



# Adaptable and effective: Cash in the face of multi-dimensional crisis

Lessons from Zimbabwe



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Cash transfer programme beneficiaries in Masvingo, Zimbabwe

A summary of the learnings and recommendations from an internal and external evaluation of the **Emergency Cash-First Response to Drought-Affected Communities in the Southern Provinces of Zimbabwe** project which was carried out from August 2015 to May 2017. The external evaluation was carried out by Oxford Policy Management and is titled *Zimbabwe 'Cash First' Humanitarian Response 2015-17*.

## What is cash transfer programming?

Cash transfer programming is the practice of providing cash/vouchers rather than in-kind aid such as clothes or food. An increasing body of evidence shows that cash transfers are one of the most timely, efficient, empowering and impactful ways to deliver humanitarian aid in disaster-prone and crisis-affected communities. Consequently, cash transfer programmes are increasingly being recognised in poverty reduction and social protection strategies as a key way to build a more resilient and equal world.

## Global context: cash transfers transform lives

Today, 130 low- and middle-income countries implement at least one non-contributory unconditional cash transfer (UCT) programme, with a further 63 countries having at least one conditional cash transfer (CCT) programme as part of their social protection systems. Such programmes are increasingly popular in sub-Saharan Africa, where 40 out of 48 countries now have a UCT programme – double the number in 2010.

Yet the Overseas Development Institute (ODI) estimates that only six per cent of global humanitarian aid is delivered as cash-based assistance.<sup>1</sup> This is despite the growing availability of cash delivery infrastructure – as well as evidence from both humanitarian and longer-term development programmes that cash transfers can have a significant impact on the lives of vulnerable individuals and families.

The evidence shows that cash transfers: reduce monetary poverty; increase women's decision-making power and choices; raise school attendance; reduce child labour; stimulate health service use; improve dietary diversity; and foster beneficiaries' economic autonomy.

Emergency cash programming has been developed to play a key role in both preventing and responding to emerging crises before and after they hit. In recognition of cash's effectiveness and potential, the 2016 World Humanitarian Summit in Istanbul saw the international community vow to increase cash as a proportion of humanitarian spend.

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<sup>1</sup> ODI (2015) *Doing cash differently: How cash transfers can transform humanitarian aid*, p9; [www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9828.pdf](http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9828.pdf)

## Lessons from cash transfer programming in Zimbabwe

CARE International in consortium with World Vision International (WVI) in Zimbabwe implemented a Department for International Development (DFID)-funded project, Emergency Cash-First Response to Drought-Affected Communities in the Southern Provinces of Zimbabwe, from August 2015 to May 2017. The project's objective was to enhance the food security and reduce the negative coping strategies of vulnerable and drought-affected households in four provinces: Matabeleland North, Matabeleland South, Masvingo and Midlands. Fifteen districts were selected in these provinces. The project's specific desired outcome was to ensure that beneficiaries could cope with food shocks and meet their basic food needs during the 2015/16 and 2017/18 agricultural periods.

**This programme is the first time that cash transfers have been used as a large-scale alternative to food aid in Zimbabwe and the first large-scale provision of cash transfers through mobile money.**

## A time of crisis in Zimbabwe

From 2015, Zimbabwe was facing severe drought driven by one of the strongest El Niño events of the last three decades. The drought reduced households' subsistence production and income, constrained livelihood options and severely limited access to food, resulting in livestock deaths. In February 2016, a state of national disaster was declared with 4.1 million people projected to be food insecure between January and March 2017. At the same time, a liquidity crisis emerged, resulting in a depletion of cash nationally and a consequent rise in mobile money. Despite this context of multi-dimensional crisis, the cash transfer programme achieved significant impact at both the individual and the community level.

## Why cash in Zimbabwe?

Worsening food security status and projections of crop deficits indicated the need for a food assistance intervention in Zimbabwe's southern provinces. The decision to use cash transfers was based on an initial market assessment, evidence that Zambia would have an exportable surplus, and analysis that food aid had been inappropriate in previous responses. The main objective was to meet immediate food needs, and the agencies concluded that mobile money continued to be appropriate because people could purchase food with it through merchant payments and person-to-person (P2P) transfers.

