

Lessons from Action Aid International's Urban Food Programme

**A Case Study for Regional Hunger and Vulnerability Programme (RHVP)
Regional Evidence-Building Agenda (REBA)**

DRAFT

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June 2007

This is one of 20 case study reports prepared for RHVP by locally-based researchers in Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe during 2006/07, covering a cross-section of recent and ongoing social transfer schemes in those countries. The reports were used alongside other materials in the preparation of the case study and thematic briefs under RHVP's Regional Evidence-Building Agenda (REBA). Please go to <http://www.wahenga.net/index.php/evidence/> for more.

Table of Contents

| | |
|--|----|
| Table of Contents | 2 |
| Executive Summary | 4 |
| Introduction | 6 |
| Background to urban poverty and HIV and AIDS | 7 |
| Vulnerability | 7 |
| Cost effectiveness | 9 |
| Targeting and exclusion | 16 |
| Coordination and coverage | 18 |
| Asset protection and building | 24 |
| Market impacts..... | 25 |
| Conclusion | 25 |
| References..... | 26 |
| Annex 1: Basic Data on Social Protection Projects and Programmes | 27 |
| Annex 2: Quantitative Data on Cost Effectiveness (Module 2) | 29 |
| Annex 3 : Interviews | 31 |

List of Abbreviations

| | |
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| AAI | Action Aid International |
| AIDS | Acquired Immune Deficiency Syndrome |
| ART | Anti Retro-viral Therapy |
| ARV | Anti Retro-viral |
| BEAM | Basic Education Assistance Project |
| CPS | Child Protection Society |
| CSB | Corn-Soya bean (porridge) |
| DFID | Department for International Development |
| FPL | Food Poverty Line |
| GOZ | Government of Zimbabwe |
| HIV | Human Immune Virus |
| NGO | Non Governmental Organisation |
| PRP | Protracted Relief Programme |
| REBA | Regional Evidence-Building Agenda |
| RHVP | Regional Hunger and Vulnerability Programme |
| TLC | Technical Learning and Coordination Unit (of the PRP) |
| USD | United States Dollar |

Executive Summary

This case study on Action Aid International (AAI)'s Urban Food Programme is part of a larger study on a number of case studies that aims to assemble evidence drawn from the range of different social transfer projects and programmes in the region, and distil this evidence in order to yield useful insights and lessons for the design and implementation of scaled-up social protection in southern African countries.

AAI's Urban Food Programme, Supporting Urban Food and Livelihood Security of Vulnerable Households Affected by HIV and AIDS, is a food delivery and food voucher programme that also includes other activities, namely low input gardens, capacity building and training. The programme is being implemented in a number of suburbs in Harare, Chitungwisa, Bulawayo and Gweru. The programme initially ran from March 2005 to August 2006, but was extended to July 2007, and more recently to March 2008. The maximum number of beneficiaries was 3,145 households, although this has dropped to 2,000. AAI works through ten implementing partners, NGOs and community-based organisations, who assist in identifying beneficiaries as well as distributing the vouchers. AAI also collaborates with Crown Agents who negotiate more favourable exchange rates with the Reserve Bank of Zimbabwe for purchase of local currency to implement the programme.

AAI's programme recognises multiple vulnerabilities and that there are a variety of factors that contribute to vulnerability and precarious livelihood situations, including the failing macro-economy, increased nutritional needs for people living with HIV and AIDS, increased monetary needs for treatment of opportunistic infections and decreased availability and access to basic commodities. Although the programme is primarily a food security intervention, AAI have designed it as a more holistic package. The programme addresses livelihood issues and has a comprehensive approach, which includes a number of strategies and activities such as low-input nutrition gardens to achieve household food security, and capacity building and training, which provide additional capacity of households to cope after the withdrawal of the food voucher. AAI have endeavoured to establish linkages between the food transfer, the gardens and HIV and AIDS awareness.

The biggest challenge that AAI has regarding cost-effectiveness is the ever increasing inflation which is currently over 3,000%. AAI can only operate in this hyperinflationary environment because it constantly negotiates both with the Reserve Bank of Zimbabwe, via Crown Agents, and the retailers, on a monthly basis in order to maximize the value of resources available.

In its Urban Food Programme AAI provides a mix of food deliveries and distribution of food vouchers, and is currently experimenting with cash handouts. Furthermore, AAI has looked into the feasibility of using the credit card system.

The target groups are poor, marginalised and vulnerable urban households affected by HIV and AIDS. Targeting is sensitive to avoid the exclusion of the eligible, and specific to ensure that those not deemed eligible are in fact excluded. Application of multiple vulnerability criteria, including demographic factors such as child-headed households, food and livelihood insecurity, and HIV and AIDS, ensures that from those referred who meet the general selection procedure for targeted vulnerable

groups, only the most vulnerable of these will be selected for support. The programme targets households that have failed to get mainstream assistance, such as nursing homes and hospitals. The home-based care organisations have a waiting list and AAI can only help 10% in the areas where they operate. The primary and secondary targeting criteria have resulted in zero inclusion error and this is confirmed by verification and re-verification exercises.

One of the major weaknesses of the programme, similar to social assistance programmes in general, is the absence of an exit strategy. During the project there have been several scale-downs of beneficiary numbers due to reduction of resources. In anticipation of the ending of the programme, AAI has tried to build capacity within implementing partners, who will remain working on the ground, encouraging fund raising, and involving other partners.

Such a programme as AAI's urban food programme, which has achieved relative success at a small scale, could be easily scaled up, expanded and taken up at a national level. AAI's urban food programme demonstrates the difficulties of trying to target in communities where the need far outstrips the resources available to the programme. In operating in an unstable and inflationary environment, AAI has applied imaginative and innovative approaches for maximizing the success of its programme. Nevertheless, in order to ensure the social sustainability of the programme, avoid the pitfalls of scaling down and absence of an exit strategy, and to ensure adequate coverage of potential vulnerable beneficiaries, a multi-stakeholder approach is required, involving not only donors, NGOs, and community based organisations, but also the private sector and government. Government has the institutional frameworks and is a key factor in the policy, planning and support in scaling up this initiative.

Lessons from Action Aid International's Urban Food Programme

Introduction

Action Aid International (AAI)'s Urban Food Programme, Supporting Urban Food and Livelihood Security of Vulnerable Households Affected by HIV and AIDS is a food delivery and food voucher programme that also includes other activities namely low input gardens, capacity building and training. The capacity building and training are focussed on implementing partner organisations and include legal, nutrition and treatment literacy; strengthening implementing partners' home-based care programmes through training and provision of home-based care kits; and production of information, education and communication materials on nutrition and home-based care.

The programme is being implemented in a number of suburbs in Harare, Chitungwisa, Bulawayo and Gweru, targeting poor, marginalised and vulnerable households affected by HIV and AIDS. The programme initially ran from March 2005 to August 2006, but was extended to July 2007, and more recently to March 2008. The maximum number of beneficiary households was 3,145, although this has dropped to 2,000. AAI works through ten implementing partners, NGOs and community-based organisations, who assist in identifying beneficiaries as well as distributing the vouchers. AAI also collaborates with Crown Agents who negotiate more favourable exchange rates for purchase of local currency to implement the programme.

This case study on AAI's Urban Food Programme is part of a larger study on a number of case studies that aims to assemble evidence drawn from the range of different social transfer projects and programmes in the region, and distil this evidence in order to yield useful insights and lessons for the design and implementation of scaled-up social protection in southern African countries.

The methodology used involves secondary data collection from project documents, reports, reviews and spreadsheets; and primary data through key informant semi-structured interviews with project personnel, implementing partners, retailers, project funders, and beneficiaries; and group discussions. The methodology used enabled triangulation where the views and opinions, and versions of events are checked by asking different stakeholders with different positions in relation to the programme for their views on the topic under discussion, in order to reach an overall balanced assessment. The research was interactive and carried out in collaboration with AAI who not only provided information and data, but provided assistance and access to other stakeholders.

