

**SCUK SARP**

**DRAFT PROCEEDINGS**

**Reflections on Humanitarian Development Assistance:**

The challenge of using evidence based analysis to guide interventions in the Southern African region

22 November 2004

The Burger's Park Hotel, Pretoria

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Goal of the workshop:

With deepening chronic poverty and ongoing food insecurity problems in southern Africa, this seminar brought together a range of regional and national institutions to analyze and discuss how information and assessments can be used to improve our collective responses to these problems. Its overarching aim was to build awareness, strengthen partnerships and to encourage a debate on the use of evidence based analysis for longer-term economic/livelihood recovery programmes and development initiatives.

**Introduction**

*Greg Ramm, SC-UK regional coordinator*

The challenge we face is to use the evidence to reflect on what we are doing and to make this part of our work. This may seem obvious but in practice we often make little use of evidence and analysis in assessing interventions, designing programmes and deciding on the most appropriate actions and then in evaluating our programmes and interventions. This is not a finger pointing exercise but rather an attempt to take collective responsibility and improve our practice.

We all understand the nature and overwhelming scale of the problems we face. They include food insecurity, HIV/AIDS, orphans and vulnerable children, chronic poverty, poor governance and collapsing basic services. All of them find generalised expression in declining human development indicators across the region.

The SC-UK paper, *Southern Africa: the cycle of poverty continues*, circulated before the meeting shows that while the level of the humanitarian crisis has declined over the last two years, the pattern of crisis will continue to recur until the underlying chronic problems are dealt with. Children make up the majority of the population in the area and childhood is the key point at which the cycle of intergenerational poverty can be broken.

For this to happen there are two broad requirements. The first is access to high quality health and education services and the second is sustainable livelihoods that are adequate for households to fulfil 'children's right to a standard of living that ensures their physical, mental, spiritual, moral and social well-being'. Creating sustainable livelihoods requires social protection in the form of safety nets and economic opportunities that provide an adequate and stable income for all without undermining environmental sustainability.

On present trends, despite the progress being made in some countries, the six target countries in southern Africa: Angola, Lesotho, Malawi, Mozambique, Zambia and Zimbabwe will not meet the three key Millennium Development Goals relating to children's well-being by 2015. These goals are halving the prevalence of malnutrition amongst under fives, reducing the under five mortality rate by two-thirds, and achieving 100% primary school enrolment. In some countries the situation has worsened. For example, Zambia, Zimbabwe and Swaziland have seen increases in child mortality. HIV/AIDS continues to be a huge problem throughout the region.

The SC-UK paper ends with a number of specific recommendations that include:

- adopting a longer term perspective and working with governments to develop appropriate responses
- meeting emergency needs for the estimated 6 million people facing food insecurity in the 2004/5 season,
- paying greater attention to supporting the recovery of household livelihood activities, including those of orphan households,
- continuing to support national and regional food security support systems
- increasing government and public commitment to addressing HIV/AIDS and to strengthening health care systems
- developing social safety nets in order to deal with the social and physical crisis facing the region
- adopting a pro-poor perspective in Poverty Reduction Strategies that prioritises children, ensures access to education and health services, and improves the quality of basic services in order to break the cycle of poverty.

To implement these recommendations effectively we need to understand the dynamics of the household situations facing the children and families we are trying to assist, learn from experience and work with governments to improve the design of policy interventions.

*Sue Mbaya, SARPN director*

Against the backdrop of successive years of poverty and crisis we need to shift from an immediate to a long-term perspective and look at alternatives to food aid. We need to acknowledge the hard work and commitment that has gone before on the part of a range of players including indigenous and international NGOs, national and regional vulnerability assessment committees, and donor and government agencies. However, while acknowledging this contribution we need to be as critical and analytical as possible in order to learn from the experience.



## **Panel 1**

*Chair: Scott Drimie (HSRC)*

### **Missing the Point**

*Claire Chastre, SC-UK regional food/livelihood security adviser*

The study looks at the mismatch between food security interventions and food security situations through seven case studies in the Great Lakes region including the DRC, Burundi and Uganda. The aim is to understand what we are doing right and what we are doing wrong.

