cases of gross mis-targeting, and we found no evidence of very wealthy households being included in the FACT project.

⁶⁰ *"Bungweli linatisungako, enafe akanawunda!"*

In terms of household food security then, the FACT programme went some way toward providing much needed food at a time of severe shortage. In other words, it covered part of households' "missing food entitlements", as the FACT project intended. The food component was said to be crucial because at times there was no maize in local markets, and the 20kg of maize guaranteed that FACT beneficiaries had some food in their home which they could consume as they went in search of more food with FACT cash (as the following section shows).

5.1.2. Sharing of FACT food

Although very low levels of sharing of FACT food were recorded in the household monitoring surveys (possibly because Concern had reportedly discouraged beneficiaries from sharing this food),⁶¹ in the qualitative work with communities most beneficiaries claimed to have informally redistributed small amounts of maize to needy relatives and friends after each monthly FACT distribution. In this qualitative work (involving participatory methods such as proportional piling), anything between 5% and 20% of maize received from FACT (1-2 plates or basins of flour, or else a piece of cooked *nsima*) was given away to others.

Norms of reciprocity and redistribution remain powerful in rural Malawi, despite the increasing economic stresses and processes of rapid social change. (Some gendered differences around sharing behaviour are explored in Chapter 7.) The following statements made by FACT beneficiaries during the fieldwork exemplify this ethos.

- *"I can not refuse my neighbour who is hungry if I have food in my house."*
- *"I share the food with my daughter who has her own household in the village but she does not benefit from any programme."*
- *"I share the food with my three children who are leaving in another Traditional Authority, away from here but in the same district."*
- *"I personally benefited greatly from FACT, since I stopped begging and borrowing from other people. I also assisted a lot of my relatives and friends because of this project."*

In the end of project Internal Evaluation, non-FACT beneficiaries were asked about any benefits they might have received from FACT indirectly. Almost one in four female-headed households (23%) and a significant proportion of male-headed households (13%) reported being given some food by FACT beneficiaries.⁶²

5.2. Use of FACT cash

The FACT project was designed to provide 50% of beneficiary households' food needs over the period January through April 2006; 25% in the form of food and 25% in the form of cash to buy food. Beneficiaries were explicitly told that the cash they received was to enable them to buy the same amount of food as they received in-kind (i.e. 20kg of maize, 4kg of beans, and 1 litre of oil), and the amount of cash transferred was adjusted each month in line with price movements of these three commodities in local markets.

Nonetheless, the cash component of the FACT package was used in more diverse ways than the food items. Figure 6a shows the breakdown of spending of FACT cash transfers into two broad categories of 'food' and 'non-food' items. Spending on food increased between January and February (from 63% to 69%), but fell back sharply in March (to 45%), when more FACT cash was spent on non-food items than staple food. Figure 6b disaggregates non-food spending and shows

⁶¹ According to some respondents, beneficiaries who were found to be sharing their food rations or cash transfers would be construed to be well off, and would be removed from the FACT project. (*"They told us: 'If someone shares he does not need assistance, while the one who receives the assistance needs help – so the card shall be taken from the one and given to the other'."*)

⁶² Brewin and Gondwe (May 2006e), who also report that much smaller numbers of non-beneficiary households were given cash by FACT beneficiaries (7% versus 3%).

that groceries (including milling of maize) dominated each month, but that health and education diverted almost as much cash as groceries in March, as did 'savings' [see also Table 10].⁶³

This spending behaviour can be interpreted in either a positive or a negative way. The positive interpretation is that the cash allowed beneficiaries to meet a range of essential non-food needs, which food aid does not (unless it is sold or bartered, which contradicts the 'consumption smoothing' objective of food transfers). The more critical interpretation is that FACT beneficiaries were 'over-funded', meaning that the food plus cash that they received exceeded their minimum subsistence needs, so that some of the cash could have been reallocated to other equally needy households who were excluded from the project because of Concern's budget constraints. There is no easy answer to this question, though it should be noted that the proportion of FACT cash allocated to non-essential spending was low, especially in January and February (less than 15%), which suggests that 'over-funding' was more of a timing issue (non-essential spending increased in March and probably in April).

Figure 6. Spending of FACT cash transfers on food and non-food items

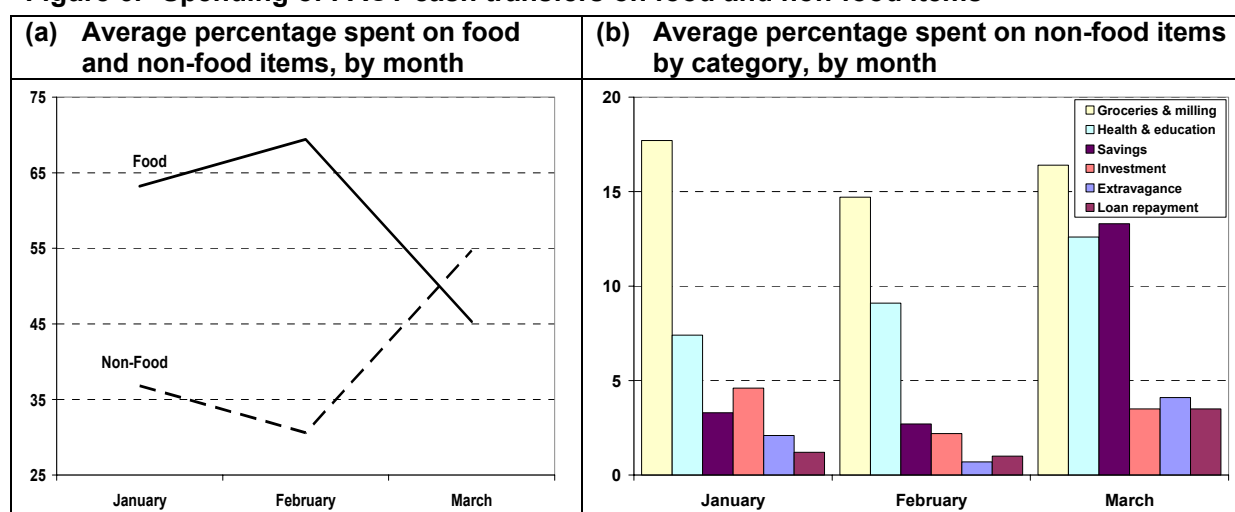


Table 10. Spending of FACT cash

Use of cash	January	February	March	Mean
Food	63.2%	69.4%	45.3%	59.3%
Groceries (including milling)	17.7%	14.7%	16.4%	16.3%
Health and education	7.4%	9.1%	12.6%	9.7%
Savings	3.3%	2.7%	13.3%	6.4%
Investment	4.6%	2.2%	3.5%	3.4%
Extravagant spending	2.1%	0.7%	4.1%	2.3%
Loan repayment	1.2%	1.0%	3.5%	1.9%
Other	1.7%	1.2%	4.8%	2.6%
Non-food (total)	36.8%	30.6%	54.7%	40.7%

Source: FACT PDM surveys (January to March 2006)

⁶³ In the household survey, no respondent admitted to spending any FACT cash on "girlfriends or to take another wife", though this category was included on the questionnaire and was asked directly. This confirms the importance of a 'mixed methodology' approach to fieldwork, since probing in one-to-one interviews and group discussions found clear evidence that several men did spend some of the FACT cash transfers in this way.

The recorded uses of FACT cash transfers can be subdivided into four clusters:

- (1) **Basic needs:** food; groceries (soap, salt, tea, paraffin, etc.); health costs; etc.
- (2) **Investment:** purchasing fertiliser and seed for farming, using the cash as working capital for business; and **asset accumulation** (buying livestock; etc.)
- (3) **'Wasteful' consumption:** frittering money away on tea-shops, alcohol, or 'womanising'.
- (4) **Other expenditure:** repaying debts; social obligations; sharing/helping others, etc.

This section next looks at how cash from the FACT project was actually used by beneficiaries, in each of these four categories.

5.2.1. Basic needs

Findings from both the quantitative surveys and qualitative fieldwork confirm that most FACT beneficiaries spent the bulk of the cash they received on meeting basic needs: staple food first, followed by household groceries, other foods, and essential goods and services, from milling maize to health care. Participants in focus group discussions, as well as key informants and case study interviewees, stated that the package of food they received from FACT (specifically the 20kg bag of maize) was not enough to feed their families through until the next distribution – in fact, it was intended to cover half of their average food gap. As a result, most beneficiaries bought additional maize with some of the cash they received, and spent the remaining cash on other things only after this immediate and urgent need had been addressed. In cases where maize was not available on local markets, beneficiaries bought cassava or cassava flour instead. However, there was little evidence of people choosing cheaper (or 'inferior') foods in order to make the cash transfer go further.⁶⁴ Except in lakeshore communities where cassava is the preferred staple food, beneficiaries purchased maize throughout the FACT project period, at almost any price.

Some of the FACT cash was spent on essential household groceries, such as relish – vegetables or dried fish eaten with maize or cassava porridge (*nsima*) as the main meal throughout Malawi – paraffin, soap, salt, and so on. Respondents pointed out that, even though the food package contained beans for relish, it was not enough and needed to be supplemented with other relish items for variety. Importantly, part of the cash was used to mill the maize that beneficiaries either received directly from FACT or bought with FACT cash. This can be a significant expense – up to 18% of cash spending in some FACT households – and suggests another benefit of providing both cash and food, since recipients of food aid have to meet this cost through other means, including selling part of their food aid.

The major item of FACT cash spending after food and groceries is health care. This took the form of paying hospital bills, buying pills in local grocery stores, or paying traditional healers for a consultation. It is not surprising that health costs took prominence during this time, because people who are faced with hunger normally have lower resistance to disease vectors, and the hungry season in tropical Africa is also a time of increased exposure to water-borne and other communicable diseases.⁶⁵ Health costs paid for with FACT cash transfers ranged from MK 150 to MK 1,200.

Finally, a few beneficiaries also mentioned using some of their FACT money to pay for transport costs. Transport was mostly needed for going to health facilities, or to market places to buy food and carry it home.

⁶⁴ One secondary objective of the FACT project was to encourage greater dietary diversity. It was assumed that beneficiaries would use some of the FACT cash to purchase pulses, vegetables and other non-staples, or that alternatives to maize would be purchased if maize became prohibitively expensive. For instance, if maize cost MK60/kg while cassava cost MK40/kg at the same time, 20kg of maize or 30kg of cassava (i.e. 50% more food) could be purchased for the same cash.

⁶⁵ Chambers, *et al.* (1981).

5.2.2. Investment

Several case studies and focus group discussions revealed that various types of investment were made by many beneficiary households, partly or wholly paid for by FACT. One sector in which substantial investments were made was agriculture. In late 2005, the Government of Malawi procured 147,000 MT of fertilizer and 6,000 MT of maize seed, which it sold at heavily subsidised prices. Smallholder farmers were given vouchers to buy a bag of maize each at a 70% subsidy (MK 950 per 50kg bag instead of the landed cost of MK 2,500-3,500).⁶⁶ Many households used some FACT cash to buy fertiliser and seeds for winter cropping. Those who took advantage of this opportunity claimed that the FACT project had enhanced their food security by allowing them to grow a second crop.

Some farmers even employed others to work in their fields as daily labourers (typically at the daily wage rate of MK5 per metre of land). In fact, an interesting feature that emerged from the final internal evaluation in May (and was also picked up in the external evaluation) is the emergence of FACT beneficiaries as employers. About 15% of the non-FACT beneficiaries interviewed for the final internal evaluation indicated that they had benefited indirectly from FACT by being employed by a FACT beneficiary.⁶⁷ Some of these non-beneficiaries reported being paid in cash by the beneficiaries. Others borrowed cash from beneficiaries and even sold assets to beneficiaries.

Another form of investment was the accumulation of assets. Some households used FACT cash to replenish assets that they had lost earlier, or simply built up these asset holdings for the future. Small stock were particularly popular, and affordable (e.g. goats, chickens). This occurred most frequently after the final FACT distribution in April, when the need to buy food was lowest. Several beneficiaries saved some portion of the cash transfer each month in order to finance the acquisition of a significant asset. Again, critics might conclude that this indicates some degree of 'over-funding' in the amount of cash transferred to these beneficiaries.

Many households invested in education, using FACT money to buy notebooks and pens for their children that were attending school and, in isolated cases supplementing secondary school fees for their sons and daughters. FACT cash also financed the purchase of clothes or uniform for schoolchildren. Without FACT, many children would not have attended school during the food crisis months, either because of hunger or lack of suitable clothes, as two mothers explained:

- *"My children attended school with full stomachs. If they had been hungry, they would have stayed home on some days."*
- *"Children were able to go to school every day because they had enough food every day. Otherwise, they don't go every day because they can't go with empty stomachs. I was also able to wash their clothes for school because I could afford to buy soap."*

Some households used part of their money as working capital or start-up capital for small-scale business, often to good effect, as the following quotation from a case study shows.

"My husband said he wanted to invest some of the money into his fish selling business. I agreed because it meant that he would be able to buy and sell more fish and thus increase our income during February and March. When I received the transfer in March, we still had cash from the investment in his business which had been made with the February transfer."

A final form of investment spending identified during the evaluation was the acquisition of land rights by some households, who rented or bought rights to land for cultivation, using the FACT money. Apart from acquiring access to a valuable piece of land, households were investing in the future food security of their household, because they would be able to increase their food or cash crop production, or even do winter cropping. Most of this use of cash occurred after the last round of FACT, in April, in anticipation of the next farming season.

⁶⁶ Conroy, *et al.* (2006: 6).

⁶⁷ Brewin and Gondwe (May 2006e).

5.2.3. Extravagant spending

One concern often raised about cash transfers, as stated above, is that cash is potentially more subject to misuse than food aid, in terms of being wasted on extravagant items like alcohol and womanising. Although food aid can be sold or exchanged for these items, the evidence suggests that this is less likely.⁶⁸ On the other hand, this critique raises the question of what constitutes 'luxury' or 'extravagant' consumption. If a beneficiary spends some FACT cash on buying shoes, does this mean that the household was given too much cash, or that the beneficiary made an 'incorrect' choice about how to allocate this cash? Or does it mean that the beneficiary decided to accept a degree of food rationing in the short term in order to meet other needs that will be useful for several years? One powerful argument in favour of cash is that it empowers beneficiaries to make their own choices about prioritising and meeting their needs, so project managers and evaluators should arguably not pass judgement on whether beneficiaries made 'rational' or 'morally correct' choices about how they allocated this windfall income.

That said, there are clear cases where cash transfer beneficiaries make spending choices that are not in the best interests of their families – such as squandering the cash on drink while their children go hungry – and in such cases managers and evaluators should raise the alarm and make efforts to address the causes and negative consequences of such behaviour. In the case of FACT, although the food and cash packages were collected by individual men and women, they were intended to benefit the entire household (this is why the cash was adjusted by household size) and the cash was intended to be spent primarily on staple foods (this is why the cash was adjusted monthly, in line with food price movements). A more useful way of assessing the spending choices of beneficiaries than the judgment of outsiders is whether these choices were endorsed by their families and communities.

Chapter 7 examines specific cases of misuse of FACT cash transfers in some detail. These range from 'frittering away' small amounts of cash on soft drinks or tea, to gross abuse such as wasting an entire month's cash allocation in a three-day drinking binge immediately after collecting the money. It is impossible to quantify the extent of this misuse of FACT cash, but it appears to have been limited, and in many cases individual or collective action was taken to minimise the damage to the affected household. Most or all of these abuses were perpetrated by men, and in many cases women reacted strongly, for instance by asking Concern staff or the village headman to insist that their husbands hand over the FACT ration cards to them.

Many explanations are possible for the conclusion that extravagant expenditure using FACT cash transfers was not very common. One is sheer common sense among the beneficiaries, given the gravity of the hunger at that time. As one beneficiary explained: *"These were dark times, times of hardships, nobody could mess around."* Another beneficiary referred to a local saying: *"During a war you have no time to shine your gun!"*⁶⁹ A second explanation is that beneficiaries used their cash responsibly as a result of messages from Concern staff before and after the distributions: *"Do not let this money kill you, do not go to the bars, and do not let it take you to rest houses!"*

5.2.4. Other spending and savings

A number of households mentioned using FACT cash to repay debts, meet social obligations, and provide assistance to others. It should not be forgotten that the hungry season is a time of year when poor rural households incur high-interest debts and are unable to meet their social obligations or assist their struggling relatives. The evidence that FACT allowed beneficiaries to clear their debts and to avoid taking on new debts represents a significant improvement in their well-being. Similarly, comments by some beneficiaries that FACT enabled them to give food or cash to their relatives is another important contribution to rural welfare, both direct and indirect.

⁶⁸ In the jargon of economists, aid beneficiaries have a higher marginal propensity to consume food transfers than to spend cash transfers on food.

⁶⁹ *"Pankhondo sapuputa mufti!"*

Finally, although very few beneficiary households were saving any FACT cash in January and February – which is hardly surprising, as this was the peak of the hungry season – the proportion rose substantially in March (from 3% to 13%), and probably again in April as the food insecurity situation improved. A very important feature of FACT is that the delivery of the food and cash transfers was pre-announced and predictable, which allowed beneficiaries to plan their use of these resource transfers in advance. Being assured of receiving four cash payments in a four-month period, beneficiaries could set aside some money each month and purchase a goat or some land after the final payment in April. Many beneficiaries reportedly did this, and while the final payment might seem like ‘over-funding’, it gave the FACT project an added dimension, facilitating asset accumulation or investment behaviour by households that could potentially generate long-term economic returns. Very few emergency relief interventions have successfully combined ‘livelihood protection’ and ‘livelihood promotion’ outcomes.