The study was guided by the RHVP Regional Evidence-Building Agenda (REBA) Implementation Manual. The study contains a schedule on basic data on social protection projects and programmes for Action Aid International's Urban Food Programme (Annex 1), and the body of the work addresses the six modules, namely vulnerability, cost effectiveness, targeting and exclusion, coordination and coverage, asset protection and building, and market impacts.

Background to urban poverty and HIV and AIDS

Action Aid International's (AAI) programme aims to strengthen the livelihood security of urban poor, marginalised and vulnerable households affected by HIV and AIDS. Poverty, vulnerability and food insecurity have become generalised in Zimbabwe in both urban and rural areas. However, a recent national survey revealed that between 1995 and 2003 both general and food poverty in urban areas increased at a faster rate than in rural areas (GOZ, 2006). Considering the very poor who cannot afford basic food, the proportion of urban households below the Food Poverty Line (FPL)¹ increased from 10% in 1995 to 29% in 2003 representing a 190% increase while the proportion of communal rural households below the FPL increased from 24% to 51% during the same period, representing a 113% increase (GOZ, 2006). The faster impoverishment that urban households are experiencing is a cause for concern, particularly as assistance has traditionally focused on rural populations.

The HIV and AIDS pandemic in Zimbabwe has increased morbidity and mortality to unprecedented levels creating a surge in numbers of orphans. Although Zimbabwe's HIV prevalence rate among the 15 to 49 years age group has been showing a downward trend in the past five years, from 24.6% in 2003 to 18.1% in 2006 which is a positive sign, Zimbabwe still ranks among the top four countries with the highest prevalence rate in the world (Chipika, 2007). The raging HIV and AIDS pandemic has serious negative impacts particularly on poverty, vulnerability and food insecurity in both urban and rural areas. Most of the chronically ill members of households are heads of households (49%) or spouses of heads of households (18%) (GOZ, 2006). Research evidence points to massive disinvestments in both agriculture and family assets during the usually long periods of illness. Households which have lost breadwinners or have chronically ill persons or many orphans are particularly vulnerable to poverty and food insecurity.

Zimbabwe is currently experiencing an economic crisis, reflected in chronic balance of payments deficits, rising foreign indebtedness, runaway inflation, low productivity and deteriorating standards of living, corruption, policy inconsistencies and reversals, and crucially, massive Gross Domestic Product decline (Matshe, 2007). Between 1999 and 2005, the economy shrunk cumulatively by more than 40%. Real economic growth deteriorated from an average annual rate of 4.6% during the period 1986-90 to a negative of minus 4.1% in 2005. Inflation soared to close to 4000 % by June 2007, the highest in the world. While the official exchange rate was pegged at Z\$250 to US\$ 1 since July 2006, the parallel market rate which reflects the actual shortage of foreign currency in the crisis-gripped economy soared over Z\$50 000 to US\$1 by June 2007.

Vulnerability

AAI's programme recognises multiple vulnerabilities and that there are a variety of factors that contribute to vulnerability and precarious livelihood situations, namely:

¹ FPL is the monthly income required for an individual in a household to meet the basic food requirements of 2100 kilocalories a day.

- Failing macro-economy
- Increased nutritional needs for people living with HIV and AIDS
- Destroyed informal livelihoods as a result of Operation Restore Order or *Murambatsvina* (“clear out the rubbish”) in 2004
- Multiple vulnerabilities caused by HIV and AIDS
- Increased monetary needs for treatment of opportunistic infections
- Decreased availability and access to basic commodities
- No access to land to enhance food security

The programme takes into account the HIV and AIDS timeline in relation to interventions. For example, when the ill person in the household dies, food vouchers are given for three months afterwards to enable the remaining members to make the transition and gives time for them to access other forms of assistance available such as support for orphans and vulnerable children.

Although the programme is primarily a food security intervention, AAI have designed it as a more holistic package. The programme addresses livelihood issues and has a comprehensive approach which includes a number of strategies and activities, such as low-input nutrition gardens to achieve household food security, and capacity building and training to improve capacity to cope after the withdrawal of the food voucher. AAI have endeavoured to establish linkages between the food transfer, the gardens and HIV and AIDS awareness.

The vulnerabilities that the programme addresses by providing food and gardens are hunger and weakness. The programme involves food transfers to the very poor who are chronically ill. The capacity building in will-writing and treatment education addresses vulnerabilities caused by lack of knowledge. The gardens which produce vegetables such as rape, carrots, beans and tomatoes supplement the diet and provide better nutrition. In some cases a small amount of income is generated from sales of vegetables from the gardens.

Success of the programme

As there is no household nutrition data it is difficult to determine in quantitative terms the effectiveness of the programme in addressing vulnerability. Corbet and Mudzongo (2006) in their report on Nutrition in the Protracted Relief Programme (PRP) makes the suggestion of carrying out a controlled study to determine the effectiveness of food aid. However, this would be probably be inappropriate in that it would entail purposely denying people assistance in order to come up with scientific empirical data, as well as using scarce resources on such an exercise.

Although, in principle, the food assistance was meant to supplement household nutrition, in practice, for the households who receive food assistance from AAI, this assistance has become their main source of food. The support provided is inadequate to bridge the gap between poverty and being better off. The programme is not self-sustaining as it is a primarily a palliative social protection programme rather than a livelihoods one. Initially, more than 3,000 households were given a food voucher each month. This has currently been reduced to 2,000 due to erosion of programme resources by hyperinflation. It is difficult to determine the success of such a programme, because it is not about moving people from one level to another, but rather maintaining them at one level and preventing them slipping further into

destitution. The programme reaches out to the poorest of the poor and attempts to break the downward spiral. The activities are envisaged as a bridge to more developmental measures to reduce poverty which could take at least a generation to be effective.

The programme has confronted a number of challenges during the implementation such as hyperinflation and ad hoc urban clean-ups of informal activities and illegal structures, known as Operation Restore Order or *Murambatsvina*, which not only left people homeless but also destroyed opportunities for informal businesses and income-generation activities. Official government figures indicate that 92,460 housing structures were demolished directly affecting 133,534 households. Furthermore, 32,538 small, micro and medium enterprises were demolished (Chipika, 2007). The implementers of AAI's programme feel that there has been an increasing appreciation of their activities during the life of the programme and more households are willing to participate. People in the community are becoming more receptive because of the opportunity to get food. Furthermore, the programme raises awareness of other issues, such as will writing and other legal matters, treatment literacy, particularly concerning antiretroviral medication (ARVs), and processing vegetables. More than 1,500 low input gardens have been established in the programme sites. The low input gardens have the potential to make the programme more sustainable. However the gardens which provide some household food and nutrients do not at present provide enough food for a family of six or more people, neither can proceeds from any sale of vegetables pay the rent. The gardens range from containers, which can be moved by lodgers, to large institutional gardens. Schools, churches and community centres have provided land and 41 institutional gardens have been established.

As documented in monthly programme reports, another success of the programme is that in areas where it is operating links with the community-based implementing partners and their home-based care volunteers are strengthened, and there is increased awareness and cohesion of communities who are more responsive to households that are experiencing the effects of increased vulnerabilities. Orphans and child-headed households are assisted and supported, and the community also monitor the situation.

The programme mainly addresses consequences of vulnerabilities, although other components such as gardens, capacity building, education and awareness raising can in the long term address causes of vulnerability.

Its difficult to measure the impact of food assistance as there are so many other factors that affect the well-being of the clients such as the stage of their illness, frequency of opportunistic infections, and access to health care and medication, safe drinking water, ART and co-trimoxazole as a prophylactic to reduce frequency of opportunistic infections.

Cost effectiveness

According to AAI it is more cost-effective to use community-based organisations for implementation as this reduces their administration budget.

