Independent Evaluation of Oxfam GB Zambia's Emergency Cash-Transfer Programme

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Executive Summary

Zambia experienced poor rainfall during the 2004/5 production season, which significantly reduced both cereal and non-cereal yields. In an effort to determine the levels of vulnerability, the government-led Vulnerability Assessment Committee (VAC) assessment in March 2005 identified 1,232,661 food-insecure people in need of relief assistance. In response to the VAC assessment, DFID funded Oxfam GB with £1,000,000 to undertake a cash transfer programme in Mongu and Kaoma districts. Oxfam proposed to provide unconditional cash transfers of 90,000 Zambian kwacha per household per month to vulnerable households in the two districts for a period of five months. The programme aimed to assist households that were not meeting over 50% of their food needs. In the end, implementation constraints meant that Oxfam was only able to provide households with four monthly cash transfers between November and March. Initially, transfers were provided to 10,500 households in November and December, rising to 13,500 in January and February/ March.

Targeting was a combination of geographic and community-based approaches. The most vulnerable wards were agreed with District Disaster Management Committees, and those wards where cash transfers would be feasible due to market access were selected for the cash transfer programme. At village level, local committees selected the most vulnerable based on criteria agreed with Oxfam. The size of transfer was calculated to be roughly equivalent to a typical food aid ration based on prices at the start of the project, and the assumption that these would not rise dramatically because of the large food aid distributions being planned. Oxfam signed an agreement with Standard Chartered Bank to deliver the cash, which in turn contracted a security company. Cash was pre-packaged in individual envelopes by the bank and transported to distribution sites by a security company vehicle. Two bank tellers hired by the bank for the project and Oxfam staff distributed the cash to registered beneficiaries, who had to have an ID card to receive the cash. The person targeted or a named deputy had to be present to receive the cash.

The Oxfam emergency cash transfer programme can be seen as an appropriate and effective response to a potential food security crisis. Whether or not an acute humanitarian crisis would have occurred in the absence of a major relief effort in Mongu and Kaoma Districts is unclear, but the cash transfers project did help people to get through a difficult year, protect assets and avoid negative coping strategies and deepening poverty.

The programme was effectively implemented in the sense that people received the cash that they were meant to, and were able to use that cash to purchase basic items, mostly food, at prices that were reasonable and in markets that were largely accessible. In aggregate terms the cash transfers appear to have allowed people to purchase amounts of food roughly comparable to a standard food aid ration, and therefore of similar nutritional value. The transfers also enabled people to make small but sometimes crucial non-food expenditures, particularly in health and education. Cash transfers also probably had greater positive impacts on local economies than food aid through boosting the profits of local traders, and some degree of purchasing from local producers.

There are some grounds for concern that, in the more remote areas where the cash transfers were provided, access to markets was difficult and people had to walk for long distances to buy food. But the costs of this would need to be compared to the possibly similar costs to beneficiaries of accessing and transporting food aid in remote areas. The main concerns raised in the evaluation team's fieldwork related to targeting inclusion errors, but these seem largely to have been a function of Oxfam's stretched capacity, lack of familiarity with the area and the general difficulties of targeting, rather than anything particularly related to the use of cash as a resource transfer mechanism.

There is a great need for caution in making cost-effectiveness comparisons, but the cash transfer project does appear to have been slightly more expensive than food aid. The cash project does appear to have been cost-effective at the time of project design, in terms of the cost of food locally compared to the cost of regional purchase and transport, but the dramatic appreciation of the kwacha through the lifetime of the project affected this calculation. The non-cash costs of the project (Oxfam staff, transport and support costs) were high and, at over 30% of the value of the cash distributed, above what should be good practice for cash distributions. This can be partly explained by the fact that Oxfam was starting direct operations in the project areas, and partly by the need to invest more in a pilot project. It is nonetheless still a cause for concern, and skews any cost-effectiveness comparisons.

In part because Oxfam had not been directly operational in the project area, its capacity was stretched, and staff are to be commended for delivering a large and innovative project effectively in a short time-scale. However, the delays in agreeing and approving the project meant that it was implemented in more of a rush than should have been necessary given the reasonably good warning of the crisis and the predictability of periodic acute food insecurity in Zambia. There is a strong case for investing more in emergency preparedness and contingency planning for future interventions. The lack of complementary projects being implemented either by Oxfam directly or by its partners in the areas where the cash project was carried out means that, although the cash had a positive short-term impact on food security, opportunities are being missed to forge links with longer-term food security and livelihoods interventions.

Based on this, there is clearly a case for cash transfers to be considered by Oxfam and more widely by other stakeholders in Zambia in future relief responses. Ideally, the consideration of a range of options should be part of the VAC process and linked to explicit and open discussions about the relative cost-effectiveness and wider appropriateness of different options. Whether they are appropriate or cost-effective in future interventions cannot be assumed and will have to be judged on a case-by-case basis using careful, context-specific analysis, particularly of prices and markets. Cash transfers should, however, be a tool in the armoury of possible responses to periodic acute food insecurity. If they were seen as appropriate in a future crisis, then there would probably be a strong case for a cautious expansion in the scale of cash transfers compared to food aid – although there would need to be careful contingency measures in the event of rapidly rising prices or market failures. There is also an ongoing debate about the role of cash transfers in longer-term social protection and safety net strategies in Zambia. Long-term cash transfers as part of a social protection strategy would possibly help to alleviate poverty and increase the ability of households to deal with periodic shocks.

There would also be scope to explore ways in which relief responses could link with and build on long-term social protection programmes, for instance in targeting and delivery mechanisms.

1. Introduction

1.1. Background and Motivation

In February 2005, food security reports from FEWSNET, the Malawi VACs and the Regional Inter-agency Co-ordination Support Office (RIACSO) indicated that another acute food crisis in Southern Africa would occur, prompted by rainfall failure during the 2005 growing season. Crop failure was forecast in areas of Malawi, Mozambique, Zambia and Zimbabwe.

Oxfam GB planned a humanitarian response within countries in which it already had existing operations. Oxfam aimed to ensure that its responses would take into account lessons learned from the food crisis of 2001–2003. In Zambia, a large unconditional cash transfer programme was designed and implemented as Oxfam's sole response to the crisis. In Malawi, a small unconditional cash transfer project was designed and implemented as part of a wide and varied response programme.

The programmes were designed to finish at the end of March 2006, when crop harvests were expected; however, Oxfam GB is exploring appropriate responses to chronic food insecurity in Southern Africa. In connection with current thinking around social transfers, Oxfam is considering the possibility that these emergency cash programmes could transition into longer-term programmes to help address chronic food insecurity. This will require additional planning, particularly around targeting and quantities.

An end-of-project evaluation was planned for, covering both Malawi and Zambia, the findings of which were intended to guide extended programming in the two countries and to guide future emergency responses there or elsewhere. The evaluation was undertaken by the Overseas Development Institute's Humanitarian Policy Group, in two separate missions to Malawi and Zambia. The evaluation findings are contained in two separate reports and a combined report.

This document is the report on the Zambia evaluation undertaken during April, immediately following the end of the project.

1.2. Purpose of Evaluation

The purpose of the overall evaluation, as stated in the terms of reference, was to assess the effectiveness of unconditional cash transfers as an instrument to address acute food insecurity in Southern Africa in order to improve future response strategies and programming in the region.

The large-scale use of cash as an emergency response to food crises is relatively new for international relief and development organisations such as Oxfam. There is growing recognition that such cash-based responses may have advantages in certain circumstances over other, more traditional, responses, but agencies are still developing the experience and understanding necessary to determine when such circumstances exist, and how best to implement this type of response.

The outputs of the evaluation are intended to be used by:

- Oxfam GB and other agencies' programming staff in designing and planning further food security assistance programmes in the two countries by capturing specific knowledge and learning of the role of cash and relief in the food security of communities in Malawi and Zambia.
- Oxfam GB and other agencies' policy and programming advisers, by contributing to a body of experience that will lead to better understanding of the usefulness of cash transfers as an instrument to address acute food insecurity.

1.3. Methodological Approach

The evaluation drew upon the monitoring work carried out by Oxfam during the life of the project to provide quantitative information about the beneficiaries and the transfers. The project used a post-distribution monitoring system, which collected quantitative data after each distribution through a questionnaire and qualitative data through observation and ad hoc discussions with beneficiaries at distributions. A qualitative post-distribution monitoring exercise was also carried out after the final distribution in mid-April 2006. Data from a variety of primary and secondary sources were used to verify food prices during the project.

Field work was carried out by the independent evaluation team. It consisted of interviews with Oxfam staff implementing the programme, other aid actors (donors, other NGOs, World Food Programme (WFP)) and with government officials at local level, along with interviews with beneficiaries, non-beneficiaries and key informants (traders, teachers, health workers, local chiefs) within the communities. Focus group discussions and interviews with individuals were conducted in seven villages. The evaluation team consisted of an ODI Research Fellow, an international consultant and translators. To promote the perception of independence, the team did not include Oxfam staff. Specific details on the numbers of people who participated in the focus group discussions are presented in Table 1.

Table 1: Numbers of people attending focus group discussions by site

Site	No. of participants who were beneficiaries	No. of participants who were not beneficiaries	Male participants	Female participants	No. of participants who were in the selection committee	Total no. of participants
Mushwala	24	6	14	16	0	30
Kazabami	23	20	19	24	3	43
Lwatembo	9	5	6	8	3	14
Kalonga	17	8	16	9	2	25
Nangula	26	6	24	8	4	32
Si,mulima	19	1	10	10	3	20
Macuu	16	6	10	12	4	22
	134	52	99	87	19	186

Field Survey, April 2006

The following constraints should be highlighted:

- The evaluation was limited to examining in detail only the cash project, making comparisons with food aid difficult.
- Resource constraints limited the time available for fieldwork.
- The quality of translators and time available to work with them to explain key concepts was limited.

The point about comparisons with food aid needs some further explanation. The evaluation team did not visit any areas where food aid was distributed, and so cannot make any evaluative judgements about the food aid relief programme. One of the questions asked in interviews and focus group discussions with communities was about people's own preferences for cash or food, so to this extent some comparisons with food aid were made. In interviews with Oxfam staff and other agencies working in the area, the relative appropriateness of cash and food was also discussed. Any comparisons with food aid are complicated by the fact that there were three different pipelines: the government Disaster Management and Mitigation Unit (DMMU), C-Safe (an NGO consortium) and WFP. These were implemented with greatly varying methods of targeting, different objectives and levels of regularity, and different food basket compositions and complementary activities. In the areas in which Oxfam was working, the most direct comparison was with the DMMU pipeline, for which there was relatively little targeting and distributions were intermittent and widely spread.

2. Evaluation Design

The evaluation was designed according to the OECD-DAC Evaluation of Humanitarian Action (EHA) criteria.[1] Six of the seven criteria were used (the seventh, coherence, was not a priority). Table 2 presents the criteria and the questions investigated by the evaluation.