## Programme design

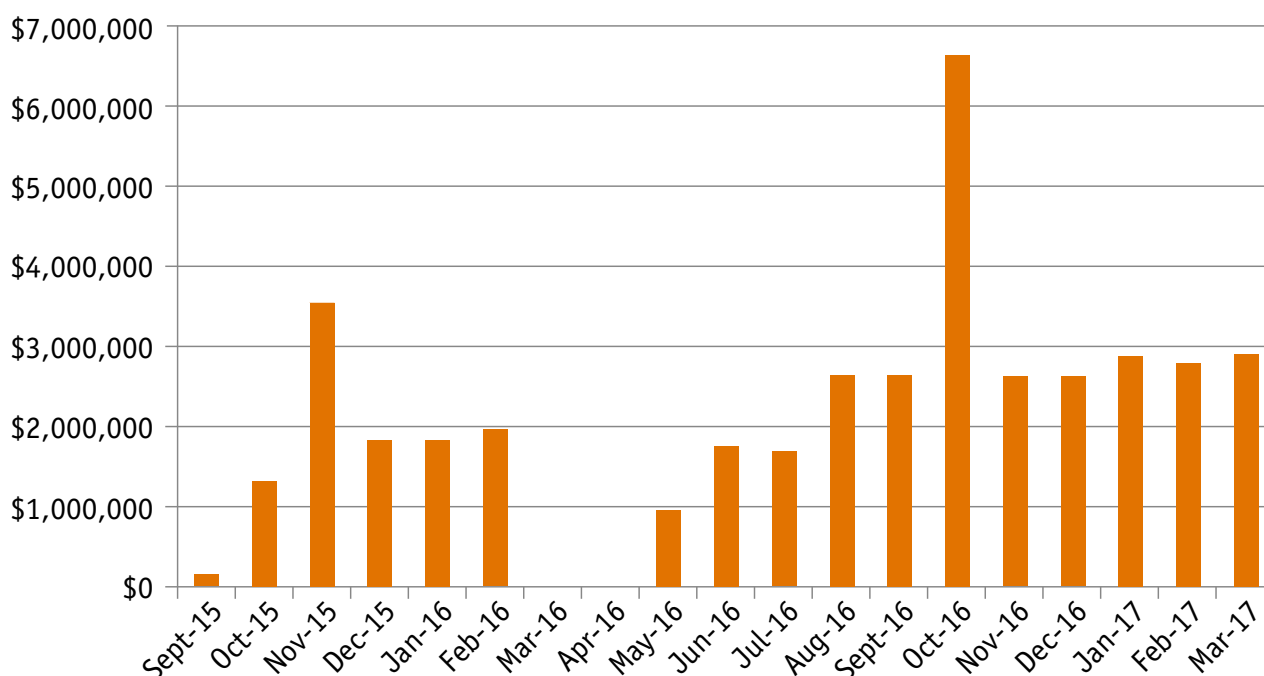
Cash transfers were delivered using mobile money, in partnership with two national Mobile Network Operators (MNOs), Econet and Netone. Each beneficiary was issued with a SIM card at a reduced rate, if they did not already have an Econet/Netone SIM. Their phone line was activated and their number registered on the mobile cash wallet platform. Recipients could use their e-wallets to 'cash out', transfer money to another person, make a purchase with a registered merchant and purchase airtime. The monthly transfer to each household was initially US\$5 per household member; this increased to \$7 in August 2016, with households on average receiving \$554.68 (total budget/direct recipients) through 17 payments.

The most vulnerable households who were affected by the drought were selected using a community-based targeting approach. The process started with targeting the provinces worst affected by the drought. This was guided by a Zimbabwe Vulnerability Assessment Committee (ZimVAC) report, which included the findings of an aid agency/Zimbabwe government joint assessment on the impact of the drought. This was then followed by ward-based food insecurity profiling to help identify the most drought-affected areas within the four provinces.