Inflation

The biggest challenge that AAI has regarding cost-effectiveness is the ever increasing inflation, currently over 3,000%, and associated divergence of official and parallel currency exchange rates. AAI can operate in this hyperinflationary environment only because it negotiates on a monthly basis both with the Reserve Bank of Zimbabwe, via Crown Agents, and the retailers in order to maximize the value of resources available. Creti and Jaspars (2006) suggest bi-monthly negotiations in inflationary environments, but in the case of Zimbabwe, this would not be frequent enough to cope with the run-away inflation, as prices of some commodities change almost on a daily basis. These negotiations add an extra dimension in terms of costs and time that would not normally be incorporated in such a programme implemented in a more stable economic environment. Without inflation, operations would be very much less problematic, as experience with similar programmes implemented successfully in other countries demonstrates..

AAI is one of several international organisations that have sought to overcome this challenge by engaging international procurement agencies to negotiate favourable exchange rates with the Reserve Bank of Zimbabwe. However, the rate is not optimal. In February 2007, for example, when the parallel rate was Z\$5,000 to the USD, the negotiated rate was Z\$4 000, which still made operations in local currency relatively expensive. A consequence of this has been a reduction in the number of vouchers given out. Nevertheless, without such an arrangement, AAI's food transfer programme would not be workable. Crown Agents not only provide technical advice and negotiate exchange rates, but also have seconded three members of staff to work for AAI on the urban food security programme. Their salaries are paid through the AAI programme. Crown Agents are used by many NGOs and considered by their clients to be good at their job.

Types of transfer

Social protection that provides social assistance involving non-contributory transfers to those deemed eligible by society on the basis of their vulnerability or poverty involves cash or in-kind transfer. Traditionally, these transfers have been in-kind, often taking the form of free food. Arguments in favour of in-kind transfers, rather than cash, are that they are less prone to corrupt 'siphoning off', that they can be targeted to provide particular benefits to beneficiary groups, and cannot easily be used inappropriately by the recipients. However, there is a growing body of evidence that has challenged these arguments (Farrington and Slater, 2006). According to Harvey and Savage, (2006), an either-or approach should be replaced by a mix, based on the vulnerability assessment and analysis rooted in the particular situation and linked to the cost-effectiveness of different options. In its Urban Food Programme AAI provides a mix of food deliveries and distribution of food vouchers, and is currently experimenting with cash handouts. Furthermore, AAI has looked into the feasibility of using the credit card system.

1. Food deliveries and food vouchers

Initially AAI started with food deliveries but there has been a shift in the food assistance mechanism away from deliveries of food rations to households towards food vouchers that can be redeemed at a local supermarket. According to Corbet and Mudzongo (2006) AAI's use of vouchers is an innovative way of distributing food aid. Vouchers work well for those households with ready access to local retailers and

furthermore AAI reports considerable cost savings with the voucher programme, but the cost effectiveness varies substantially with the macro-economic climate (Samson and Mac Quene, 2006). Currently AAI uses food deliveries in areas where there is no nearby OK or TM supermarket. AAI has memoranda of understanding with these two retailers. The switch to use of the food voucher has cut costs for AAI by one half as it is cheaper for them to provide a voucher which is given out by their implementing partners and volunteers, than to purchase food in bulk, store it and transport it to the clients.

Regarding preferences for the type of mechanism for food assistance, feedback from the clients indicates that they are either indifferent to the source of the food, whether collected from warehouses, home delivered or collected from the supermarket, or they prefer to use the supermarket as they say that this enables some dignity. Another reason why people preferred the voucher was that it has some extra items on, such as peanut butter, which were not included in the food delivery. When food was delivered, on occasions the food deliveries were late and there were sometimes complaints about quality. This also occurs with the voucher system as implementing partner organisations sometimes have problems with the supermarkets as they have noticed that at times, the people with vouchers are given inferior quality goods, for example washing soap. However, these issues have been discussed with the offending branch managers and the matter rectified. Some items, particularly carbolic soap, are difficult to get. However, apart from oil, the other items on the voucher are usually available. Regarding time and transport costs of going to the supermarket to redeem the voucher, AAI regard these as negligible because the supermarkets are in the neighbourhood within walking distance and normally an able-bodied member of the household will collect the food.

Although it is generally agreed that the voucher is preferred, this nevertheless entails a lot of work for the implementing partners, who are responsible for distributing the voucher house to house and monitoring the shopping, as well as distributing the corn-soya bean (CSB) porridge which is not available in the shops and is delivered separately. However, AAI is in the process of substituting the CSB with another product, Utano porridge, which is on sale in supermarkets. The Standards Association of Zimbabwe has approved it as being a nutritionally suitable substitute. However, AAI is still waiting for approval from the Ministry of Health and Child Welfare.

Representatives for the implementing partners pointed out that food deliveries were easier than the vouchers to manage and monitor. Administrative problems sometimes arise such as of clients not turning up on the correct dates at the supermarkets. For the food deliveries, the ration cards are collected by the implementing partners and given to AAI for audit purposes to prove delivery. This process is cumbersome, especially if the card gets lost. According to AAI staff, they have not come across incidents of clients selling the food.

AAI have to liaise closely with the retailers as to the availability of voucher commodities and shopping days stipulated for the clients. This ensures that the supermarket will stock adequate supplies for the redemption of vouchers. The onus is on the retailers to ensure that all the items are available. However, due to the prevailing economic situation shortages do occur and the retailer either provides a substitute or shifts the shopping days in order to enable them to source the required

items. The relationship between AAI and the retailers is generally satisfactory. Administration and personnel costs as well as costs of producing the vouchers are born by AAI as the retailers take a small percentage of the voucher value. One per cent of the value of the voucher goes to OK as a handling fee for administration costs. OK Bazaars produce the voucher themselves, while TM Supermarkets outsource for the voucher. The voucher includes food items prescribed by nutritionists as necessary for a healthy diet (See Box 1). The composition was determined after experience and initial consultation with stakeholders.

Box 1: AAI's Food voucher (value - £9)

20 kg maize meal
1kg beans
375ml peanut butter
2 bars laundry soap
4 tablets carbolic soap
750ml cooking oil
12.5 kg CSB porridge (delivered)

Box 2: Splitting the ration: Local perceptions of social assistance

Implementation of social assistance initiatives is usually top-down. Nevertheless, the local target community often have their own perceptions of how best the assistance can be more effective. Farrington and Slater (2006) note that in Malawi for example, farmers rejected the notion of targeting in relation to subsidised inputs, on the grounds that they were all poor, and that it would be divisive, and in Ethiopia administrators share out the resources to meet a larger number, and there is considerable sharing among households.

During AAI food deliveries, there was an example in Bulawayo where the implementing partner decided to split the 50 kg maize ration between two rather than one household, as there were deemed to be so many poor people who needed help. However, DFID refused on the grounds that the approved project document said that each household would get 50kg, not 25 kg. This inflexible decision-making was not appreciated by the implementing partner who could not understand why they could not spread the help wider, particularly as 50kg is actually too much for an average households to eat during a month and they sometimes end up selling the extra.

Choice of supermarkets

AAI started with OK in March 2005 and later included TM for logistical reasons, in March 2006. OK covers the provision of all Harare vouchers. TM covers vouchers for Bulawayo, Gweru and Chitungwisa. The choice of supermarket is determined by the location. For example, the high-density suburb in Gweru is Makoba, which has a TM supermarket. Similarly, in Chitungwisa, the beneficiaries are in St Mary's and there is

a TM in nearby Zengesa. In Bulawayo, the supermarkets are in shopping complexes and are somewhat distant from the high-density suburbs.

In areas where there is no OK or TM, the beneficiaries are given food supplies directly, not a voucher. The problem with supermarkets such as Spar is that because they work on the franchise system, and each individual supermarket would need an MOU with AAI, which would be too cumbersome.