Table 2: Criteria and questions for the evaluation

Appropriateness • Was sufficient food available locally to be purchased? • Were markets functioning to deliver affordable food? • Were markets accessible? • Did recipients prefer cash over other forms of assistance that could have been provided, at the particular time (season) of the project?	o Key informant interviews with local food traders in the communities, district agriculture ministry staff, other key local authorities o Documentation from Oxfam, VAC, WFP
Coverage • How were beneficiaries targeted? • Who received the cash transfers, and who did not?	o Focus group discussions with members of the community and village committees o In-depth interviews of households that received cash and that did not
Connectedness • How did the cash transfers interact with other forms of assistance?	o Key informant interviews with Oxfam, WFP staff and other agencies o Focus group discussions
Impact • What was the effect of the income on people's vulnerability and food security? • What multiplier effects may have occurred due to the cash? • What effect did the project have on local markets?	o Focus group discussions with members of the community and village relief/development committees o In-depth interviews of households that received cash from the project o Key informant interviews with local traders and shopkeepers in the communities, district agriculture ministry staff, other key local authorities

[1] Drawn from the guidelines of the recent ALNAP publication, *evaluating humanitarian action using the OECD-DAC criteria*

Effectiveness • Was cash delivered in the right form, size and place, and at the right time for the recipients? • Was sufficient cash delivered to access adequate food quantities? • How much food was purchased? • What costs were borne by the beneficiary in receiving and using the cash? • How and where was the cash spent by different recipients?	o Key informant interviews with local traders and shopkeepers in the communities, district agriculture ministry staff, other key local authorities o Focus group discussions with members of the community and village relief/development committees o In-depth interviews of households that received cash and that did not o Documentation by Oxfam
Efficiency and cost effectiveness • How efficient and appropriate were the delivery systems used for disbursements? • What were the management costs/requirements in implementing the project? • What was the total cost of the project to Oxfam per beneficiary? • What were the external costs borne by the beneficiary? • What was the total cost of comparable food aid projects per beneficiary? • What limitations would there be to running the project on a larger scale?	o Key informant interviews with Oxfam programme and finance staff o Focus group discussions with Oxfam programme team o Focus group discussions with members of the community and village relief/development committees o In-depth interviews of households that received cash from the project o Documentation from the Oxfam programme of cash transfers and food aid

3. Context and Project Description

Zambia experienced poor rainfall during the 2004/5 production season, which significantly reduced both cereal and non-cereal yields. In an effort to determine levels of vulnerability, the government-led Vulnerability Assessment Committee (VAC) conducted assessments in 27 districts during March 2005, identifying 1,232,661 food-insecure people in need of relief assistance. The International NGO Coordinated Assessment (INGO-CA), which was carried out in 20 districts during May and June 2005, also aimed to determine the food security situation at household level. Results from the INGO assessment indicated that an estimated rural population of 2,625,854 would be food-insecure. The large difference between the VAC and INGO assessment findings generated significant debate among the stakeholders. Despite the differences in numbers, both the VAC and INGO assessments identified Western Province as among the areas facing acute food shortages, with about 40% to 90% crop failure. This, combined with other underlying vulnerabilities such as high HIV/AIDS incidence and continued macro-economic decline, reduced households' access to food and other essential non-food items. However, a Concern Worldwide assessment in August 2005 in Mongu District in Western Province concluded that food insecurity was less severe than portrayed in either the VAC or the INGO assessments, and questioned whether a large-scale relief response was warranted.

In response to the VAC assessment, DFID funded Oxfam GB with £1,000,000 to undertake a cash transfer programme in Mongu and Kaoma districts. Oxfam proposed to provide unconditional cash transfers of 90,000 Zambian kwacha per household per month to 14,336 vulnerable households in the two districts for a period of five months. The programme aimed to assist households that were not meeting over 50% of their food needs. In the end, implementation constraints meant that Oxfam was only able to provide households with four monthly cash transfers between November and March. Initially, transfers were provided to 10,500 households in November and December, rising to 13,500 in January and February/March.

Size

The size of the transfer was calculated as roughly equivalent to a typical food aid ration, based on prices at the start of the project. It was assumed that prices would not rise dramatically because large food aid distributions were being planned.

Targeting

Targeting was a combination of geographic and community-based approaches. The most vulnerable wards were agreed with District Disaster Management Committees, and those wards where cash transfers would be feasible due to market access were selected for the cash transfer programme. At a village level, local committees selected the most vulnerable based on the following criteria:

1. Essential criteria

Households that had above 50% crop failure.

2. Other criteria

   - Female-headed households with no economical means of supporting their families.
   - Households that had lost a breadwinner due to HIV/AIDS and had no external support and economical means of supporting themselves.
   - Child-headed households or orphans with no breadwinner.
   - Households headed by elderly grandmothers with no external support or economical means of supporting themselves.

After the vulnerable wards were identified and ranked by order of severity, the programme team, together with Satellite Committees, identified households that would benefit from the programme. Programme staff were trained in community-based targeting, and they in turn trained the Satellite Committees. The targeting criteria were shared with all community leaders, community members and committees, to ensure that everyone understood who should be selected.

After vulnerable households were identified, verification was done at a large community meeting to ensure that those who were selected met the criteria. Individual household visits were also used to ensure compliance with the criteria. Households that did not meet the criteria were singled out by the community and taken off the beneficiary list. A deputy for each household was also selected in case the beneficiary could not reach the distribution (for example as a result of funerals or sickness). National registration card numbers (NRCs) were written beside the beneficiaries' names on the register. The beneficiaries or their deputies were expected to produce their NRCs, which would be verified before they received the cash transfer. Verification continued during ongoing monitoring.

Delivery

Oxfam signed an agreement with Standard Chartered Bank to deliver the cash, which in turn contracted a security company. Cash was pre-packaged in individual envelopes by the bank and transported to distribution sites by a security company vehicle. Two bank tellers hired by the bank for the project and Oxfam staff distributed the cash to registered beneficiaries. The person targeted or a named deputy had to be present.

Monitoring and Analysis

Oxfam carried out four formal quantitative post-distribution monitoring exercises with locally hired enumerators. A further qualitative monitoring report was also produced, and a mid-term evaluation conducted. An analysis of markets in the project area was carried out in December by economists from the University of Zambia, together with a 'baseline' livelihoods analysis. The cash transfer programme was also included in a multi-agency real-time evaluation of food aid and the cash transfer programme.

4. Findings

Many of the OECD criteria clearly overlap – whether cash was an appropriate response depends in part on how cost-effective it was, and in part on its impact on food insecurity. Rather than dealing with each of the criteria separately, therefore, this report describes the project based on the project cycle, and attempts to weave findings about the DAC criteria into a narrative evaluation of how the project was implemented.

4.1. Project Design

The project was designed and agreed with the donor (DFID) in September 2005. The design of any sort of relief response to the needs identified in the VAC was complicated by a period of uncertainty through the summer of 2005, when it was unclear whether the Zambian government would declare a state of disaster. This also complicated coordination with other actors during the early stages, as it was not clear the extent to which a large-scale food aid response would also be taking place.

The question that the evaluation team examined was whether, based on the information available at the time, the proposed cash response was appropriate.

- Question-marks over the VAC and INGO assessment – was relief needed at all?

Oxfam proposed the programme based on the assessment information available from the VAC and the INGO assessment, both of which had concluded that a large-scale relief response was needed. The first set of questions therefore relates to whether the VAC and INGO assessments were right for the Mongu and Kaoma Districts, and whether relief was needed at all. With the benefit of hindsight there do seem to be questions around the extent of the crisis in Mongu and Kaoma Districts. The Concern assessment concluded that 'the impact of the drought will not be catastrophic in the district, given the highly developed set of livelihood options open to the majority', and that households were anticipating a 'fairly normal' food deficit of two to three months (Concern, 2005: 4). Oxfam eventually concluded that a more detailed analysis was needed, and an Oxfam 'baseline' assessment conducted with Concern in December concluded that harvests may have been underestimated by both the VAC and INGO assessments. These findings were consistent with the Concern Food Security Assessment Final Report, which found that households were employing an increasingly diversified set of livelihood strategies across the district, and that the contribution of cassava to household food security had probably been underestimated by both the VAC and INGO reports.

It was probably reasonable at the time to conclude, on the balance of the evidence available, that a relief response was needed. However, given Oxfam's lack of previous direct operational experience in the areas in question, and given the questions raised by the Concern evaluation, there was probably a case for an earlier and more detailed analysis of the food security and livelihood situation in the two districts. The necessarily broad-brush analysis that takes place in national-level assessments should not be seen as a substitute for more detailed district-level analysis.

The interviews conducted with non-beneficiaries by the evaluation team also suggested that the districts were not facing a full-blown humanitarian crisis. Households that had not received cash did generally seem to have coped through a combination of intensified piecework, reduced consumption and heavier reliance on wild foods and mangoes. Whilst these are negative or distress coping strategies, in the sense that piecework reduces the time available to work on a household's own farming, and reduced consumption may have negative nutritional impacts, there was little sense of acute suffering.

The relief response therefore seems to have played a preventative role: rather than responding to an acute crisis, it arguably helped to prevent one occurring. Whether there would have been a more acute crisis in the absence of the relief response is always difficult to judge. Even those that did not benefit from the cash transfer or from food aid directly were able to benefit from the indirect sharing of assistance and the greater availability of piecework.

Given these difficulties and the limited scope of the evaluation, the question of whether a relief response (in food or cash) was needed at all has to remain open. What does seem clear is that, in examining the impact of the cash transfers, it is probably more sensible to think in terms of their impact in protecting livelihoods rather than saving lives in the face of an acute crisis.

- Was cash sensible at the time? – DFID cost-effectiveness, market analysis

Given that the evidence available at the time suggested that a relief response was needed, did it make sense for Oxfam to propose the use of cash transfers rather than food aid, and did the agency have enough information available to make this decision? The two crucial dimensions that needed to be assessed were the effectiveness of markets in the selected districts and the overall cost-effectiveness of the cash option.

During the design phase, Oxfam conducted a rapid assessment of markets in Mongu and Kaoma Districts. It found that people were able to purchase food but that, especially in Mongu District, there was a 'large population depending on a few traders in remote areas' and 'a time and expense element due to the distances and the difficulty of the terrain'. Oxfam subsequently commissioned a market study by economists from the University of Zambia, which concluded that cash transfers would be suitable in some areas of the district where markets were reasonably accessible, but would be difficult in more remote areas. The market study was conducted in November, and helped to inform decisions about which areas for appropriate for food, and which for cash.

