Evaluating the Mchinji Social Cash Transfer Pilot

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Agenda

- Explaining the Mchinji Cash Transfer Scheme
- Describing the EXTERNAL EVALUATION of the Mchinji Cash Transfer Scheme
52% of Malawians live under the national poverty line
22% are ultra-poor, living under 0.20 USD per day
10% are ultra-poor and at the same time labor constraint (e.g. generation gap households)
High exposure to shocks and risks in Malawi households
Vulnerability varies by type of shock and household type
Malawians are less able to cope with shocks to date as repeated shocks have meant that their assets have declined, savings have been eroded, willingness and ability of informal support networks to provide support has decreased
*Ex ante* strategies are limited, esp. for low income households
KEY PARAMETERS OF THE CASH TRANSFER SCHEME

Objectives

- To reduce poverty, hunger and starvation in ultra ultra poor and labor constrained households
- To increase school enrolment and attendance of of children living in cash recipient households
- Generate information on the feasibility, costs and benefits, and the positive and negative impacts of a Cash Transfer Scheme as part of the Malawian Social Protection Program
KEY PARAMETERS OF THE SCHEME

Targeting Criteria

- Ultra poor: households of the lowest expenditure quintile quintile and below the national ultra poverty line (only one meal per day, no valuable assets..)

- Labor constrained: a household is labor-constrained when it has no able bodied household (HH) member in the age group 19-64 who is fit for work (all are chronically sick or disabled or elderly or children) or when one HH member who is fit for work has to care for more than 3 dependents.
KEY PARAMETERS

Level of transfers:

- 1 person household (HH): MK 600 / approx. US$4
- 2 person HH: MK 1,000 / approx. US$7
- 3 person HH: MK 1,400 / approx. US$10
- 4 person HH: MK 1,800 / approx. US$13

Bonus for primary school going children of MK 200 and for secondary school going children of MK 400.

- Average monthly cost per household = US$12; Annually = US$144 (+US$20 for operational costs)
- Once the pilot scheme reaches 3,000 HH the annual costs costs = US$492,000
Targeting, Approval & Payment Process

1. **CSPC members visit all listed households and fill in Form 1**
2. **CSPC meeting ranks households based on Form 1**
3. **Secretariat recommends approval or disapproval**
4. **Secretariat informs Director of Finance and CSPC on approval/disapproval**
5. **SPSC, assisted by respective CSPC, approves and disapproves**
6. **Community meeting discusses ranking**
7. **Headman signs that the information on Form 1 is correct**
8. **CPSC meeting makes a list of ultra poor and labour constrained households**
9. **CSPC informs applicants on approval and disapproval**
10. **Beneficiaries access monthly transfer payments at a pay point**

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MCHINJI CASH TRANSFER
Coverage

- To date 561+ households obtain a monthly cash transfer/transfer/ 2,000 by year end and 3,000 by end of Feb 2007. 2007.

- Once officially endorsed by GoM as component of national SP program, potential scale up can start from July 2007 to 3 other districts and a preliminary scale out plan exists to all 28 districts by end of 2015 to reach 250,000 HHs (10% of all households in Malawi)

- Once 250,000 HHs are reached the annual costs will be US$42 million
# Scaling Up

<table>
<thead>
<tr>
<th>Phase</th>
<th>Time span</th>
<th>No of beneficiary Households</th>
<th>One-off costs for capacity building (in USD)</th>
<th>Annual costs of transfers and operational costs (in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot phase (4 TAs of Mchinji)</td>
<td>Sept 2006 to Dec 2007</td>
<td>3,000</td>
<td>60,000</td>
<td>480,000</td>
</tr>
<tr>
<td>1st extension (all of Mchinji plus 3 more districts)</td>
<td>July 2007 to Dec 2008</td>
<td>32,000</td>
<td>180,000</td>
<td>5,380,000</td>
</tr>
<tr>
<td>2nd extension (6 additional districts)</td>
<td>Jan 2009 to Dec 2010</td>
<td>80,000</td>
<td>360,000</td>
<td>13,440,000</td>
</tr>
<tr>
<td>3rd extension (8 additional districts)</td>
<td>Jan 2011 to Dec 2013</td>
<td>144,000</td>
<td>480,000</td>
<td>24,200,000</td>
</tr>
<tr>
<td>4th extension (last 12 districts)</td>
<td>Jan 2014 to Dec 2015</td>
<td>250,000</td>
<td>720,000</td>
<td>42,000,000</td>
</tr>
<tr>
<td>All districts covered</td>
<td>From 2016 onwards</td>
<td>250,000</td>
<td>Annual costs of replacement 250,000</td>
<td>42,000,000</td>
</tr>
</tbody>
</table>
COVERED, SIZE AND FINANCING

Financing

- To date, UNICEF has provided USD 275,000 for TA to design the methodology for the Scheme as well as the funds for the cash transfers and operational cost up to December 2006.

