

CONCERN
worldwide



Cash Transfers as a response to disaster -

Lessons from Oxfam GB and Concern Worldwide responses in Western Zambia (2007)

Background



Beneficiaries receiving cash at a distribution

In the Western Province of Zambia, the Barotse flood plain covers parts of the four districts of Senanga, Mongu, Kalabo and Lukulu which usually experience normal seasonal flooding towards the end of the rainy season, between February and April of each year. Usually, this seasonal flooding is welcomed, as after the waters recede the people can use the fertile land for winter cropping (between July and December) which is the principle cultivation season in the flood plain. In addition on some plains farmers plant a second 'summer crop' on the mounds (around November) in the hope that the flood will be less in that particular year. Towards the end of the flooding period, communities move to the "upper land" (higher areas of land on the edge of the plains) where many of them have a second home and some cassava fields. During the annual migration they bring with them the maize, rice and sweet potato harvested in November and December as well as their livestock. A good number of households however do not have second homes and access to cassava fields in the uplands and usually remain in the plains throughout the flood relying on fishing.

Following a dry spell at the end of the year which affected the winter crop, the onset of the 2006/07 rainy season in Zambia was characterized by exceptionally heavy rainfall particularly in the upper reaches of the Zambezi that resulted in flash floods and water logging in valleys and/or low lying areas. The Zambezi rose to the highest levels for 25 years and displaced a large number of households that did not traditionally migrate at the time of the flood. Many households lost their homes, both summer and winter crops and much of their livestock.

Common fears about cash distributions:

It will cause inflation in the market....

Despite an increased demand for maize, the price did not increase during the project period in the Concern intervention. The price of maize did increase in OXFAM GB's project but this was due to normal seasonal variation and not the intervention itself.

The money will be misspent...

Less than 0.5% of the cash was spent on un-productive items

Men will take control of the money....

Women were unanimous in their support of the programme. Both projects found a positive impact in terms of an increase in joint decision making between men and women on how household resources were used.

An assessment carried out at the time¹ found that many households were forced to sell assets such as livestock and farming equipment in order to buy food and otherwise cope with the situation. As a result of the assessment, and under the coordination efforts of the Disaster Management and Mitigation Unit (DMMU) and District Disaster Management Committee (DDMC), OXFAM GB and Concern Worldwide decided to distribute cash to some of the flood affected households.

Many relief agencies are increasingly using cash transfers to respond to people's right to assistance in crisis, in order to meet immediate food and non-food needs as well as to assist in livelihood recovery, where markets are still functioning. Cash has several benefits over direct input distribution², most notably because:

- Cash can re-stimulate local markets after a disaster has struck.
- Cash also gives flexibility of choice, empowering poor households, often headed by women to choose for themselves what they needed most.
- Cash can be speedy and cost effective to implement.