The information available at the time therefore suggests that cash transfers were potentially appropriate. However, given the remoteness of some of the areas there was certainly a need for caution in assuming that people would be able to buy food at reasonable prices, and without having to travel large distances. The choice of wards (divisions within districts) in which to implement the cash transfers programme was based on which wards were more accessible. However, monitoring of people's access to markets and prices could have been improved, an issue to which we will return in the section on monitoring.

The other aspect that should have informed the decision was whether cash transfers were likely to be cost-effective compared to food aid. This has to be an inexact science as it requires modelling what is likely to happen to local prices for food staples and the exchange rate, but indicative figures can be used to develop a plausible range of scenarios and compare the cost to estimates of the cost of regional and local purchases of food aid plus storage and transport. Oxfam do not appear to have tried to carry out this sort of cost-effectiveness calculation at the design stage, and we argue that this should become part of standard practice in considering the appropriateness of cash. DFID, the donor, carried out a rough cost-effectiveness calculation in September which compared the cost per beneficiary in the WFP PRRO to the cost per beneficiary in the Oxfam calculation. This showed that costs were similar. However, this sort of calculation is fraught with perils – in this case, WFP argued that it was not a fair comparison because much of the PRRO food aid programme involved additional activities with extra costs (food for work, school feeding etc.), and not just free food distributions. We will return to questions of cost analysis in the section on cost-effectiveness.

It does seem that, based on reasonable assumptions about prices at the time of the project design, cash transfers appeared to be comparable with the costs of direct food distribution. In the event, the 40% appreciation of the Zambian kwacha over the life of the project, lessened the cost-effectiveness of cash transfers compared to regional purchases, but this risk would have been very difficult to foresee.

- Why were Mongu and Kaoma selected?

The rationale for the choice of Mongu and Kaoma Districts for the cash transfer project was based on the food security information from the VAC and INGO assessments and Oxfam's own geographic priorities. Oxfam also considered that coordination challenges and the risks of overlap would probably have been greater in the southern province.

Mongu and Kaoma were reasonably challenging places for a pilot cash transfer programme. They are relatively remote districts, with relatively weak markets. Better-connected areas in Southern and Central provinces would arguably have been more appropriate for cash in terms of the strength of local markets and proximity either to surplus producing areas in Northern Province, or to regional markets. However, just because they were more challenging areas does not mean that they were not appropriate. If cash transfers were feasible in these districts, it would show that they could be appropriate even in relatively remote districts.

Perhaps of more concern in the selection of the two districts was Oxfam's lack of previous operational experience there. Oxfam had been working with local NGO partners in the two districts for many years, but did not have an office or national staff with experience in the area. This created significant challenges in implementing the project because Oxfam had to establish an office and recruit and train project staff in a limited time frame. Some of the issues raised by the evaluation in terms of targeting and monitoring were probably less to do with the use of cash *per se*, and more to do with generic difficulties relating to this lack of operational experience.

The lack of ongoing programmes in the project area also means that Oxfam did not have any complementary activities with the communities which it was targeting for cash transfers, an issue to which we will return later in the report.

- Initial coordination issues

The cash transfer programme eventually became part of a coordinated relief response, with Oxfam providing cash transfers in some wards, and food aid being provided in others, either through WFP, C-Safe or government (DMMU) pipelines. At the time of the project design, DFID felt that there was still some uncertainty over whether there would be a large-scale relief response due to debates within the Zambian government about whether to declare a state of disaster. Other people consulted felt that this was less of an issue, as the VAC released in June had publicly stated that external assistance would be needed; most donors felt that a formal declaration of disaster would be helpful, but not essential.

These debates created some initial difficulties in coordination between Oxfam's cash programme and other actors, notably WFP, which initially heard about the cash transfer programme in the national newspapers. This certainly frustrated WFP, which felt that it should have been consulted earlier. DFID believed that this was not necessarily appropriate, because at the time it was not clear whether WFP would be implementing a relief response, or what coordinating role it would be playing. The project was discussed in detail with the DMMU. With the benefit of hindsight, discussing the project in more detail with WFP at an earlier stage would probably have been sensible. Even at the time, and despite the uncertainties about the relief response, the likelihood that WFP would eventually play an important role in a coordinated relief response suggests that discussing the cash transfer project with the agency earlier would have been politic.

Zambia is expected to hold national elections during 2006. The politics of food distribution in Zambia, as in many southern African countries, are often seen as important campaigning tools, and the cash transfer programme became caught up in politics at the District level. In Kaoma, politicians disgruntled by the fact that their wards were not selected for the programme spread a rumour that those who were coming to distribute cash were 'satanic', and encouraged people to reject it. This caused some initial reluctance to take part in the programme. In the Kazabami area, cash collection in the first payment proceeded slowly as some households waited for others to collect transfers before taking part. Political pressure also meant that all the wards that received cash also benefited from food aid, despite agreement prior to implementation that Oxfam would work in specific areas, while other organisations would work in other areas that were physically separate.

4.2. **Implementation and Effectiveness**

The bank and the sub-contracted security company worked well. There were some initial difficulties, largely around logistics and timing, but these were effectively overcome in the first month or so of the project. Using the security company to transport the cash helped to minimise security risks, and meant that Oxfam staff were not placed in undue danger. The use of bank tellers introduced an extra layer of accountability.

In interviews with the evaluation team, beneficiaries widely reported that the distributions themselves were efficiently and effectively organised. These findings were supported by Oxfam's own post-distribution monitoring and by the real-time evaluation. Beneficiaries received the correct amounts of cash and did not have to wait too long or walk too far to receive the cash at distribution sites.

Table 3: Distance to distribution sites

	Mongu				Kaoma			
Item	**PDM 1**	**PDM 2**	**PDM 3**	**PDM 4**	**PDM 1**	**PDM 2**	**PDM 3**	**PDM 4**
% of beneficiaries who walked further than 3 hours to pick up cash.	0%	0%	3%	4%	2%	2%	2%	2%

Source: Oxfam Post-Distribution Monitoring

The evaluators did not have the time or the skills to look in detail at how the beneficiary database was managed and utilised, but there were clearly some capacity issues in getting it up and running. In other cash projects, this has been seen as a key issue in effective targeting, verification and monitoring processes. For future cash projects, there may be value in working on more robust and efficient database systems. Oxfam could learn from other actors with experience in cash transfers (such as SDC) or from food aid actors. Investments in cash transfer programming at a global level might include aspects such as forms and templates that can used off-the-shelf.

4.2.1. Targeting

Evidence as the effectiveness of targeting is mixed. The mid-term evaluation concluded that community-based targeting was generally well done. However, the evaluation team's interviews suggested cause for concern over the degree of inclusion errors. Concerns were also raised by other organisations working in the area. These concerns need to be put into context. Targeting in relief programmes is always difficult, and some degree of exclusion and inclusion error is all but inevitable, particularly if the intervention is on a reasonably large scale (Taylor and Seaman, 2004).

From the small number of focus group discussions and individual interviews conducted by the evaluation team, the picture that emerged was mixed – in some communities the targeting process was generally perceived as fair, and the poorest generally seemed to have been targeted; in other communities, possible inclusion errors were seen. These interviews were not comprehensive or representative, so they should be seen as highlighting issues for concern rather than as enabling any definite conclusions about the scale of targeting errors. However, in a few villages some worrying inclusion errors were identified. People interviewed included a teacher, the ward committee chairmen, an individual on a civil service pension and committee members who appeared to have significant resources.

Oxfam allowed communities to choose whether to work through existing committees or form new ones. Oxfam staff felt that the wider community was given a choice in this, and that communities were able to make informed decisions about whether existing committees were fair and representative. This is not an area that the evaluation could look at in detail, but in some of the villages visited there does seem to have been scope for concern that the use of existing committees risked cementing existing inequalities, increasing the likelihood of elite capture and inclusion error.

Targeting was also problematic in that the onus was on the committees to make their own judgements about how to choose the most vulnerable. Oxfam could perhaps have done more work with committees to develop more detailed criteria for identifying the poorest households and communicating criteria more clearly. In particular, there appears to be confusion over the concept of vulnerability, with relatively wealthy households using the presence of an elderly or ill person or orphans within their household to justify their inclusion.

Oxfam accepted that committee members could be included in the cash transfer distribution, and indeed encouraged communities to include very poor households on the committees, as the agency did not want them to be composed entirely of the richest and most powerful community members. Oxfam was alive to the fact that committee members were likely to abuse the targeting process, and so the agency scrutinised members and cross-checked with key informants and through verification at community meetings. It might also have been possible to relatively easily cross-check ID card numbers against committee members and other key members of the community who should not be included (teachers, health workers, those on government pensions or salaries).

During the registration process, beneficiaries were asked for their NRC number. This should not have excluded people without NRC cards, as they could also name a deputy to collect the cash. However, in some areas the lack of an NRC card seems to have excluded some of the more vulnerable, as committees interpreted this as a necessary criterion for inclusion. The lack of NRC cards may have been a particular concern for the elderly, who were more likely to have lost their cards, and in areas where migrants form part of the population. Oxfam encouraged those without NRC cards to try to get them from the authorities, but migrants may have been reluctant to do this and others may have been put off because of the potential cost.

It is also important to assess whether targeting difficulties were particularly related to the use of cash, or whether they were generic difficulties. The evaluation team attempted to explore in interviews and focus group discussions whether cash was more difficult to target than other forms of relief, but it was hard to find any particular evidence on this in the absence of comparisons with food aid areas. It is the opinion of the team that most of the targeting difficulties faced were more to do with generic issues than issues particularly related to cash, especially in the initial stages of targeting and registration, when people were not familiar with the project. First, there appears to have been some confusion amongst beneficiaries and committees about the scope of the project in the initial stages. There also appears to have been confusion about the numbers of people that could be targeted, with committees thinking that more forms would be provided in later distributions. Greater clarity and transparency about the resources available and the numbers of people who could be targeted might have helped to reduce targeting errors. Once the project was up and running and the attractiveness of cash over food aid was beginning to become clear within communities, the process of verification may have become more difficult.

Oxfam put significant effort into targeting and verification, and it should be stressed that it is not possible for the evaluation to reach any definite conclusions about the scale of inclusion and exclusion error, and how this would compare to food aid programmes.

4.2.2. Security and Corruption

There were no major security incidents during the project. The arrangement with the bank and security company appears to have helped to minimise risks. There were reports during the project that Oxfam vehicles were being followed, but when security threats emerged Oxfam stopped distributions and liaised closely with the bank, the security company and the local police. One security incident did take place. Oxfam tried to stop a cash distribution because it had been found that food aid had previously been distributed in the same area. The community was unwilling to accept this, and to avoid possible violence Oxfam went ahead with the distribution. Oxfam staff felt that there might have been scope to generate greater community involvement in monitoring security and informing staff about possible risks, and it would be interesting to explore this further. But in general security arrangements seem to have worked well and effectively.