Box 3: Modalities of the food voucher

AAI personnel go to the OK Head Office in Granitside, Harare, every month to pick up the vouchers. The vouchers are then distributed to the implementing partners who pass them on through volunteers to the clients. The clients then use them on set days to collect their food items from the supermarket. Each voucher has a number and the beneficiary's ID number. It is difficult to abuse this system. Furthermore, since the programme has been operating for a couple of years, the supermarket branch managers and staff are familiar with the clients. The main responsibility for OK management is to guarantee the items at prior agreed prices each month. OK then invoice AAI which pays after collection of food by the clients.

Challenges for the retailers

There are two major challenges for the retailers. The first relates to availability of the food items. These food items, particularly basic commodities such as mealie meal and oil are in demand. Furthermore, prices and quantities of these basic commodities are controlled. The second challenge is that of guaranteeing prices, which is difficult due to hyperinflation. AAI and OK agree on a price each month in line with the monthly inflation. For example, in December 2006 internal inflation was 2445%, and in January 2007 it had risen to 3200%. This translates to a 65% price hike in a month, and the implication for AAI is a 65% increase in cost for the food vouchers. The increase is calculated by the retailers on a monthly basis. For this system to work there is need for flexibility on both sides. In this way, the programme absorbs the inflationary difference, not the beneficiaries since the vouchers are expressed in quantity rather than value terms.

The cost of the voucher remains the same in British pounds, but varies each month in Zimbabwean dollars (See Table 1). For example, in January 2007 the value of one food voucher was Z\$37 000. This corresponds with the average basket at OK branch in Glen Norah high density suburb.

Overall, in January 2007, the average OK supermarket basket country-wide was Z\$ 45 000, with amounts varying between branches. For example, in the upmarket Borrowdale OK branch, the average basket was Z\$1 000 000. The most popular item bought is mealie meal, followed by other items including kapenta (tiny dried fish) and peanut butter.

Table 1: Fluctuations in Z\$ values of AAI’s food assistance voucher (valued at £9)

| Month | Value of food voucher (Z\$) |
|----------------------------|---|
| January 2006 | 1 592 000 |
| February 2006 | 1 397 000 |
| March 2006 | 2 180 000 |
| April 2006 | 2 221 000 |
| May 2006 | 2 560 000 |
| June 2006 | 3 040 000 |
| July 2006 | 3 394 000 |
| August 2006 | 4 730 000 |
| September 2006 | No voucher |
| October 2006 | 6 087 000 |
| November and December 2006 | 24 212 (re-valued money – removal of 3 zeros by Reserve Bank of Zimbabwe) |
| January 2007 | 37 772 |
| February 2007 | 88 592 |
| March 2007 | 100 152 |
| April 2007 | 362 200 |

During implementation, the branch managers of the supermarkets have become more supportive of the programme. AAI staff corroborated that the branch managers appreciate the programme and they are familiar with the clients. They are prepared to go the extra mile, for example making sure that the shopping days are in the middle of the month so that the shop is not crowded.

Overlaps of interventions with supermarkets

In Bulawayo, OXFAM, under the Joint Initiative were using the same OK branch as AAI’s implementing partner for food vouchers. This caused a problem, because OXFAM had more vouchers and were being given preferential treatment by the supermarket. AAI reported this in its monthly report to the TLC and a meeting was called to address the problem, stressing the need for coordination. AAI has since moved to TM in Bulawayo, and subsequently, OXFAM’s voucher programme in Bulawayo has since finished.

2. Cash transfers

There have been growing concerns over the cost of administering food distribution programmes that have led to a recent upsurge of policy interest in cash transfers. Cash transfers, as a policy response to chronic poverty, have become increasingly popular with many donors and international NGOs in southern Africa (Devereux, 2006a; Farrington and Slater, 2006). Furthermore, research carried out in Africa, Asia and the Caribbean, indicates that recipients also prefer cash-based programmes to commodity-based assistance because it gives them more choices (Creti and Jaspars, 2006). Nevertheless, cash requires different accounting mechanisms and creates new burdens on the administration.

From March to July 2007 AAI undertook a cash transfer pilot of 50 households in Mufakose that it will track and follow-up to determine what the money was spent on. The rationale for the cash transfer is to gain evidence that can inform future decisions and strategies. So far there is little or no empirical evidence about the effectiveness of

cash transfers to urban vulnerable households in Zimbabwe. Obviously, in such a programme, household nutrition and food security cannot be guaranteed. However, there are many stereotypical assumptions made, such as that male beneficiaries would use the cash to buy non-essential items such as meat or beer, whilst female beneficiaries would buy basic foodstuffs. Evaluations of cash transfer programmes are inconclusive with some reports of no misuse, while others do find evidence of male beneficiaries squandering some of the cash on alcohol and womanising (Devereux, 2006b). However, recent evaluations of cash transfer programmes in southern Africa indicate only limited evidence of negative gender impacts (Devereux, 2006b). Research on various cash-transfer programmes shows that in cases of small regular payments, more than 90% of the money was spent to buy food (Creti and Jaspars, 2006; Harvey and Savage, 2006). Research by Khogali (2001) indicated that men and women use the cash differently and in general, women tend to give more thought to future needs. Analysis of a pilot scheme such as that AAI is embarking upon would provide useful information, particularly relevant to considerations for scaling up such programmes.

AAI asked for 50 volunteers after a consultation meeting with the clients in Mufakose who are receiving food deliveries. This pilot scheme was initially received with some anxiety, as the beneficiaries did not know how much cash they would be given. In March 2007, each household was given Z\$ 100 000.

3. Credit card

AAI have explored the logistics of using a credit card for use in supermarkets in future. This would enable more flexibility on the part of the beneficiaries and at the same time enable AAI to track what the money is used for. The supermarkets are already on-line and an advantage of this system is that clients could use any branch, and it would provide information very quickly. However, preliminary investigations indicate that the costs involved for instituting such an electronic voucher system would be prohibitive at the present time because the programme was planned to finish by July 2007. It would cost approximately USD 23 000 for the necessary software, from South Africa, to be installed. However, if there were another three-year phase of the programme there would be sufficient time to recover the cost if this system was introduced. Another advantage is that such a system would eliminate the waiting period for the voucher.

Other options are to deposit money into beneficiary bank accounts. However, an obvious drawback to this would be the high morbidity and mobility of clients as well as the fact that many may not have current bank accounts.

Table 2: Summary of the advantages and disadvantages of different types of food transfer mechanisms

| Type of transfer | Advantages | Disadvantages |
|-------------------------|---|---|
| Food delivery | Food items regulated Easy for client – no other costs involved | Relatively expensive for the donor Sometimes delays Sometimes poor quality food |
| Food voucher | Food items regulated Relatively easy to redeem | Require constant negotiation with |

| | | |
|-------------|---|---|
| | Perceived as providing dignity Cut administration costs for AAI | retailers. Delivery of vouchers to households by implementing partners is time consuming |
| Direct cash | Clients have more freedom of choice Perceived as providing dignity Could be used to acquire assets More cost effective | Could be misused Difficult to monitor use High turnover of clients Vulnerable to inflation |
| Credit card | Clients have more freedom of choice to some extent Perceived as providing dignity | Expensive to install High turnover of clients Vulnerable to inflation |

Targeting and exclusion

The PRP goal of reducing hunger and extreme poverty in Zimbabwe fits into AAI's work that targets the poorest and most vulnerable groups in selected urban areas of Zimbabwe, arresting the decline in livelihoods and increase in vulnerability. The target groups are poor, marginalised and vulnerable urban households affected by HIV and AIDS. More specifically, according to AAI's programme documents, the criteria for selection of beneficiary households are those with less than US\$1.00 a day from all sources, plus one or more of the following: a home-based care client who is chronically ill; large families caring for a number of orphans and vulnerable children; single parent headed households due to spouses death from chronic illness; and households with no able-bodied adult. Priority is given to bedridden home-based care clients.