5.3. Spending patterns and strategies

So far, our analysis has summarised average spending of FACT cash transfers on different items. A simplistic conclusion from this analysis would be that all beneficiary households spent most of their FACT cash on food, mainly maize, with small proportions of spending going to non-food items. A more sophisticated multivariate analysis is presented here, which summarises patterns of household spending in terms of the combinations of goods and services that different groups of households purchased. Using principal components analysis and cluster analysis, nine clusters of households can be identified in terms of their spending strategies.⁷⁰ Ranking these strategies in terms of the proportion of FACT transfers spent on food reveals that some beneficiaries spent very little on food – or even, in three cases, nothing at all [Table 20]. The nine strategies can be briefly described as follows [see also Figure 7]:

- Strategy 1 – ‘**Food first**’ (341 households =47%): These beneficiaries spent FACT cash almost exclusively on food (84%), followed by groceries and milling costs.
- Strategy 2 – ‘**Food & health**’ (242 households =33%): This is the second most popular strategy, reflecting the fact that many FACT beneficiaries had urgent health costs to meet during the food crisis period, as well as food and grocery needs.
- Strategy 3 – ‘**Food and fertiliser**’ (22 households =3%): These beneficiaries spent just over half their FACT cash on food, and just under half on agricultural inputs.
- Strategy 4 – ‘**Social functions**’ (5 households =0.7%): This is an uncommon strategy, pursued by a few beneficiaries who presumably faced unavoidable social obligations during 2005/06, which the FACT transfers helped them to fulfil.
- Strategy 5 – ‘**Education**’ (19 households =2.6%): These beneficiaries used about half their FACT cash to meet education expenses, an important positive side-effect of FACT.
- Strategy 6 – ‘**Health first**’ (22 households =3%): This strategy differs from Strategy 2 in that the proportions spent on food and health are reversed (59% and 12% in Strategy 2 but 13% and 63% in Strategy 6); so health needs dominated food needs in these cases.
- Strategy 7 – ‘**Saving**’ (65 households =9%): These households put aside a significant amount of their FACT cash (probably more than the 39% recorded here, since data on household spending were not collected after the final FACT distribution in April 2006).
- Strategy 8 – ‘**Farming first**’ (7 households =1%): These FACT beneficiaries spent most of their cash transfers on agricultural inputs, and almost nothing on food.
- Strategy 9 – ‘**Business**’ (3 households =0.4%): Three beneficiaries surveyed invested most of their FACT cash in their small business, and spent nothing at all on food.

⁷⁰ Firstly, a principal components analysis (PCA) was carried out, to reduce the categories to three synthetic variables. Based on these synthetic variables, households were then classified according to their strategies using a cluster analysis (k-means method). The econometric analysis was done for this evaluation by Jose Reyna.

The overall impression that this analysis leaves is that food needs did dominate the spending decisions of FACT beneficiaries, but that they also had a wide range of non-food needs, which the cash transfer enabled them to meet. Only for the first three strategies was food the dominant spending item. For the six remaining strategies (which admittedly were adopted by relatively few households), beneficiaries spent more on something else (education, health, etc.) than on food. In many cases this reflects the flexibility of cash transfers in enabling beneficiaries to meet a range of essential needs apart from food (notably health expenses). However, in the 75 (10%) of households where no more than 5% of FACT cash transfers was spent on food – but instead was saved or invested in farming or business – this suggests inclusion errors in the targeting process, since these households clearly did not need cash to buy food, as the project designers intended.

Figure 7. Spending strategies of FACT beneficiaries

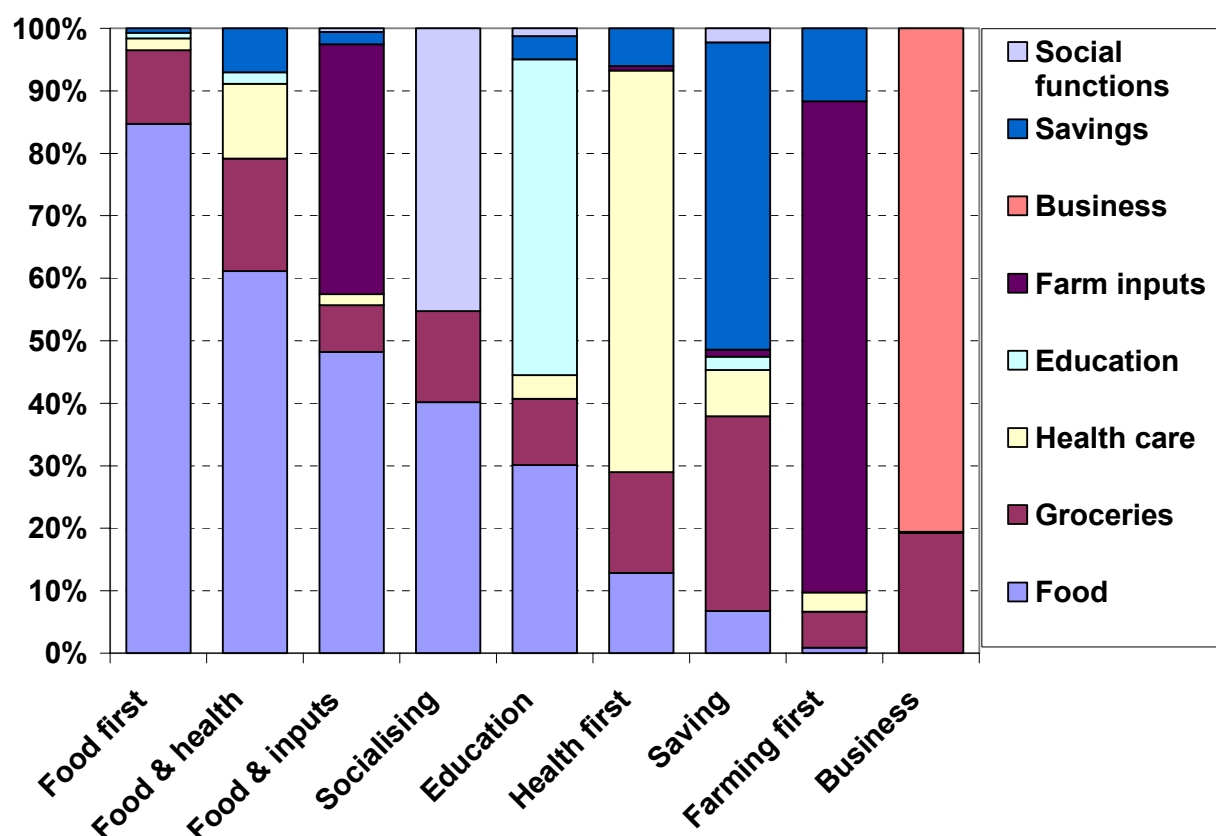


Table 11. Spending strategies of FACT beneficiaries (principal components analysis)

Spending strategy	Food	Food and health	Farm inputs and food	Social functions	Education	Health	Saving	Farm inputs	Small scale business
Number of households	341	242	22	5	19	22	65	7	3
% of households	(47.0%)	(33.3%)	(3.0%)	(0.7%)	(2.6%)	(3.0%)	(9.0%)	(1.0%)	(0.4%)
Mean % of cash spent on:									
Food	84.4%	59.2%	55.1%	47.9%	29.1%	12.6%	5.4%	0.8%	-
Milling and groceries	11.7%	17.4%	8.5%	17.4%	10.2%	15.8%	24.9%	5.0%	18.1%
Medicine or health care	1.9%	11.6%	2.0%	-	3.7%	63.1%	5.9%	2.7%	-
Education/ school fees	0.9%	1.8%	-	-	48.8%	-	1.7%	-	-
Buying agricultural inputs	-	-	45.7%	-	-	0.7%	0.9%	68.8%	0.2%
Investment in business	-	-	-	-	-	-	-	-	75.8%
Savings	0.7%	6.8%	2.2%	-	3.6%	5.9%	39.3%	10.2%	-
Social functions	-	-	0.7%	54.0%	1.2%	-	1.8%	-	-
Transport	0.4%	0.9%	-	4.3%	-	1.2%	1.2%	2.7%	-
Loan repayment	-	3.3%	-	-	2.9%	2.8%	4.7%	5.4%	-
Clothes	-	1.2%	0.7%	-	3.8%	1.3%	7.1%	-	-
Lending	-	-	-	-	-	0.6%	-	3.6%	-
Livestock	-	-	-	-	-	-	2.2%	-	-
Paraffin/ firewood/ fuel	0.7%	1.2%	-	-	0.4%	-	1.3%	0.2%	-
Household items	-	-	-	-	0.7%	-	0.9%	-	5.9%

Note: Since the numbers refer to the mean of the percentages, totals can add up to more than 100%.

CHAPTER 6. IMPACTS ON FOOD SECURITY AND LIVELIHOODS

This chapter examines the wellbeing outcomes of FACT food and cash transfers, in terms of the measurable impacts of consumption and spending choices on household food security and livelihood outcomes. There is also a brief discussion of FACT's impact on markets.

6.1. Food consumption

Two indicators of household food security that were monitored by Concern are discussed here: meals per day, and dietary diversity.

6.1.1. Meals per day

A widely recognised measure of food security status is the number of meals eaten per day by various households at different times. In the FACT monitoring surveys, all households were asked how many meals both adults and children were eating per day, each month.

In the pre-project period, rationing had already started in most households interviewed for the Food Security Assessment in November and the Baseline Survey in December, but both adults and children in non-beneficiary households were eating significantly more meals per day than adults and children who would later be FACT beneficiaries, suggesting that FACT was well targeted on 'hungry' households. Between November and December the average meals per day fell for all groups, but remained significantly higher for non-beneficiaries. As soon as the FACT project started, however, consumption patterns across households diverged quite dramatically. While meals per day in non-beneficiary households continued to fall alarmingly – more than halving, from 1.66 to 0.77, between November and February – FACT beneficiaries stabilised at approximately 1.2 meals per day in December and January, fell slightly (but not significantly) in February, and rose sharply in March and again, though less sharply, in April. By March 2006 meals per day in beneficiary households exceeded consumption levels in November 2005, whereas non-beneficiary households only returned to their November levels in April 2006. This rise in March was mirrored by non-beneficiary households, though not to quite the same extent. Only in April 2006 did non-beneficiaries narrow the gap with FACT beneficiaries, though they continued to eat fewer meals per day than FACT beneficiaries, having started the hungry season eating more.

This evidence shows convincingly that FACT transfers protected food consumption in beneficiary households against the rationing and hunger that non-beneficiary households had to endure in early 2006 – even though the non-beneficiary households started off the hungry season with better food consumption status than beneficiary households. The injection of food and cash into beneficiary households protected them against the consequences of crop production failure and food price seasonality, while non-beneficiary households were exposed to the fullest extent.

Meals per day were lower in female-headed households than male-headed households, for both beneficiaries and non-beneficiaries, in every month. The average gender consumption gap was 8% for beneficiaries and 12% for non-beneficiaries. Though this gap was not statistically significant for any single month (mainly because of the relatively small number of female-headed households), in aggregate over the six months male-headed households ate significantly more meals per day.

Within households, adults in all categories consumed fewer meals per day in every month than their children. The difference is consistent across all household categories and all months: adults consumed on average 13% fewer meals than children. This finding is familiar from studies of famine coping strategies around the world: when food is short, parents protect the consumption of their children.

Figure 8. Meals per day for adults (mean by household type and month)

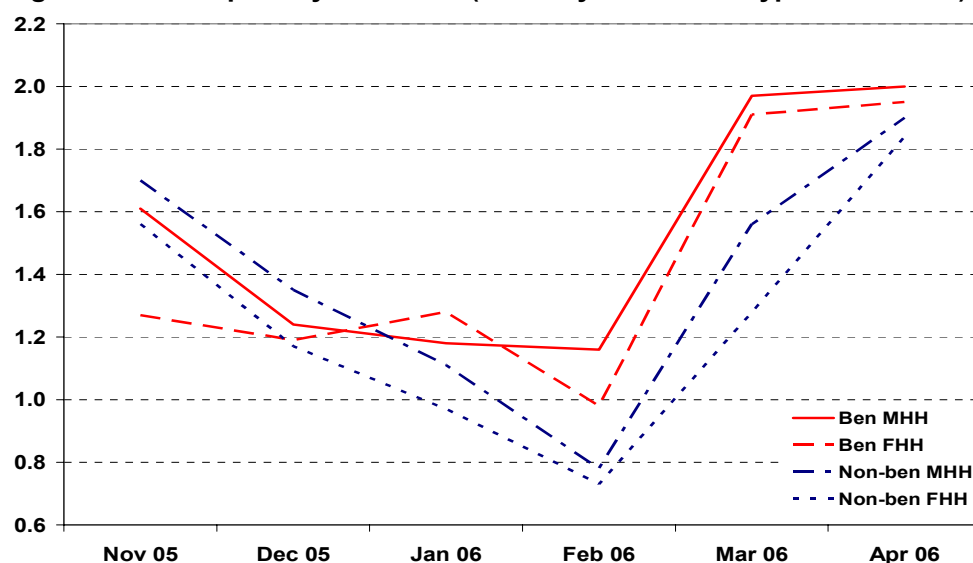


Table 12. Meals per day for adults (mean by household type and month)

Households	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06
Male-headed beneficiaries	1.61	1.24	1.18	1.16	1.97	2.00
Female-headed beneficiaries	1.27	1.19	1.28	0.98	1.91	1.95
Male-headed non-beneficiaries	1.70	1.35	1.11	0.78	1.56	1.90
Female-headed non-beneficiaries	1.56	1.17	0.97	0.73	1.28	1.84

Differences in average meals per day between beneficiary and non-beneficiary households were not statistically significant in the pre-project months of November and December 2005, when non-beneficiaries consumed marginally more than beneficiaries. After the FACT project started, however, beneficiaries consumed more meals per day, and this difference was significant (at the 5% level) in January 2006, and even more significant (at the 0.1% level) in February, March and April [see Annex Table 24].

6.1.2. Dietary Diversity Scores

A second indicator of food security status is dietary diversity. The number of food items or food groups eaten in a day has been demonstrated to be a simple but robust indicator of household well-being – wealthier people typically consume more diversified diets than the poor.⁷¹ Although there are no universal cut-offs or absolute thresholds for dietary diversity, studies from other countries have concluded that consuming less than four food groups per day, on average, constitutes “low or very low dietary diversity”,⁷² and is likely to be associated with high rates of poverty and malnutrition. It is striking, therefore, that the highest average Dietary Diversity Score recorded in the various FACT surveys is only 3.39 (among male-headed beneficiary households in April), while the lowest is just 1.45 (among female-headed non-beneficiary households in February). This corresponds with other information and intuition about likely differences over time and across households. Female-headed households are generally worse off than male-headed

⁷¹ According to Hoddinott and Yisehac Yohannes (2002: iii), “a 1 percent increase in dietary diversity is associated with a 1 percent increase in per capita consumption”, so higher dietary diversity is also associated with higher levels of household food security.

⁷² World Food Programme (2005).

households, February was the worst month and April the best month, in terms of household food security, and FACT beneficiaries were better insulated against hunger than non-beneficiaries.

Figure 9 reveals that dietary diversity over time and across different types of households follow similar trends to meals per day. All households started the monitoring period (in late 2005) with very low and very similar Dietary Diversity Scores, which had probably been falling for several months beforehand. These scores continued to fall through the hungry season months of January and February, but started to reverse in March as the harvest season started – which provided pulses and vegetables as well as staple cereals and root crops, so that total food consumption as well as dietary diversity improved at the same time. By April 2006 most households in the FACT monitoring survey had Dietary Diversity Scores above 3 (i.e. they were consuming on average three distinct food groups each day), having started the hungry season at approximately 2, and in some cases falling to around 1.5 in February.

There is a clear distinction between beneficiary and non-beneficiary households in this evolution of Dietary Diversity Scores, which were consistently higher for FACT beneficiary households throughout the monitoring period. Importantly, although female-headed households are worse off on many food security indicators in normal times, female-headed FACT beneficiary households enjoyed higher dietary diversity throughout the crisis period than male-headed non-beneficiary households. One obvious explanation for this is that FACT itself delivered 3 food groups in its food package – cereals (maize), pulses (beans) and fat (oil) – which protected dietary diversity as well as total food consumption. A second reason is that the cash transfer from FACT allowed beneficiaries to purchase complementary foods – vegetables, fish, meat, and so on – which other households that were cash constrained could not afford. This is an important benefit of providing both food and cash transfers, rather than one or the other.