The case studies cover rural, peri-urban and urban settings. Conflict is common to all the settings, although its nature and severity differ from situation to situation. Other elements that occur in different combinations in various situations include population displacements, people returning to land following displacement, loss of assets such as livestock, lack of labour, crop disease, limited access to land, drought and natural disaster.

Despite these differences the same three standard responses borrowed from responses to natural disasters dominated in all seven cases. They were free food distribution, seed and tools distribution and feeding centres.

### **Determining the relevance of interventions**

This raises a number of questions. Why were similar responses adopted in all three cases? What problems were they seen to be addressing and what responses would have been appropriate in the different situations?

To answer these questions we need to look at criteria of appropriateness. Free food distribution is appropriate when:

- households do not have food
- food is not readily available in the area
- alternative ways of helping people to access food are not practical, for example when food cannot be supplied through the market because of logistical or capacity problems.

These criteria were met in three of the situations but not in the other four areas. In these areas free food distribution had a potentially negative effect on petty traders, and competed with producers in rural areas who were not able to sell their produce. The food that was distributed was also not enough to meet the need in the areas where it was crucial for survival.

The distribution of staple seeds is appropriate where:

- lack of seeds limits production
- targeted households do not have access to seeds
- good quality seeds are not available.

In six of the case study areas these criteria were not met. In addition households grow a wide variety of crops on their small plots of land and have limited space for staples. Households also have their own strategies for getting seeds, which may be disrupted by seed distribution.

Supplementary feeding centres are appropriate where:

- malnutrition is caused by an individual lack of access to food of sufficient quality and quantity
- the supplementary ration is correct for the child
- the food is actually consumed by the child

Malnutrition can be due to a wide variety of causes such as hygiene and disease as well as lack of access to food. Little is known about the causes in the study areas. Different centres provided different rations and it is not clear whether they were appropriate to the situation. It is also not known how the rations were consumed. As a result it is impossible to say whether the feeding centres were effective, and in any case most malnourished children did not attend feeding centres.

Given the lack of knowledge about their appropriateness why are these interventions used so much?

From the donor perspective they provide an opportunity to spend money on tangible outputs. They are also interventions that seem to lead to greater self-sufficiency and they can be done quickly and with little preparation. They provide employment opportunities for agency staff while authorities and local leaders are seen to be providing something to people. Seed distribution is popular with seed companies, which make big profits from these interventions.

In short they are more about wanting to do something than about responding to specific needs.

In addition to the three standard interventions a variety of other interventions were used.

Cash interventions in the form of cash for work would have been relevant in six of the case studies but were only used to a limited extent. Generally it is easier to get donors to provide food rather than cash. Donors fear that men will drink the money, whereas they believe food will go to children, or they fear that local staff will mismanage cash. Food for work is seen as a normal intervention requiring no special justification whereas cash for work programmes require an impact analysis and special motivation. In addition cash for work is seen as unsustainable but this criterion is not applied to food for work.

Work on physical infrastructure, specifically road reconstruction took place in some of the study areas and would have been appropriate in a number of others. Improved roads can contribute to food security where the poor state of existing roads

- affects access to markets
- market access affects food security
- affects security
- affects the cost of access (in time or money) to essential basic services.

Impact assessments of the road reconstruction showed increased freedom of movement through better security, reduced transport costs and a big increase in prices for produce at the farm gate.

The standard interventions often do not address the fundamental problems such as access to land, loss of assets, lack of veterinary care and access to cash and markets. Reducing loss of labour and the cost of basic services would also make a big difference.

Donors are often getting poor value for money from the established interventions. Food aid can cost as much as 15 times the cost of food on the local market once the costs of transport and distribution are added in. Food aid is justified on the basis that it protects livelihoods and assets as well as lives. This raises the question of whether it is the right tool for this job. For example in one study area where people were selling goats mainly to pay for non-food needs and \$63 worth of food aid was needed to prevent the sale of one goat valued at \$7.