Summary of the two projects

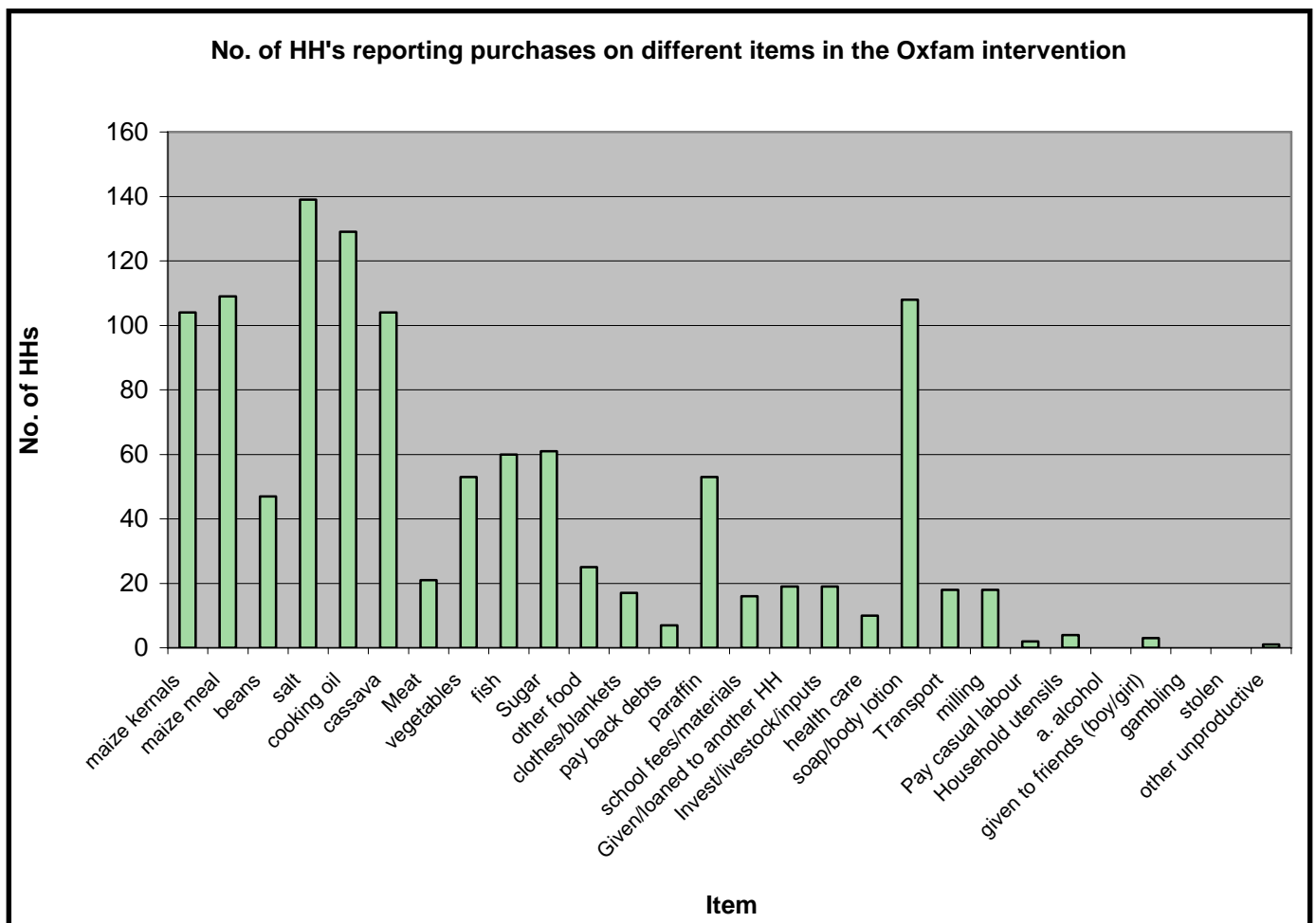
	Concern Worldwide	OXFAM GB
Location	Parts of Kataba, Nanjuca, Mwanambuyu, Imatongo, Imatanda, Luiwanyau and Naluyuwa wards in Senanga District; and Yeta and Namshakende wards in Mongu district.	Ushaa and Luumbo Wards in Mongu District.
No. of beneficiaries	1,722 households	2,100 households
Donor	DFID	Oxfams: GB, Australia, Netherlands (Novib) and Hong Kong, as well as the State of Jersey.
Objective of the project	To reduce the suffering of flood affected households in Mongu and Senanga districts of Western Province.	To reduce suffering and prevent malnutrition, harmful levels of asset depletion and/or the undertaking of negative coping strategies (including activities such as migration that might increase the risk of HIV infection) by the poorest and most affected flood affected households.
Targeting criteria	Households displaced by the flood waters, whose crops and homes had both been destroyed	Very poor households affected by flooding.
Duration of the project	March – April 2007	May – August 2007
Cash distributed	200,000 ZMK (or just over 50\$) per household, one time.	Calculated as 100,000 ZMK per household per month for four months but given out in two-month increments of 200,000 ZMK in two distributions in alternate months.
Mechanism of distribution	Local branch of the Zambia National Building Society with security company and armed police guards.	Local branch of Standard Chartered Bank with security company and armed police guards.
Gender and HIV mainstreaming	Messaging and sensitisation at distributions and on local radio. 55% of money collected by women.	Messaging and sensitisation at distributions. 75-84% of money collected by female head of household or female member of HH.
Decision making	In 92% of cases, women or women jointly with men decided how the money was spent.	In 87% of cases, women or women jointly with men decided how the money was spent.