Figure 9. Dietary Diversity Score (mean by household type and month)

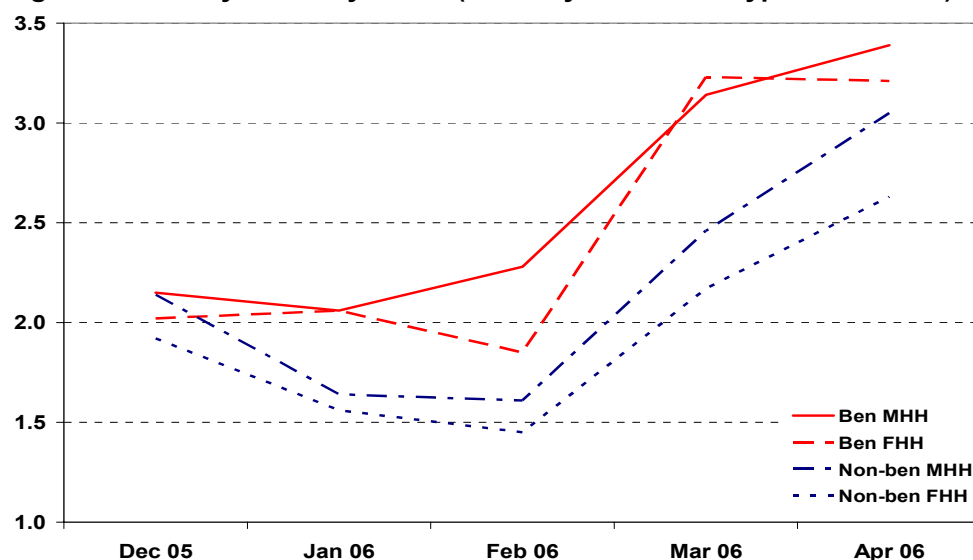


Table 13. Dietary Diversity Score (mean by household type and month)

Households	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06	Mean
Male-headed beneficiaries	2.15	2.06	2.28	3.14	3.39	2.60
Female-headed beneficiaries	2.02	2.06	1.85	3.23	3.21	2.47
Male-headed non-beneficiaries	2.14	1.64	1.61	2.46	3.05	2.18
Female-headed non-beneficiaries	1.92	1.56	1.45	2.17	2.63	1.95
Average (mean)	2.10	1.84	1.90	2.78	3.16	2.36

6.2. Coping strategies

Two indicators of household livelihood stress during the 2005/06 food crisis that were monitored by Concern are reported here: the 'Coping Strategy Index' (CSI), and borrowing behaviour.

6.2.1. Coping Strategy Index

An important objective of the FACT project was to smooth household food consumption and protect household assets, at a time when Malawians affected by poor harvests in 2005 were resorting to increasingly severe and irreversible coping strategies to survive. One measure of food insecurity that captures these behavioural responses is the Coping Strategy Index (CSI), which aggregates the weighted frequency of adoption of several coping strategies into a single score for each household [see Annex 5]. These strategies include: **food consumption rationing** (reducing portions, skipping meals, or going entire days without food), **dietary adjustments** (relying on cheaper and less preferred food staples, gathering wild foods or hunting), **borrowing or begging** (either food or cash to buy food), **demographic adjustments** (sending household members to eat elsewhere), and **harvesting immature crops**.

Figure 10 summarises the average (mean) scores for male- and female-headed beneficiary and non-beneficiary households, for the six months between November 2005 and April 2006. In the pre-project period there is no significant difference between the four household categories, in terms of coping strategies adopted. All categories started at roughly the same level in November 2005 (CSI ± 50), and all four registered significantly higher CSI scores in December 2005 (CSI > 60), as the hungry season started. After the FACT project was introduced, however, significant divergences can be observed, especially between beneficiary and non-beneficiary households. For female-headed non-beneficiary households, the CSI remained consistently high throughout the hungry season months of January through March, only falling back to pre-hungry season levels in April, when the harvest was imminent. In fact, CSI scores for this category are higher than for any other group in every month of the survey from January through April 2006, suggesting that this group was highly vulnerable and resorting to numerous and severe coping strategies. This finding reinforces other evidence presented in this report, confirming that most female-headed households in rural Malawi were in need of assistance in 2005/06 and that this group was under-targeted by the FACT project.

For FACT beneficiary households, on the other hand, the project period was associated with a dramatic drop in their CSI scores, suggesting that the receipt of food and cash transfers allowed them to avoid resorting to the strategies usually adopt to survive the hungry season or food crises. The gap between beneficiary and non-beneficiary CSI scores widened after each FACT distribution, as beneficiary scores fell from month to month, suggesting a cumulative beneficial impact of FACT. By the time of the final Internal Evaluation survey in April 2006, the gap in CSI scores between the four household categories was narrowing as non-beneficiaries dropped some coping strategies with green maize becoming available in their fields, but beneficiary households still recorded significantly lower scores than non-beneficiaries.

In summary, non-beneficiaries adopted significantly more coping strategies than beneficiary households between January and April 2006. This analysis provides convincing evidence that the FACT project successfully protected household food consumption and assets during the severe hungry season of early 2006.

Figure 10. Coping Strategy Index (mean by household type and month)

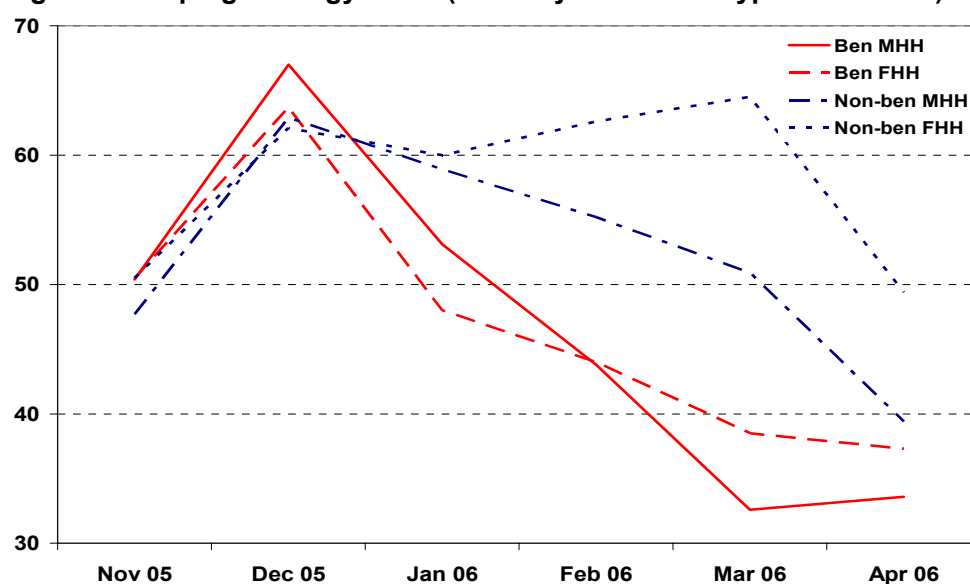


Table 14. Coping Strategy Index (mean by household type and month)

Households	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06
Male-headed beneficiaries	50.4	67.0	53.1	43.8	32.6	33.6
Female-headed beneficiaries	50.5	63.7	48.0	44.0	38.5	37.3
Male-headed non-beneficiaries	47.7	62.9	58.9	55.2	50.9	39.4
Female-headed non-beneficiaries	50.5	62.1	60.0	62.6	64.5	49.4

Differences in the Coping Strategy Index score between FACT beneficiary and non-beneficiary households were highly statistically significant (at the 0.1% level) in every month of the FACT project period (January through April 2006). Before FACT started, there was no statistically significant difference between the two groups of households in November 2005, and a mildly significant difference (at the 5% level) in December – but in the opposite direction: beneficiaries had higher CSI scores than non-beneficiaries in the pre-project period [see Annex Table 25].

6.2.2. Borrowing money

Since borrowing to buy food is well known to be an important coping strategy in times of food shortage, households that were interviewed for the FACT monitoring surveys were asked: “*During the last month, did you or any member of your household borrow money?*” Throughout the hungry season, the proportion of households increased steadily, only levelling off in April 2006 with the arrival of the new harvest. Most of these loans were informal (taken from moneylenders rather than banks, often at extortionate rates of interest), and most loans were taken for consumption purposes – to buy food during the hungry season.

Once again, the survey data reveal interesting differences between FACT beneficiaries and non-beneficiaries. Male-headed non-beneficiary households borrowed most, followed by male-headed beneficiary households. Female-headed beneficiary households borrowed least of all. Female-headed households often face constrained access to credit – and being poorer they may be more reluctant to take on debt – so this may explain the gendered differences in borrowing behaviour. But the differences between beneficiary and non-beneficiary households probably also indicate that FACT beneficiaries had less need to borrow money to buy food, because the food

transfers they received from FACT reduced their need to buy food, while the cash transfers from FACT increased their purchasing power. This suggests that FACT cash transfers substituted for consumption loans and protected many poor households against having to take on damaging levels of debt – an important positive side-effect.

Figure 11. Percentage of households borrowing (by household type and month)

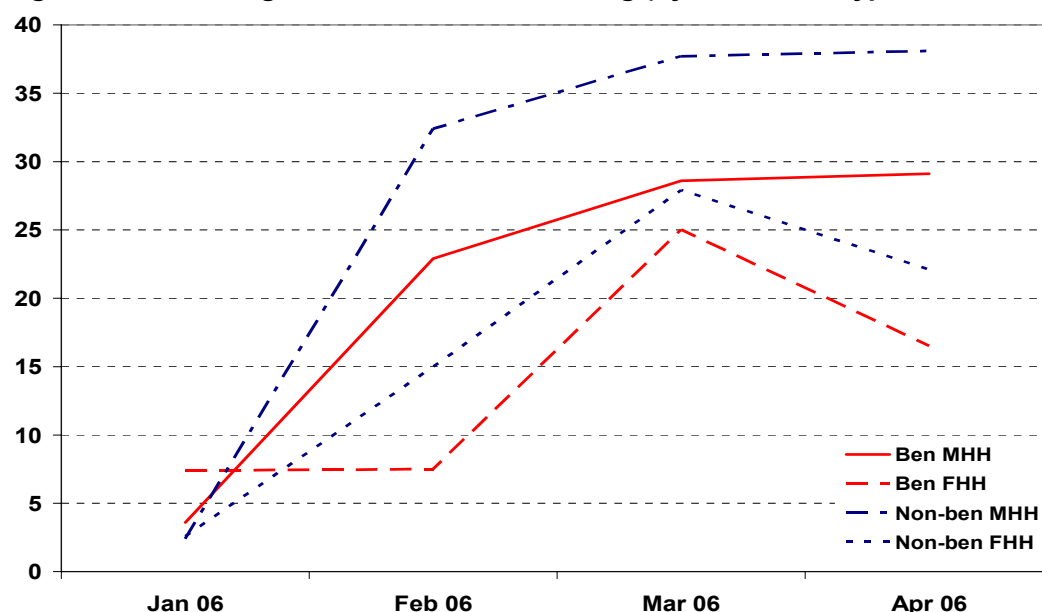


Table 15. Percentage of households borrowing (by household type and month)

Households	Jan 06	Feb 06	Mar 06	Apr 06	Mean
Male-headed beneficiaries	3.6%	22.9%	28.6%	29.1%	21.1%
Female-headed beneficiaries	7.4%	7.5%	25.0%	16.5%	14.1%
Male-headed non-beneficiaries	2.4%	32.4%	37.7%	38.1%	27.7%
Female-headed non-beneficiaries	2.6%	15.0%	27.9%	22.1%	16.9%

6.3. Impacts on food markets

The debate about the impact of cash transfers on markets is double-edged. On the one hand, cash transfers are expected to improve the functioning of markets, especially in contexts where markets are weak, by sending signals of increased purchasing power to traders who will respond by bringing in more supplies to address the incremental demand. In this way, markets that are fragmented should become more integrated, equilibrating supply and demand and reducing price differentials to just the transport costs involved in moving commodities between markets. One important implication is that food price seasonality should be reduced over time. On the other hand, sceptics fear that injecting substantial cash transfers into weak local economies could have inflationary effects, especially in times of crisis when food supplies are scarce and market prices are already high.

This evaluation found no evidence that the FACT project had any impact on commodity prices, at either the local or the regional level. Respondents explained that food prices in local markets were already at abnormally high levels before the project started, and they continued to rise after FACT was introduced. Reported maize prices in Central Region peaked in March 2006 at above

MK 50/kg [see Annex Table 23], but in several markets in southern Malawi prices were even higher, and southern Malawi registered the most dramatic and rapid increases (often more than 40% from one month to the next). By January 2006, maize prices were already exceeding the MVAC 'scenario 2' forecasts in every 'livelihood zone' of the country,⁷³ despite the fact that extensive distributions of food aid were underway in southern Malawi at the time, where the FACT project was not operational.

In the context of the emergency response, the FACT project was extremely small. With 5.1 million Malawians at risk and national 'missing food entitlements' estimated at 336,500 MT in 2005/06,⁷⁴ a project that transferred enough cash to enable approximately 5,000 households (0.1% of those at risk) to purchase about 400 Mt of maize (0.12% of the cereal gap) must have had a negligible impact on either the number of people affected or the demand for food from the market.⁷⁵ (This point relates to the issue of 'under-coverage' of the FACT project, as discussed in the chapter on targeting.) Also as noted above, the FACT project did not operate in isolation, but complemented interventions that were already underway in Central Region, not only in districts and TAs where Concern was not operational, but even in the same communities. In many communities, FACT provided support to a few additional households that had been overlooked by the Red Cross and other agencies, meaning that FACT injected some cash and food aid into communities where significant volumes of food were already being distributed.

So a cash transfer project that reached just 5,050 households in 3 districts of 1 region for just 4 months cannot be blamed for fuelling the very high food prices that prevailed throughout rural Malawi in early 2006. These 'scarcity prices' reflected failures of market supplies, not artificially stimulated demand. Instead, the paradox that needs to be properly explained is why maize prices were so consistently high across most of the country, despite the large and generally effective national food distribution programme that dominated the emergency response.⁷⁶

If no negative impacts of FACT on markets can be demonstrated, the converse is also true – no positive effects on trade can be shown either. Beneficiaries reported no increase in the number of traders or the volume of food and commodities traded in local markets during the crisis period, even after FACT cash transfers were delivered. In a few cases, local women brought cooked food to FACT distribution points to sell to beneficiaries queuing for their food and cash, but no traders selling food or second-hand clothes or any other commodities were observed. This is consistent with the empirical literature on markets and famines, which has shown that traders are unlikely to re-orient their marketing routes to supply small, disjointed rural communities with limited amounts of food and other commodities for a short time during a food crisis. Over a more extended period, regular payment of cash transfers might have such an impact – this has been seen in countries such as South Africa and Namibia, where the delivery of social pensions to older people in rural communities every month has resulted in traders coming to remote pension pay-points, and even the establishment of grocery stores and the provision of credit to pensioners.

6.4. Impacts on rural labour markets

Apart from the direct impacts discussed above, the FACT project also created several indirect benefits, for both beneficiaries and non-beneficiaries. A significant set of impacts was on rural labour markets. Every year when the farming season starts, rural households whose granaries are empty or running low look for casual work (*ganyu*) to earn food or cash wages to buy food. This can cause an excess supply of labour, especially in bad years when the number of people

⁷³ "All the thirteen zones show that local market maize prices reached beyond scenario two of the MVAC analysis in February" (FEWSNET, February 2006: 3).

⁷⁴ FEWSNET (December 2005: 1).

⁷⁵ FACT cash transfers were intended to allow 5,050 households to purchase 20kg of maize each month for 4 months: $5,050 \times 20/1,000 \times 4 = 404$ MT).

⁷⁶ Earlier in the crisis period, FEWSNET reported: "The relief operation has not significantly affected the local market maize prices, as is normally the case, due to the high maize cost and inadequacy of the food aid interventions" (FEWSNET August 2005: 1).

looking for work increases and the number of employers offering work declines. This over-supply of labour also results in falling real wage rates, at a time when maize prices are rising rapidly.⁷⁷

FACT beneficiaries managed to avoid the difficult and often fruitless search for work during the early months of 2006. Instead, they ate their FACT food rations and used their FACT cash to buy food and other basic items. The time they saved on job-seeking and doing *ganyu* was freed up for work on their farms. In other years, *ganyu* might have diverted their time and energy from tending their own fields – especially in female-headed and other labour-constrained households – thereby contributing to lower harvests and a vicious cycle of food insecurity.

- *“I did not have to do ganyu, so I could concentrate on my own fields – I did not have to neglect them.”*
- *“It had an impact on agriculture because we didn’t have to chase ganyu, but could work on our own fields, because we had the food and money from FACT.”*
- *“We could concentrate on our own fields instead of looking for ganyu for food and neglecting our own fields. Instead, we did a bit of ganyu to get fertiliser and not food as we normally do. We worked for an Alinafe beneficiary who had received fertiliser as part of his ration and could pay us with fertiliser.”*

In several communities, non-beneficiary households told us that the FACT project had assisted them indirectly by freeing up work places on nearby farms and estates. Instead of competing against each other for limited *ganyu* opportunities, FACT beneficiaries withdrew from the labour market, making it easier for non-beneficiaries to find work. However, there is no evidence that the FACT project – or even the much larger food aid programme – was on a sufficiently large scale to cause an under-supply of labour, in which case wage rates might have risen.

Another indirect benefit of FACT is that it freed up time for parents and carers to fulfil their caring responsibilities towards their own children and orphans in their care, older relatives and ill family members. Women in particular were relieved that they did not have to travel long distances in search of work (many people migrate for work and spend days or even weeks away from home during the hungry season), but could stay home and look after their families. FACT contributed to improved physical safety for these women, who face real dangers when they are forced to travel far from home alone. One woman from Dowa, a non-FACT beneficiary who was doing *ganyu* far from home when we interviewed her, expressed how traumatic it was to leave her children behind to go in search of food. *“Eee! I am eating here but my children back home have nothing to eat and nobody to look after them.”* In a sense it was more painful that her employer was paying her with food. FACT beneficiaries were able to avoid having to make these difficult choices.