Proposed vulnerability criteria were then shared with communities. Based on the communities' micro context, communities added additional vulnerability criteria to ensure all the most food insecure households were targeted. The communities then used the agreed criteria to carry out ranking and scoring of all of the households in their own communities/villages. On the basis of that, those who ranked the highest in terms of vulnerability were selected. This process was then followed by physical verification by CARE/WVI of a sample of selected and non-selected households to reduce inclusion and exclusion errors.

The project began by supporting 67,200 households in the first phase and increased over time, eventually reaching 73,718 households by May 2017. Despite a severe drought, a national cash crisis and a severe lack of physical cash, the project succeeded in transferring an estimated \$40.9m (\$25.7m in the second phase) to 73,718 households (400,279 individuals) through mobile money, reaching households that had been selected through community-based targeting, including drought-affected areas. With over one million payments, **it is the largest ever humanitarian cash transfer project to be carried out in Zimbabwe.**

### AMOUNTS OF MONEY DISTRIBUTED (SEPTEMBER 2015 – MARCH 2017)



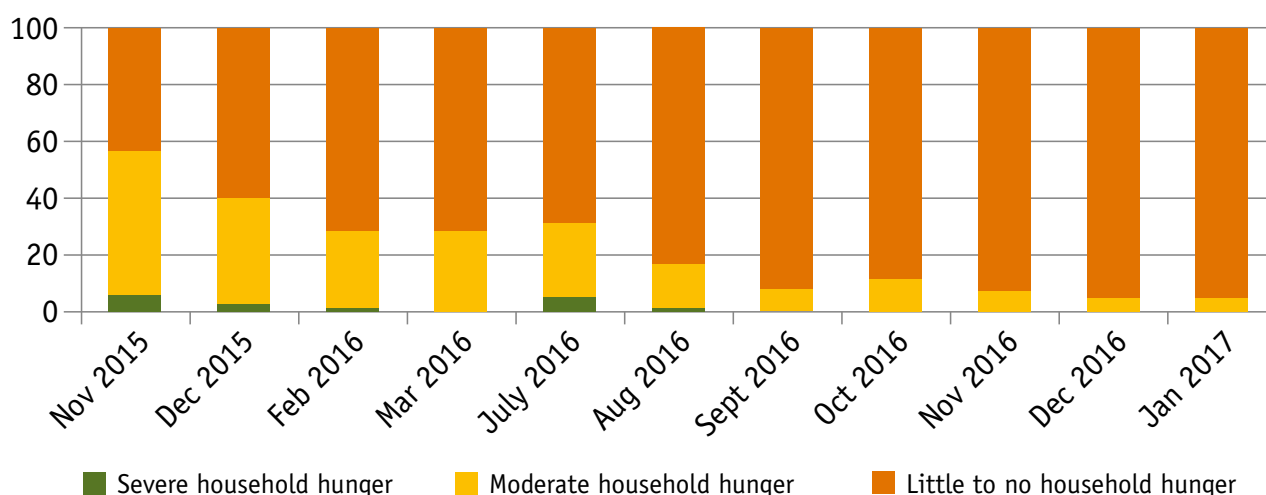
Source: Oxford Policy Management (2017), *Zimbabwe 'Cash First' Humanitarian Response 2015-17*

## SUMMARY OF OUTCOMES

Key areas of change	Key quantitative findings from midline to endline
Food security	Meals increased by 29.2% for children (from 1.84 to 2.72) and 18.6% for adults (from 1.94 to 2.50)
Coping strategies	21.7% reduction of negative coping strategies
Cash utilisation	In 87.5% of cases, the transfer met food needs
Beneficiary feedback	74.2% of target respondents are satisfied or totally satisfied at endline
VfM of CTP: ratio of direct versus indirect costs	9.14:1 (£1 of indirect for £9.14 of direct costs)
Impact on gender and social dynamics	The decision-making at the household level translated into a more collective approach where the spouse was consulted
Exposure and understanding of mobile money and access to additional digital financial services	The combined bundle of services used by target households has only increased marginally
Wider economic effects and impact	Average savings per household: \$2.77. Less than 2% of households reported the start of a new business. Wider economic effects were incidental and context-contingent. The combination of a liquidity crisis and recurrent climate shocks severely reduced the ability of target communities to pursue long-term planning in their asset-building strategies.