Key findings of the evaluations

3.1 Use of Cash

Oxfam GB and Concern Worldwide each commissioned an evaluation of their respective projects, this note is the summary of those findings. To get a copy of the full evaluation reports please contact the agencies in their Lusaka offices or by email: Oxfam GB (jhatembo@oxfam.org.uk) and Concern Worldwide (bijoy.sarker@concern.net).

See the table below from a post distribution monitoring (PDM) exercise carried out by Oxfam GB. It shows the variety of items purchased by 233 households surveyed.

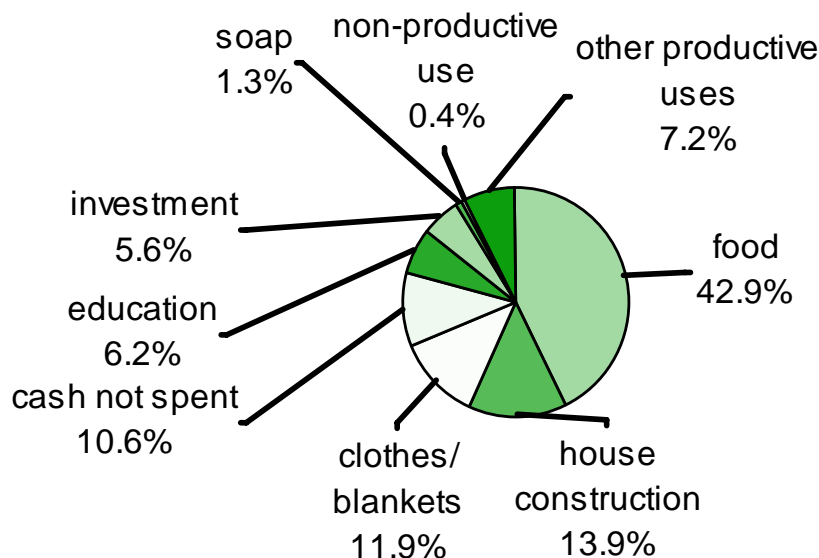


Overall in the OXFAM GB intervention, 80% of the transfer was spent on food. The rest was spent on non-food but productive items (like clothes or blankets, school items and/or soap). About 7% was unspent (at the time of doing the post distribution monitoring). Of the food expenditure, most of the money was spent on maize (65%) and cassava (15%). Lesser, but still important, amounts were spent on cooking oil, fish, beans, vegetables and meat.

By contrast, in an immediate post displacement situation (i.e. the Concern Worldwide intervention) less than half the money was spent on food. In fact, about a third of all expenditure was on shelter materials and replacing lost household assets (blankets, clothes, cooking equipment). Further, more than 50% of households reportedly purchased at least one or two fishing nets - in other words investing in items which would give them a longer term source of food and income than the cash itself. Also interesting was that most households were keeping aside a proportion of the money to spend later (11%) for returning to the plains/ buying seed. Finally many households reported using a small amount of their cash to help get kids into schools in their new areas during the period of their displacement (total proportion spent of education related items was 6%).

In both interventions less than 0.5% of the grant was reportedly spent on unproductive uses. Women who collected the money reported during the evaluation giving "a small amount" to their husbands and they reported that he used it for tobacco or beer. This helps verify the unproductive spending of 400 Kw noted in the PDM data.

Chart showing how cash was spent in the Concern project



Learning Point: Flexibility is the main benefit to beneficiaries of cash over some other input distribution and even in very remote places, such as Western Province, people will find ways to make the most efficient use of the cash they receive to purchase the goods their families most need.

3.2 Cash amount vs. household size

In both cases the amount of cash provided did not vary by household size. This was a conscious decision taken to keep the project as simple as possible and because previous analyses of household size in Western Province found that most were between 4-8 family members. In the end, the OXFAM GB PDM data indicated that 61% of households had between 4-8 members, with 25% smaller and just 13% bigger. The evaluator noted that giving the same amount of money to households regardless of size meant that larger households had proportionately less cash available to provide for their needs and so were disadvantaged. However, extensive questioning of the community, both beneficiaries and non-beneficiaries found that there was a preference (including from large households) that all beneficiaries be given the same amount of cash. The main reason cited for this was community cohesion and security.

Learning point: *In this case, adding an extra distribution complication by varying the amount depending on household size would not have changed the impact substantially and might have caused some resentment in communities.*



Verifying beneficiary families - both Oxfam and Concern engaged with local structures and traditional leaders as well as verifying every single beneficiary family in order to ensure that distributions were targeted at the right groups.