The evaluation team also asked beneficiaries about whether they faced any security issues. Very few were reported, and some beneficiaries told us that they felt cash was more secure than food aid because it could be more easily hidden away. The only incident that the evaluation team heard about concerned an individual being robbed on their way back from Mongu with food purchased from ShopRite. Beneficiaries also reported spending money fairly quickly after it was received to minimise risks. Overall, it seems that the cash could be safely spent.

The evaluation team also enquired about whether people had faced any issues with corruption, either during the registration process or during distributions. Again, very few incidents were reported. However, it is unlikely that people would be willing to talk about this openly during a short visit, so the question must remain open. In any targeting process there is the possibility of cronyism, if not outright bribery, but there was no evidence that this was more of a concern because of the use of cash. One non-beneficiary reported having tried to bribe the committee with 10,000 kwacha to get on the list. The bid failed because the extra forms that Oxfam had promised to deliver did not appear. This was the only incident reported during the evaluation.

Some interviewees noted that cash transfers had the potential to reduce the risks of corruption. The DMMU felt that cash transfers might make political interference in the relief process less likely because cash could be distributed more directly than food aid, reducing the number of actors involved. In one village focus group discussion, people felt that cash transfers were less vulnerable to manipulation at the village level. With food aid, the participants argued, corruption allegedly starts with transporters who can deliver a smaller number of bags. Those responsible for offloading and storage can also withdraw some bags. Again, these impressions need to be interpreted extremely carefully.

5. Impact

5.1. Food Security and Nutritional Impact

Evaluating the impact of the programme on food security is complicated by uncertainty over the scale and depth of the crisis and, as is usually the case in emergency interventions, by the lack of baseline information. However, by tracking what people spent the cash transfers on, comparing livelihood strategies between beneficiary and non-beneficiary households and analysing the available food security and livelihoods analysis it is possible to suggest some tentative conclusions about the impact of the transfers on food security and local economies and markets.

Based on the Concern assessment and Oxfam 'baseline' livelihoods analysis, it appears that households in the two districts faced, not an acute crisis, but a difficult year in which already-chronic food insecurity and poverty were exacerbated by poor harvests. However, even this conclusion must be tentative as different assessments produced conflicting pictures of the depth and severity of food insecurity in the two districts. Those households that did not receive relief 'coped' largely by intensifying existing livelihood strategies, primarily reducing consumption, intensifying piecework and increasing their reliance on wild foods. Recipients of cash transfers primarily purchased food with the cash, helping to protect consumption levels and reducing the need for piecework and gathering wild foods. This enabled recipients to spend more time working on their own agricultural production.

Oxfam's post-distribution monitoring data shows that people spent between 84% and 91% of the transfer on food.

Table 4: Food and non-food expenditure

	Mongu				Kaoma			
Item	**PDM 1**	**PDM 2**	**PDM 3**	**PDM 4**	**PDM 1**	**PDM 2**	**PDM 3**	**PDM 4**
% of transfer spent on food	89%	88%	91%	88%	90%	82%	84%	90%
% of transfer spent on non-food but productive items	11%	9%	7%	10%	7%	16%	14%	9%
% of transfer spent on unproductive items	0%	0%	0%	0%	0%	0%	0%	0%

The same picture emerged from the interviews and focus group discussions conducted by the evaluation team. There is a need for caution with these results. In presenting the project to communities, Oxfam staff stressed that it was an emergency response to the drought, and that the intention was that it should be largely spent on food, although non-food expenditure on things like health or education was acceptable. This was interpreted differently across different communities, with some feeling that they were meant to spend the transfer entirely on food. There is therefore a need to be aware of respondent bias, both in the Oxfam monitoring and in the evaluation team's interviews, as people may have been telling us what they thought we wanted to hear.

Box 1: **Descriptions of impact in interviews and focus group discussions**

'If you had come in October last year, our bodies were very thin. As you can see now, we have improved.'
'My child had never put on a pair of shoes. I only managed a pair for her after receiving cash from Oxfam.'
'I am a single widow with three children. I do not understand why I was excluded from benefiting. However, my business in basket weaving and selling mangoes improved for the period people were receiving cash.'
'Business is no longer that good. Please bring back the programme' (a local trader at Lwandui).
'Our customers would tell us the payment dates in advance. Then we would stock our shops to the maximum' (a local trader at Limulunga).
'It is even more difficult to send a child to school now that the payments are over' (Macuu).

Source: Evaluation interviews and discussions

Neither Oxfam's monitoring nor the evaluation team picked up any evidence of anti-social use, but again such evidence is unlikely to emerge from relatively brief interviews. Other organisations reported concerns that some of the cash was being spent on beer, but it was impossible for the team to assess the extent to which this was anecdotal or represented relatively isolated cases. Beer brewing, and therefore presumably beer consumption, is part of the local economy. The market analysis, for instance, found in interviews that some women use beer brewing to earn money to buy food. It would therefore be unsurprising if a major resource transfer into a community resulted in some increase in business for local beer brewers. But this might be equally true of an in-kind resource transfer, such as food aid. Opinions on this varied. Staff from another NGO working in the area were convinced that, in the local cultural context, cash brought with it particular problems. As one staff member put it, 'there are three things you can buy in the village: food, beer and sex'; 'money is power'. On the other hand, women felt that they were better able to maintain control over cash and prevent its anti-social use because they could keep it more securely (tucked into their clothes), in contrast to food aid, which they felt was more visible. Oxfam's post-distribution monitoring noted the use of transactional sex by non-beneficiaries as a coping strategy. Again, disentangling the extent to which the cash transfers made this more or less likely was not possible in this evaluation, and even in-depth investigation would find this task extremely difficult because of the difficulties of attributing cause and effect and the stigma attached to any discussion of the issue. Given the consistency of the monitoring and interview data, it seems likely that any anti-social use was relatively limited.

Expenditure on items other than food was relatively limited on the aggregate level, ranging from 7% to 16% of total expenditure in Oxfam's post-distribution monitoring data (Annex 1). Many households spent small amounts on soap, using the change from larger purchases of food. The other main items of non-food expenditure were on health care and school costs (fees and uniforms). In some of the more remote villages, there was some expenditure on transporting food items, with villagers sometimes choosing to go to more distant markets in order to get better prices, which made paying for transport worthwhile. The low aggregate figures on non-food expenditure hide some large individual variations. For households suffering a health shock, expenditure on health care sometimes made up the bulk of the transfer. For example, one woman interviewed had spent most of the cash she received on hospital fees and food for her son, who was in hospital with a major fracture. Expenditure on health suggests that, for at least some households, cash was important in allowing them to cope better with health shocks, and provided greater flexibility than food aid. Focus group discussions and key informant interviews also revealed positive impacts on school attendance. This would equally be achieved by food aid – better nourished children are more likely to attend and less likely to be taken out of school to look for piecework or gather wild foods. However, cash transfers may have had particular utility in enabling people to buy school uniforms and pay school fees.

It is not possible to make any quantitative conclusions about the impact on rates of malnutrition of either cash transfers or food aid in Mongu and Kaoma Districts, due to the normal problem of a lack of baseline data and the difficulty of attributing nutritional impact (Shoham, 2004). It is possible, however, to look at the contribution that the cash transfers made to households' calorie needs. Based on the post-distribution monitoring expenditure data, this calculation has been made by Oxfam and is presented below. The range from 40% to 73% compares well with the contribution of a typical food aid ration of 50kg of maize, 5kg of pulses and 1 litre of oil, which gives about 50% (depending on household size). The ration that WFP was aiming to provide in Zambia was 75kg of grain, 10kg of pulses and 4.5 litres of oil, although due to pipeline constraints considerably less was delivered at times. These amounts were derived from the goal of providing a full 2,100 kilocalorie ration, but individual implementing partners were given discretion to reduce the ration if people were able to meet a higher portion of their food needs as the crisis progressed.

Table 5: Contribution of cash transfers to household food needs

	Mongu				**Kaoma**			
Item	**PDM 1**	**PDM 2**	**PDM 3**	**PDM 4**	**PDM 1**	**PDM 2**	**PDM 3**	**PDM 4**
% contribution to household kcal needs @ 2,100 kcal pppd and based on exact HH size	40%	44%	45%	47%	50%	45%	50%	73%

Source: Oxfam post-distribution monitoring

It is therefore possible to conclude that, in nutritional terms, the project had a similar impact to four months of general food aid rations. In practice, in the two districts food aid provided through the government-managed scheme seems to have been much more patchily distributed, making actual comparison difficult. Again, these aggregate figures hide some important variations. Most importantly, in some areas and for part of the distribution period people had to purchase maize meal instead of maize grain, because grain was not available. As maize meal was more expensive than grain, this reduced the amount that could be purchased. Households that had to rely on maize meal may at times have been able to purchase less than the equivalent of the typical food aid ration. We will return to this issue when looking at prices and markets in subsequent sections.

Another measure of nutritional impact collected by Oxfam in the post-distribution monitoring exercise was the number of adults eating fewer than two meals per day, and the numbers of children eating fewer than three meals per day. Usefully, this was also assessed in the Oxfam 'baseline' carried out in December. The figures suggest a reasonably significant reduction in the numbers of people cutting consumption, which suggests that the cash transfers did have a short-term positive impact on household consumption. These conclusions need to be interpreted with caution, however, as shifts in consumption patterns are not necessarily solely attributable to the cash transfer programme, and might also have been related to normal seasonal patterns.

Table 6: Shifting consumption patterns

	Mongu					**Kaoma**				
Item	Baseline	PDM 1	PDM 2	PDM 3	PDM 4	Baseline	PDM 1	PDM 2	PDM 3	PDM 4
% adults eating fewer than 2 meals per day	51%	30%	27%	15%	9%	45%	17%	21%	10%	6%
% kids eating fewer than 3 meals per day	90%	72%	70%	41%	29%	74%	40%	54%	34%	24%

Source: Oxfam post-distribution monitoring

5.2. Accessibility of Food

A key question relating to effectiveness, appropriateness and impact is where people spent the cash. We have seen that the majority of cash was spent on food. Was food available in sufficient quantities, at reasonable prices in accessible markets? The answers to this question are mixed. The Oxfam post-distribution monitoring data gives some indication, and the relatively high percentages of people walking more than three hours to purchase maize, particularly in Mongu, raises the question of how costly this was for people both in terms of transport and opportunity costs.