- The Global Fund to Fight AIDS, TB and Malaria under Round 1 has reserved USD 372,000 for the pilot during year 1 and is awaiting GoM endorsement;

- GFTAM Round 5 has US$8.8m in support of the Scheme starting from July 2007.
1. Priority setting

- Income or kcal/day/per
- Absolute poverty 52%
- Ultra poverty 22%

- Low dep. ratio
  - "viable poor"
  - capacitated
- High dep. ratio
  - "non viable poor"
  - incapacitated

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MCHINJI CASH TRANSFER
2. **Exclusive or inclusive**

Sector ministries and UN agencies tend to focus social protection concepts on specific population groups excluding other groups:

- UNAIDS, GFATM, National Aids Commissions – **AIDS affected households**
- Helpage International – **the elderly** (Lesotho)
- Other agencies – **disabled people, women, OVC** (Kenya)

**Inclusive:** Target all ultra poor households in order to reach the worst off cases of all vulnerable categories (Zambia, Malawi)
3. **Type of intervention**

- To what extent do programs meet the needs of each prioritized category of needy households?

- For example, category C households require short term transfers to meet basic needs (food first!); then employment opportunities or income generating activities to move from poverty to productive work.

- Category D households cannot respond to labour based programs. They require medium or long term transfers in order to survive and in order to invest in their human capital (the health and education of their children).
4. Projectized or institutionalized

- Projects are fixed term interventions with an exit strategy, are restricted to certain geographical areas, rely on donor funding and are often implemented by NGOs, which often work in an uncoordinated patchwork fashion.

- In order to provide a permanent and reliable service covering each area of a country like education and health services, social assistance for category D households may best be defined as a core government function.

- This does not rule out that emergency aid in kind or cash – which by definition is a temporary intervention – can be implemented by NGOs.
5. Implementing agency

Which government agency has the capacity or at least the potential to eventually reach each and every village and provide a reliable service to a large number of the poorest of the poor?

- Examples: Lesotho, Zambia, Malawi

- The fact that government capacities in low income countries are weak, tempts donors to finance pilot activities implemented by NGOs. This may not lead to social protection schemes that cover all parts of a country in a reliable and sustainable manner.
What about women and children?

- In Zambia 62% of category D households are female-headed, while the national average is 22%.
- In Malawi more than 60% of the members of category D households are children. These children are the most needy, under privileged, deprived, socially excluded and vulnerable children in the country – regardless if they are orphans or not (about 70% are orphans).
- Lifting category D households over the ultra poverty line empowers them to provide for all household members better nutrition, access to health services, shelter, clothing and access to education.
- Therefore a social cash transfer program focussing on category D households is at the same time a child welfare program. By adding a school bonus the program can ensure that children benefit over average.
Benefits of Evaluation

- Describe how the project impacts beneficiaries
  - positive and negative
- Improve performance
- Reduce costs
- Increase benefits
- Confirm utility of policy/project
- Make mid-term changes/improvements
- Support / influence for policy decisions
- Ensure focus on disadvantaged groups
- Obtain additional funding
Purpose of evaluation: To assess

- Scheme’s impact on households & recipients
  - E.g. Poverty reduction, health, human development

- Targeting approach to quantify inclusion and exclusion errors
  - Ineligible recipients and Eligible non-recipients

- Systems and operational performance
  - Transparency, efficiency, linkages to other services

- Will inform future policymaking and the scaling up of the poverty reduction intervention
Collaboration

Boston University & Centre for Social Research

● Center for International Health & Development
  ▪ Portfolio on the Social and Economic Impact of AIDS in countries throughout Africa and Asia
  ▪ Programme and policy evaluation projects on three continents
  ▪ Experience in demographic survey and qualitative data collection and analysis
  ▪ Focus on capacity building of research partners

● Centre for Social Research
  ▪ Leading Malawian social research organization
  ▪ Many years of experience managing survey collection process
  ▪ Qualitative and quantitative experience
Independent evaluation