3.3 Targeting

Both projects used community based targeting to determine which households met the criteria and therefore should be on the distribution list. In the case of Oxfam GB the problem was partly due to too few staff being hired quickly enough as well as the fact that there were repeated changes to the wards assigned to cash and those assigned to food, resulting in hurried targeting processes and frustration amongst community members. For Concern Worldwide, significant effort and staff time was devoted to both targeting and verification, every single household was physically verified! In this case, by defining very tightly the actual target group (those who did not normally migrate off the plains in the time of flood, but had been forced to in this particularly severe flood year, had no upland fields to fall back on and who had lost their winter and summer crops) made it much easier to target successfully. Secondly, engaging so exhaustively with the local structures (DDMC/ADC) and traditional leaders during the targeting phase, and going back to verify every single beneficiary family proved to be worthwhile in the end as the overall exclusion and inclusion errors were extremely minimal. However, the external evaluation picked up that some local leaders were included and it seems the community felt powerless to not include them.

Learning point: *Generally, targeting was difficult, and, while this is common to many humanitarian interventions, in the case of cash it did seem that higher levels of sensitisation and staff involvement was required and should be budgeted for. It is also clear that the more objective or tight the criteria the easier targeting will be to do.*

3.4 Gender

Gender and HIV sensitisation were carried out in both projects (through the use of drama groups, messaging on t-shirts and registration cards, on the radio and through programme staff) and was well received. In both projects, women were not specifically targeted to directly take receipt of the cash (though in the end 50 – 75% did) at pay points and instead the project relied on sensitisation to encourage joint decision making in the household with the rationale that it didn't matter who carried the cash home but rather that women had some say in how it was spent. In the end, in both projects, decision making was made by women or in some 90% of cases by women and men jointly.

Income in Zambia is traditionally men's domain and food women's and is one of the rationales for giving food in emergency situations (directly into the hands of women). Using cash would appear to be contrary to cultural dictates but by doing a strong sensitisation accompanying the cash distribution it appeared that the interventions were quite successful in reversing normal gender roles around who is responsible for making decisions on the use of cash. Actively challenging household power relations in this case (rather than simply giving food to avoid provoking gender related 'issues'), has in the end, appeared to have a beneficial impact as women reported being happy to be more involved in household decisions and told the evaluator that they had gained knowledge about money. They also felt that the messaging had contributed to the fact that there were no cases of conflict over the transfer and that it had made them aware of their rights.

The possibility of the cash increasing intra-household violence was discussed with the committees, community leaders and with gender disaggregated focus groups. There were no reported incidents of gender based violence linked to the projects and only a few incidences of divorce, one of which was put down to the woman now having the means to leave her husband after collecting the cash! It also seems plausible to link this to the sensitisation messaging, given the overall high levels of gender based violence in Western Province and elsewhere in Zambia³.

Learning point: Cash can give women some leverage or power in intra household decision making and sensitisation messages seem to be effective for doing this.



A beneficiary signing by thumbprint to receive their cash - 88% of beneficiaries reported they were 'happy with the distribution process'.

3.5 Cash distribution mechanisms

Both projects utilised local banks to pack the cash into envelopes, get the cash to the distribution site (including security arrangements) and manage the distribution of the cash at the site. This was found to be relatively efficient and cost effective, for these projects which were of short duration but there were some problems. For example, in the OXFAM GB project, reports of robberies in the area made the bank nervous and so the number of pay points was significantly reduced from the original plan which meant beneficiaries had to walk long distances and wait long periods of time to receive their cash. In the Concern Worldwide project the bank did not make such limitations and nearly 80% of households walked less than one hour to receive their cash. In the OXFAM GB project only 40% of beneficiaries walked less than one hour to the site, with the remaining walking further. Interestingly, 88% of beneficiaries still reported that they were "happy with the distribution process" and no complaints were made about this issue. However, in the case of the OXFAM GB project about ¼ did report that they did not feel safe walking home with the cash.

Paying the cash in a two-month chunk of 200,000 ZMK (instead of a monthly amount of 100,000 ZMK) made it easier for beneficiaries to plan their purchases and buy in bulk. They grouped together to save on transport and so used the money very efficiently.