⁷⁷ FEWSNET (February 2006: 1).

CHAPTER 7. SOCIAL IMPACTS

Previous chapters have considered the use of FACT food and cash transfers by beneficiaries, and the economic impacts of those transfers on livelihoods and markets. This chapter shifts the focus to the social impacts of FACT transfers, in terms of both intra-household issues and intra-community issues.

7.1. Intra-household issues

As described in the chapter on targeting, FACT food and cash transfers were intended to provide support to households with specific vulnerability characteristics, or containing certain kinds of individuals (e.g. orphans, older people, the chronically ill and other vulnerable groups, or female-headed households). In this section, we consider two inter-related questions: (1) How did women and men distribute the FACT transfers within their households? (2) What was the impact of FACT on gender relations within the household?

One debate which is central to issues of both targeting and social impacts, is whether transfers of food or cash should be targeted at women rather than men. It is widely maintained that resources that are controlled by women usually lead to better outcomes for children's wellbeing and household food security.⁷⁸ On the other hand, the so-called "booze and cigarettes" argument simplistically suggests that, while women tend to spend altruistically, men often spend selfishly on personal items such as alcohol and cigarettes, which do not benefit the household at all.⁷⁹ In Bangladesh, microcredit only led to large nutritional impacts on both sons and daughters when women, not men, received loans.⁸⁰ Similarly, girls' education (rather than only boys') increased when women were the beneficiaries of microcredit. Men, on the other hand, tended to spend more on leisure activities when they received a loan. We were therefore interested to ascertain the extent to which the use of money was similarly gendered among FACT beneficiaries.

Although FACT transfers were allocated to households rather than individuals, the food and cash were collected by individual household members – usually, but not always, the household head. Before looking more closely at the specific differences between female and male 'beneficiaries', we can make a general observation regarding how the transfer (food and cash) was used was used by female and male beneficiaries. Women tended to share *food* more frequently than men did while men were more likely to either give or lend small sums of *money* to other men. This is evident from statements made by men [Box 3] and women [Box 4] during the qualitative fieldwork for this evaluation. As a general rule, in many FACT households it seems that FACT food rations were under the control of women (even in male-headed households), but FACT cash transfers were usually under the control of men (if men were present).

Box 3. Men's responses regarding sharing or lending money

- "I helped one man with MK50, and the next month, I helped another man with MK150. They don't have to repay me: I was helping them."
- "I helped three men with MK100 each every month because I knew they had money and food problems. They don't have to repay me because I know they are poor and won't have enough maize to sell to repay me."
- "I helped one man with MK200 every month. He is supposed to repay me when he has money."
- "I gave my neighbour MK100 in February. He will repay me when he sells his maize."

⁷⁸ Strauss and Thomas (1995); Quisumbing and Maluccio (1999); Maluccio and Flores (2004).

⁷⁹ Whitehead and Kabeer (2001: 18).

⁸⁰ Sharma (2004).

Box 4. Women's responses regarding sharing of food

- *"I decided what to do with the food. When it comes to food, the decisions are mine. But I informed my husband about what I was doing. I shared with 2 relatives. I gave each of them 5kg of maize and a small amount of beans and a cup of oil."*
- *"I shared a bowl of beans and a cup of oil to 4 households each month that I received the ration."*
- *"Every time I got the maize, I processed it and gave a plate each to 3 households who were my relatives."*
- *"Non-beneficiaries also asked beneficiaries for beans and oil. I received 4kg of beans and gave 1kg away to 4 different households every month."*
- *"When I received the January ration, some relatives came to ask me for some food. I gave them 10kg of maize."*
- *"I decided to give some food to 4 other households. Three are my daughters who are married but living somewhere else. The other household was a neighbour of mine. I gave each of them a plate of maize flour and a cup of beans each month."*
- *"Every month, I gave 2 plates of processed maize, a cup of oil and a cup of beans to my two married children: my son lives locally and my daughter lives close by."*
- *"Every month, I shared it out with 3 other households: two are my children and the other was my mother who lives in a different village. I gave them a plate each, a small plate of beans, and some cooking oil."*
- *"Each month, I shared food with two friends: I gave them a plate of maize flour and some beans. Both of them had food shortages and many children, so they were very grateful."*

Part of the explanation may lie in the gender division of spheres of responsibility. In rural Malawi, while men have 'traditionally' had decision-making power over most household aspects in their role as household heads, women control issues related to the kitchen and food.⁸¹ An evaluation of the safety nets pilot project in Dedza, Malawi, similarly found that women controlled the in-kind transfers because *"it is they who do the cooking, they have an upper hand in controlling the maize flour"*.⁸²

In the following section, we confine ourselves to a discussion of the way in which the money was used differently by male and female beneficiaries.

7.1.1. Male beneficiaries

As noted in chapter 5, it is important to note that the majority of male beneficiaries reported that they had mainly used FACT money to buy additional food and other household items such as paraffin and salt. There were also instances of men behaving in ways which contrasted sharply with the "men as irresponsible" generalisation. A government worker who was involved in the implementation of FACT told us:

"There was a certain man in one of the villages who went to receive his ration in January. His family had run out of food in November already. Although he and his wife were doing ganyu, they did not have enough money to pay their eldest child's school fees. As a result, the child was about to be kicked out of school. When he collected his ration, he sent his wife home with the foodstuffs. He immediately got onto a bus and went to his child's school to pay the outstanding school fees and even buy some school materials. Because of FACT and the man having the right priorities, the child has been able to carry on her schooling."

It is important that such counter-factual stories are recorded as it is easy to focus on, and make generalisations about, the sensational accounts of the 'irresponsible spending' of men. On the other hand, there is clearly overwhelming evidence from different contexts regarding women's

⁸¹ Malusi (2004).

⁸² Levy, et al. (2002: 34).

‘responsible spending’. A study from South Africa suggests that pensions received by women, but not by men, had a large impact on the anthropometric status of girl children.⁸³ Numerous studies from South Asia have indicated that, in general, the impact of women’s education and resource control on children’s (often particularly girls’) welfare is often much more significant than men’s.⁸⁴ In West Africa, increased household income, when it is earned by the mother, is more likely to promote girls’ enrolment and achievement.⁸⁵

In the villages in which we carried out research, there were similar reports of men who did not use their FACT rations for the benefit of their households.

*“There was a man who was registered as a beneficiary in the village. But he had two wives, with the second wife living in another village which wasn’t part of FACT. After the January distribution, he never even went home [to the first wife]. He went with the entire ration to the second wife in the other village. He stayed away for a week, and only returned when everything was gone. His first wife and the children stayed in the village without food and money. In the meantime, the first wife reported it all to the headman. Together, they decided to gang up against the man. When he returned, the headman ordered him to give his ration card to his wife before the February distribution. For the last three distributions, she was the official beneficiary.”*⁸⁶

Although the man in this example did not exactly misuse the ration, it does serve to highlight an issue which can easily be overlooked in the conceptualisation of a project like FACT – namely that of culture. For example, in a context where polygamy is practised, it is necessary to understand how the concept ‘household’ is locally understood and used, the responsibilities that a husband has to his different wives, and the norms and practices around wider inter-family networks and resource sharing. Thus, for argument’s sake, according to local traditions, the man in question might have had an equal responsibility to this second wife, even if he was not living with her. He might have been planning to give the second wife the first ration, the first wife the second ration, and so on, over the four-month period. More generally, projects such as FACT should therefore be sensitive to the local socio-cultural context, in order to anticipate the potential interaction between the intervention and the community norms.

7.1.2. Female beneficiaries

As already noted, many FACT beneficiaries were female-headed households, but there were also many cases where women in male-headed households were registered for FACT. With respect to female beneficiaries, we were specifically interested in two main questions: (1) Who actually kept the money? (2) Who made decisions regarding how the cash was used? Given the dominant cultural perception of men as the main household decision-makers, we were somewhat surprised to discover that, although most women did hand over their money to their husbands, a significant proportion actually kept the money themselves.

Women who handed their money to their husbands

Most women regarded their husbands as the head to the household and believed that it was therefore appropriate that he should keep the FACT money. The evaluation of the Dedza safety nets pilot project found that some women who received money gave between MK60 and MK250 to their husbands before spending the rest on household needs.⁸⁷ They said they did this of their own accord. Among the Grameen Bank’s female borrowers in Bangladesh, one study found that only 37% of female borrowers fully exercised control over loan use.⁸⁸ Another study indicated that

⁸³ Duflo (2000).

⁸⁴ Marcus and Harper (1997); Kabeer (1998); Weir (2000).

⁸⁵ Glick and Sahn (2000).

⁸⁶ We shall return to this example again in the section on women who kept the FACT money.

⁸⁷ Levy, *et al.* (2002).

⁸⁸ Goetz and Sen Gupta (1996).

only 3% of 150 women borrowers surveyed used the money on their own; the other 146 women gave the money to their husbands or other male relatives.⁸⁹

Among the female beneficiaries of FACT who gave their money to their husbands to keep, these men often decided on their own how to use the cash.

"I bought some clothes for myself – a pair of trousers and shoes. Together, they cost MK 1,800. I didn't have to ask my wife for permission since she gave me the money to keep. I am in charge of the household, so I have to make the decisions. Usually, I never ask my wife for permission to spend money. She trusts me. When she needs anything, she asks me and I give it to her."

Another man told us: *"I decided to buy a goat with the money from the April distribution. Since I was the one keeping the money, I just informed her of my intention to buy the goat."* In other households, although it was the men who actually kept the money, there were intra-household negotiations regarding how the money was spent. In the Post-Distribution Monitoring Reports, male recipients of FACT cash transfers reported consulting their spouse in over half of all cases, and making spending decisions on their own (without consultation) in 20-40% of cases.⁹⁰

However, it seems that the general tendency was for *men* rather than *women* to propose (or, in effect, decide) how the money was to be used. For example, one woman told us that she had used MK 1,000 from the April distribution to buy fertilizer. On further probing, we were told that her husband had suggested this and she had agreed because she knew that it would increase their maize production. The real extent and equality of participation between women and men was not always clear: were women really ever able to veto men's proposals or were they merely informed about decisions that their husbands had already taken? It is likely that household decision-making processes mask the struggles and conflicts between husbands and wives. The Dedza safety nets evaluation also noted that, although women reported that "they were part of the consultations when it came to deciding what would be bought", an in-depth study was needed to make definitive statements.⁹¹ We would concur with the need for in-depth research in FACT villages to fully appreciate the processes and implications of intra-household decision-making.

In other cases, women seemed to make calculated decisions which clearly considered the best interests of the whole household. Thus, we had examples like the woman whose husband used part of the FACT money to invest in his business.

"I received the transfer for the household. I handed the money to my husband because he is in charge of the household. In February, my husband said he wanted to invest some of the money into his fish selling business. He orders fish from the lake and sells it locally around here. I agreed because it meant that he would be able to buy and sell more fish and thus increase our household income during February and March. When I received the transfer in March, we still had money from everything that he earned as a result of the extra investment in his business. In March, we were able to buy much more food and even school uniforms and books as a result; even more than we would have been able to buy if we only used the February and March transfers."

Some might argue that this is a demonstration of men's appropriation of women's resources.⁹² As has been noted in the context of women's microfinance: "In some male-dominated societies, men may use the agency of the woman to gain access to microfinance funds, diminishing women's role to being mere conduits of cash."⁹³

⁸⁹ Khandker (1998).

⁹⁰ Brewin and Gondwe (2006b, 2006c); Brewin (2006d).

⁹¹ Levy, *et al.* (2002: 34).

⁹² See, for instance, Goetz and Sen Gupta (1996).

⁹³ Sharma (2004).

An alternative interpretation might be that women like this were behaving in strategic ways, regarding their contribution to their husbands' businesses as investments: for themselves, their children and as a way of spreading financial risk. If a husband's business does well, the entire household stands to benefit. In the context of rural Malawi, then, women's livelihood strategies might sometimes include "investing in the family", including in their husbands' businesses. This explanation has some resonance with the view which contends that women are under more social pressure than men to subordinate their basic needs to those of other family members, resulting in displays of "maternal altruism".⁹⁴

However, there were instances when women did sometimes suggest how the money might be spent. Unlike the situations above where the man suggested how the money be used, discussions involving women taking the lead appear to have involved a greater degree of real negotiation between women and men, as the following example illustrates. Lydia is a 35-year-old mother of six children.

"I decided that it would be good to plant beans to earn additional money. Those households which have been growing beans are all earning well. In the past, we couldn't afford to grow beans. When I got the [FACT] money, I decided that it would be better to use some money to rent a swampy field to grow beans. I asked my husband for permission and the money for renting the land. Before he agreed, he asked me many questions about whether I really thought I would be able to manage it, find the seeds, and do the work. I answered everything and satisfied him that I had thought about it well. He gave me permission and money and said I could go ahead and rent the land, which I have now done. I was going to buy the seeds with the money from the April distribution, but my child fell ill, so we had to use that money on the child's treatment instead."

Women who kept the money themselves

Surprisingly, there were some married women who did not give the FACT money to their husbands, but kept the money themselves. For obvious reasons, these women were reluctant to provide details of their domestic arrangements and their husbands' behaviour. At the level of general discussions, women said that the main reason that they kept the money themselves was "because of the problem of unreliable husbands".⁹⁵

Box 5. Some women's perceptions of some male behaviour

- *"Men would spend money in beer halls, returning only when it was all finished."*
- *"My husband would buy Fantas, forgetting of the hungry children at home."*
- *"When a man gets money, he could waste it buying tea in the tea canteens."*
- *"I kept the money because he could even use it having extra-marital relationships."*
- *"When men have money, they get too full of themselves."*

Women felt more able to talk about other men in their own or other villages. For example, one woman told us:

"In our village, there were certain men who wasted their money even though they had families and children. I know of two men who used their money to propose to women in the village. They were able to give the women something, and the women accepted. Their wives heard about it afterwards, but couldn't do anything."

Another woman in a focus group of female beneficiaries told us:

⁹⁴ Bolt and Bird (2003).

⁹⁵ A methodological strength of this approach is that indirect questioning can uncover difficult truths. However, a methodological weakness is that the scale of misuse of cash is unquantifiable.

"We heard of four men who received their rations on a Thursday. They all went to a nearby popular drinking bar. They stayed there until Saturday and only returned to the village when all their money was finished. Their families only received the food, but nothing of the money. Their wives reported them to the village headman. ... I think it is better to give money to women because they will never behave like this. I never heard of any woman wasting money in this way. Men will spend money on useless things even when they have hungry children at home. But because women have the children close to their hearts, they will never behave like this."

This again raises the issue of the merits of projects like FACT specifically targeting women. On the one hand, some may say that it has become received wisdom that women and men have different preferences and that men (naturally) behave irresponsibly and women (naturally) behave altruistically. On the other hand, it was women themselves who articulated these gender differences, and were presumably basing this on their own observations and experiences. However, since simply targeting a cash transfer to women does not guarantee that they will retain control over the use of the cash, there is clearly a need to plan strategically whenever gender targeting is contemplated.

Let us return for a moment to the example of the wives who were instructed to take the ration cards from their errant beneficiary husbands. We were told:

"When the men were with the headman they agreed to give their ration cards to their wives. Everything was okay until their wives went to collect the transfer on the next distribution day. That night, there were quarrels between four men and their wives. The men demanded the money from the women. The women were forced to hand over the money, and the men went to the drinking hall the next day."

This demonstrates that, even when a programme has made community-level allowances for women to have some recourse, such as letting them know they could report their husbands to the headmen, there are still a host of unintended consequences at the household-level which cannot be fully anticipated, and which are inextricably linked to issues of intra-household power. Essentially, the introduction of any asset into the household has potential implications for the power dynamics between women and men. So, when a valuable asset like free cash is provided to women, it clearly has the potential to impact on women's bargaining power and status within the household and *vis-à-vis* their husbands. As the example above illustrates, targeting women therefore needs to consider the disturbing possibility of increased domestic violence towards women, especially if income transfers radically change the distribution of power between husband and wife. In the context of women's microcredit in Bangladesh, there is an ongoing debate about whether microcredit undermines or exacerbates domestic violence.⁹⁶

Two of the examples described demonstrate the central role of the headmen and Concern community committees. When FACT was initially set up, it was explained to women that if their husbands 'abused' the transfers, they should report it to either the headman or a member of the committee. In these particular villages, the reason that women reported their husbands was because they had been told they had a 'right' to do so. This illustrates three important lessons:

1. Women's empowerment can be enhanced if the programme explicitly and systematically pre-empts and addresses its potential gender implications.
2. This should be linked to sympathetic and powerful community actors who can serve as women's allies, if necessary.
3. Community leaders and structures can be a positive force in projects such as FACT – though gender sensitisation training may be required in many cases – and involving them in the supervision of the project represents a further example of community ownership.

⁹⁶ Schuler, *et al.* (1997).

7.1.3. General observations on gender targeting

Gender targeting is an issue of central importance and debate in the discourse on food and cash transfers. Furthermore, from our evaluation of FACT, it is clear that in the specific context of rural Malawi too, the gender of the person controlling a resource does appear to have an impact on the way in which resources are allocated within the household.