**Funding**

- United States Agency for International Development (USAID) through Boston University’s Child and Family Applied Research Grant
- UNICEF Malawi and UNICEF New York
- Boston University School of Public Health
Study Team

BU  http://sph.bu.edu
- Dr. Candace Miller, Principle Investigator
- Dr. Mary Bachman
- Sydney Rosen, MPA
- Danielle Lawrence, MPH
- Anna Knapp, MPH

CSR  http://www.csrunima.org
- Dr. Alister Munthali
- Maxton Tsoka, Co-Investigator, Field Manager
- 2 supervisors
- 20 enumerators
- 4 data entry clerks
Multiple Methods: Study components

1. Impact evaluation
2. Assessment of targeting (inclusion and exclusion)
3. Systems evaluation or operations and performance analysis
Timeline

Activity 1,
Part 1
Baseline: Quantitative Impact Household Survey, Round 1

Activity 2,
Targeting assessment: Census of 4000 households (start 9 June?)

Activity 1,
Part 2
Quantitative Impact Household Survey, Round 2 (Starts 1 September?)

Activity 3,
Qualitative Impact Data Collection (October?)

Activity 1,
Part 3
Final Quantitative Impact Household Survey, Round 3 (February 2008)

2007
Feb Mar Apr May Jun Jul Aug Sept Oct Nov Dec Jan Feb Mar

Targeting process for both intervention & comparison households

Intervention households receive grant

Systems evaluation: Assessment of performance & operations (October)

Comparison households receive grant

Activity 4,
1. Impact evaluation

A. Quantitative
   - Household survey
   - Intervention and comparison group
   - Three rounds (baseline, mid-term, final)

B. Qualitative
   - Key informant interviews
   - Focus group discussions
A. Household Survey

- Administered to household head in intervention and comparison households (transfer recipient or deputy)

- Study site and sample
  - 400 intervention and 400 comparison households
  - All households go through targeting process
  - Intervention households receive grant in April 2007
  - Control households receive grant in March 2008
Procedures

- Community consultation
  - In target villages of Mchinji, February 2007

- Training of enumerators
  - Mchinji February 2007

- Pilot of household survey
  - ~5 intervention and ~5 comparison households

- Data collection and entry
  - On site in Mchinji (~1 month per round)
  - Ongoing quality control, training & problem solving

- Data analysis
  - Boston University, CSR as appropriate
Survey instrument

- Adult Household Panel
  - Employment
  - Health and healthcare
  - Healthcare and disabilities
  - Migration

- Child Panel
  - Health
  - Disabilities
  - Activities and labor
  - Orphan Status
  - Migration
  - School

- School Expenses
- Deaths in Household
- Housing Characteristics
- Durable goods
- Food consumption and expenditures
- Non-food expenditures
- Income
- Credit
- Literacy
- Social Safety Nets
- Support for orphans
- Support for adults
- Household shocks
- Assessment of well-being
- Time use
- Anthropometric measures: child
- Anthropometric measures: adult
Visualizing the samples: Household Survey

Intervention Households

Comparison Households

Mchinji
Ethical Issues

- Approval from Malawi National Health Research Council
- Approval from Boston University Institutional Review Board
- Surveys kept in locked cabinet; Data stored in password protected computers
- Study explained and Informed Consent from all participants
- Respondents can refuse to answer any questions or end interviews at any time
- No one outside of study team will have access to ‘linked’ data or information on who participates
Types of questions to answer

- What impacts does transfer have on these domains?
  - ability to buy basic needs
  - nutrition
  - adult and child time use
  - child health and growth
  - OVC caregiving
  - child labour and schooling
  - migration
  - health seeking behaviors;

- What impact does the transfer have in the short-term (6 months) vs. longer-term (1 year)?
B. Qualitative Impact Evaluation

- In-depth and key informant interviews allow a thorough, individual perspective on sensitive topics

- Focus group discussions allow the efficient collection of a diversity of opinions on topics

- Combined, techniques permit the investigation of knowledge and attitudes about an issue with breadth, depth, social and cultural relevance
In-depth interviews of recipients

Sample

- Recipient households (~80)
- Identified by random sampling of recipients stratified by age (<25 years, 26-49 years, 50+ years) and gender
- Final number TBD; interviewers to continue until no new valuable or unique information found