Learning point: The distance to pay points is less of an issue than the overall time taken to receive the cash; distributions should be finished early enough for beneficiaries to walk to the furthest point and back in daylight. In a multi-month programme it may be possible to group distributions which can have positive benefits both for beneficiaries and for the cost-effectiveness of the project.

3.6 Security and the right to information

There are three security issues that need to be planned for in a cash distribution: (i) transporting the cash from the bank to the field, (ii) site security at the pay-point and (iii) security of community members between the pay-points and their homes. Both interventions utilised security companies with accompanying armed policemen (sub-contracted by the bank) to take the money to the field and who then stayed at the site during the distribution. There were no incidences and beneficiaries were very happy overall with the payment process in both interventions. Similarly there were no reported problems with any beneficiaries walking home with their cash.

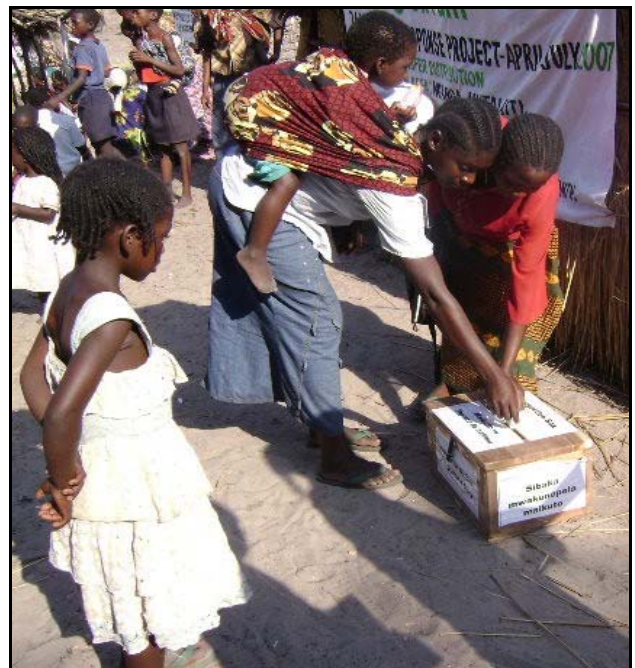
In the case of the Concern Worldwide project, staff had decided not to tell the community in advance that they were planning on distributing cash as they wanted to maintain a high level of security. As a result, a number of beneficiaries reported during the evaluation that they were quite fearful when they first saw the bank vehicles arrive at the pay points, accompanied by armed guards. OXFAM GB did inform the community about their exact cash entitlements but gave very short notice with regard to the day of the distribution, seeking to minimise the risk of robbery. This meant that some beneficiaries did not get the news in time and missed one of the distributions, which had to be made up later.

Learning points: *There is a balance to be made between security and the communities right to know what their entitlements are and be given sufficient notification of the dates of payment. Further, contracting out the security arrangements to the bank worked but was better when a smaller institution, engaged at the district level was used. However, cash distribution mechanisms in general need to be organised on a case by case basis.*

3.7 Accountability

In the Oxfam GB project a concerted effort was made throughout the project to ensure that beneficiaries' voices were heard. The team had an "accountability plan" involving a checklist of activities aimed at ensuring people understood their right to assistance, what their exact entitlements were and how the distributions would be implemented. These activities included regular sharing of information, the development of a monitoring framework, and ensuring that complaint mechanisms were put in place. The main complaint mechanism put in place was a series of suggestion boxes utilized on the payment days, where community members could put in anonymous notes. This process worked well and was one of the mechanisms that allowed the project team to understand the problems with the targeting and registration process. All the complaints and suggestions received were then typed and translated (from Lozi) and given to programme staff to action. The most common complaints had to do with targeting and in the case of one area the complaints resulted in a full re-targeting exercise.

In both projects, the financial accountability of the project also appears to be high. The evaluation team could not find any case where incorrect monies had been paid out, or of beneficiaries that were registered and then failed to receive payment. The local chief (*Induna*) of each area has signed the final payment form to confirm that all the beneficiaries received payment.



A beneficiary posting an anonymous comment at a suggestion boxes on payment day used to monitor problems with the targeting or registration process.