While it can be accepted that female-headed households are generally poor, and do therefore need targeted attention, in the socio-cultural context of rural Malawi, women in male-headed households can also be economically vulnerable because they depend on their husbands for support and have little control over income, even that which they generate themselves. While it would be easy to recommend transferring resources (like those from FACT) to women, our discussion of the tensions and quarrels between wives and husbands, demonstrates the unintended impacts of such interventions. It is therefore important first to investigate the potential impacts of such transfers on intra-household relations, by locating women within their social relationships and understanding the power imbalances in these social relations.

There are two main courses of action which have been identified in other contexts and kinds of transfer programmes which have:

- secured a degree of male co-operation, and/or
- enhanced women's empowerment.

In Mexico, the *Progresa* programme provides a range of cash benefits to poor households. The transfers are made to the mother, paid in advance, and upgraded according to price changes every six months.⁹⁷ Men have generally accepted their wives' participation in the programme because the household as a whole benefits from the programme. However, probably the most significant reason for men's 'buy-in' was that they were included in *Progresa's* initial general meetings where beneficiary responsibilities and programme activities were explained. This helped to increase men's acceptance of the programme. They have therefore generally allowed their wives to spend the necessary time fulfil their *Progresa* requirements. Thus, if women are targeted in programmes like FACT, it will be necessary to sensitise men fully about the programme and emphasise the benefits that will accrue to the *household* as a whole. However, this should be accompanied by other sensitisation initiatives which specifically target women.

Although the community meetings for FACT were intended to elicit community targeting criteria and beneficiary lists in a participatory manner, they may have placed barriers on women fully articulating their opinions. Functional literacy training can help women overcome their inhibitions of speaking at meetings, especially in areas where there is a large gender gap in literacy.⁹⁸

Helping women maintain control over their money might be enhanced by structuring the intervention so that it comprises the critical aspect of group-based organisation. In the contexts of both microcredit and technology transfer, this approach has produced some benefits for women's control of resources and their status within the household.

In Bangladesh, Naved (2000) compared the intra-household gender impacts of two projects: first was the commercial production of improved varieties of vegetables and second, was polyculture fish technology. While both projects were targeted at women, the first was transferred to individual women, while the second was transferred to groups of women. Naved concluded that the group-based project had a greater impact on gender relations within the household and community than the project which targeted women as individuals. The main reason was that women in the pond project functioned as a group even when it came to the generation and division of income generated. Thus, men did not have direct access to the income, but had to negotiate with groups of women who were backed by an NGO. In addition to socio-cultural factors

⁹⁷ Barrientos and DeJong (2004).

⁹⁸ Meinzen-Dick and Zwartveen (2004).

like female seclusion, the main reason that the vegetable project did not have significant impacts on gender relations was that women often involved their husbands in the production and sale of the vegetables, and thus also effectively ceded control of their income to them.

Part of the success of credit programmes such as the Grameen Bank has been attributed to its group-based empowerment approach.⁹⁹ A variety of claims have been made regarding the positive gender impacts of microcredit. Suffice it to note here that the group-based nature of most microcredit programmes in Bangladesh has succeeded in strengthening women's social capital. *"They have also provided a space for women to increase and exchange knowledge and assert themselves as visible and important partners in the community".*¹⁰⁰

This enhances women's self-confidence and status and, thus, both their bargaining power in the household and their ability to maintain control over their money. There is also some evidence that it is women's participation in an expanded set of social relationships rather than their economic contribution *per se* that explains any reduction in domestic violence.¹⁰¹ These groups can also be used for other forms of training, such as the functional literacy mentioned above. For example, *Progresá* has monthly meetings which give programme-related information to beneficiaries, but also provide a space for women to discuss other issues.¹⁰² For instance, changes have been reported in women and men's relationships as a result of what women have learned – e.g. in the area of family planning. Thus, such group meetings have the potential to increase women's awareness and knowledge of a range of issues, including their legal rights.

While there is still considerable debate regarding programmes like FACT using gender targeting, any consideration needs to take account of the ways in which to maximise any potential gender impacts while minimising male control of female resources. Group-based interventions can serve as important catalysts of gender equity, but on their own, they are unable to effect social change.

7.2. Intra-community dimensions

Local and international development organisations have increasingly promoted the active participation of local communities in various stages of interventions. This has emerged partly in response to the recognition of the limitations of externally-driven, top-down initiatives.¹⁰³ Indeed, it introduces and emphasises the notions of the participation and empowerment of the poor to allow them to have some control over decisions. Furthermore, it is assumed that local communities have greater knowledge of local socio-cultural norms and practices, which is critical when knowledge of the characteristics and profile of the local poor is particularly necessary. With respect to specific interventions, it is also believed that communities are better able to enforce rules and monitor behaviour.¹⁰⁴ While these are all important considerations, it is necessary to remember that communities are not homogeneous, and that community-level elites are often able to appropriate development resources because of their relative social status and power position within the community.

This section is primarily concerned with assessing the impacts of FACT on the communities in which it was implemented. In communities where the majority of rural households are relatively poor and experienced food shortages in 2005, it is likely that tensions were caused or increased between different sections of the community. Social and economic inequalities may also be exacerbated if elite groups appropriated FACT resources to the exclusion of marginalised and vulnerable groups.

⁹⁹ Quisumbing and Maluccio (1999).

¹⁰⁰ Sharma (2004: 37).

¹⁰¹ Schuler, *et al.* (1997).

¹⁰² Adato, *et al.* (2004).

¹⁰³ Chambers (1983).

¹⁰⁴ Hoddinott, *et al.* (2001).

In Malawi, Concern Worldwide works with rural communities by organising villages into clusters (e.g. 104 Concern 'Livelihood Security Programme' villages in TA Mwadzama were organised into 23 clusters), and establishing Village committees or 'Concern clubs' and Cluster Committees. As discussed in chapter 4, although Concern had a 'model' by which beneficiaries for FACT were supposed to be selected, there were nevertheless significant variations among villages in terms of the selection process in practice. The most significant of these related to:

- whether the selection process was public and transparent;
- whether FACT had a tendency to select as beneficiaries members of 'Concern clubs' – i.e. households that were participating in other Concern activities, such as village gardens, fish ponds and seed banks;
- the extent to which village headmen (as *ex officio* members of village committees) and Concern chairmen or committee members were involved in the selection process.

These differences were largely responsible for the degree of social tensions experienced between beneficiaries and non-beneficiaries in various communities. They all relate to issues of differential access.

7.2.1. Transparency of the selection process

It is often assumed that the participatory nature of community-based development makes it democratic and transparent. Paradoxically, however, it is because participatory exercises such as community meetings are public events, that they reflect local relations of gender, authority and power.¹⁰⁵ Far from being egalitarian idylls, villages are often:

"repressive societies where mutual control is constantly exercised, suspicions are continuously entertained about others' intentions, inter-personal conflicts are pervasive, and a rigid rank-based hierarchical structure governs people's life".¹⁰⁶

In Malawi, a consequence of the hierarchical structures of rural villages is the unequal power distribution within the village which, together with the deference of villagers, makes it possible for resources to be captured by elite groups, like headmen and committee members. In public meetings, for instance, women are often inhibited from speaking up. In such contexts, external interventions – while striving to be participatory and to achieve democratic and consensual outcomes – may actually exacerbate local inequalities and reproduce local power relations.¹⁰⁷

As noted earlier, Concern's 'ideal model' of selection, which was used in many villages, was a public and transparent process. Significantly, there was usually no tension between beneficiaries and non-beneficiaries in villages in which this process was used, because everybody had either participated or knew how it had been done. A Concern staff member in one TA explained that when frustrated non-beneficiaries asked why they had been excluded, Concern staff could say:

"We weren't responsible. The beneficiaries were selected at a public meeting where your own community decided on the criteria for choosing the most vulnerable people. Either you yourself or your neighbours were there, so you can't come and ask us about why certain people were selected."

This usually served to resolve any potential feelings of disaffection. Studies in other contexts confirm that non-beneficiaries generally harbour no negative feelings from excluded households if transparency has been a feature of the selection process. There was also less tension in villages when non-beneficiaries were placated in various ways. Many strategies were adopted to placate the excluded:

¹⁰⁵ Mosse (2001).

¹⁰⁶ Abraham and Platteau (2000: 22), in Conning and Kevane (2000).

¹⁰⁷ Mansuri and Rao (2004).

- *There was no tension because those that were excluded were told that they would be included at a later stage.*"
- *"We shared our rations with non-beneficiaries."*
- *"The Concern computer selected the beneficiaries' names. We [the committee] had nothing to do with it."*
- *"It was Concern policy to target Concern households only. It wasn't decided by us [the committee]."*

Nonetheless, the issue of inequality is a critical consideration when communities are involved in selecting beneficiaries. An evaluation of community-based targeting of the 'Food for Education' programme in Bangladesh found that the targeting of the poor was less effective in villages which had higher levels of land inequalities, and concluded that effective community targeting can be constrained by local inequalities.¹⁰⁸ Similarly, in Jamaica, better-connected and wealthier people dominated decision-making in participatory projects.¹⁰⁹ Thus, while the involvement of the community has certain advantages (e.g. informational superiority, potentially better community ownership and monitoring), it does not always solve the problem of beneficiary targeting.

An important dimension of social difference is gender. While the transparency afforded by public fora is clearly beneficial, women are often less likely than men to participate fully in community meetings. In India and Nepal, women were systematically excluded from the participatory processes of community managed forestry projects, because of entrenched social practices of female exclusion.¹¹⁰ In the context of FACT, we were told:

"The method [of breaking into four groups] was good because we felt free in the women's meeting to select who we thought. We were not afraid to talk."

In a context of inequalities and hierarchies, communities, particularly relatively marginalised groups like women, need to be provided with appropriate training, organisation and mobilisation to empower them to assert their rights and to participate in decision-making, even if this means challenging existing social structures.¹¹¹

7.2.2. 'Concern households' versus other households

It is important to recognise and assess the potential impacts on the community of interventions such as FACT. As an illustration of the sheer difficulty of getting targeting right, we found that there were social tensions both when FACT beneficiaries were Concern households and when they were *not* Concern households!

In their evaluation of the Target Input Programme (TIP) in Malawi, Lawson *et al.* (2001) found that non-recipients were so resentful of recipients by non-recipients that recipients were afraid of what non-recipients might do to them.

As noted in the chapter on targeting, NGOs like Concern inevitably make errors of exclusion because they are only able to work with a section of the community while the majority are excluded. FACT was implemented in seven Traditional Authorities (TAs) in three districts where a proportion of households had received input loans from Concern and worked on other Concern activities such as community gardens and the building of community grain banks. These households are locally commonly referred to as 'Concern households'. When FACT was introduced, both Concern and non-Concern households were among FACT's beneficiaries. When Concern households were *excluded* from FACT, they were resentful because they believed that

¹⁰⁸ Galasso and Ravallion (2000).

¹⁰⁹ Rao and Ibanez (2003).

¹¹⁰ Agarwal (2001).

¹¹¹ Katz and Sara (1997); Platteau (2003: 11).

non-Concern households did not deserve to benefit from the programme. A government agricultural extension worker who assisted Concern in the implementation of FACT told us:

“Many Concern households were excluded from FACT because they were not the poorest households. But many non-Concern households were included. Some of them then boasted that they hadn’t worked on Concern activities in the past, but were now the ones benefiting from FACT. They said to Concern households: ‘Who is superior now? You worked for Concern for all these years, but you never received any money. Now we are the ones reaping the benefits by even collecting money.’”

A number of excluded Concern households were so resentful that they were contemplating withdrawing from participation in the *dambo* gardens. They believed that ‘FACT was rewarding lazy households’ and ‘FACT neglected those who have been faithful to Concern all the time’. In the TIP evaluation, there was a similar concern that non-recipients would refuse to participate in ongoing ‘development activities’ (such as maintenance of infrastructure and community development projects).¹¹² Like Concern households, non-recipients of TIP also made the connection between these activities and TIP – they regarded it as a form of reward or payment for their participation in these earlier activities.

Interestingly, however, tensions also arose when Concern households were *included*. One non-Concern non-beneficiary explained the selection process in his village:

“In our village, the targeting was not fair. Most vulnerable households were left out because they were not beneficiaries of the input loan. Other households that were not vulnerable benefited simply because they received the loans. In future programmes, the selection of beneficiaries should not be based on whether people were beneficiaries of previous programmes.”

Another non-beneficiary explained that relations between beneficiaries and non-beneficiaries were good because non-beneficiaries were pacified in various ways. For example, in one village:

“The relationship between us was good. But after a while, we [non-beneficiaries] were not happy with the beneficiaries because we thought that by maintaining a good relationship, the beneficiaries would think for themselves that they need to share some food with the non- beneficiaries. But they never did. Instead, they were saying that they cannot share the FACT food because they were told that if they did, it will mean that they are not in need. Then their ration card would be taken away from them and given to somebody else.”

The tensions between beneficiaries and non-beneficiaries were experienced differently by beneficiaries. From the perspective of a Concern household who was also a FACT beneficiary:

“Those non-beneficiaries were always complaining to us that they had been excluded again by Concern, even though their situation was bad. Some of us [FACT beneficiaries] actually started avoiding the excluded households just to get away from their complaints”.

7.2.3. Involvement of local leaders

Just as the term ‘participation’ overlooks local hierarchies and inequalities, the term ‘community’ similarly obscures local structures of power which can often have a significant impact on the outcomes of any community-level participatory exercises, such as the community meetings conducted to select FACT beneficiaries. It is particularly the role and authority of headmen and village committees in this context which needs to be assessed.

¹¹² Lawson, et al. (2001).

Although it has been reported that other actors were able to contain the undue influence of headmen when this occurred during the approval process of the Kalomo project in Zambia, this is clearly a context-specific outcome.¹¹³ In Malawi, the status and authority of village headmen is reflected by the general deference and respect with which they are regarded by villagers. Furthermore, the culture instils headmen with a sense of entitlement; hence the Chewa saying: *"The chief is entitled to eat!"* In this context, it is unlikely that villagers will have the confidence to challenge the headman even if he behaves inappropriately. Some non-beneficiaries did tell us that their headman had gained access to FACT – illegitimately, in their view. This caused a great deal of resentment among vulnerable non-beneficiaries. In one village, we were told:

"We don't know how the beneficiaries were selected. We only know that the headman was the one who wrote the list. He selected one of his sons, even though he [the son] was a member of the headman's own household. He did this because he knew he wasn't eligible for FACT because he was wealthy. He also selected two of his daughters-in-law who live in the village, but aren't poor at all. The headman's entire family are rich compared to most of us here who were excluded from FACT. [When asked if they had complained about this:] Who are we to complain? Who could we complain to? He is the headman. The village is his; he can do anything that he wants here."

The power of most headmen is so great that even committees often had difficulty restraining them. One key informant told us: *"Concern community structures should be empowered so that village headmen do not disturb the planned activities."* However, in other villages, Concern committee members did have a disproportionate degree of power over the selection process. In one village, both beneficiaries and non-beneficiaries did not know what selection criteria had been used; they confirmed that committee members, particularly the chairperson, had been heavily involved in the selection process. A beneficiary explained:

"We heard rumours of FACT before it started. The Chairman went to the houses of all of us who were selected. He did the selection and only told us the names. He and two other committee members were among the beneficiaries from the village. We didn't know how they selected the names."

In another village, a non-beneficiary said that committee members:

"... took care of themselves. They wrote a list of those to benefit from FACT by themselves. We didn't know how they chose the people. Those people were informed that they were beneficiaries. They wrote the list behind our backs. The selected households were not the poorest. About 3/4 were those that were better off. The secretary selected his mother and his sister. Another committee member was also a beneficiary. The secretary is also related to the headman. There was an old woman whose husband passed away, and she had nothing, but she was left out."

These feelings of antipathy mirror those experienced by non-recipients of the Targeted Inputs Programme (TIP), who were resentful towards their Village Head and Village Task Force (VTF) members, because of their alleged nepotism and favouritism in beneficiary selection.¹¹⁴

In the same focus group discussion, another respondent said:

"It would be better if in future Concern came to the village themselves. Together with the committee and headmen, they should hold a meeting with the village. Everyone should then decide and agree on who is the neediest. Or Concern should go from house to house and see for themselves who is truly needy."

¹¹³ Schubert (2005).

¹¹⁴ Lawson, et al. (2001).

A global review of water projects found that the benefits were often appropriated by local elites.¹¹⁵ While well-trained project staff can assist in ensuring inclusion, they report that staff are often ineffective because of the deeply entrenched power position of the elite. Thus, the merits of community participation in beneficiary selection need to be balanced with the possibility that village-level elites often appropriate resources and “let the poor have the leftovers only” when allocation and selection are decentralised to the local level.¹¹⁶ However, others have argued that elite domination may be unavoidable in rural contexts in which local leaders enjoy great moral and political authority, or where they are the only ones able to communicate with outsiders and keep records.¹¹⁷

Finally, tensions occasionally arose when certain groups within FACT project communities (such as ethnic minorities or socially marginalised households) were excluded from the FACT project – or deprived of their entitlements to FACT. We came across only one incident of ethnic-based exclusion from FACT, in a village in Dowa District, where one ethnic group forcibly seized ration cards from FACT beneficiaries who belonged to a different ethnic group [Box 6].