### **Analysis and information dissemination**

As shown by the road reconstruction example other forms of intervention can often be more cost effective. The biggest obstacle to adopting more effective interventions is the lack of analysis of the situation on the ground, the use of standard interventions and poor monitoring and assessment of the impact of interventions. Other problems are poor coordination and information sharing between agencies, problems with prioritisation and poor knowledge management.

Most agencies have separate sections dealing with emergency and development interventions with different capacities and little or no communication between them. Emergency sections have the capacity for large scale response but the interventions are often inappropriate and short term and rule out more meaningful longer-term interventions. Development sections often make more appropriate interventions but mostly at very small scale.

Another problem is that humanitarian agencies are seldom in control of public information, which tends to be driven by media networks like CNN. This often results in inappropriate allocation of resources to high profile areas. Other factors affecting responses include the political position of countries, their relationships with neighbours and the international view of the situation, which may not fit the situation on the ground.

### **Recommendations**

The main recommendations are to improve assessment and analysis of livelihoods, broaden the scope of interventions, and make more use of analysis to determine the nature of interventions in different situations. More specifically agencies need to:

- review the evidence base
- increase teamwork and coordination
- place greater emphasis on cost analysis.
- diversify interventions and types of responses. This is difficult in the midst of a crisis and agencies therefore need a wider range of responses that they can use. They need to be able to think through what is the right intervention before making a proposal.

### **Respondent 1**

*Tom Kelly, Department for International Development (DFID)*

The report has clear messages, good case studies and appropriate recommendations. It underlines that the focus of interventions should be on supporting livelihoods and not displacing them. This message is very relevant for southern Africa. We hear so much about food aid but this should be only one of a group of interventions including safety nets and a range of other responses.

DFID and other donors and agencies are not good at evaluating both the efficiency and the effectiveness of interventions. The example of the goat was very useful in showing how food was not the most effective way to prevent the sale of an asset. Agencies are under pressure when something happens and don't always have time to do a proper assessment. Food aid is the easiest thing to turn to in this situation but not necessarily the most efficient.

People can get very emotional when food aid is challenged. This report should help to get a more reasoned response.

For DFID, having a wide range of off the shelf responses presents difficulties and cash would be favoured if there were systems to monitor and control it properly. In Ethiopia agencies have been able to limit food aid to those who really need it and to look at social protection mechanisms for other people. But this has taken years to achieve in a country that has been food insecure for the last 20 years.

An added difficulty with this type of approach is that people back home do not understand the more sophisticated argument that supports other types of interventions, whereas it is easy for them to see that something is being done when food aid is given. It is difficult to get this message across but agencies have to be more adventurous.

DFID has been criticised for being anti food aid. It is not so much against food aid as being for an appropriate response and for putting in place the mechanisms that will enable us to say what an appropriate response would be.

The vulnerability analysis committees (VAC) have built up a picture of what we are talking about and who is vulnerable, but we have yet to translate that into an appropriate response. We know that food aid is appropriate for some vulnerable people. We need to look at the role that cash can play in providing a safety net. DFID is engaged in a regional programme looking at the issue of appropriate responses and will continue working with the VACs in order to translate their assessments into an analysis that will bring us to appropriate responses.

We need to make better use of existing data and use the information to generate a debate on what the appropriate responses should be. We are moving in that direction and hope that the regional response will also go that way.

## **Respondent 2**

*Rein Paulsen, World Vision International (WVI)*

This is a thought provoking study that we will look to use in internal discussions and in engagements with donors. It complements a range of other learning processes. In December 2003 World Vision undertook an evaluation of the response of 12 agencies to the situation in southern Africa. There was a sense that something very bad had been averted, but we need to focus on the learnings that are coming out of the process. There has been an increase in analysis and evaluation and a desire to improve the quality of engagement. We are aware that we did not know what was taking place in communities.

The World Vision evaluation also raised the issue of a framework for response and the need to increase understanding of situations and resources. We also found a similar split between agencies involved in emergency response and those engaged in development work. We need to look at the unhelpful divide between the two.