Targeting is sensitive to avoid the exclusion of the eligible, and specific to ensure that those not deemed eligible are in fact excluded. Application of multiple vulnerability criteria, including demographic factors such as child-headed households, food and livelihood insecurity, and HIV and AIDS, ensures that of those referred who meet the general selection procedure for targeted vulnerable groups, only the most vulnerable of these will be selected for support. Community involvement in targeting is crucial to ensure buy-in and to permit systematic monitoring of the transfers. Selection is mainly carried out by the implementing partners, which are largely AIDS service organisations, who identify and assess potential beneficiary households. There is also self-selection where potential beneficiaries approach the implementing partners and are placed on their waiting lists. Clinics and the Social Welfare department sometimes refer beneficiaries. AAI and the implementing partners then jointly verify these potential beneficiaries through follow-up visits. Spot checks are also conducted monthly on 10% of both selected and potential beneficiary households to identify targeting errors.

There is flexibility in the criteria used for targeting, as the symptoms are multiple and constantly changing. Those helped include the bedridden with no other source of

income, old people with cross infections, orphans and grandmothers. The food voucher is particularly useful to those on ARV treatment as proof of ability to have adequate nutrition, as this is a prerequisite for the treatment.

Targeting is problematic due to the complex situation of urban life where there is a high level of mobility and social networks are weak. The community, through home-based care providers and community associations, are also crucial in identifying the 'poorest of the poor'. The programme targets households that have failed to get mainstream assistance, such as nursing homes and hospitals. Home-based care is a last resort when people voluntarily disclose their status and they cannot afford anything else. The home-based care organisations have a waiting list and AAI can only help 10% in the areas where they operate.

According to the DFID Annual Review the primary and secondary targeting criteria have resulted in zero inclusion error and this is confirmed by verification and re-verification exercises. This is corroborated by the retailers who are confident that the system cannot easily be abused. The supermarket staff have a list of beneficiaries and check the ID numbers. The system can detect a missing voucher, which can quickly be nullified if necessary. In fact it is very rare for vouchers to go missing and has only happened three times in the duration of the programme. Although the inclusion error is negligible, the exclusion rate for this programme cannot be quantified because the proportion of non-beneficiaries within the community satisfying the criteria, who are on waiting lists, is enormous, and those who are included are just the tip of the iceberg.

Monitoring

The monitoring mechanism involves the implementing partners' home-based care volunteers who are familiar with the situation on the ground. They visit each household daily and are therefore in a position to know of any change in circumstances, such as employment and remittances, to the beneficiary households. This information, particularly if it involves earning an income, is used in decisions to remove households from the food assistance. With the volunteers and community-based personnel being in such close contact with the community, it would be unlikely that needy households are not identified. Because of financial limitations of the AAI programme, there is already a large pool of households who fit the targeting criteria from which AAI has to select the most needy.

According to the OK Bazaars Procurement Executive, there is no stigma attached to using a food voucher. In fact, when others see the voucher being used at the till, they also request to be on it. This indicates the scale of desperation.

It is difficult to determine if there is any bias in selection because of the rigour of the selection and screening process. AAI has close links with the ten implementing partners whom they meet on a regular basis. These meetings used to be monthly, but are now every two months. The implementing partners work with community based organisations, many of which were established by HIV positive people who wanted to help others. These community-based organisations are perceived by the coordinating body, TLC, as being very effective at targeting needy beneficiaries, and as having a good community spirit. AAI is also in touch with the beneficiaries, meeting them in their homes, at community-based organisation meetings, voucher distribution and

funerals. This closeness of the AAI staff with the beneficiaries was corroborated by TLC personnel, who confirmed that AAI staff really know their beneficiaries. The implementing partners have about 100 volunteers who they meet every morning before they disburse to visit the clients and again in the evening.

This closeness with the beneficiaries and the dynamic situation on the ground is one of the highlights of the AAI programme and enables it to be effective and pro-active. Unlike some other NGOs, AAI has partners on the ground with whom it closely interacts, and who facilitate engagement with the beneficiaries.

Coordination and coverage

The donors and coordinating body

AAI's Urban Food Programme is a component of the DFID-funded Protracted Relief Programme (PRP) in Zimbabwe. The PRP has a Technical Learning and Coordination (TLC) Unit which coordinates the PRP activities of the NGO implementing partners and also provides technical advice, monitoring and evaluation. AAI personnel work closely with and have a good relationship with TLC, as was corroborated by both parties. AAI expressed appreciation of the way TLC operates in providing support and encouragement as well as technical backup and monitoring, saying that other partners see TLC only as a monitoring organisation when in fact they give a lot more assistance and constructive criticism. AAI provides monthly reports to TLC.

On the programme design and the choice of the type of project, TLC and DFID-Zimbabwe provided advice and direction but the original idea came from AAI. TLC provided ideas to refine AAI's proposal. Under the PRP implementing NGOs are very much bound by approval from DFID, which has its own modus operandi, mandate and directions from the British Government. For example, under the latter's present terms of engagement with the Government of Zimbabwe, DFID cannot provide infrastructure and therefore cannot build houses. It can however, fund the construction of latrines and water points.

According to AAI, DFID-Zimbabwe has made it clear that if there was any political interference in the programme they would stop it immediately. So far there have been no problems of this nature and the AAI team is sensitive to the political situation and acts discretely. For example, they shifted the food collection days so as not to coincide with elections. During Operation *Murambatsvina*, 2004, food deliveries were delayed a month after which clients were given double rations. Furthermore, it is part of AAI procedures to involve the police and councillors and raise their awareness of the programme.

At the present, DFID funds the NGOs directly, but in future funds will go through and be managed by TLC in order to reduce DFID-Zimbabwe's administrative burden. Each NGO participating in the PRP, including AAI, has its community-based implementing partners to whom they disburse funding.

There is another coordination model, the Joint Initiative, that is involved in urban food security. Unlike the PRP, which is predominantly rural-based (with the exception of the AAI Urban Food Programme), the Joint Initiative is wholly urban-

based and arose as a response to Operation Murambatsvina. The approach used by the Joint Initiative was elaborated at a DFID targeting workshop on selection processes and criteria. The approach advertised was self-selecting and while in theory it looks impressive, in practice, according to some stakeholders, it was said to have many flaws such as having too many gaps in the selection procedures.

The Joint Initiative Group, which is a consortium of NGOs, secured more funding and is modelled on and replicates what AAI does, but on a larger scale. The majority of the funding is from DFID. Crown Agents are also the procurement agents for the Joint Initiative.

Table 3: Differences between the Protracted Relief Programme (PRP) and the Joint Initiative (JI)

| PRP | Joint Initiative |
|---|--|
| Coordinated by TLC | Coordinated by Mercy Corps |
| Predominantly rural based (with the exception of AAI) | Urban based |
| Coordinates, provides technical advice, M&E | Coordinates, with very basic M&E |
| DFID funded | Multi-funded (DFID fund 60 –80%) |
| Food obtained from retailers (more expensive) | Food imported by wholesalers and paid in forex (cheaper) |

Implementing partners

AAI works with ten implementing partners (see Table 4), all legal entities, a mixture of NGOs such as Child Protection Society and community-based organisations such as New Dawn of Hope. The choice of AAI operating in the various suburbs was partly determined by the existence of community-based organisations that provide home-based care and AIDS services. The implementing partners work with community groups and resident associations. These groups provide the entry point to the beneficiaries. They are voluntary organisations and form committees, often are comprised of school heads and retired teachers, nurses, police and officials from the Department of Social services. AAI's urban programme is a departure from the PRP focus that is predominantly rural-based. Consequently, there are linkages between the urban initiative and the rural ones.