Source: CARE International UK (2017), *Cash Transfer Programme (CTP) II Phase Zimbabwe: Internal Final Evaluation*

## BENEFICIARY HOUSEHOLD HUNGER SCALE RESULTS OVER TIME



Source: Oxford Policy Management (2017), *Zimbabwe 'Cash First' Humanitarian Response 2015-17*. Based on monthly PDM (Post-Distribution Monitoring) and PDCFSM (Post-Distribution and Community Food Security Monitoring) data. Data is not available for all months.

## Effectiveness and impact

CARE International UK's internal evaluation found that cash transfers in target areas significantly boosted food security, nutrition and abilities to cope with shocks.

Alongside these remarkable results, the external evaluation from Oxford Policy Management (OPM) also underlined the effectiveness of the programme's use of adequate mobile networks, accountability systems, comprehensive monitoring loops and tight interactions with DFID.

## A critical source of household income

OPM found that the cash transfer was a critical source of household income, particularly in the lean period (from October to March, with January to March the peak) when other sources were reduced or non-existent. OPM found that the money went primarily on food (mainly on maize/mealie meal, vegetable oil), but for some it enabled increased spending on household goods, school fees and agricultural/livelihood inputs (particularly in October 2016 when an additional \$40-\$60 larger transfer was provided on top of the usual monthly cash assistance). Some people were able to use a portion of the money towards school fees, school debt repayment, uniforms and school supplies, but overall the transfer had little impact on access to services as people prioritised food needs.

## Challenges and strengths

Following the onset of the cash crisis, cash became limited or entirely unavailable. This led to a corresponding increase in merchant payments and especially P2P transactions to make purchases. Beneficiaries continued to access priority goods and services through mobile money purchases, but still attempted to get hard currency due to its flexibility and the fact that it incurs no fees. Further reported challenges in accessing payments were registration obstacles ('recycled' SIM cards leading to failed transactions/delayed payments), blocked SIM cards from multiple PIN entries and, initially, long wait times at mobile agents' shops to cash out.

Despite limited mobile network in some areas, beneficiaries still knew when the transfers arrived. OPM suggest that a critical aspect of coverage is that beneficiaries can access shops that have a mobile signal (or one close by) rather than needing a signal in their village.

OPM further found that the community-based targeting of households was perceived as participative and fair. The main weaknesses identified with this approach were that

people could potentially be biased and thereby nominate those that they knew and liked rather than on the basis of vulnerability and need. Moreover, vulnerability criteria chosen by communities (eg widows, households with orphans) were sometimes exaggerated. It was also challenging to systematically determine exactly how many people should benefit from a given village.

OPM reported that the depth and quality of the programme's monitoring system made it a core strength. A further strength was the comprehensive accountability system, which facilitated problem-solving and enabled feedback, including anonymously.

Furthermore, OPM found that the fact that the funding of the programme came in two phases gave implementing partners valuable time to learn, adapt and modify. For example, modifications were made to the targeting process (increasing verification), transfer value (increasing it) and accountability (adding gender and accountability focal points). The gender and accountability focal points were people selected by the communities to handle complaints, feedback and questions in relation to the cash project and liaise with CARE/WVI on a regular basis to respond to queries and issues. They also carried out gender and nutrition awareness-raising activities in their communities and were trained to resolve basic challenges related to using the mobile money platforms. In total, there were 905 female and 518 male gender and accountability focal points supporting the cash project.

Partners also grew to better understand each other's strengths and weaknesses, with strong working relationships reported among DFID, implementing NGOs and mobile network operators. All of these factors contributed towards an enabling environment for shared learnings, data and insights.