One issue is that an analysis of the situation was not in place before the emergency response agencies came in. The World Vision emergency team did not have a mandate to look at the root causes of the situation. Another issue is what resources donors can mobilise.

The cost benefit analysis is very useful. The more information we have the more resources we will be able to get, but not all resources are given on the basis of what is most cost effective. We also need to look at the best use of the resources that are available. On an issue like that of the goat we need to look at the best way to protect assets.

In order to become learning organisations we need to ensure that we respond to analysis. To the extent that we can define the most appropriate activities how do we balance promoting these activities to donors with using the resources that we have in the most appropriate ways?

### **Respondent 3**

*Joyce Luma, World Food Programme (WFP)*

The report is relevant to the situation here even though it was done in the Great Lakes region.

As a food aid agency we try to cover a full range of activities including assessment. Over the past 18 months the World Food Programme (WFP) has been trying to strengthen its activities. Some of the criticisms we have taken into account include that food aid has been used as a systematic response in crisis situations and that assessments have not looked seriously at livelihoods. There have also been criticisms of the way in which we come up with programmes and targets.

WFP has revised the way it does aid and is looking at how best to estimate food supply at national level. We need to understand the role of livestock, which is not included in assessments at present. We know that some of the communities where we provide food are predominantly stock farmers and may not be affected in the same way as arable farmers.

The food balance sheet has also been criticised. Instead of using a static balance sheet we are looking at ways to monitor changing food needs in a country. We understand that some of our assumptions may not be adequate and that we need to understand more about how households change their dietary intake in response to situations so that we can understand their needs better.

We are trying to make our assessments more inclusive and are using existing information and knowledge, which we did not do before. Recently we agreed that assessments leading to emergency interventions need to be submitted to a project committee to ensure that they take into account existing programmes and community capacities.

The report highlighted that situations have not been adequately analysed. The WFP is bringing market specialists into its assessment unit to better understand the impact of food aid on markets. It is also increasing local purchases but at the moment we do not understand enough about the impact of this on local markets.

In Zambia we are trying to buy from small-scale farmers and we are working with NGOs to organise farmers in cooperatives to make this easier. This is very different to buying from large producers. We need to monitor and evaluate the results and then adapt our practice on that basis

We have spent some time developing a monitoring system. It has taken time to develop the capacity to analyse the systems in the six countries and find out what we can learn from food aid interventions. Questions include whether we are targeting the right households and what results our interventions have.

We have learnt that we are using blanket criteria for identifying households, for example child and women headed households, and that using these criteria does not necessarily take us to the most vulnerable households. We need to refine targeting criteria, and not rely on single criteria to identify the most vulnerable households. For example households with chronically ill people tend to divest themselves of their assets and we have to look at how we can try to prevent this.

We have acknowledged the criticisms and are trying to address them. We need to improve monitoring and evaluation and use data to improve our operations. The WFP has always recognised that food aid is not the answer to the crisis and that we need other interventions. We are trying to understand what other interventions there are out there but have found very little. In Zambia we have only found one small cash for work intervention. The situation is the same in Mozambique. We know that these interventions are useful; the question is why are we not doing more of them?

## **Discussion**

### *From humanitarian aid to development*

- Governments prefer humanitarian rather than development interventions. What are the possibilities of changing the perceptions of politicians? They must be convinced that interventions need to cover the spectrum from humanitarian to development rather than view these as two separate elements.
- We need to guard against saying no to something that still has positive impacts. Food aid can bring benefits even when it is not the most appropriate and its role in protecting assets is also important.

The current divide between emergency and development sections is very unhelpful. In order to change the situation we have to change the perceptions of politicians and of donors. That change needs to happen at all levels at same time to make it meaningful.

DFID is less affected by the workings of the parliamentary system and is moving away from a focus on emergency interventions. There is an international committee that wants to understand the underlying causes of crisis and has visited affected areas. It came away



understanding that short-term assistance is only effective in the short-term and that you need to support livelihoods in the longer-term.