Table 7: Distance to markets

	Mongu				**Kaoma**			
Item	PDM 1	PDM 2	PDM 3	PDM 4	PDM 1	PDM 2	PDM 3	PDM 4
% of beneficiaries who walked further than three hours to purchase maize	58%	73%	62%	55%	22%	64%	19%	15%

Source: Oxfam post-distribution monitoring

In some of the more remote villages visited by the evaluation team, people had to travel fairly long distances in order to buy food. In one village, most people purchased food from a market that was four to five hours' walk away, but sometimes travelled even further to Mongu (one day's walk there and back and an overnight stay) in order to get lower prices. Travelling to Mongu meant paying to transport the food purchased back to the village, but this was at times still more cost-effective than local markets. In another remote village, people dealt with the distance to market by joining together to share the costs of renting local donkeys or ox-carts. Towards the end of the project period, foodstuffs started to become available locally due to early harvesting, reducing the need to travel to distant markets. In villages closer to markets, people could buy food locally or had a relatively short distance to travel.

How much this distance to markets in some areas mattered is difficult to judge. It certainly entailed costs to the beneficiaries, sometimes in terms of transport but more often in terms of the time needed to move to and from markets. It is also important to realise that people would not normally be completely static, but would travel to and from markets to buy and sell goods even without cash transfers, and to take part in piecework. The beneficiaries themselves did not see the distances travelled to purchase food as a major issue. They were more concerned with finding the best prices for food, and were prepared to travel considerable extra distances in order to make small savings.

The extent to which cash transfers increased or decreased mobility would depend on the balance between additional trips to markets for food purchase and reductions in the need to travel for piecework. Comparisons with food aid are also made difficult by variations in how and where food aid is delivered. In the two districts during this period, food aid was reported to have been rarely delivered much beyond tarmac roads, meaning that food aid arguably entailed greater costs in terms of transport and time for beneficiaries. However, food aid was not the focus of this evaluation and practices clearly differed between and within districts. Cash, at least in theory, can more easily be distributed closer to beneficiaries because it is easier to transport to remote areas, which may help to offset the subsequent costs of reaching markets for purchase. Whether this is true in practice would require a better comparison with the ability of food aid providers to reach remote areas.

5.3. **Impact on Local Economies**

The mid-term evaluation, qualitative monitoring and the evaluation team discussions failed to find any evidence that the cash transfers had inflationary effects on local economies. There were limited concerns in interviews conducted by the evaluation team that traders in some areas were keeping prices high because of the Oxfam cash distributions. In remote villages, where people had to purchase in the local area from a small number of traders, it is possible that this may have been an issue. However, it is hard to disentangle people's natural suspicion of traders and the legitimate addition to prices in towns of transport costs from possible inflation caused by the cash project.

Oxfam monitored prices in local markets through the course of the project, although this could have been done more systematically. As the table below suggests, price trends generally followed established seasonal patterns. Market prices declined during the course of the project, due both to the harvest of winter crops in wetland areas and possibly the impact of food aid distributions.

Table 8: Price data from Oxfam post-distribution monitoring

	Mongu				**Kaoma**			
	PDM 1	**PDM 2**	**PDM 3**	**PDM 4**	**PDM 1**	**PDM 2**	**PDM 3**	**PDM4**
Average price per 50kg bag	63,750	71,667	56,364	55,833	67,000	64,167	55,938	56,667
Approx. exchange rate**	4000	3500	3200	3200	4000	3500	3200	3200
Price per kg (US$)	0.32	0.41	0.35	0.35	0.34	0.37	0.35	0.35

These aggregate figures hide some issues of concern, notably that, for at least some of the period in some of areas, people could not purchase maize grain and bought maize meal instead, which is more expensive. This is suggested by the post-distribution monitoring data showing the percentages of households purchasing different types of food.

Table 9: Purchase of maize meal and kernels or grain

Kaoma % of households reporting expenditure on different items			Mongu % of households reporting expenditure on different items		
	maize kernels	maize meal		maize meal	maize kernels
PDM 1	42%	53%	PDM 1	88%	16%
PDM 2	27%	75%	PDM 2	52%	47%
PDM 3	37%	70%	PDM 3	82%	24%
PDM 4	85%	21%	PDM 4	84%	27%

The cash transfers also had positive effects on local economies, creating multiplier effects. At least some food was purchased from local producers or farmers in neighbouring areas. Cassava in particular was often bought locally, but significant purchases of maize grain were sometimes also made. Again, it might have been interesting to capture the distinction between food bought from traders and from local producers in the monitoring data. As this was not a focus, it is impossible to make any definite statements about its scale. Where purchases from local producers did take place, this would have had clear multiplier effects.

The project also provided a short-term boost in business and profits for local traders. Traders were well aware of the planned dates of cash transfers, and increased their stocks in advance. Those selling maize meal were buying it from local mills. Where people needed to pay for transport, there would also have been knock-on effects for local owners of donkeys and ox-carts, but these multiplier effects would also be evident in food aid programmes, where people need to transport food aid back from distribution points.

Box 2: Examples of use of cash on items other than food

Apart from the general trend of buying foodstuffs, some households used the cash to invest in production activities. In the Nangula area, there was a particular interest in land preparation by some households, especially clearing and cultivation. The first payment in the area was in November, and this coincided with the start of the rains and cultivation. One household used K30,000 for land preparation. Another used K35,000 to finance the clearing of land for the next farming season (2006/2007) (using the last payment, which was in February). Another household used K20,000 from the first payment for land clearing, K30,000 of the third month for clearing further land and K40,000 from the last payment to meet the labour costs of harvesting rice.

In the Kazabami area, a household bought a bag of cassava (K38,000), one bucket of maize (K20,000), cooking oil and paraffin in the first month. In the second month, the household bought one 50kg bag of fertilizer (Compound D) for K65,000, and school uniforms for K30,000. In the third month, it bought seed for cabbages for K75,000. The seedlings were meant for planting and resale. In the fourth month, the household bought 200g of onion seeds for K80,000, and K10,000-worth of groceries. In another case, a household used one month's salary to purchase household utensils (plates), a bicycle inner-tube and repairs to the bicycle itself. Another household bought 25kg of roller meal (K48 000), cooking oil and soap in the first month. In the second month, it bought one bucket of maize (K35,000), two tins of cassava (K40 000) and school uniforms (K18,000). In the third month, it bought 50kg of fertilizer and maize (K20,000). In the fourth, nothing was spent, and money was saved for the future.

5.4. Decision-Making within the Household

Women were the main recipients of the cash transfers, largely because Oxfam staff explained that women should receive the cash as it was meant to be spent largely on food. The post-distribution monitoring suggested that people largely made joint decisions within the household about how the money should be spent. A similar picture emerged from the evaluation team's interviews and discussions.

This does not suggest that there were no struggles between men and women over who should have collected the cash, or over its use. In a workshop in Lwatembo, there was lively discussion about who would collect the cash. There was an automatic and unanimous response when the female participants shouted: 'We declared total war with our husbands'. Most men wanted to be responsible for collecting the cash, but the women would have none of it. Women disapproved of their husbands collecting the cash for fear that they would use it irresponsibly. Two men at the workshop confessed that they only agreed to let their women collect the cash after word spread that most households were sending women, which would embarrass them if they were the only men collecting cash ahead of their wives. Men at the meeting did not deny drinking, and hence may well have misappropriated the money if they had collected it.

A similar pattern was also observed in the Macuu area. After hearing that wives would be responsible for cash collection, women beneficiaries organised their own meeting and agreed that they would demand that they be responsible. Generally, husbands had no choice but to consent. To avoid any potential disputes with their husbands in the home, women collected cash and went straight to the market (about six hours' walk there and back). Elsewhere in the Lwandui area, interviews with a local trader, the chairperson of the selection committee and a recipient confirmed that men in the area were disappointed that women would collect and manage the use of cash.

Again, however, we need to be aware of interview bias and the fact that, if there were conflicts within households, these would not necessarily be picked up in the monitoring process. Another organisation working in the area raised concerns about possible instances of domestic violence relating to the cash transfers. As with the discussion of anti-social use, it is extremely difficult to know the extent to which these reports were anecdotal or isolated, or the extent to which they should be attributed to the cash project. Domestic violence is a reality in all societies, and rural Zambia is no exception. It is not clear why cash would be any more likely to cause domestic violence within households than other forms of resource transfer.

Table 10: Decision-making within the household (Oxfam PDM data)

	Mongu				Kaoma			
Item	**PDM 1**	**PDM 2**	**PDM 3**	**PDM 4**	**PDM 1**	**PDM 2**	**PDM 3**	**PDM 4**
% women who collected cash	80%	74%	81%	85%	81%	80%	75%	73%
% women or women and men jointly that decided how cash was spent	85%	81%	86%	94%	80%	93%	83%	86%

5.5. Conditionality

Oxfam decided to make the cash grants unconditional and did not include a work requirement. This is in contrast to food aid, where the government policy is that 80% of the food aid provided should include a work requirement. In practice, the extent to which agencies have been able to meet this target has varied, but at least some of the food aid provided has been in the form of food for work.

Would it have been more appropriate and would greater impact have been achieved if cash had been provided as cash for work? Answering this hypothetical question is of course difficult, and to address it in any detail would involve a prolonged digression into the pros and cons of conditionality and public works projects. In practice, Oxfam probably did not have the management capacity to include a public works requirement as part of the cash project. Even if it had, however, it is an open question whether it would have been a good idea.

Proponents of a work requirement argue that it enables relief projects to address longer-term food security issues by encouraging people to build community assets or work on projects with food security benefits, such as canal clearance. They also argue that a work requirement can introduce an element of self-targeting, helping relief to reach the poorer members of a community and helping to avoid dependency. Sceptics argue that there is rarely time to properly design and manage public works programmes in relief projects, so programmes are poorly designed and implemented, insufficiently managed and with little provision for maintenance. There is also a risk that, by linking work on community projects to payment, communities will be less likely to work on a voluntary basis in future years. This seems to have been the case with canal clearance in some communities where food for work in previous years had created an expectation of payment. There is limited scope for self-targeting given the high numbers of people living below the poverty line in rural Zambia, which means that more people are likely to want to work on public works than can be selected to do so. There are also important questions of seasonality with regard to work requirements. Good practice in public works suggests that programmes should take place during the agricultural slack season after the harvest, not at the height of the season in order to avoid competing with work on people's own farms. If the work requirement involves people working on their own land, this is arguably an exercise in semantics as people are likely to be doing it anyway.

Given these conflicting arguments, it was entirely reasonable for Oxfam to judge that it was not appropriate. This is a debate that could usefully be conducted more explicitly at a national level and, ideally, informed by clearer evidence and evaluation of the effectiveness and impacts of the food for work components of recent relief programmes.

5.6. Sharing

One of the interesting questions in cash transfer programmes is whether beneficiaries share cash in a similar way as food aid is often shared within communities. Evidence on this was mixed. It seems that the cash itself was seldom shared, either formally or informally. The only type of formal sharing that the evaluation team came across involved committees dealing with polygamy by asking wives of the same husband to split the cash grant. Informal sharing of the food purchased with the cash, however, seems to have been widespread, and operated in much the same way as in food aid programmes. Households shared food informally with friends, relatives and other families seen as in particular need. Sometimes, this sharing took the form of gifts, and at other times households that had received cash were more likely to be able to employ other needy households in piecework. The net result in terms of how the benefits of cash and food resource transfers are shared within the community may therefore not be that different. However, as this evaluation was not looking at food aid for comparative purposes, this conclusion can only be tentative.