HBC volunteers

The implementing partners work with volunteers in the community who carry the work on the ground on a daily basis. About 90% of these volunteers are HIV positive and probably hope to get some assistance when they get sick. The volunteers themselves are poor and vulnerable and the turn over is high due to death and being bedridden. Some of the volunteers work for more than one organisation in order to get more benefits. Besides providing money allowances, some NGOs provide food packs, uniforms and bicycles. However, these benefits are not standardized and can be a source of conflict when different organisations are working in similar areas and some pay or give more incentives to the volunteers, thereby creating disharmony amongst the volunteers. Even within AAI's ten implementing partners there are

differences in benefits for volunteers, as for example Island Hospice pays its volunteers.

Coverage

Table 4 shows the coverage of AAI implementing partners across suburbs in the main urban areas of Zimbabwe. On the choice of the geographical location of the project TLC probably had some influence. AAI had started in Harare and Bulawayo and TLC suggested that they move into other towns. Consequently AAI moved into Gweru and Chitungwisa. The majority of social protection projects are in rural areas that traditionally have been the most food insecure. However, funders do not have the corresponding information about urban areas and thus AAI's urban food programme was an opportunity to cover more diverse communities. A drawback of moving into other towns is that of spreading the impact too thinly. TLC suggested cutting down in Harare and Bulawayo as these towns have more NGOs and donor initiatives. Other factors to consider in geographical location are the availability of appropriate implementing partners on the ground and the location of suitable retailers. Another reason for spreading the beneficiaries out is to avoid overstretching a particular supermarket. Further, having implementing partners spread across suburbs helps AAI tackle urban mobility which is often a problem in reaching needy urban households.

Table 4: Coverage by implementing partners

| Town | Suburb | Implementing partner | Number of beneficiaries |
|------------------------|--|--|--------------------------------|
| Harare | Mufakose | New Dawn of Hope | 150 |
| Harare | Budiriro Glen View | Chiedza Children's Home | 300 |
| Harare | Highfields ,Mabvuku Tafara | Aids Counselling Trust (ACT) | 300 |
| Harare and Chitungwisa | Mabvuku Tafara | Island Hospice | 30 |
| Harare | Kambuzuma, Glen Norah Highfields | Child Protection Society | 300 |
| Harare | Mabvuku , Tafara | Mavambo Trust | 100 |
| Bulawayo | Magwegwe, Lobengula, Nketa, Nkhlumane, Belaview, Goodhope, Hope Fountain | Matabeleland AIDS Council | 335 |
| Bulawayo | Robert Sinyoka, Methodist Village Pumula South | Christian Health care Services | 225 |
| Gweru and Chitungwisa | Mukoba | Padare Men's Forum | 100 |
| Gweru | Mukoba, Senga, Mambo, Mutapa | Midlands AIDS Service Organisation (MASCO) | 160 |
| Total | | | 2 000 |

Findings by FAO indicate that there is generally very little, less than 1%, double dipping in urban areas. At the beginning of implementation of AAI's programme there were a few problems with double dipping, but these were overcome. AAI

normally is the only food assistance implementer in the areas where they operate. Furthermore, the use of local volunteers who have intimate knowledge of the area helps to prevent double dipping. There is no duplication with AAI in Harare as the Joint Initiative works in Mbare suburb. In Gweru and Bulawayo, AAI and the Joint Initiative share beneficiary lists in order to prevent double-dipping

The Department of Social Welfare

The Department of Social Welfare chairs the bi-monthly (formerly monthly) stakeholder meetings to share information, challenges and experiences. However, the Department of Social Services is currently doing very little social protection due to lack of money and resources although GOZ has structures for social protection. There is no direct link between AAI and the government, although their implementing partners are in touch with municipal clinics in connection with home-based care and medicines.

Other organisations

Until recently the World Food Programme (WFP) worked exclusively in rural areas, but is now starting to implement school feeding schemes in urban areas. DFID, like other donors, gives funds to WFP, which in turn funded community organisations providing home-based care until the money ran out.

There is general support from the private sector. For example, ZimSun has a corporate programme for HIV/AIDs and donates a small percentage of its profits. The implementing partners do not receive any money from the Government of Zimbabwe Aids Levy.

Box 4: Scaling down – A heart-breaking experience

The Child Protection Society (CPS) is one of AAI's implementing partners. CPS has long experience in the area of food security, and has been a partner of the food programme since its inception, that is, before the AAI programme. In 2003, they received support from DFID and assisted 3200 households during the drought. They have currently scaled down to 300 households, one half of which get food vouchers and the other half food deliveries.

CPS works with community-based committees, and aims to empower them so that they can continue the work when the donor funding stops. The children are identified through volunteers, 22 in Highfield and 15 in Kambuzuma, from churches, women's clubs and the community.

There has been a serious scaling down due to reduced funding from donors, in this case DFID. CPS experienced two scale-downs:

2004 - from 3200 to 450 beneficiaries

2006 - from 450 to 300 beneficiaries

The amount of food given to beneficiaries was also scaled down as the food basket was reduced. The reason why DFID reduced the amount of funding for food aid was because they could not justify feeding a large number of households when Government of Zimbabwe policy statements, made in Parliament and the Press, indicated that there was no hunger and no need for food aid. On a political level, it is difficult for donors to operate when the government denies that there is a problem. Even though the implementing partners through AAI informed DFID that there were shortages on the ground, this was a political issue and DFID had to comply with the British government's position at that time.

The scaling-down exercises were very stressful for CPS as the beneficiaries did not understand why they were being withdrawn from the beneficiary list. The removed clients complained to AAI and CPS and had to be counselled and given an explanation. According to both AAI and CPS, the scaling down caused a lot of grief and was heart-breaking.

Selection of people for removal from the beneficiary list was very difficult since all the clients were vulnerable. CPS did a door-to-door verification exercise to access the households. For continued assistance they selected child-headed households, where the 'child' was under 18, and where there was no adult member of the household. They also selected grandmother-headed households. The rationale for their selection of beneficiaries was that orphans left after the death of parents from AIDS are vulnerable, not only to food insecurity, but other harms such as sexual abuse and exploitation. Eventually the orphans are weaned off the assistance, as are families that can now look after themselves. Another criterion for removal from the list was the presence of an able-bodied adult, even if not working. Follow-up of removed clients revealed that at least three adults died soon after the food assistance was removed.

Source: Interview with Mrs Nora Hunda, Child Protection Society

Exit strategy- What exit strategy?

AAI's urban food programme was scheduled to finish in July 2007, and although AAI has recently secured an extension for the programme through gap funding from DFID-Zimbabwe through TLC until March 2008, there is no exit strategy. DFID is preparing a second phase of the PRP to start in mid-2008. Proposals for component activities will be considered in March 2008. In the event that AAI's proposal for Phase 2 is accepted by DFID, there will most likely be a period where the clients will have no assistance. Stoppage of food support, which has become the sole source of food for the beneficiary households, will invariably lead to extreme hardship, as the affected are already weak and destitute (see Box 4). Furthermore, for the clients who are on ARVs, this treatment is only effective when the diet is sufficient. In fact, some people who started ARV treatment have since stopped, as it was too painful on an empty stomach.

An impact assessment of initiatives such as the urban food programme should include the period after the project ended, rather than looking only at impacts during the project. Beneficiary dependence is not unique to AAI's programme, but to social assistance initiatives in general. The need to support the destitute and ill is internationally recognised and is normally the responsibility of the government. However, in the case of Zimbabwe, and most developing countries, the government does not have enough money. Nevertheless, there is need to address national priorities and prioritise in allocating what resources are available.

AAI has been pro-active in addressing the exit strategy issue, preparing beneficiaries for the impending withdrawal of assistance since January 2007. Furthermore, AAI has approached other donors and initiatives, particularly the Joint Initiative, to provide bridging funds for their clients for this lag period. It has been suggested that a more sustainable approach would be if all donors put money in a pot to be distributed to the most needy, as this would be more flexible and overcome the restrictions of a single donor. There is need for a round table of donors, particularly to address the plight of the ever-increasing urban poor and vulnerable, as urban poverty is increasing at a faster rate than rural poverty.