According to OPM, the main change that beneficiaries experienced was increased food consumption and eating a 'normal' healthier and varied diet. They found that those working in the most common livelihood, subsistence farming, had more energy and time to invest in their own fields because the cash transfers reduced their need to pursue casual work elsewhere. The external evaluation further found that economic actors that appear to have benefited greatly from the programme are local shops (stocking maize or mealie meal) in rural/isolated villages, some of which reported dramatically increased profits.

OPM also found that the programme led to positive changes beyond its original objectives. Specifically, increased exposure to and understanding of mobile money; increased ownership of SIM cards and handsets; it encouraged application for national IDs (for a small number of people, as this was one of the government

requirements for receiving mobile transfers); and in some cases, increased goods at rural local shops.

CARE International UK's internal evaluation found that wider economic effects were incidental and context-contingent. The combination of a liquidity crisis and recurrent climate shocks severely reduced the ability of target communities to pursue long-term planning in their asset-building strategies.

In terms of gender and social dynamics, CARE International UK's internal evaluation found that the programme had a positive effect. It deliberately targeted women in the households to receive the cash, where possible. This was seen as a catalyst for enhanced joint decision-making in households, alongside the active role played by the gender and accountability focal points in encouraging equal control of resources between women and men in the household. Similarly, a trend was identified of greater engagement and leadership within community groups, albeit clustered within particular types of religious networks. Cash transfers were viewed by most as having neither a positive nor negative impact on social relations, or else the cash transfers improved social relations, because fewer people needed to ask for food and more had something to give. Some leaders and non-beneficiaries were concerned that unequal access to the cash had made people jealous and that those helped were not sharing sufficient food with their neighbours and relatives. However, the internal evaluation findings on household relationships were consistently positive. Cash was described as improving household relations because it resolved stresses and tensions related to lack of food. Registering women as the recipient was viewed by most as a good approach, on the basis that women were more aware of household needs and how to manage household resources.

## Summary of lessons learned

- Cash transfers can be an adaptable and impactful programme approach in times of crisis.
- Once a cash transfer programme is in place, it is easy to provide an additional transfer, as shown by the addition of a multi-purpose grant in October 2016.
- Mobile money is viable even when recipients cannot fully cash out, if they can access goods/services via mobile money.
- Mobile money can work in villages with extremely limited coverage so long as the places that people make their transaction have a signal.
- The programme duration provided time for people to familiarise themselves with technology, but despite this, some people are not able to independently conduct mobile money transactions.

- Having a cash working group provides an important forum for national level coordination amongst agencies, including for harmonisation of the cash transfer value (to make sure that different agencies are providing similar amounts). A national cash working group was established by CARE and the World Food Programme (WFP) in Zimbabwe during the project as a platform for aid agencies to exchange best practices and information, as well as coordinating approaches and design elements of cash transfer programmes, such as the cash transfer value.
- Community focal points played a key role in resolving payment challenges.
- Having trained gender and accountability focal points within the communities is instrumental in supporting positive community gender dynamics in relation to the cash programme.

## OPM summary of programmatic recommendations

- Key good practices identified include market monitoring, consulting leaders, regular meetings with communities to verify receipt of transfers and resolve problems, and putting in place gender and accountability focal point persons.
- Consider varying the transfer value between different intervention areas if some are experiencing more severe impacts or face higher prices.
- Take into account households' minimum expenditures and incomes when calculating a future transfer value.
- Consider ways to bring in communities' focus on equity and analyse trade-offs between breadth and depth in targeting and calculating the transfer value.
- Continue with a community-based targeting approach that includes facilitation and verification by independent enumerators, and provide more guidance to teams and enumerators on how cut-offs are decided within villages and wards.
- Mobile money should be used where people can access goods and services through digital transactions or cashing out.
- If liquidity remains a challenge and certain services are not payable by mobile money (eg hospital fees, milling, transport), work with mobile network operators to engage with local businesses, mill owners, school committees and transporters to increase their adoption of mobile money.
- Avoid conceptualising cash transfers as purely a replacement for food aid, even if the purpose is to meet immediate food needs, as this can bias programme design choices.