5.7. Monitoring

The monitoring carried out by Oxfam yielded a wealth of useful information about the project, much of which has been drawn on in this report. In identifying gaps and areas where monitoring could have been improved, the evaluation team recognises that there are limits to the numbers of questions that can be asked on post-distribution monitoring forms, and that it is not always possible to include everything.

One key gap in the monitoring data concerned prices – particularly for key food items. Oxfam collected information on the number of hours walked to main markets, but given the critical importance of market access more information could perhaps have been gathered on where and from whom people bought food.

There is also a sense of a disconnect between those responsible for collecting and analysing the data and the project officers concerned with implementing the project. The use of independent enumerators for the post distribution monitoring exercise was necessary because of limitations in Oxfam staff time and capacity, but this may have exacerbated this disconnect. The first and second sets of monitoring data were discussed with project officers, but the third and fourth rounds of post-distribution monitoring were not completed until after the final distribution. Oxfam carried out a qualitative monitoring exercise to complement the largely quantitative post-distribution monitoring exercises, but this did not take place until two weeks after the last distribution.

That said, the project was more fully monitored than the vast majority of relief distributions, with additional timely analysis helping to inform decision-making. This included the post-distribution monitoring exercise, a mid-term evaluation, the market analysis by the University of Zambia and feedback from the real-time evaluation team looking at cash transfers and food aid. Indeed, the issue was as much one of staff capacity to take in and respond to the results of all this feedback as it was of the quality of the monitoring itself.

There is also an unsolved dilemma (not unique to cash transfers) about how to monitor issues around anti-social use and corruption. Standard interview-based monitoring is arguably unlikely ever to pick these issues up. One option might be to ask independent local organisations to carry out more in-depth random interviewing and cross-checking with local bars or with people responsible for beer brewing.

6. Cost-Effectiveness

Analysis of the cost effectiveness of projects is fraught with difficulties, and comparing them to other projects is even more problematic. Nevertheless, in making choices between different response options, cost-effectiveness analysis is a useful tool. One key to doing this appropriately is to provide as much transparency as possible about how the calculations are made. One of the issues that bedevils this debate is a tendency for all actors to be secretive about budget information. This analysis presents the figures for the Oxfam project as openly as possible, and tries to be explicit about the different ways in which the calculations have been made. These calculations are clearly not comprehensive; they do not, for example, include any analysis of the different costs to beneficiaries of transporting food aid or travelling to and from markets to buy food.

People spent the cash transfer on a wide variety of food and non-food items, making any direct comparison with food aid difficult. However, the fact that people spent the large majority (90% or so) of the transfer on food, and the majority of that on maize, means that it is possible to calculate a maize equivalent amount that the cash transfer would have bought if all of the transfer had been spent on maize. This then allows a comparison with food aid as the maize equivalent value of the cash transfer can be compared with the costs of the regional and local purchase of food aid, plus transport.

Making this calculation requires deciding on an average price for maize over the course of the project and averaging the exchange rate, which fluctuated considerably over the course of the project. Oxfam's monitoring data, however, suggests a way of doing this, which is presented below.

Table 11: Price data (from Oxfam PDM)

	Mongu					Kaoma			
	PDM 1	PDM 2	PDM 3	PDM 4		PDM 1	PDM 2	PDM 3	PDM4
Average price per 50kg bag	63,750	71,667	56,364	55,833		67,000	64,167	55,938	56,667
Approx. exchange rate**	4,000	3,500	3,200	3,200		4,000	3,500	3,200	3,200
Price per kg (US$)	0.32	0.41	0.35	0.35		0.34	0.37	0.35	0.35

Based on this analysis, we suggest using a maize purchase price of $0.35 per kg for comparison purposes. This provides a dollar per MT equivalent of $350 (based on an average cost per kilo of maize of 1,225 kwacha, and an exchange rate of 3,500 kwacha to the dollar). It is important to note the role of the exchange rate in this calculation, as the kwacha appreciated by more than 40% over the lifetime of the project. If the same kwacha cost of maize per kilo is used, but the exchange rate at the time of the project design (4,500 kwacha to the dollar) is used instead, then the calculation is very different. Here, the maize equivalent price per tonne is $272, based on an average cost per kilo of maize of 1,225 kwacha and an exchange rate of 4,500 kwacha to the dollar.

This calculation is also very sensitive to the average price of maize that is selected. The figure here – 1,225 – seems reasonable given the post-distribution monitoring figures presented above, but there are a number of other issues. Households could not always buy maize grain and sometimes had to purchase more expensive maize meal. To some extent this was counterbalanced by purchases of cheaper cassava, but for at least some households the average cost per kilo of cereals purchased with the cash transfers was probably higher than 1,225 kwacha. At 1,500 kwacha per kilo, the cost per MT changes to $420.

It might therefore be fairest to express the maize equivalent price per tonne in terms of a range between $250 and $450, depending on the price of maize and the exchange rate used.

To this need to be added the distribution costs of the Oxfam project. This is another difficult calculation. A significant number of start-up costs were included in the budget, including major capital items such as vehicles, computers and radios, 100% of office rent and 100% of sub-office support staff costs. The total project budget is arguably, therefore, unusually large, making comparisons with, for instance, a food aid provider with established programmes in the same area difficult. We therefore present two sets of calculations: the total non-cash project costs per MT, and the project costs with some of the capital items depreciated.

To provide a per tonne figure for distribution costs it is necessary to calculate the total maize equivalent tonnage that the cash transfers could have purchased. Oxfam distributed 48,567 cash envelopes of 90,000 kwacha each. Using the average price for maize of 1,225 kwacha per kilo results in a total maize equivalent tonnage of MT 3,568 (48,567 multiplied by 90,000 divided by 1,225 to give a kilo equivalent, and divided by 1,000 to give a tonnage equivalent). Again, this is sensitive to prices, with a cost per kilo of 1,500 kwacha providing a lower tonnage of 2,914.

Total project cost: £1,247,884
Total cash distributed to beneficiaries: £792,688
Total non-cash project costs: £455,196 (or $837,560; exchange rate of £1.83 to the dollar)
Total non-cash project costs with capital items depreciated: £418,106 ($765,133)
Purchases of vehicles, radios and computers depreciated over three years.
Additional project costs per MT = $234
Additional project costs for MT with capital items depreciated = $214

Total per MT – cost of food $350 plus project costs $234 = $584 or $564 with capital items depreciated. Using a cost per tonne of $272 produces a total of $486 per MT. Using the range of $250 to $450 produces a total range of between $464 and $664.

Table 12: Cost-effectiveness estimates

Oxfam cash transfer project	*Costs*	*Assumptions*
If people had spent all of the cash transfer on maize then the maize equivalent price per tonne was:	Between a range of $250 and $450 depending on prices Probably closest to $350 for the majority of beneficiaries on average through the project $272 using exchange rates at the time of project design	$350 figure is based on an average maize price of 1,225 kwacha per 50kg and an exchange rate of 3,500 kwacha to the dollar
Total non-cash project costs per MT (vehicles, staffing, office, bank charges)	$234 in total $214 with capital items (vehicles, computers and radios) depreciated over three years	Total project cost was £1,247,884 Total cash distributed to beneficiaries £792,688 Total other project costs £455,196
Total cost per MT equivalent	$584 or $564 with capital items depreciated Or a range from $464 to $664 depending on price estimates	

The additional distribution costs of the project are clearly high, at between $214 and $234 per tonne, or 36.5% of the total budget. This compares unfavourably to averages for other cash transfer programmes, where administration and distribution costs have tended to be between 10% and 20%. What explains this, and is it a reflection of greater costs relating to the use of cash in particular, or other more generic factors?

As previously noted, a significant part of the explanation is the fact that Oxfam were starting up direct operations in Mongu and Kaoma, and that 100% of these office start-up costs were covered by this programme. There are also pilot project effects, with the programme being deliberately intensively monitored and managed because it was implementing a new approach. It was also relatively small, and therefore less able to capture economies of scale. Some costs relate specifically to cash – notably the payments made to the bank – but these are a relatively small part of the overall cost. The fact that the project was being implemented in two relatively remote districts increased transport costs.

How does all of this compare to the costs of food aid? It is first important to note that making any comparisons is difficult. Often, a true comparison is impossible. That said, as long as the analysis is suitably tentative it is important to make some comparisons because agencies and donors do have real choices. DFID can choose to fund the WFP PRRO, or it can fund another agency to carry out cash transfers. Oxfam can choose to propose cash transfers or food aid though local or regional procurement. And, if one option is significantly cheaper than the other, then it may be one of the factors that should influence the decision about the choice of mechanisms. It certainly should not be the only factor taken into consideration, but it would be foolish not to take costs into account.

Ideally, one should be able to make a fairly direct comparison with three different types of food aid, as set out in the table below.

Local food purchase	**Regional food purchase**	**Food aid provided by donor country**
Cost per MT of food aid purchase	Cost per MT of food aid purchase	Amount charged to donor government (such as Food for Peace) for food per MT
		Cost to taxpayer of any subsidies in producing the food
Cost per MT of LTSH costs for transporting food to final distribution points	Cost per MT of LTSH for transporting food to final distribution points	LTSH costs for transporting food to final distribution points including any shipping subsidies
Distribution costs of implementing agency	Distribution costs of implementing agency	Distribution costs of implementing agency
Other direct and indirect operational and support costs	Other direct and indirect operational and support costs	Other direct and indirect operational and support costs

Using actual costs incurred by WFP Zambia during implementation of the PRRO drought response, WFP calculates that it cost WFP approximately $495 per ton of maize to implement the programme. This includes costs for the commodity itself, loading, transport, storage and handling costs (LTSH), direct support costs and other direct operating costs. Put another way, it cost WFP $24.78 per household per month.

Table 13: World Food Programme costs per metric tonne of different commodities

Drought Intervention costs

	Commodity	**LTSH**	**Other direct operating costs**	**Direct support costs**	**Sub total**	**Indirect support costs**	**Total per MT**
Maize	269	157.8	10.97	25.33	463.10	32.42	495.52
Pulses	435	236.2	10.97	25.33	707.5	49.525	757.025
Heps	341.63	135.43	10.97	25.33	513.36	35.9352	549.2952
Oil	928	236.2	10.97	25.33	1,200.5	84.035	1,284.535

Source: WFP's calculations sent to evaluation team

This is not necessarily comparing like with like. The WFP cost per MT would include programmed food aid with additional costs (school feeding, food for work and assets) as well as free food distributions. Oxfam was not the only agency that needed to scale up and incur significant start-up costs. In many of the districts where WFP was charged with provision of relief, new partners had to be found and enabled to work from scratch. In other areas, WFP had to enable partners to scale-up quickly, including the hiring of additional staff and purchases of capital equipment. In overall terms, there was a scale-up from a monthly distribution of 2,000 MT per month under the existing PRRO to 14,000 MT per month under the relief programme.