In anticipation of the ending of the programme, AAI has tried to build capacity within implementing partners, who will remain working on the ground, encouraging fund raising, and involving other partners. One challenge is for the implementing partner organisations to acquire more municipal land for gardens. A major drawback is that the many of the leaders of the community-based implementing partners are affected by HIV and AIDS and subsequently become chronically ill themselves.

One major issue arising from this case study is that of the absence of an exit strategy. Although the humanitarian nature of the intervention precludes any exit strategy, nevertheless, the question must be asked – what happens to the people on the food assistance system once it is withdrawn? This issue is of concern to all the stakeholders interviewed. The practical answer is 'nothing – they just carry on as they did before the food voucher gifts'. In fact, one of the prominent views in the debate around social protection is that social assistance has a purely consumptive effect with no bearing on productive activity and so represents 'money down the drain' (Farrington and Slater, 2006:500). Nevertheless, it is hoped that the links established with the other components of AAI's programme such as the low input gardens would sustain

the families to some extent. Currently, DFID's policy is to promote interventions that have exit strategies and in 2004 they decided that they would not put money into food handouts. Consequently their food budget was cut and they moved towards livelihoods approaches that are more sustainable. AAI's voucher system grew out of former DFID policies and is a remnant of the old system.

Besides the possibility that the beneficiary households will continue to benefit from the low input gardens, awareness and advocacy, there is another dimension to termination of the programme that relates to the recent increase in the use of ARVs, people who were chronically ill or bedridden are now getting better and able to work and therefore would no longer qualify for the food voucher. An agreement with the Global Fund is currently in the process of being signed and this will result in roll out of ARVs for all who require them. For people who are too far advanced to benefit from ARVs, their inevitable death would preclude the need for an exit strategy. In cases where orphans are left after a client has died, the food assistance continues for three months, giving time to access other forms of assistance.

Opportunities for scaling up

Such a programme as AAI's urban food programme, which has achieved relative success at a small scale, could be easily expanded and taken up at a national level. There is need for more engagement with national-level decision and policy makers to influence policy. The Director of Social Services was impressed by the work that AAI is doing. At the present time the Government of Zimbabwe recognises that there is a food security problem and admits that they do not have enough food and therefore require assistance.

In the past, the Government of Zimbabwe has implemented a number of poverty reduction and social protection programmes. In the 1990s, especially during the 1992-3 drought, the government did a lot of supplementary feeding in the rural areas. Also in the 1990s, the government implemented the Community Action Programme (CAP) that was participatory and worked well. During 2001 to 2004, the government undertook supplementary feeding in schools. The government is currently implementing the Basic Education Assistance Project (BEAM), launched in 2000, which covers all urban and rural schools, except elite schools. In 2005, 888 989 children were assisted with school fees, representing 20% of school going children.

All stakeholders agree that in theory, if funds were available, scaling up would be very easy as there is an efficient, well-monitored system in place, but the problem is the availability of money and resources. By its operations AAI has demonstrated that, with extra effort and appropriate strategies, the major implementation problems resulting from run-away inflation and an unstable economic environment can be managed.

Asset protection and building

The poorest of the poor who are the beneficiaries of this programme have very few, if any, assets to start with. The most such a programme can hope to achieve is protection of any existing assets. The monthly food voucher provides some asset protection. The best-case scenario is that of selling products from the gardens could lead to some asset building, albeit at a very small scale. Some assets, such as garden tools, may be

gained through the low-input gardens, but the majority of garden assets, such as wheelbarrows are community-owned. The gardens are of different sizes, with household gardens ranging from a few containers to about ten square metres. Even with the containers and small plots, foodstuffs, such as green vegetables, carrots, beans, onions, tomatoes and pumpkins, can be produced to supplement the diet. The larger community or institutional gardens provide training opportunities and seed. Beneficiaries of the food voucher also benefit from the gardens, although more people benefit from the gardens than the vouchers. In some cases, vulnerable and needy school children benefit from the produce and sale of seed and produce. In some cases, school equipment, such as rulers and pens, is bought for these children.

Although AAI is experimenting with cash transfers, it is unlikely that this will lead to any serious accumulation of assets. Research has shown that only when the cash-transfers were larger sums, and where the cash was given in conjunction with food commodity assistance, was the cash more likely to be used to buy productive assets (Creti and Jaspars, 2006).

Market impacts

One of the reasons why the programme has shifted towards using retailers is to avoid a negative impact as providing food directly can harm markets. Retailers perceive the programme as having a positive market impact and AAI pays a significant amount, around £2,500 a month, to them. Nevertheless, overall market impacts of this programme in the wider economy are negligible.

According to a Procurement Executive, the retailers do not really benefit because of inflation, as they lose out on prices they have guaranteed and the days for redemption of vouchers are pre-set. Having guaranteed customers on the voucher programme does not benefit the retailer because there are already too many customers ready to buy the basic commodities, which are often in short supply. Furthermore, the clients do not buy other items in the store, as they are too poor.

The voucher system is not unique to the AAI food voucher programme, as retailers such as OK and TM have vouchers which can be bought for gifts by individuals and companies, and also other donor organisations such as Oxfam

Conclusion

AAI's urban food programme demonstrates the difficulties of trying to target in communities where the need far outstrips the resources available to the programme. In operating in an unstable and inflationary environment, AAI has applied imaginative and innovative approaches for maximizing the success of its programme. Nevertheless, in order to ensure the social sustainability of the programme, avoid the pitfalls of scaling down and absence of an exit strategy, and to ensure adequate coverage of potential vulnerable beneficiaries, a multi-stakeholder approach is required, involving not only donors, NGOs, and community based organisations, but also the private sector and, in time, government. Government has the institutional frameworks and necessary policy, planning and support structures for scaling up this

initiative, and in a future, more favourable climate of donor-government relations will be a key factor in its success.

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Annex 1: Basic Data on Social Protection Projects and Programmes

| | |
|---|---|
| Country | Zimbabwe |
| Title of Project | PRP AA/CA Urban Food Programme <i>Supporting Urban Food and Livelihood Security of Vulnerable Households Affected by HIV and AIDS</i> |
| Project Description <u>1/</u> | Food delivery and food vouchers, and low input gardens |
| Project Objectives | To strengthen the livelihood security of poor, marginalised and vulnerable households affected by HIV and AIDS |
| Name of Implementing Agency | Action Aid International – Zimbabwe |
| Name of Funding Agency | DFID |
| Project Budget | £ 1 007 124 plus £400 000 for extension |
| Project Start-Date | 1 st March 2005 to July 2006, extension phase August 2006 |
| Project Duration | End of extension phase 31 st July 2007 |
| Target Group | Poor, marginalised and vulnerable urban households affected by HIV and AIDS |
| Eligibility Criteria | Beneficiary households with less than US\$1.00 a day from all sources, plus one (or more) of the following: Home-based care client who is chronically ill; large families caring for a number of orphans and vulnerable children; single parent headed households due to spouses death from chronic illness; households with no able-bodied adult. Priority is given to bed-ridden home based care clients. |
| Selection of Beneficiaries (Institutional Method) <u>2/</u> | Implementing Partners, which are largely AIDS service organisations, identify and assess potential beneficiary households. Sometimes potential beneficiaries approach the Implementing Partners and are placed on their waiting lists and clinics and Social Welfare refer sometimes beneficiaries. Action Aid and the Implementing Partners then jointly verify these potential beneficiaries. |
| Geographic coverage | Urban centres in Harare (Mufakose, Budiro, Glen View, Highfields, Mabvuku, Tafara, Kambuzuma, Glen Norah), Chitungwisa, Gweru (Makoba, Senga, Mambo, Mutapa), Bulawayo (Magwegwe, Lobengula, Nketa, Nkhlumane, Belaview, Good Hope, Hope Fountain, Robert Sinyoka, Methodist Village, Pulmula South) |
| No. of Beneficiaries: <u>3/</u> | 3 145 households |
| At time of Project Inception | 3 145 households |
| Later Changes w. Dates | 2 000 households |
| Transfer per Beneficiary <u>4/</u> | Food voucher or food delivery; seeds |
| Regularity | Food - Once a month; seeds – twice a year |
| Amount Each Time | Food value - £9 20 kg maize meal, 12.5 kg CSB porridge, 1kg beans, 375ml peanut butter, 2 bars laundry soap, 4 tablets carbolic |