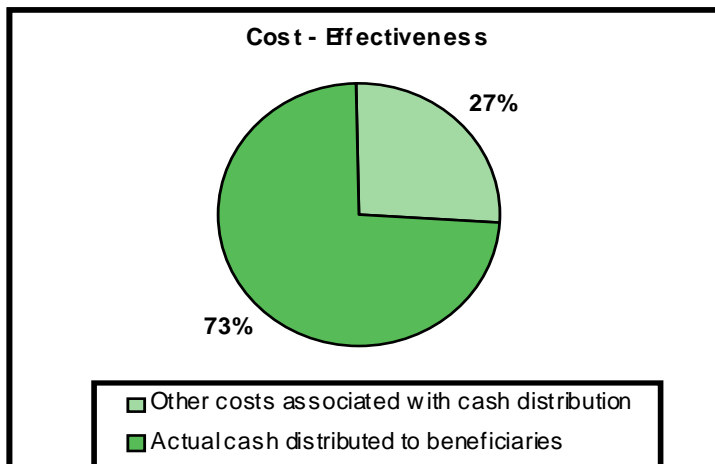
Learning point: *Suggestion boxes placed at pay points can help ensure problems faced by beneficiaries are brought to the attention of project staff in time to make changes to the intervention.*

3.8 Cost Effectiveness

In the case of the Concern Worldwide project, 73% of the total project costs went directly to the beneficiaries. The other 27% included all costs associated with the registration, payment of cash, gender and HIV sensitisation, monitoring, staff costs and administration. The cost of the expatriate Project Manager are however not included, nor the evaluation costs.

The evaluator considered that this was highly cost effective compared to typical food distribution projects. It is also significantly more cost effective than a response which attempted to provide the range of relief items which were actually purchased by beneficiaries with the cash. In addition, the flexibility of cash transfers (use of the money by the people according to their priority), the less burdensome logistical/administrative requirements (procurement, transport, quality maintenance, storage, delivery etc.), the lower requirement on staff time and a lower level of risk of 'leakage' make this type of intervention very attractive from a cost-effectiveness point of view.

The cash intervention carried out by Oxfam GB was part of an overall emergency response that included public health activities. Thus, it is difficult to make a straightforward cost effectiveness calculation as above. However, it is useful to note that the bank charged 10 million ZMK per trip (four trips) for a total cash delivery of 445 million ZMK. This works out to be a cash charge of just under 9%. However, as noted above, there were too few paypoints as beneficiaries had to walk long distances to pick up their cash. In terms of staff, one full time project officer and one driver and vehicle were devoted to the intervention, as well as part-time oversight from the project manager and support from admin, HR, logistics staff from Oxfam GB's Mongu and Lusaka offices.



Learning point: Cash can be very cost effective as compared to input distributions, especially if the full range of items that beneficiaries choose to purchase is taken into account. However, care needs to be taken when working out a contract with sub-contracted service providers (such as a bank) such that the logistics of cash delivery meet the beneficiary's needs

Conclusion

The evaluator found in both cases that a cash response was an appropriate one, despite the fact that markets were a long distance away. In the case of Oxfam GB, The cash grant had a positive impact for the beneficiaries as it allowed them to purchase their staple foods (maize and cassava) at a time when food supplies were low. The cash grant also enabled households to improve their dietary diversity and prevented the use of negative coping strategies during the project period. For Concern Worldwide, the cash transfer allowed beneficiaries to determine their own priorities and spend accordingly. The amount provided was sufficient to allow households to purchase food and shelter materials and numerous households decided to allocate a portion of the grant to investment and business. Additionally, the purchase of food items from local traders, and spending on construction materials and labour provided an opportunity for non-beneficiaries such as traders, and non-flood affected households to indirectly benefit from the cash assistance.

The findings thus suggest that cash transfers are a viable response to provide relief following droughts or floods, in even seemingly remote areas such as exist in Zambia. However, careful design and planning is critical, especially with regard to targeting and the mechanisms employed for the delivery of the cash.

1. Done jointly by Concern, Oxfam GB, DMMU, Ministry of Agriculture, Keepers Zambia Foundation, the YMCA and DDMC in late January 2007. Report available.
2. See publication: Jaspers S. and Creti. P., Cash Transfer Programming in Emergencies, Oxfam GB (2006)
3. This finding was also observed in the cash transfer project carried out by Oxfam GB in 2005-6 whereby similar levels and types of sensitisation were done and in 86% of cases women or women jointly with men decided on how the money was spent.