Box 6. Ethnic exclusion from FACT, Dowa District

Tumbuka people from northern Malawi have settled among local Chewa people in some villages of TA Mponela, in Dowa District. There is not usually tension between the two ethnic groups. During the third FACT Post-Distribution Monitoring in March 2006, a Concern fieldworker (who happens to be a Tumbuka speaker) noticed that the FACT beneficiary he was interviewing spoke Chewa with a strong Tumbuka accent, despite having a Chichewa name on to his FACT ration card. When asked to explain this, the interviewee confessed that he was not the man named on the ration card at all, and admitted that he and three Tumbuka friends had taken the cards from the households actually registered for FACT, after the first distribution of food and cash in January.

The Chewa who lost their cards were told that if they complained to Concern their houses would be burnt down. The chairperson of the Concern Village Committee chairman had agreed to this unauthorised ‘reallocation’ of FACT ration cards, on the grounds that the Chewa beneficiaries were not engaged in Concern activities before FACT, while the Tumbuka households were, so they were entitled to benefit from FACT. The four Tumbuka people – one of whom was the son of the Chief – impersonated the original Chewa beneficiaries and collected their food and cash allocations from Concern in February and March. After discovering this violation of the proper procedures, Concern instructed the ration cards to be returned to the rightful eligible households, who received their FACT transfers in April.

It is of course possible that the abuse of FACT beneficiaries recorded in this single village was an exception or aberration. But it is equally possible, especially considering that this situation was uncovered by a lucky accident, that similar cases may have occurred in other communities that went unreported and remain undiscovered.

¹¹⁵ Katz and Sarah (1997).

¹¹⁶ Galasso and Ravallion (2000).

¹¹⁷ Mansuri and Rao (2004: 23).

CHAPTER 8. CONCLUSIONS AND RECOMMENDATIONS

This report concludes by proposing some improvements to FACT design, delivery and targeting, and by recommending extending the principles and application of FACT to non-emergency contexts, notably to provide social protection against 'normal' food price seasonality.

8.1. Design and delivery

Although the FACT project was well designed and competently delivered, there is some scope for considering alternative ways of designing and implementing this type of project in future.

8.1.1. Food, cash, or food plus cash?

When FACT was being designed, staff in the Concern Worldwide office in Malawi debated among themselves whether to transfer only cash, or a combination of food plus cash. Fears about the possibility of market failure – the risk that food would be unavailable on local markets, making cash transfers ineffective – led to the choice of a package of food and cash. Although maize prices did rise to unprecedented levels, the FACT project was designed to accommodate this – beneficiaries were given enough cash to pay even scarcity prices for maize – and there were only isolated reports of a complete lack of food on the market, and then only for short periods of time.

A related consideration was the possibility that substantial injections of cash transfers into poor rural communities would cause price inflation on local markets. However, as we have seen, the FACT project was too small in scale and too short in duration to attract traders or affect market prices. So was the decision to provide some food along with the cash transfer too conservative? With hindsight, it appears that FACT could have transferred only cash, especially since Concern guaranteed to compensate beneficiaries for price rises, no matter how high prices rose. On the other hand, this would have increased the cost of the project to Concern Worldwide even more.

Also, there were clear advantages to beneficiaries in receiving both food and cash. In effect, the combined package delivered the benefits of each, while avoiding the disadvantages of delivering either food rations or cash transfers on its own. (Food aid does not meet non-food needs unless it is sold, while cash transfers are partly spent on non-essentials and are vulnerable to inflation.) As we have seen, FACT food packages were mainly consumed by beneficiary households, with some sharing among poor relatives, while FACT cash transfers were put to a wide range of uses, including being invested in household farm and non-farm enterprises, or the health and education of children. The combination of food and cash transfers therefore achieved the dual objectives of guaranteeing access to food at a time of shortage, while also giving beneficiaries choices over allocating cash transfers to their food and non-food priorities.

The decision to provide either food only, cash only, or a combination of both, should always be based on a **market assessment**. This assessment would go beyond regular monitoring of market prices - though this is an essential component of any cash transfer programme that aims to protect household access to basic essentials such as staple food – and it should be carried out in advance of introducing the intervention. The assessment should attempt to predict the likely effects of the intervention – both positive and negative – on food supplies and prices in local markets. If negative effects (such as price inflation) are anticipated, the design of the intervention should be modified to minimise the risk.

Finally, beneficiaries should also be consulted about their preferences on the type of transfer, recognising that this might vary between men and women, from season to season, and between communities located closer to, or further from, well functioning markets. Beneficiary preferences might also shift over time, for instance if a predictable cash transfer programme succeeds in gradually stimulating food trading and integrating local markets, so that beneficiaries' initial fears about market failure or exploitation by traders are ameliorated.

8.1.2. Refine banding by household size

The classification of beneficiaries into 'small', 'medium' and 'large' households was an important and positive design feature, as this 'banding' ensured a more equitable distribution of transfer resources to individuals than if a uniform, standard package of food and/or cash had been provided to all households, irrespective of their size. On the other hand, this crude adjustment for household size did result in certain anomalies, with households having fewer than five members covering more than 100% of their 'missing food entitlements' through FACT, and households having more than five members covering less than 100%.

Some of this anomaly could be corrected by adjusting the formula so that smaller households received less cash and larger households received more. Alternatively, FACT transfers could be made proportionate to **household size**. Even better, FACT transfers should be adjusted to reflect **household composition** – with the level of transfers rising not only according to household size, but according to the number of 'adult equivalents' per household. This would presumably be simpler to design and operationalise with 'cash only' transfers than with 'food plus cash' transfers.

The disadvantages of this recommendation include the additional information requirements and administrative complexity that it would introduce to project management, and the incentives it would introduce to households to exaggerate their membership or distort their composition by acquiring new members in order to access more transfer resources. However, there are possible solutions to this, such as relying on Concern Committees or village headmen in Concern project areas to maintain accurate and updated lists of households and household composition. Another option is to move towards electronic technologies for recording beneficiary information and entitlements, such as 'smart cards' that include details of household size and composition for purposes of calculating household entitlements to food aid, cash transfers, or other benefits such as health and education waivers, or fertiliser subsidies.

8.1.3. Endorse adjusting transfer by food price

The decision by Concern Worldwide to match rising food prices with corresponding increases in cash transfers was a courageous one, that left Concern absorbing all the risk of unpredictable and unprecedented food prices, while protecting poor households against these consequences of the food crisis. This decision addressed one of the main criticisms made against cash transfers, especially in emergency contexts: that their value in real terms fluctuates with commodity prices, and might therefore collapse during food crises, precisely when adequate and predictable access to food is most needed.¹¹⁸

This evaluation endorses the decision by Concern to maintain a constant real value of FACT cash transfers in terms of a basic food basket. The FACT project undoubtedly prevented a great deal of hunger in early 2006, and this feature prevented more hunger than would have been the case had a constant rate of payment to beneficiaries been made throughout the duration of the project. Basing the level of the cash transfer on actual price trends as monitored in local markets, rather than following the predictions of the MVAC (which predicted much lower prices than were actually realised) was another decision which turned out to be both important and correct.

8.1.4. Automate the delivery of cash transfers

The process of delivering cash transfers through the FACT project was very time-consuming and labour-intensive, to such an extent that one of the main advantages claimed by advocates of cash transfers over food aid, namely that cash is cheaper and simpler to handle, might have been lost. It is beyond the scope of this evaluation to assess the absolute cost of handling FACT cash transfers, or its relative cost compared to food. However, it is important to consider ways in which the time and cost involved in delivering cash transfers could be reduced in future programmes.

¹¹⁸ Other unconditional cash transfer programmes, such as Oxfam's emergency cash transfer programme in Thyolo District at the same time as the FACT project, and the Kalomo Pilot Social Cash Transfer Scheme in Zambia, do not share this feature, and are therefore vulnerable to the erosion of their real value as food prices rise.

One way to reduce administrative costs would be to introduce technology-based systems. Two approaches are worth investigating. The first is **mobile ATMs**, which have been used to deliver the social pension in South Africa and Namibia since the early 1990s. A pick-up truck tours the country every month – accompanied by a second vehicle carrying armed security guards – and stops at various pre-announced pension pay-points, where pensioners collect their money after being identified from a biometric database (fingerprint or optical recognition) that is carried on the truck. This system eliminates the need for individually labelling thousands of individual envelopes and stuffing them with money every month (a procedure which occupied all of Concern Malawi's Finance staff for several weeks during the FACT project), it is simple and cost-efficient to administer, and the risk of corruption by either project staff or beneficiaries is dramatically lower than in most other cash delivery systems.

The second technology is **smart cards** (e.g. Malswitch), which would be issued to beneficiaries who would then be entitled to collect anything that donors or NGOs decided to load onto their accounts. This could include a specified amount of food aid each month, a fertiliser subsidy, health and education fee waivers, and a range of other goods and services. One advantage of the 'smart card' is its flexibility. In a bad year, more food and other basic commodities could be loaded onto the card. When the beneficiary reaches retirement age, a monthly social pension could be automatically paid into their account. The card would be linked to information about each beneficiary that determines their eligibility for specified benefits – whether they are caring for orphans or people with disabilities in their household, for instance. Some donors, such as the EU, are already considering the potential for delivering social protection to Malawians through a smart card technology.

8.2. Targeting

Targeting was perhaps the only area of design and implementation where the FACT project fell short of achieving excellent results. This section of the conclusion and recommendations chapter addresses three aspects: the targeting methodology itself, the inevitability of inclusion errors, and whether to target women rather than men.

8.2.1. Community-based targeting: triangulation method

There is no single 'solution' to the challenge of targeting all the neediest households in a project area and excluding all the non-needy, but Concern has devised a community-based methodology for targeting that works well when it is implemented correctly. Concern's community triangulation method – dividing a community into three groups and debating their lists of needy households in a public forum – avoids the risks of nepotism and elite capture that have undermined other community-based methods. However, this methodology was not applied strictly in all FACT project areas. In many communities criteria for targeting were suggested by Concern staff, which either related more to chronic poverty than to the current food crisis (e.g. households with orphans), or implicitly included better off households (e.g. Concern's input loan recipients). In some places the community assessment was combined with quotas, which compromised the principle of basing targeting on communities' self-assessed need. Sometimes an agreed list of names was subsequently cut by Concern staff, leading to further exclusion errors.

For future FACT-type programmes, this evaluation recommends that the community triangulation method is used as it was intended, for targeting a set of beneficiaries who have been identified by communities using their own criteria of vulnerability and need. It is also important that all community members are fully informed and actively participate in this process, as one risk of the methodology is that some of the most vulnerable households do not have the time to engage in community meetings, or might be out of the village at the time, at hospital or looking for work.

8.2.2. Accept some inclusion errors, but minimise exclusion errors

In an emergency context, or even in non-emergency situations of widespread chronic poverty and deprivation, meeting the basic needs of poor and vulnerable people should be the priority for

policy-makers. If this means that some 'non-needy' people have to be included in programmes – to secure their political support, or because screening them out by costly targeting procedures would waste scarce time and resources – then this might be a price that has to be paid.¹¹⁹ We recommend therefore, that designers of cash transfer programmes make provision for some degree of leakage (say 10%) to influential community members, and budget for this so that the inclusion of the village headman does not result in the exclusion of a desperately poor widow.

8.2.3. Give all ration cards to women?

The evidence of misuse of FACT cash transfers by some men in beneficiary households, as presented in this report, is patchy and anecdotal, and there is no basis for concluding that there was widespread and systematic waste of FACT resources.¹²⁰ However, we cannot quantify or even 'guesstimate' the scale of wasteful spending, or the numbers of households involved. Two types of wastage seem to have occurred.

- (1) For some beneficiary households – probably a relatively small proportion – it was clearly a serious problem, in that all or most of the FACT cash was squandered irresponsibly.
- (2) In other households – perhaps the majority – it was a relatively minor problem, in the sense that small amounts of FACT money were frittered away on non-essential spending.

This raises some important questions about the design, targeting and delivery of cash transfers, not just for the FACT project but in the context of wider debates. Was the root cause of wasteful spending **mis-targeting** (cash being given to households that did not need it); **over-funding** (more resources being transferred to beneficiaries than they needed); or **irresponsibility**? And if handing out free cash does fuel irresponsible behaviour by certain men, is this behaviour more likely to occur with cash transfers than with food aid? More studies of actual programmes are needed before these questions can be answered in any generalisable way.

One possible solution to the problem of irresponsible spending is to hand over all ration cards to women. This has a number of advantages and only one potential disadvantage. One advantage is that women generally appear to prioritise household consumption over personal consumption more than some men do, so resources that are under the control of women are more likely to benefit children and other dependents than resources that are under the control of men. A second advantage is that it protects women and children in polygamous households against being overlooked or neglected in the allocation of transfers, especially if each wife is targeted, rather than targeting male household heads. A third advantage is that this 'solution' was in fact adopted in several cases reported in earlier chapters, where women demanded from Concern staff or community leaders that FACT ration cards be taken away from their husbands and handed over to them. Delivering the benefits directly to women circumvents this stressful and conflictual confrontation.

One possible negative side-effect is that this approach could increase intra-household conflict between husbands and wives, especially in societies where women do not generally control cash and resource allocation decisions within the household are usually made by men. On balance, though, it seems that women are likely to spend cash transfers more wisely and sensibly than men in many cases, and for this reason we recommend transferring control over cash transfers to women wherever possible. Moreover, the evidence that most female-headed households are worse off than male-headed households is so compelling that this is clearly a robust proxy for vulnerability, and for future social assistance interventions we recommend that female-headed households are prioritised as a target group – the 'inclusion errors' are likely to be extremely low.

¹¹⁹ In a famous article titled 'Two errors of targeting', Cornia and Stewart (1993) argued that project managers are overly focused on reducing 'inclusion errors' or 'leakages', and that they tend to overlook the importance of minimising 'exclusion errors'. Cornia and Stewart proposed weighting exclusion errors more heavily than inclusion errors (say, by a factor of three to one) in assessing targeting outcomes, and the authors of this report endorse that proposal.

¹²⁰ We found no evidence of any women squandering (or even frittering away) FACT cash, though it is of course possible that some women did so.

8.3. Seasonal safety nets

The FACT project is a model for innovative design and delivery of emergency relief using cash transfers, but it also has potential for application in non-emergency contexts, such as social protection interventions in communities adversely affected by agricultural seasonality. In effect, FACT was a social assistance programme that protected rural households against high food prices during an abnormally severe 'hungry season'. A very similar argument was made following the food crisis of 2001/02, when Malawi suffered its first famine since achieving independence in 1964. Experts concurred that the problem was not so much the size of the food gap, which was not unusually large, but the problems created by the massive maize price rises which followed in early 2002. According to one expert witness who gave oral evidence to the UK Parliamentary Inquiry into 'The Humanitarian Crisis in Southern Africa', this unprecedented rise in maize prices was the main trigger factor: "if you had stabilized the price of maize in 2001 in Malawi no crisis would have occurred".¹²¹

Since at least the 1980s, the damaging consequences of seasonality on the wellbeing of rural people in tropical and sub-tropical countries has been well understood.¹²² Agricultural seasonality arises from the peculiar feature of agricultural production in the tropics: that farmers produce only one or two harvests each year, which has two implications for rural livelihoods: (1) household income depends crucially on the size of the harvest, and a single failed harvest can destitute a poor family with limited savings and assets; (2) families with undiversified livelihoods must survive from one harvest to the next on the produce they harvest only once or twice each year. Moreover, many deficit food producers are forced to sell some of their crop at harvest time for low prices, to meet urgent non-food needs, and to buy food back later in the season, when prices are high.

African governments used to have a range of institutions and policies for dealing with seasonality, including price subsidies and grain reserve management. But agricultural parastatals and grain reserves were judged to be inefficient and corrupt, and policies like food price subsidies were declared to be unaffordable in poor countries, and undermining of incentives for farmers and traders. Accordingly, the activities of parastatals were scaled down, strategic grain reserves were abolished or run on a cost-recovery basis, and producer and consumer price subsidies were phased out, in Malawi as in many other Africa countries. As a result, poor market-dependent Malawians are exposed to the full consequences of food price seasonality, and the government has no mechanism for addressing this problem. In late 2005, FEWSNET wrote:

"In normal years, farmers sell maize at harvest time when the price is low and buy back during the lean period when prices are high. In general, the price differential is about 50 to 100%. However, this year farmers sold maize at around MK10/kg and are buying it at about MK30/kg, or three times the price."¹²³

The FACT project provided compensation payments to some farming households who could not afford to pay these very high prices (which subsequently doubled again in some markets) during the early months of 2006. There is no reason why this same basic idea could not be extended to the provision of social protection against 'normal' seasonality in non-crisis years.