| | |
|---|---|
| | soap, 750ml cooking oil |
| Amount per Year | £72 |
| Delivery Arrangements <u>5/</u> | Delivery involves collaboration with the private sector Action Aid and Implementing Partners personnel liaise with the supermarket branch manager to make sure the food items available on set days of the month. Action Aid gives the vouchers to the Implementing Partners who distribute them with the assistance of volunteers. The beneficiaries redeem the vouchers at the supermarket. Corn-Soya Blend (CSB) porridge is delivered. |
| Information on Project Documentation, Evaluation and Outcomes | |
| Documentation Available on Project | Proposal document to PRP for extension of the project Annual Review by DFID (PRISM) |
| Contact Details for Project | Action Aid International 16 York Avenue, Highlands Harare Tel: 263 4 788122/125 |
| Evaluation of Project (undertaken by and when) | No evaluation yet. Two PRISM annual reviews by DFID, August 2005 and August 2006 |
| Evaluation Results (summary findings, in brief) | Evaluation by DFID notes that despite various challenges which include the negative macro-economic and political environments, and Operation Murambatsvina the project has managed to reduce the proportion of households suffering acute and chronic food shortages. |
| Summary Statement of Project Outcomes | The major outcome of the project remains that of strengthening "... the livelihood security of poor, marginalized and vulnerable households affected by HIV and AIDS." The following are the five outcomes: 1) household food security of target group improved 2) capacity of implementing partners improved 3) IPs' HBC programmes strengthened 4) Training & promotional material produced 5) Programme implementation monitored In respect to the above major outcome, a majority (95%) of other outcomes are on track and others completed. In some cases the project has surpassed the set targets on food assistance (2150 vs 3145), LIGs (65% vs 85% households with functional) and HBC kits distributed (1200 vs 1470 kits). |
| List of Strengths | The project provides food to needy and vulnerable households, who have no other source. The project also has a holistic approach in that it promotes low input gardens for food security and income generation, and builds capacity and awareness. Action Aid have a 'hands on' approach and closely interface with the implementing partners, volunteers, beneficiaries and retailers. |

| | |
|---------------------|---|
| List of Weaknesses | During the project there have been several scaling down of beneficiaries due to reduction of resources. The project has no exit strategy, therefore, when the project ends in July 2007, the food assistance to the beneficiaries will abruptly stop. This will most likely result in some premature deaths of the chronically ill who have no other source of food, although in some cases, the household will have a low input garden that can provide some cushioning. |
| Additional Comments | The fluctuating exchange rate and hyperinflation present serious challenges affecting value for money spent. However, negotiations by Crown Agents, a procurement agency, partially address this problem. Action Aid negotiate a favourable exchange rate each month with foreign exchange brokers of the Reserve Bank of Zimbabwe. |

NOTES:

- 1/ For example, cash, food, food-for-work, cash-for-work, mixed cash and vouchers, fertilizers, seeds, livestock etc.
- 2/ How are beneficiaries identified in practice i.e. institutional mechanism used to move from criteria to selection of actual beneficiaries (role of community etc.)
- 3/ Number and type of beneficiary e.g. HHs, individuals, OVCs etc
- 4/ Frequency (e.g. per week, per month); amount each time (e.g. 24 kg maize; US\$10 cash); and total during a year (or other period over which delivery is made).
- 5/ Institutional arrangements for ensuring delivery: project personnel, use of community institutions, collaboration with local government, role of private sector (e.g. in redeeming vouchers)

Annex 2: Quantitative Data on Cost Effectiveness (Module 2)

| Quantitative Data on Cost Effectiveness (Module 2) | | |
|--|--|--|
| | Voucher | Food Ration |
| Total Cost: 1/ | £86, 961 | £275,830 |
| Reference period | August 2006-April 2007 | August 2006-April 2007 |
| Total Cost (US\$) | US\$173,922 | US\$551,661 |
| Exchange Rate Used | Negotiated and fluctuating or £1=US\$2 | Negotiated and fluctuating or £1=US\$2 |
| Actual No. of Beneficiaries 2/ | 6000 | 4000 |
| Cost per Beneficiary 3/ | £4.14 | £19.70 |
| Transfer Value or Amount per Beneficiary 4/ | US\$14 per month voucher | US\$20 per food ration |
| Equivalent in Cash (US\$) 5/ | US\$14 | US\$38 |

| | | |
|----------------------------------|------|------|
| Average overhead per Beneficiary | 0.21 | 3.65 |
| Average Cost per \$1.00 Benefit | 3.38 | 5.39 |
| Explanatory Notes 8/ | | |

NOTES:

- 1/ This is the total scheme cost over the reference period, including administrative costs.
- 2/ The figure has been calculated to include all people benefiting and not just the recipient (household head etc). Considering that an average Zimbabwean household comprises 5 people, 1,200 recipients imply 6,000 actual beneficiaries and 800 recipients imply 4000 beneficiaries.
- 3/ This is the total cost divided by the no. of beneficiaries, and represents cost per beneficiary in US\$ for the reference period.
- 4/ Please state the value or amount of the transfer per beneficiary over the reference period. For example, US\$120 per year, cash transfer; or mixture US\$60 cash and US\$60 vouchers; or 40 kgs fertilizer plus 2 kg vegetable seed; or 250 kg maize flour.
- 5/ For transfers in physical form (seeds, fertilizer, food etc), please state the cash equivalent of this transfer. Also provide information either here or in the Explanatory Notes row on prices and exchange rates used to make this calculation, if applicable. For transfers in cash, or cash equivalent, this is the sum of such transfers per beneficiary. The Equivalent in Cash is also called the Cash Value per Beneficiary
- 6/ Average “overhead” is calculated as Cost per Beneficiary minus Cash Value per Beneficiary (note 5/ above). *It can be noted that a high positive “overhead” does not necessary represent an inefficient scheme. Many schemes aim to provide benefits beyond simple transfers, such as implementation of public works programmes to enhance community assets, the establishment and operation of revolving credit funds, or training, the costs of which appear in this index as “overheads”.* In some cases where in-kind transfers have an estimated average local value higher than the scheme costs of delivering them, this overhead will be negative and the apparent cost-efficiency of the scheme will be high
- 7/ Average cost of delivering US\$1.00 transfers. This is calculated as Cost per Beneficiary divided by Cash Value per Beneficiary. This is an indication of apparent relative efficiency of transfer, being the average total cost of transferring \$1.00 or its in-kind equivalent.
- 8/ Explanatory Notes: please use this row to write down explanations of calculations made in the preceding rows, where these require additional information to be understood. For example, additional information on what is included or excluded in total project costs; or on the valuation of transfer benefits (prices used, exchange rates used etc.).

Annex 3 : Interviews

Action Aid International – Zimbabwe personnel

1st January 2007

Stanlake Kazibone

Kerina Zvobgo

Jane Maponga

Victoria Machakaire

21st March 2007

Jane Maponga

Victoria Machakaire

Retailers

13th February 2007

Mr Mzvidzwa Chingaira –Procurement Executive, OK Head Office, Harare,

Mr Alfred Doza – responsible for vouchers, OK Head Office, Harare

Mr Mutingwindi TM supermarket Head Office, Graniteside Harare.

Implementing partners

13th February 2007

Child Protection Society, Belevdere

Mrs Hunda

15th February

New Dawn of Hope, Mufakose

Children receiving food

TLC

9th February 2007

Erica Keogh