Tsungirirai Madziro (left) using her e-wallet assisted by shopkeeper Viola Murambi (right)

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## Methodology

The quantitative methodology of CARE International UK's internal evaluation combined midline and monitoring questions. The evaluation investigated outcome areas (food security, coping strategies, etc) and the number of questions did not surpass a time limit of 30-45 minutes to collect all information from a respondent. Analysis focused on how similar groups of recipients responded to similar questions over time. Changes are only highlighted from a gender and geographical lens at both midline and endline. The sample structure of the combined dataset from midline to endline allows for disaggregation of representative trends down to province and district levels.

The primary source of OPM's external evaluation was qualitative data collected at national, provincial, district and village level. Data at the village level largely focused on the appropriateness, coverage, effectiveness and impact dimensions of the evaluation, and was obtained through focus group discussions, individual beneficiary and key informant interviews.

The analysis of data collected at the community level was case-based, exploring by village:

- How the village was affected by the drought, how people coped and what support they received.
- When was the emergency cash transfer programme introduced in the community, with what level of support (how many households) and for how long.
- The experience of the programme to date and operational challenges related to targeting, enrolment, payments and case management.

- The perceived impact of the programme on the recipient households in terms of their food security, livelihoods, risk-coping, social relations and intra-household dynamics.
- The perceived impact of the programme on the wider community and in particular the markets and livelihoods of the rest of the community.

# CASE STUDY



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My name is Rumbidzai Gwaimani. I have two children with my husband. My daughter is 10 and my son is six. We are four in our family. We live in Mukuriri village, in Nyajena area, Masvingo Province.

We used to survive by gardening vegetables in a cooperative community, then selling the vegetables. When we would get the money from selling vegetables we would then buy maize, which we would eat with our children. Then the hunger wouldn't be so bad. [But when the drought came] the vegetables were now less because there was no water; even in the river there was no water. We reduced the quantities of food that we ate so that the food could last us for a longer time.

We used to have different types of foods before the drought came. The children knew that they could even have fruits but, during that time, to get even cooking oil or peanut butter, it was very difficult because it was hard to come by. So our diet changed.

Before the drought we used to eat three buckets of maize per month. When the drought came we started to consume two buckets per month. The children's health was affected because we used to eat porridge in the morning and sadza in the afternoon, but because of the drought we would only have one meal. When they were hungry you could tell that they are hungry. The lifestyle that they had been leading before was certainly different from the one that they were now leading.

My son got severe malnutrition and we went with him to the clinic. They gave him Kenya porridge and we kept making the porridge for him. We didn't have to pay for any child who is below five years old. He was ill for a very long time and he got better after a while.

I have been in the CARE [cash transfer] project for a long time; since 2016 until this year [2017], when the project will end. We started using EcoCash when we joined the first time because I didn't have anyone who would send me money. We receive a message every month in the SIM card that we purchased through CARE. We then sit down as a family and decide what to buy.

We usually get a text message that we have received \$28. We take \$10 to buy our maize grain then \$8 to buy our groceries such as cooking oil, flour and sugar. We save \$5 every month, which we eventually used to buy the cement that we used to plaster the house; it was close to falling over because of the heavy rain.

**I think cash works because I can purchase what I want. And buying food? At least my family won't starve to death.**

I bought goats using the savings from the cash assistance. One has already reproduced and the others are pregnant. I bought them when they were still small so one cost \$10 and the rest were \$15. They are for breeding. I want them to multiply so that I can be able to sell them and pay school fees for my children when the programme comes to an end.

I see the herd growing and in turn I hope that in future I will be able to sell them and take my children to school. My son is in ECDB (pre-school) and my daughter is in grade 4. She was not going to school because of the drought. We did not have money to take the child to school. Once we got money, the first priority was getting food.