The two figures – a rough estimate of $564 per tonne for the cash programme and $495 for the food aid programme – suggests that the cash transfer programme was slightly more expensive (12%). However, given the high support costs in Oxfam's programme and the appreciation of the kwacha, it is perhaps unsurprising that food aid works out slightly cheaper. However, this conclusion should be treated with great care because of two factors:

- The unexpected dramatic appreciation of the kwacha, which makes cash transfers where people buy food locally look much more expensive in dollar terms when compared to regional purchases or earlier local purchases.
- Oxfam's relatively high support costs, which relate as much to the fact that it was establishing an operational presence in the two districts, and this was fully funded by this one programme as to any factor to do with cash transfer *per se*.

It is also useful to disaggregate the comparison:

	Cash transfers	Food aid
Purchase costs of maize	Estimated at 350	269
Loading, transport, storage and handling		157.8
Distribution costs	214	69.72

The purchase cost of maize for cash beneficiaries in Mongu and Kaoma was higher than WFP's regional purchases. However, the difference is largely explained by the kwacha appreciation. At the time of project design the cost was very similar (272 to 269). The apparently greater cost-effectiveness of food aid is explained by the higher distribution costs of the Oxfam project, which outweigh the savings made on transport. Some of what has been included under distribution costs for cash transfers could be seen as transport, but it does seem that this was a relatively expensive programme.

If cash transfers appear to be less cost-effective than the food aid equivalent, what else might be going on? By purchasing food in bulk, both regionally and locally, WFP can perhaps get a lower price than individuals buying small amounts of maize in quantities of 50kg or less at a time. One possibility is that this bulk discount outweighs the costs of storing and transporting the food to distribution points. However, WFP Zambia noted that this was a common misconception and that, often, the more tonnage that is bought, the more is paid because, generally, food purchases are not made from one trader. Purchase costs for food aid and transport costs were also relatively high in 2005/6. WFP Zambia was having to supplement local purchases (low anyway during 2005 due to drought) with international purchases, and there was strong competition for the available maize from South Africa. This competition extended to transport rates and other associated costs, and the regional nature of the crisis contributed to relatively high food and transport costs for WFP.

Put another way, this would suggest that WFP is more efficient than the private sector in delivering food to remote parts of western Zambia. Given the market weaknesses in remote parts of Zambia this is entirely plausible. It also presents something of a dilemma because part of what creates market weaknesses in the first place is the strong possibility that, in any bad harvest year, there will be large-scale food aid programmes. Larger traders in Zambia that might have been considering importing food during the 2005/6 season were also hampered by the long period of uncertainty both over whether there would be a large-scale food aid programme, and whether the government of Zambia would waive import duties on food imports. But there is a need to be careful about assuming a comparison between food aid and imported food. Maize is a local staple, and much of the maize that people were buying with the cash transfer was locally produced. Additionally, Zambia's Food Reserve Agency has the authority to release maize onto the market, should floor prices rise dramatically. The cost comparison between food purchased locally in small amounts from local traders and farmers with surpluses and food aid that may be nationally or regionally purchased or imported will always therefore reveal a complex web of different factors. Doing justice to this would require more space and a more detailed analysis of markets for food staples than there was scope for in the evaluation.

Both at a local and national level, in order to be able to respond to demand effectively the private sector needs clear signals and transparency about planned aid programmes. The Oxfam cash transfer programme was too small to have any impact on demand and therefore private sector response at anything but the very local level. If larger-scale cash transfer programmes were to be implemented, however, early and transparent signals to the private sector about scale and scope would be important. For an organisation such as Oxfam this might mean, for instance, engaging in advocacy with the government over policies around maize movements across borders.

7. Appropriateness

There are a number of dimensions to the question of the appropriateness of a cash-based response in Zambia, many of which overlap with the other criteria. These are:

- The question of whether any sort of relief response was needed and therefore appropriate – whether in the form of cash or food.
- Its appropriateness at a local level in terms of the functioning of markets, the impact of cash on local economies, accessibility and prices of food and other basic items and beneficiary preferences.
- The cultural appropriateness of cash, and whether it was suited to the culture and political economy of remote rural areas.
- The appropriateness of cash in terms of Oxfam's ability to effectively manage and implement the project and safely deliver cash transfers.
- The appropriateness of cash transfers in terms of their cost-effectiveness compared to food aid provided through local and regional purchases or tied aid in donor countries.

The first question around appropriateness about whether a relief response was needed at all in the two districts is clearly beyond the scope of this evaluation to answer in any definitive terms. There certainly seems to be room for doubt over whether the scale and severity of the crisis was properly estimated for Mongu and Kaoma in both the VAC and INGO assessments. This suggests the need for greater support to the VAC process to improve the quality of analysis, and also perhaps the need for a more fundamental look at the whole approach of attempting to measure deficits in the context of southern Africa. But national-level assessments are never going to have detailed district-level analysis, so NGOs, including Oxfam, also need to conduct complementary and more detailed analysis in the districts in which they are working.

Whether a cash response was appropriate at the local level can be answered by simply looking at whether people were able to use the cash to purchase the quantity of food they needed to meet the project objective of avoiding negative coping strategies, or to purchase an amount comparable to the equivalent of a food aid ration. As we have seen in previous sections, this was largely the case. There is some cause for concern that, in more remote areas where people had to travel long distances to purchase food, and some areas in which only more expensive maize meal was available for part of the project. At an aggregate level, it appears that people were able to buy as much food with the cash transfer as they would have received with food aid, and the transfers did help to avoid negative or erosive coping strategies.

Data from the various monitoring reports and interviews with stakeholders emphasised the importance of having markets as a precondition for making cash-based interventions work. There is a danger here that markets are seen in an overly formal sense, as a place where shops and other physical structures exist. There is a need to focus equally on informal markets, particularly where households sell to one another using cash or barter trade. It was evident in several of the sites visited by the evaluation team that most villagers were also relying on neighbouring households and communities for purchasing food, especially maize and cassava. In this regard, the discussion of the existence of markets needs to be recast, paying attention not just to physical markets, but also to the ways in which local economies function and food is exchanged and bartered within and between communities.

The question of beneficiary preferences needs to be dealt with carefully. Overwhelmingly, the people interviewed expressed a preference for cash over food aid. But it is important to filter this for several potential biases. First, people are likely to express a preference for what the agency has previously provided in the hope of receiving further assistance. In the real-time evaluation, people receiving food aid tended to express a preference for food aid, and vice-versa with cash. To the extent that people interviewed by the evaluation team were making comparisons with food aid delivered in nearby areas, this was not a fair comparison as the food aid delivered by the government was much patchier in terms of targeting, and more intermittently delivered. People did, however, give reasons for their preference for cash that should at least be considered. The most common explanation was around the greater flexibility of cash, and the fact that it enabled people to make choices about what sorts of food to buy and in what quantities. It was also noted that cash enabled a small amount of non-food expenditures, notably on health care. In one village, people's preference for cash was in part informed by the fact that recent food aid distributions had been further away, and therefore involved greater costs in terms of getting to the site and transporting the food aid back. However, this was unusual, and it was striking that most of those interviewed did not make comparisons with food aid because they had not received much in recent years.

Some concerns were raised by other organisations about the appropriateness of cash in a wider cultural sense. According to this argument, these were rural economies in which the majority of transactions were carried out on a barter and exchange basis, and a substantial injection of cash would disrupt social networks. It was hard to pin down what this meant in practical terms, other than a general feeling that free handouts might be creating laziness on the part of recipients. Nor was it clear whether these concerns related particularly to cash, or were equally applicable to any type of resource transfer. The evaluation team found no indication at a field level of the idea that unconditional cash grants made people lazy, and it has been argued elsewhere that the concept of dependency that underpins this concern is unhelpful (Harvey, 2005). It is true that the cash grants did represent substantially more cash than many households would normally handle over the course of a year. But the idea that these are somehow largely cashless economies is questionable. People need to pay for school fees, market some of their crops and purchase food during the hungry season, and some receive amounts of cash as remittances from relatives in urban areas. In interviews, people were clearly comfortable with making detailed budgets from the cash grants received, were making informed decisions about what to spend the grants on, and saw the ability to flexibly decide what to spend the grant on as a key advantage of cash over in-kind assistance.

The project's appropriateness in terms of Oxfam's ability to effectively implement and manage it is an important question, but one which it is difficult to give anything more than a subjective opinion about. It is the opinion of the evaluation team that this was an ambitious project, especially given Oxfam's lack of previous operational capacity in the two districts. The fact that it was effectively implemented, and that the planned number of beneficiaries received cash grants at well-organised distributions, testifies to the enormous amount of work put in by all of the Oxfam staff, but Oxfam was probably right at the limit of what it could have taken on. This suggests in part that there is no substitute for direct operational capacity, and staff with experience and expertise about the local context if Oxfam want to maintain the capacity for implementing emergency projects directly themselves.

It is also interesting to consider the range of skills that are needed to implement a cash programme. Arguably, these can be broken down into:

- Skills and capacity to understand and analyse livelihoods, markets, prices and local economies.
- Skills and capacity to target and distribute relief resources.

Arguably, the agencies that would be best equipped to implement cash transfer projects are those agencies with most experience and capacity to implement large-scale food aid distributions, albeit these skills would need to be balanced with the skills and capacity to understand livelihoods, markets and local economies.

Finally, there is the question of whether the project was appropriate in terms of cost-effectiveness. As stated above, this is only one of the factors that should be taken into account. The analysis presented above suggested that, in this case, food aid may have been slightly more cost-effective, but this was largely due to two unusual factors – the high distribution costs of the Oxfam project and the dramatic appreciation of the Zambian kwacha. Cash has advantages in terms of greater choice and flexibility for individual households, and greater positive impacts on local economies which would need to be balanced against the cost-effectiveness calculation. Cost-effectiveness must anyway be assessed on a case-by-case basis and, given the unusual factors noted above, the fact that this project may have been slightly more expensive than food aid should be interpreted cautiously and not necessarily seen as a guide for future comparisons.

8. Connectedness

The project was only ever designed and intended to be a short-term emergency relief intervention aimed at meeting short-term needs relating to a food deficit from poor harvests. It is important to stress that it was never intended, nor could it be expected to have, longer-term impacts on food security.