There is a strong and causal link between maize price rises and malnutrition and mortality rates in Malawi. In general, maize prices and malnutrition rates (proxied here by admissions to a Nutrition Rehabilitation Unit in one Concern programme area) are low during the post-harvest months of April through September, but then they start to rise, peaking around the same time in January-February each year before falling when the new harvest comes in [see Figure 12]. This makes a strong case for introducing a 'seasonal safety net' as a disaster risk reduction measure, at least

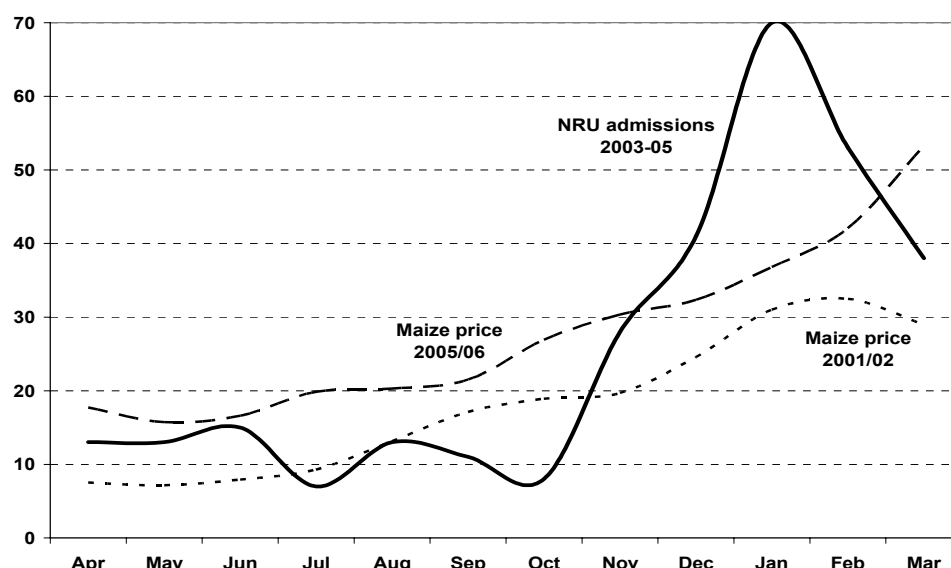
¹²¹ John Seaman, evidence to the International Development Committee (2003) 'The humanitarian crisis in Southern Africa', *Third Report of Session 2002-03*, London: House of Commons, EV67.

¹²² See Chambers, *et al.* (1981); Gill (1991); Uliaszek and Strickland (1993).

¹²³ FEWSNET (December 2005: 2).

until markets in Malawi become better integrated and function competitively to smooth demand and supplies across communities and from season to season. The scale of the intervention would vary according to the severity of the season and the numbers of vulnerable households affected. The case for delivering this safety net in cash rather than food is that cash should contribute over time to stabilising supplies and integrating markets, unlike food aid which discourages traders and perpetuates the problem. For these reasons, the evaluation team recommends that the principles and innovative design features of FACT should be integrated into Concern Worldwide's livelihood programmes, and applied to future social protection programming in Malawi and elsewhere.

Figure 12. Maize prices and NRU admissions in Malawi



Sources: Ministry of Agriculture (maize prices); Madisi Hospital (NRU admissions)

8.4. Dissemination strategy

Given the success of the FACT project, and its potential as a model for other emergency relief interventions that use cash transfers, or for social protection interventions that address food price seasonality, it is important that the lessons from FACT are widely disseminated through a variety of media. These include 'academic' and practitioner-oriented publications, web-based outputs, and policy workshops. Some possibilities include:

1. Academic publications: publication of this evaluation report as an IDS Research Report or an IDS Policy Briefing, as a contribution to a forthcoming IDS Bulletin on social protection, and/or as a case study chapter in a forthcoming book on 'Social Protection in Africa' (to be published by Ashgate in 2007);
2. Practitioner-oriented publications: an article to be submitted to a practitioners' journal such as 'Development Policy Review', 'Development in Practice', or 'Humanitarian Exchange';
3. Websites: IDS-hosted websites such as 'ELDIS', 'id21' and 'Livelihoods Connect', the website for the Southern Africa Regional Policy Network (SARPN), or the website for the Southern Africa Regional Hunger and Vulnerability Programme (RHVP) ('wahenga.net').
4. Workshops: A 'learning workshop' is planned for Malawi in July 2006, which will compare the experiences of different agencies with cash transfers – Concern Worldwide, Oxfam, UNICEF and the Government of Malawi – both in emergency and non-emergency contexts. A regional policy workshop on cash transfers and social protection in southern Africa is also planned for Johannesburg in October 2006.

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Annex 1. Terms of Reference for the F.A.C.T. External Evaluation

Introduction

Concern Worldwide is an international relief and development non-government organization (NGO) with the headquarters in Dublin, Ireland. To date Concern operates in over 30 developing countries globally, the majority of these in Africa and Asia. Concern committed itself to expand to Malawi and to establish development programmes, this expansion coincided with the food security crisis of 2002 that demanded an immediate relief intervention. Since March 2002 Concern has undertaken a number of programmes, initially a food aid intervention that was rapidly followed by food security activities and a nutritional intervention focusing on Community-based Therapeutic Care (CTC). In 2005 Malawi suffered another food security crisis that required international assistance. Concern Worldwide identified needs in their area of operation that the Government of Malawi Voucher Scheme (GoMVS) general food distribution was not meeting. To address the needs Concern developed a food and cash transfer programme covering 7 Traditional Authorities (TA) in 3 districts of Malawi. This intervention marks an important innovation for the organization, a move away from conditional cash transfers and a move away from food aid.

In view of this Concern wishes to commission an external evaluation of the programme, not only to assess the impact of the intervention on beneficiaries' ability to deal with the current food crisis but also to inform policy for the organization as a whole as to the appropriateness of this type of transfer in relief settings and the prospects for scaling up as a longer term social protection programme.

Evaluation Objectives

To assess the effectiveness of "food and cash" transfers in the context of Malawi and in relation to the "food only" and "cash only" transfers implemented at the same time. An additional objective will be to identify the potential, and conditions, for replication of the intervention by Concern in Malawi and other countries.

The key areas of focus for Concern Worldwide can be identified as;

Relevance/ design

- Did the organization make the best use of available evidence and best practice in the design?
- Was the decision to transfer both cash and food; as opposed to cash only, food only or vouchers relevant to the problems identified and beneficiaries' circumstances?
- The cash transfer was varied according to household size, and three different amounts were given. Is this a fair and equitable approach; and was it perceived to be fair and equitable?

Appropriateness of the intervention

- Given the levels of innumeracy and illiteracy observed by the programme; and participants actual experience with cash management; was the use of cash appropriate?
- Was the decision to vary the cash amount according to market price of food appropriate to the context, or did it erode the predictability of the transfer undermining the recipient's ability to plan?
- Draw comparisons with food aid and straight cash transfers as appropriate responses to the current context.

- What, if any, is the appropriate approach for future cash transfers to take in both emergency and development contexts?

Efficiency

- The type and method of transfer required – was the transfer chosen the most efficient use of resources and time?
- Are there lessons that can be applied to future interventions?

Effectiveness

- Has the programme been able to meet its objectives as detailed?
- Has it been “effective” in any way not anticipated during planning?

Impact

- Review the data collected by the M&E surveys and focus group discussions and comment on the impact for individuals, community, non beneficiaries.
- Comment on the impact on specific groups e.g. People Living with HIV/AIDS, female headed households etc...
- Was there a multiplier effect of the transfer, if so how did this operate and who benefited?
- What constraints do the state of markets in Malawi put on this approach?

Issues

- Can, and should, this programme be expanded from a limited term emergency programme to a wider longer term livelihood support/development programme
- Policy implications for Malawi
- Policy implication for Concern Worldwide as an organisation

Evaluation outputs

- Final report addressing the effectiveness and appropriateness of the programme; in addition including policy and practical recommendations for future interventions. First draft to be submitted by 31st of May for comments, final draft to be submitted by the 7th of June
- Feedback workshop in Malawi, presenting the findings and seeking input from stakeholders.
- Visit to HQ in Dublin for debriefing with Policy and Overseas department, within 2 months of the submission of the final report. This is to be subject to a separate contact as a date is yet to be set.

Methodology

- Review of survey data collected by Concern Worldwide.
- Focus group discussions with beneficiaries, non beneficiaries and other groups.
- Formal and informal discussions with staff and stakeholders including Village Chiefs and District Assembly Staff.
- Observation of implementation
- Literature review.

Timeframe and Duration

- The ideal time to begin the review would be the first two weeks of May.
- The duration of the field work will be 2 weeks from May the 1st to the 15th.

Annex 2. Checklist of Issues for Fieldwork¹²⁴

Household Case Studies

Pre-transfer situation

1. What are your normal main sources of food and income?
2. What are the usual or traditional coping strategies that you adopt during periods of food scarcity?
3. What are the normal migration patterns? Do household members migrate for work during certain times of the year? Do members of your household do *ganyu* at certain periods?
4. What debt did you have before FACT? What savings did you have before FACT?
5. Who usually keeps the money in your household? Who decides how to spend it?

Targeting / selection

1. How and why was your household or village selected for FACT?
2. Was a community committee or another structure involved in the selection process?
3. Were the targeting criteria that was used fair and appropriate?
4. Were you receiving any other transfer or assistance before FACT?
5. Who in your household actually received the transfer? Who decided how to use the food? Who decided how to use the cash?
6. Do you think FACT reached the most vulnerable households in your community, and the most vulnerable communities? Were any poor households or communities excluded from FACT?
7. Did any tensions arise between households or communities that were selected and those who were excluded?
8. Given Concern's limited resources, how could targeting be improved in future programmes?

The food and cash transfers

1. Were you consulted about the composition of the transfer?
2. Was FACT well timed? How could it be improved?
3. What do you think about the combination of food and cash? Was it appropriate? Did it meet your specific needs?
4. Did you regard the cash as being for the purchase of additional food, and/or for spending on any other items?
5. Do you know how much you received each month?
6. Did you have previous experience of dealing with such amounts / denominations of money?
7. How does FACT compare to other ongoing and previous programmes?
8. Were there any other problems with the composition of the transfers? Can you suggest any recommendations for the future?

Impacts / use of transfers

1. What did you use the FACT cash for? What did you buy with it? Did you buy any assets?
2. Did FACT have any impact on:
 - household food availability?
 - household agriculture?
 - household health?
 - household savings and debt?
 - children's schooling?

¹²⁴ This checklist was designed by the external evaluation team.

3. Who made decisions regarding the way food was used? Who made decisions regarding the cash?
4. How were various spending decisions made? (Who initiated it? Did you decide on certain items and your spouse on others? What would have happened if you didn't agree with a suggestion, but had an alternative in mind?)
5. As a result of FACT, did you make any changes regarding your coping strategies, migration behaviour, or *ganyu* employment?
6. As a result of FACT, did you help any other individuals or households with food or cash?
7. As a result of FACT, did any other individuals or households ask for assistance from you?
8. As a result of FACT, was there any change in your household regarding who kept the money and who decided how it was to be used?
9. Did FACT have any negative impacts? How can these be reduced in the future?

Market information

1. Were food and other items available in the market?
2. Did you notice any differences in food prices as a result of FACT?
3. Did FACT affect the availability of goods in the market?

Focus Group Discussions

FACT targeting and impacts

1. Do you know how and why certain individuals or households were selected for FACT? Who was excluded, and why?
2. Were any of you personally involved in deciding who was selected?
3. What do you think of the targeting criteria? Were they fair, adequate, and appropriate? What are the community's perceptions of FACT's coverage?
4. Given Concern's limited resources, how can selection criteria be improved in the future?
5. What are your opinions of the combination of food and cash? How does it compare with other ongoing and previous programmes?
6. Have you observed any positive or negative impacts of FACT at the household or community levels?
7. How might FACT be improved in the future?

Community perceptions and values

1. What are local traditions and practices regarding helping each other and sharing in times of need?
2. Do women and men have different roles and relations in this regard? (for example, women helping other women with food; or men helping other men with labour or cash)
3. Are there pre-existing community savings and credit mechanisms?
4. How did FACT fit in with these traditional mechanisms?
5. What did the community feel about the fact that only certain households were to be included and the majority excluded? Was it at odds with local practices?
6. Was there any discussion about the implications of this? Were there any ideas about how to remedy it – such as informally reallocating or sharing the transfer among households which were excluded?

Annex 3. “Missing food entitlements” in Malawi, 2005/06 ¹²⁵

“The term ‘missing food entitlement’ is used rather than ‘deficit’ because the latter term is usually associated with the *shortfall in production only*. The shortfall in production actually tells us how much food needs to be imported in order to meet local *average* consumption but it does not tell us whether people will be able to get their hands on that food. The missing food entitlement is the sum of all the food that is missing at household level, *after* households have exhausted all the options they have for obtaining it. It therefore represents the total missing calories from people’s intake or consumption, rather than from their production.”

“The total missing food entitlements for each scenario and the cash required to replace them are given in Table A. Notice that the cash equivalent has a much higher elasticity to staple price than the maize equivalent; if staple prices increase from scenario 1 by 71% to scenario 2, the cash equivalent to the missing food entitlement increases by an extra 198% (almost three times the value), whereas the maize equivalent only increases by 54%. The implications of this are that prices need to be reasonably stable if cash-transfer programmes are to be effective in meeting food needs.”

Table A. Estimated ‘missing food entitlements’ (MFE) and cash requirements

	Scenario 1	Scenario 2
Maize purchase price increase (Feb 2005 – Feb 2006)	+13% (MK 19–23/kg)	+93% (MK 32–40/kg)
Change in price from scenario 1 to scenario 2	+71%	
Total population affected	4,224,400	4,612,200
Missing food entitlements	269,600 MT	414,400 MT
Change in food from scenario 1 to scenario 2	+54%	
Cash requirements	MK 6.04 billion (US\$ 48.7 million)	MK 18.02 billion (US\$ 145.3 million)
Change in cash from scenario 1 to scenario 2	+198%	

¹²⁵ Source: MVAC (June 2005: 3–4).

Annex 4. FACT Beneficiaries Targeting Report, TA Mwadzama, Nkhotakota District¹²⁶

CENTRE: MWADZAMA

FOOD AND CASH TRANSFER PROJECT: BENEFICIARIES TARGETING REPORT

To come up with a list of 900 beneficiaries for the Food and Cash Transfer Project in TA Mwadzama, the following process was followed:

SENSITIZATION

- Firstly the TA was informed of the project that was to take place in his area. He gave an okay to go ahead with the plans, since we are complementing government's efforts.
- Government staff, village heads, community structure (zone) leaders were then invited to meetings (three, one per zone) where the project was introduced.

SENSITIZATION MESSAGE

The following was presented during the meetings:

- a. What is to be given, i.e. food and cash to 900 households in the project area.
- b. Why Concern is to give food and cash: i.e. because of the hunger crisis that has hit Malawi as a nation with most households missing their food.
- c. Banding: i.e. that the cash will be given in bands depending on household size, with three bands (1-3, 4-6 and 7+) getting different amounts, the first and last group's (band's) cash being adjusted by 75% from the middle band's cash. Band one getting 75% less than the middle band and band three getting 75% more than the middle band.

The banding was justified theoretically by discussing differences in food needs between different household sizes and the members clearly explained the differences in needs hence accepted the issue of banding in the case of cash.

- d. Duration of the FACT project, that it will run from January to April, 2006.

TARGETING CRITERIA

During those meetings with Government of Malawi staff, group village heads, zone leaders, a criteria was discussed as to how the 900 beneficiaries were to be identified and targeted. Community structure leadership discussed and developed the criteria as stipulated below:

TO TARGET

- a. A household that is not getting aid from any other source, which is within the TA.
- b. Summer farm inputs loan beneficiaries, because they had not been targeted by Alinafe or Red Cross.
- c. Vulnerable households, which include:
 - disabled-headed
 - chronically ill-headed
 - child-headed (orphan headed)
 - household caring for orphans.
- d. Household that is not taking a meal for days due to lack of food, or inadequate food.

¹²⁶ This report was written by Joylet Genda, TA Coordinator for Concern Worldwide in TA Mwadzama, in January 2006.

AGREEMENT

- After the meeting, zone leaders (also cluster and some village members) were informed to book meetings with village heads to select the needed beneficiaries.
- The 900 beneficiaries were divided among the 102 villages supported by Concern Worldwide.
- Each village was then to select 8 beneficiaries and a remainder of 84 beneficiaries was allocated to villages with a higher population ($102 \times 8 = 816 + 84 = 900$).
- Below is a summary of the beneficiaries per cluster as well as per village.

Zone	Cluster	No. of Villages	No. of Beneficiaries	No. of Beneficiaries per Village	
North Zone	Mkumbaleza	2	18	2 vg = 9	
	Matamangwe	4	34	2 vg = 8	2 vg = 9
	Chia	2	16	2 vg = 8	
	Mkaika	4	32	4 vg = 8	
	Saliona	5	44	1 vg = 8	4 vg = 9
	Chiperera	5	43	2 vg = 8	3 vg = 9
	Mapala	10	83	7 vg = 8	3 vg = 9
	Malowa	6	50	4 vg = 8	2 vg = 9
	Chamtondo	5	42	3 vg = 8	2 vg = 9
Central Zone	Nanikoko	5	45	5 vg = 9	
	Phakwe	5	46	4 vg = 9	1 vg = 10
	Bangwe	4	39	1 vg = 9	3 vg = 10
	Mtambwadzi	4	38	2 vg = 9	2 vg = 10
	Chakaka	3	33	3 vg = 11	
	Jinga	4	40	4 vg = 10	
South Zone	Kasipa	6	49	5 vg = 8	1 vg = 9
	Chiniwa	4	38	2 vg = 9	2 vg = 10
	Kangamawa	6	49	5 vg = 8	1 vg = 9
	Mwadzama	5	44	1 vg = 8	4 vg = 9
	Suluwi	6	49	5 vg = 8	1 vg = 9
	Katonya	3	31	2 vg = 10	1 vg = 11
	Mkhula	4	37	3 vg = 9	1 vg = 10
	TOTAL	102	900		

- Each village committee leader was then asked to book a meeting with the village head and all members to select the beneficiaries based on the criteria outlined.