Methods

- Trained bi-lingual (Chichewa/English) interviewers
- Interviews in private, convenient location for participant
- Limited to 60 minutes.
- Interview guides pilot-tested before being finalized
Types of questions to answer

How has the transfer contributed to:
- Mitigating the impact of AIDS?
- Changes in the households’ spending and care patterns?
- Hygiene and health seeking behaviors?
- Mobility and migration?
- Violence in the household?
- Child labour and other sensitive issues?
Key informant interviews

- To assess local perceptions of transfer
  - To mitigate the impact of AIDS
  - On recipients’ behaviors (livelihoods, time use, health seeking)
  - Perceptions of fairness of targeting
  - Existence of jealousy among non-beneficiaries
  - Perceptions of possible economic multiplier effects

- ~ 30 interviews with local stakeholders
  - Health care facilities, schools, social workers
  - Police department, agricultural services
  - AIDS support organizations including NGOs, CBOs, FBOs
  - Others?
Types of questions to answer

- Local perceptions of
  - The impact of the transfer on households and the local community
  - How recipients’ behaviors have changed
  - How recipients’ use of services have changed (health and education, etc.)
  - Jealousy, envy and/or relief that families now have support
Focus Group Discussions

- To assess community perceptions of the impact of the cash transfer on recipient households and on the overall community.

- Sample
  - members of households that were initially identified as ultra poor but were eliminated during the ranking process
  - village headmen, women’s groups, and others?

- ~20 focus groups gathering stakeholders and community members from intervention villages.
Focus Group Discussions

- Trained, bi-lingual (Chichewa/English) interviewers
- Approximately 1 hour long discussions
- Semi-structured question guide allows coverage of specific topics and open-ended discussion
- Interviewer will probe when unexpected, but relevant, responses emerge
- Participants asked to ‘free list’ regarding the impact of transfers on community
- Issues are prioritized so that scope of issues and relative importance is captured
Types of questions to answer

- Again, what are the local perceptions of the impact of the transfer on individuals, households and the community?
- Is jealousy/envy a serious concern?
- Do local traders feel that the transfer is boosting sales?
2. Assessment of Targeting / revised!

- Listing of all households where cash transfer scheme is operational in Mchinji
- Systematic random sample of 615 households from household listing
- Abbreviated version of baseline survey
  - Household panel
  - Income and expenditure data
  - Housing characteristics
  - Asset ownership
  - Labour patterns
  - AIDS affected or not (deaths, illness, orphans)
Types of questions to answer

- How many households are eligible for the transfer and not receiving it?
- How many households are not eligible for the transfer but do receive it?
- What percentage of households fall into assumed pattern?

<table>
<thead>
<tr>
<th>Poverty</th>
<th>Labor Constrained</th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>C</td>
<td>D</td>
</tr>
</tbody>
</table>

- 10%?
Visualizing the samples: Household Survey

Mchinji

Where scheme is operational.
1. Household listing.
2. Sampling

The purpose is to assess these technical issues:

- Management of the program
- Programme strengths and weaknesses
- Operational costs
- Transparency of process
- Transparency of accounting
- Internal monitoring and control
- Cooperation at multiple levels
- Internal and external communication
- Program linkage
Methods:

- Analysis of reports, files, processes and monitoring tools
- Observation of scheme
- Key informant interviews with national and district government stakeholders
- Focus group discussions with community committees responsible for implementation
Interviews and Focus Groups

- Key informant interviews
  - National and district government stakeholders
    1. Social Protection Steering Committee
    2. Social Protection Technical Committee
    3. District Executive Committee
    4. District Social Protection sub-Committee and the
    5. Social Cash Transfer Committee and Secretariat

- Focus group discussions
  1. Village Development Committees
  2. Community Social Protection Committees and Chiefs

- Others?
Types of questions to answer

- Is the project managed effectively? Are there any actions that stakeholders believe could improve efficiency?
- Are operational costs realistic and appropriate?
- Is the process and accounting transparent at many levels? What are the perceptions around corruption and leakage of funds?
- Is the internal monitoring and control process adequate?
- Does the scheme have cooperation from stakeholders at various levels?
- Is internal and external communication adequate and are there linkages to other needed programmes and services?
Outputs

- Reports to Department of Poverty and Disaster Management, UNICEF, USAID
- Presentations to Department of Poverty and Disaster Management, other government departments, UN agencies, partners etc.
- Journal and professional literature
- International conferences
Questions

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