As previously noted, there were some issues with initial coordination with WFP. There were also some issues with coordination at local and district levels. The project seems to have been reasonably well coordinated with District authorities and food aid actors once it was up and running. In Kaoma District in particular, the distribution of food aid was described as being heavily politicised especially because it was an election year. These pressures meant that food aid was distributed in cash transfer areas, creating difficulties of overlap and duplication. Fortunately, the amounts distributed were relatively small so it does not seem to have been that large a problem. In Mongu, Concern Worldwide was operating a project to support winter cropping, which overlapped with the cash transfer project in at least one ward. Concern felt that the cash project could have been better coordinated with its work, particularly over the issue of targeting, where Concern felt that beneficiaries of the winter cropping programme should not also have been targeted for cash transfers. The agency also felt, more broadly, that the cash transfer programme had disrupted its longer-term development work by creating expectations of payment for community work.

There is also a question around what other complementary activities might, in an ideal world, have been implemented. In practice, Oxfam was already fully stretched implementing the cash transfers project, and possibly did not have additional capacity for other complementary activities. The cash transfers project was only a short-term emergency response and would ideally have been complemented by other disaster mitigation and recovery initiatives. Examples might have included support to accessing agricultural inputs (whether in cash or in kind) during the planting season, support to winter cropping and longer-term development initiatives around livelihoods, whether relating to production (crops, fish or livestock), marketing or livelihood diversification. Oxfam did originally try to include other complementary activities in its emergency funding proposal to DFID. Oxfam also attempted to work with other development actors in the two districts including its existing NGO partners, and is attempting to secure funding for a recovery programme. However, for the time being, in most of the areas where the cash transfer project was implemented, Oxfam is not able to engage with communities on longer-term recovery and development projects.

There may also be room to consider complementary activities to cash transfer projects to support markets. This was discussed in the initial Oxfam proposal and suggested by the University of Zambia market analysis as a way of increasing market accessibility in remote areas. There might have been options, for instance, to look into the monetisation of maize grain through local traders in areas where only maize meal was available. In the event, given the level of food insecurity this probably was not necessary but, had the crisis been more severe, there might have been a need to look into such options where markets were weakest. Clearer contingency plans about what to do if prices for food rose above certain levels, or if people were not able to buy sufficient quantities of food with the amount of cash to meet critical needs, should probably have been developed. Complementary activities to support markets might have been appropriate, or Oxfam could just have increased the cash amount or considered whether complementary food aid was needed. In the event, none of these options was probably needed.

There may also have been scope to take greater advantage of the flexibility offered by cash in terms of when the project started and ended. Oxfam's own mid-term evaluation recognised that it would have been useful had the project been able to start earlier in order to enable cash grants in October to be partially used for purchasing agricultural inputs during the planting period. This had been part of the original plan, but delays in approving and setting up the project meant that this was not possible. Arguably, cash grants could also have been continued into and after the harvest when, as people's food needs are being met, cash may be particularly useful in terms of enabling longer-term productive investments. There is a tendency to see emergency cash grant projects purely in terms of an alternative to food aid, and therefore to design them with the same timescale, starting at the height of the hungry season and ending before the harvest, to avoid disincentive effects. However, cash does not run the same risk as food aid in terms of possible disincentive effects on agricultural production, and therefore can be continued. This was arguably the case with this project, and opportunities were possibly missed to further exploit the added value of cash.

The terms of reference for the project asked the evaluators to look at possible lessons and links from the project for longer-term social protection interventions. The project was quite clearly a short-term emergency intervention, and was designed as such. However, the mechanism developed by Oxfam for the safe delivery of cash to remote rural areas through bank and security companies may be of interest when thinking about how to scale up longer-term social protection programmes. The deep levels of chronic poverty in the project areas, and the fact that cash seems to be used sensibly by poor people, reinforces the lessons emerging from the Kalomo pilot project that regular, small cash transfers can play a part in helping to alleviate poverty. But clearly a wider debate is needed about what forms of safety nets are most effective and affordable (targeted cash transfers, pensions, child benefits, school feeding) and the appropriate roles of different actors (governments, international and national NGOs) in providing them. Certainly, the experience gained by Oxfam in the emergency cash transfer project has developed some useful transferable skills and experience that could be put to good use if pilot safety net programmes are expanded, and further NGO partners are needed to work with government in delivery.

9. Conclusions

The Oxfam emergency cash transfer programme can be seen as an appropriate and effective response to a potential food security crisis. Whether an acute humanitarian crisis would have occurred in the absence of a major relief effort in Mongu and Kaoma Districts is questionable, but the cash transfers project did help people to get through a difficult year, protect assets and avoid negative coping strategies and deepening poverty.

The programme was effectively implemented, in the sense that people efficiently received the cash that they were meant to, and were able to use that cash to purchase basic items, mostly food, at prices that were reasonable, and in markets that were largely accessible. In aggregate terms, the cash transfers appear to have allowed people to purchase roughly comparable amounts of food to a standard food aid ration, and therefore had similar nutritional value. They also enabled people to make small but sometimes crucial non-food expenditures particularly in health and education. Cash transfers also probably had greater positive impacts on local economies than food aid through boosting the profits of local traders and some degree of purchasing from local producers.

There are some grounds for concern that, in some of the more remote areas where the cash transfers were provided, access to markets was difficult and people had to walk for long distances to buy food. But the costs of this would need to be compared to the possibly similar costs to beneficiaries of accessing and transporting food aid in remote areas. The main concerns raised in the evaluation team's fieldwork related to targeting inclusion errors, but these seem largely to have been a function of Oxfam's stretched capacity, lack of familiarity with the area and the general difficulties of targeting, than anything particularly related to the use of cash as a resource transfer mechanism.

There is a great need for caution in making cost-effectiveness comparisons, but the cash transfer project does appear to have been slightly more expensive than food aid. The cash project does appear to have been cost effective at the time of project design in terms of the cost of food locally compared to the cost of regional purchase and transport, but the dramatic appreciation of the kwacha through the lifetime of the project affected this calculation. The non-cash costs of the project (Oxfam staff, transport and support costs) were high and, at over 30% of the value of the cash distributed, above what should be good practice for cash distributions. This can be partly explained by the fact that Oxfam was starting direct operations in the project areas, and partly by the need to invest more in a pilot project. It is still a cause for concern, and makes cost-effectiveness comparisons more complicated.

In part because Oxfam had not been directly operational in the project area, their capacity was stretched in implementing the project, and the staff are to be commended for delivering a large and innovative project effectively in a short time-scale. However, the delays in agreeing and approving the project meant that it was implemented in more of a rush than should have been necessary given the reasonably good warning of the crisis and the predictability of periodic acute food insecurity in Zambia. There is a strong case for investing more in emergency preparedness and contingency planning for future interventions. The lack of complementary projects being implemented either by Oxfam directly or by its partners in the areas where the cash project was implemented means that, although the cash had a positive short-term impact on food security, opportunities are being missed to forge links with longer-term food security and livelihoods interventions.

Based on this, there is clearly a case for cash transfers to be considered by Oxfam and more widely by other stakeholders in Zambia in future relief responses. Ideally, the consideration of a range of options should be part of the VAC process and linked to explicit and open discussions about the relative cost-effectiveness and wider appropriateness of different options. Whether they are appropriate or cost-effective in future interventions cannot be assumed and will have to be judged on a case-by-case basis using careful context-specific analysis focused on prices and markets. Cash transfers should, however, be a tool in the armoury of possible responses to periodic acute food insecurity. If they were seen as appropriate in a future crisis, then there would probably be a strong case for the cautious expansion of the scale of cash transfers compared to food aid – although with the need for careful contingency measures in the event of rapidly rising prices or market failures. There is also an ongoing debate about the role of cash transfers in longer-term social protection and safety net strategies in Zambia. Long-term cash transfers as part of a social protection strategy would possibly help to alleviate chronic poverty and increase the resilience of households to deal with periodic shocks. There would also be scope to explore ways in which relief responses could link with and build on long-term social protection programmes, for instance in targeting and delivery mechanisms.

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Annex 1: Terms of Reference for the Evaluation

Final Evaluation for Oxfam GB Cash Transfer Programmes in Malawi and Zambia Terms of Reference

1. Background

In February 2005, food security reports FEWSNET, the VACs and the Regional Inter-agency Co-ordination Support Office (RIACSO) indicated another acute food crisis in Southern Africa. The trigger was rainfall failure during the 2005 growing season. Crop failure was forecast in areas of Malawi, Mozambique, Zambia and Zimbabwe.

Oxfam GB planned a humanitarian response in its countries of existing operation. Taking into account lessons learned from the food crisis of 2001-3, Oxfam aimed to implement more appropriate responses to address acute needs. In Malawi, a small unconditional cash transfer programme was designed and implemented as part of a wider range of responses. In Zambia, a larger unconditional cash transfer programme was designed and implemented as Oxfam's sole response to the crises. The programmes will finish at end of March 2006, when crop harvests are expected. This final evaluation will be carried out after the end of the two programmes, in order to capture learning around cash based programming in emergencies.

Oxfam GB is also exploring appropriate responses to chronic food insecurity in Southern Africa. In line with current thinking around social transfers, there is the possibility that both emergency cash programmes could transition into longer-term programmes. This will require additional planning, particularly around targeting and instruments (eg level of cash transfer).

2. Objective

To assess the effectiveness of unconditional cash transfers as an instrument to address acute food insecurity in Southern Africa

3. Specific Tasks

The evaluation will provide the following:

3.1 An assessment and analysis of the following key issues:

- How was the cash spent by beneficiaries and what was the impact of the programme on food insecurity
- Access to markets – distances walked, price differences, amounts purchased
- What were the multiplier effects of the programmes in terms of social and economic spin-offs

- How effective were the targeting mechanisms used to select beneficiaries. What kind of exclusion and inclusion errors were there
- How did different vulnerable groups use the cash
- What were the beneficiary preferences in terms of instruments
- How effective were the delivery systems used for cash disbursement to beneficiaries
- How effective were the M&E systems developed and implemented for each programme

3.2 An analysis to compare the pros and cons of food vs cash transfers, including cost-effectiveness, based on findings from Oxfam GB direct programme implementation in Malawi. Findings could be compared with analysis from Zambia, if information is available from the real-time evaluation by WFP, DFID and USAID

3.3 Recommendations around what key learning from this programme could be taken forward into the design of longer-term social transfers programmes in both operational areas

4. Expected Outputs

- A concise report (20 pages plus annexes), providing both an assessment and analysis of the effectiveness of unconditional cash transfers in emergencies and recommendations for improvement
- A 2 page policy brief to summarise the lessons from both programmes for use in regional (and global) advocacy work around appropriate responses to food insecurity

5. Timeframe

5.1 Timing: Start mid April. First draft of report by mid May; final documents by end of May.

The process will involve:

- Preparation time for document reading and visits to key staff at Oxfam Regional Management Centre.
- One week of field work in each country
- Report and policy brief writing

5.2 Duration: Total of ? days for 2 consultants

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