SELECTION

- The village heads called the village members for meetings and selected members to be supported by Concern Worldwide.

PROBLEMS

- Some villages selected households that were being supported by either Red Cross or Alinafe.

VERIFICATION

- Having got all selected beneficiaries from the villages, field project staff cross-checked with names targeted by Alinafe and Red Cross. Those appearing on either of the two were marked.
- A meeting was then called for all selected beneficiaries to be informed of the packages and to physically verify them.
- Those appearing to Red Cross or Alinafe were removed from the list and replaced.

COMMENTS FROM COMMUNITIES

- Upon breaking the news that CWW is to help with food aid, the communities were happy but rather worried that the maize is somewhat little.
- With the cash news, they were sceptical as to whether it is true, and the majority of women complained that it would have been better if they were to be given more of maize than cash.
- Females complained that the cash will make some males to go about with other ladies, spending nights outside the homes.
- But during these meetings there was also discussion about what could be the acceptable use of cash.

ACCEPTABLE USES OF THE CASH

The communities said the cash is a benefit because it can help them use as:

- school fees for their children
- payment for hospital bills
- for buying agricultural inputs (e.g. fertiliser, pesticides)
- for buying food since to most families the 20kg to be received will not be enough.

UNACCEPTABLE USES OF CASH

- Beer drinking
- Prostitution/polygamy
- Buying luxuries (e.g. radio).

WHAT TO DO WITH ONE WHO IS TO MISUSE THE CASH

The community members said each will be a monitor of the other and that anyone using the cash and even the food unacceptably, should be removed from the project and replaced with another household.

COMMENTS FROM STAFF AND CBO

- Staff (partner staff) view the cash transfer as a cheaper approach, however they worry that the cash may be misused by some households.
- There is also a worry that the cash is more.
- Also that it might demotivate other households not directly benefiting from other development initiatives.

PROJECT STAFF

- View the cash transfer as being okay but that maybe later it may weaken development in the communities in the sense that those that have not been targeted but are in the same village clubs may leave the project in the hands of those that are to benefit from the FACT project.
- Also, it is felt that during meetings or trainings communities may demand allowances.

Annex 5. Coping Strategy Index (CSI) ¹²⁷

According to the FACT Monitoring reports: 'A household's Coping Strategy Index (CSI) Score is an indication of the extent to which that household has to resort to destructive coping strategies in order to survive. The higher a household's score, the more frequently that household has resorted to destructive coping strategies over the past months' (Brewin, *et al.*, April 2006: 7). Unfortunately, the final Coping Strategy Index is not contained in the SPSS data files and the procedure used for the M&E groups is not documented in the reports. The practical solution has been to reproduce the index based on the methodology developed by C-SAFE.

According to C-SAFE, the Coping Strategy Index (CSI) is a measure that takes into consideration the frequency and severity of the coping strategies adopted by the household.¹²⁸ A weight is assigned to each strategy according to how frequently it was adopted, and taking into account its severity. The strategies included in the survey and the final weights are defined throughout focus group interviews. The final index is then the aggregation of the frequency and severity weights for all the strategies.

In the analysis in this report the CSI has been constructed taking into consideration 12 strategies, which have been aggregated according to the follow weighted criteria:

✓ Severity weighting factor ¹²⁹

<u>Weight</u>	<u>Strategy</u>
3.5	Limit portion size
2.75	Reduce number of meals
4	Skip entire days
2.75	Borrow food
2	Rely on less expensive or less preferred food
3.25	Purchase food on credit, or take a loan to purchase food
2.5	Gather unusual type/amounts of wild food or hunt
3.5	Harvest immature crops
3.25	Send household members to eat elsewhere
3.5	Send household members to beg
2.75	Restrict consumption by adults
2	Rely on casual labour for food

✓ Frequency weighting factor ¹³⁰

<u>Weight</u>	<u>Frequency</u>
7	Every day
4.5	3-6 x / wk
1.5	1-2 x / wk
0.5	<1 x / wk
0	Never

¹²⁷ This Annex was written by Jose Reyna.

¹²⁸ C-SAFE, **Zambia Baseline Survey: Report of Findings**, prepared by TANGO International, in collaboration with C-SAFE M&E team (September 2003: 66). <http://www.sarpn.org.za/documents/d0000523/C-Safe_Zambia_Report.pdf> [14 June 2006].

¹²⁹ The weight criteria are taken from: C-SAFE, **Zambia Baseline Survey: Report of Findings**, prepared by TANGO International, in collaboration with C-SAFE M&E team (September 2003). <http://www.sarpn.org.za/documents/d0000523/C-Safe_Zambia_Report.pdf> [14 June 2006].

¹³⁰ The weight criteria have been taken from: <<http://www.ennonline.net/fex/13/rs5-1.html>>

Annex 6. Contextual Data

Table 16. FACT monitoring and evaluation framework

Survey	Information Collected	Sample size & Methodology	Frequency
Baseline	Quantitative demographic and livelihoods characteristics data: household size, wealth status (assets and livestock), mortality and migration, household borrowing, household food stocks and sources, dietary diversity, frequency of meals, coping strategy index.	500 beneficiary and 500 non-beneficiary households 8 page questionnaire	At start of project prior to first distribution
On-Site Monitoring	Quantitative data pertaining to effectiveness of distribution process: distance travelled to distribution site, safety on and during journey to and from distribution site, beneficiary's knowledge of transfer and entitlements.	45 beneficiaries 1 page questionnaire	Monthly during distributions
Post Distribution Monitoring	Quantitative data pertaining to: perceptions of fairness of targeting, basic livelihoods indicators over the month post distribution (migration, morbidity, mortality, food sources, dietary diversity, frequency of meals, coping strategy index), use and appropriateness of transfer received, length of time food lasted.	200 beneficiary and 200 non beneficiary households 4 page questionnaire	Monthly at least two weeks after the distribution for beneficiaries, bi-monthly for non-beneficiaries
Market Surveys	Prices of food transfer components (maize, oil, beans) plus additional staples (cassava, <i>madeya</i> , rice, etc.) in local markets.	Vendors in 1 market in each of the 7 TAs	Monthly in the week prior to starting the following month's distribution
Thematic Surveys	Qualitative data pertaining to issues arising from post-distribution monitoring.	Male and female groups in 2 villages in 7 TAs (total 28 FGDs)	Bi-monthly depending on issues arising
Internal End of Project Evaluation	As per baseline.	As per baseline	End of project

Source: Ahtell (2006: Appendix 10)

Table 17. FACT market price monitoring data

Market	Maize	Beans	Cooking oil
December 2005			
Kanengo	49	110	306
Dzoole	30	100	350
Nambuma	30	-	320
Mponela	31	90	310
Madisi	35	95	310
Mwadzama	30	80	320
Average	34.17	95.00	319.33
January 2006			
Chitukula	45	110	316
Kabudula	-	-	312
Dzoole	56.5	100	300
Kayembe	43	120	295
Chakhaza	48	105	279
Mponela	57	90	250
Mwadzama	55	65	325
Average	50.75	98.33	296.71
February 2006			
Chitukula	70	110	316
Kabudula	80	130	370
Dzoole	81	105	300
Kayembe	60	-	300
Chakhaza	60	105	279
Mponela	70	110	320
Mwadzama	65	160	330
Average	69.43	120.00	316.43
March 2006			
Chitukula	30	80	312
Kabudula	35	80	310
Dzoole	50	-	300
Kayembe	20	-	295
Chakhaza	35	100	279
Mponela	48	70	279
Mwadzama	20	-	295
Average	34.00	82.50	295.71

Source: Concern Worldwide Malawi, market price monitoring forms

Table 18. MVAC estimates of food deficits and populations at risk, June 2005

EPAs	Deficits (percentage of 2,100 kcal)					Populations at risk		
	Scenario 1		Scenario 2			Poor	Middle	Better off
	Poor	Middle	Poor	Middle	Better off			
Dowa District								
Bowe, Chivala, Mvera, Chinguluwe	5-15%		10-25%			29,000		
Mponela	15-30%		20-35%			19,400		
Lilongwe District								
Chilaza, Chileka, Malingunde, Ming'ongo, Ukwe	15-30%		20-35%			75,800		
Chitekwele, Chiwamba, Mng'wangwa, Mpenu, Mpingu	5-15%		10-25%			94,600		
Nkhotakota District								
Linga, Nkhunga, Zidyana	5-10%		20-30%			49,800		
Mwansambo, Zidyana	15-30%	10-25%	35-45%	30-40%	10-20%	32,800	39,500	11,800
Nkhunga	0-10%		5-15%			8,200		

Source: MVAC (June 2005: 18-19)

Annex 7. Additional SPSS Tables

Table 19. Use of FACT maize, by household size and household type

Month	Use of maize	Band 1 (1–3)	Band 2 (4–6)	Band 3 (7+)	MHH	FHH
January	Consumed	92.8%	96.7%	95.1%	96.0%	94.8%
	Shared	5.9%	1.8%	3.2%	2.4%	4.0%
	Saved	0.1%	0.9%	1.3%	1.0%	1.0%
February	Consumed	88.1%	94.9%	95.9%**	94.3%	97.5%
	Shared	5.6%	1.6%	1.6%**	2.2%	0.1%
	Saved	6.4%	3.1%	2.5%	3.2%	2.4%
March	Consumed	61.9%	77.1%	87.5%***	81.6%	80.0%
	Shared	0.0%	1.2%	0.9%***	1.1%	0.5%
	Saved	38.1%	21.1%	11.6%	17.4%	17.9%

*** Differences between Band 1 and Band 3 are significant at 0.001 level (t-test)

** Differences between Band 1 and Band 3 are significant at 0.01 level (t-test)

Table 20. Mean of the percentage of cash spent on non food for category by period

Use of cash	January	February	March	Mean
Food	63.2%	69.4%	45.3%	59.3%
Matches, milling, soap, etc.	15.7%	13.4%	15.3%	14.8%
Medicine/ health care	5.6%	7.2%	9.1%	7.3%
Savings ***	3.3%	2.7%	13.3%	6.4%
Buying agricultural inputs *	3.8%	2.0%	1.6%	2.5%
Education/ school fees *	1.8%	1.9%	3.5%	2.4%
Loan repayment ***	1.2%	1.0%	3.5%	1.9%
Clothes	0.5%	0.3%	3.0%	1.3%
Paraffin/ firewood/ fuel ***	1.2%	0.6%	0.6%	0.8%
Social functions	1.1%	0.2%	0.9%	0.7%
Transport	0.8%	0.7%	0.5%	0.7%
Investing in small-scale business	0.2%	0.0%	0.9%	0.4%
Buying livestock	0.3%	0.1%	0.6%	0.3%
Other things ***	0.0%	0.0%	1.0%	0.3%
Lending to someone else	0.4%	0.2%	0.2%	0.3%
House construction and goods	0.3%	0.1%	0.4%	0.3%
Gift	0.4%	0.1%	0.1%	0.2%
Alcohol, cigarettes, entertainment	0.1%	0.1%	0.1%	0.1%
Remittances	0.1%	0.0%	0.1%	0.1%
Girlfriends or to take another wife m	0.0%	0.0%	0.0%	0.0%
Total (non-food)	36.8%	30.6%	54.7%	40.7%

Source: FACT PDM surveys (January to March 2006)

Note: Differences between January and March are: * Significant at 0.05 level (t-test)

** Significant at 0.01 level (t-test) *** Significant at 0.001 level (t-test)

Table 21. Coping Strategy Index statistics, by household type and month

		FSA (Nov05)	BL (Dec05)	PDM1 (Jan06)	PDM2 (Feb06)	PDM3 (Mar06)	IE (Apr06)
Mean	Ben MHH	50.41	66.99	53.12	43.57	32.63	33.62
	Ben FHH	50.45	63.72	47.96	43.97	38.47	37.33
	Non Ben MHH	47.69	62.89	58.87	55.23	50.85	39.40
	Non Ben FHH	50.49	62.13	59.87	62.56	64.53	49.42
Std Deviation	Ben MHH	(27.25)	(25.08)	(19.52)	(21.37)	(25.58)	(28.87)
	Ben FHH	(25.68)	(25.90)	(16.88)	(19.85)	(27.12)	(29.59)
	Non Ben MHH	(26.15)	(30.06)	(21.98)	(24.30)	(30.85)	(29.60)
	Non Ben FHH	(29.07)	(27.03)	(29.24)	(24.91)	(35.07)	(33.16)
Median	Ben MHH	47.50	67.75	52.00	45.94	28.63	28.38
	Ben FHH	49.19	64.13	48.13	49.31	34.00	31.13
	Non Ben MHH	52.38	62.25	56.50	55.13	44.75	32.75
	Non Ben FHH	48.25	63.75	50.13	61.88	60.63	42.69

Table 22. Meals per day for adults, by household type and month

		Periods					
		FSA (Nov05)	BL (Dec05)	PDM1 (Jan06)	PDM2 (Feb06)	PDM3 (Mar06)	IE (Apr06)
Mean	Ben MHH	1.61	1.24	1.18	1.16	1.97	2.00
	Ben FHH	1.27	1.19	1.28	.98	1.91	1.95
	Non Ben MHH	1.70	1.35	1.11	.78	1.56	1.90
	Non Ben FHH	1.56	1.17	.97	.73	1.28	1.84
Std Deviation	Ben MHH	(.83)	(.65)	(.60)	(.74)	(.60)	(.57)
	Ben FHH	(.78)	(.70)	(.68)	(.83)	(.64)	(.59)
	Non Ben MHH	(.93)	(.75)	(.60)	(.61)	(.66)	(.59)
	Non Ben FHH	(.77)	(1.07)	(.63)	(.64)	(.70)	(.67)
Median	Ben MHH	2.00	1.00	1.00	1.00	2.00	2.00
	Ben FHH	1.00	1.00	1.00	1.00	2.00	2.00
	Non Ben MHH	2.00	1.00	1.00	1.00	2.00	2.00
	Non Ben FHH	1.00	1.00	1.00	1.00	1.00	2.00

Table 23. Retail maize prices (MK/kg) in Central Region markets, 2005–2006

Month	Lilongwe	Nkhotakota	Kasungu	Nkhoma	Dowa	Mponela	Mean
Jan 05	18.33	19.74	17.59	16.42	18.75	19.64	18.41
Feb 05	17.65	20.32	21.54	16.97	17.97	17.70	18.69
Mar 05	18.39	20.06	21.88	17.30	18.32	18.03	19.00
Apr 05	18.00	17.49	20.23	15.59	17.72	17.40	17.74
May 05	18.08	14.14	17.79	14.14	15.35	14.88	15.73
Jun 05	19.94	14.60	14.99	15.22	16.96	18.05	16.63
Jul 05	23.63	23.33	16.09	17.71	19.39	19.06	19.87
Aug 05	19.97	25.73	18.90	18.45	18.25	20.46	20.29
Sep 05	20.25	24.69	21.50	20.44	20.47	21.72	21.51
Oct 05	29.88	26.84	26.63	28.19	26.03	23.91	26.91
Nov 05	33.60	31.97	35.00	28.61	26.81	26.15	30.36
Dec 05	33.00	36.90	37.50	30.70	28.92	27.00	32.34
Jan 06	33.25	48.67	43.29	32.53	30.92	32.14	36.80
Feb 06	35.38	49.67	50.92	35.00	38.89	42.47	42.06
Mar 06	56.25	55.38	57.13	43.33	48.84	58.75	53.28
Mean	28.44	30.78	30.00	24.99	25.71	26.83	27.79

Source: FEWSNET (January 2005 – March 2006) 'Malawi Food Security Updates'

Table 24. T-test for number of meals eaten by adults, by month

Month	Beneficiary			Non beneficiary			Difference	
	Mean	SE	Obs	Mean	SE	Obs	Mean Difference	Sig. (2-tailed)
November 2005	1.51	.055	226	1.66	.067	174	-0.15	0.090
December 2005	1.23	.030	500	1.31	.038	500	-0.08	0.080
January 2006	1.20	.039	250	1.09	.038	250	0.12	0.034*
February 2006	1.13	.048	250	.77	.039	250	0.36	0.000***
March 2006	1.96	.038	250	1.51	.043	250	0.44	0.000***
April 2006	1.99	.026	500	1.89	.027	500	0.10	0.009***

Note: SE = Standard Error Obs = Number of observations

* Significant at 0.05 ** Significant at 0.01 *** Significant at 0.001

Table 25. T-test for Coping Strategy Index scores, by month

Month	Beneficiary			Non beneficiary			Difference	
	Mean	SE	Obs	Mean	SE	Obs	Mean Difference	Sig. (2-tailed)
November 2005	50.42	(1.78)	226	48.56	(2.05)	174	1.86	0.492
December 2005	66.22	(1.13)	500	62.71	(1.31)	500	3.51	0.043*
January 2006	52.01	(1.21)	250	59.03	(1.47)	250	-7.02	0.000***
February 2006	43.63	(1.33)	250	56.40	(1.55)	250	-6.24	0.000***
March 2006	33.66	(1.64)	250	53.20	(2.02)	250	-19.54	0.000***
April 2006	34.47	(1.30)	500	41.49	(1.37)	500	-7.16	0.000***

Note: SE = Standard Error Obs = Number of observations

* Significant at 0.05 ** Significant at 0.01 *** Significant at 0.001