The strategy for working with national governments is to work through their own policies, such as PRSPs.

We have to recognise that there are political pressures and we have to deal with them in dealing with the food aid issue. We need to move away from measuring results in terms of tonnage and look at value.

Safety nets are necessary for some people in developing economies. Governments in the north and the south are resistant to this. We need to engage with them and should not be apologetic about this.

We need to look at the appropriateness of food aid in livestock areas and at the role of food production in households. A number of studies in southern Africa are helping to sharpen our understanding and look at other responses.

There is process going on in the region that is leading to increasing vulnerability. If we are serious about addressing it we have to go further than what is in the paper. It is not just a case of replacing food aid with other interventions. This comes out in a lot of studies done in the region. In Lesotho, for example, we have to talk about employment if we are talking about sustainable food security and there are similar situations in other countries. Unless we address these issues the same crisis will recur again and again.

Malawi is experiencing floods at the present moment. What do we need to change and what is the time frame? We need to develop the tools to do assessments and establish whether we can do them in the time that is available. In the meantime people are dying.

Clearly the problem will not go away soon. Countries need integrated social protection systems. We need to look at what governments are doing about this and what donors are doing to support them.

### *Policy impact*

- The interventions that have been looked at require a different relationship between agencies and governments, including local governments. They also require different kinds of investments. Has the research looked at how these things can be done?
- We need an analysis of why particular kinds of intervention are perpetuated. We need to understand the motivations of a range of actors including politicians and the agencies engaged in interventions.
- We need to move beyond the question of food aid versus other interventions to look at the kind of development projects that are most successful. There is not enough information on which ones have been cost effective and have improved people's lives. Without this information we do not know which ones should be scaled up.
- We need stronger analysis to enable us to identify alternative responses. We need to know when food aid is appropriate and when we need another type of intervention.

We need a framework that will take these results and identify who does what and when.

We will have difficulty in lobbying governments until we can define success in a way that does not rely on resource. We need to engage with decision makers and also with the boards of our own organisations. For example, the board of World Vision still has a narrow vision of success based on the level of resources mobilised and food aid is the easiest resource to mobilise.

The WFP sees the importance of other innovations for improving livelihoods. Food aid cannot solve the problem of vulnerability and we would like to have more discussions and that will help to get governments to support other kinds of interventions. We should continue to support the VACs and the work they are doing to bring out the analysis and highlight these issues.

We are skirting around the need for a fundamental shift in the understanding of the crisis in the region, that it is not so much a humanitarian crisis as a developmental crisis and that we have to look at fundamental development issues. The VACs have been saying this for some time but we don't seem to be able to get governments to look beyond food aid. It seems that we will have to move into the political arena to do this.

The VAC in Malawi has a good understanding with technical people in government but the links to other levels, to politicians and to the media are very weak. There is a tremendous need to educate people using the information we have. We are producing technical information that is not useful for communicating with general public and politicians have not digested it. They are calling for food aid because that is what they are familiar with.

We need to look into the political economy of food aid. The US farm bill is up for review. It is more a case of the political interests involved in food aid and not so much misunderstanding that is driving the food aid regime. We need to work hard on getting a common response on the US farm bill.

To deal with the US government on the farm bill or with other governments on these issues you need information to back up what you say. We need more money to monitor interventions so that we have solid evidence to back up what we are saying.

#### *Cost of food aid*

- In analysing the cost of different inputs did the cost of food aid include distribution costs? Would the money be available if other kinds of aid took the place of food aid?

Food values for the DRC included regional purchase and the cost of delivery. In other cases not all food was purchased so the exact cost is not clear.

#### *Access to land*

- A key constraint for food production and livelihoods is access to land but it is a very different issue to food aid. Have agencies looked at this issue?
- Land reform in Somalia has been very successful and has ended conflicts and increased people's access to loans. Why are similar programmes never on the cards for NGOs and agencies in the humanitarian context?

Access to land is critically important in this part of the world and DFID continues to be engaged in land reform. The problem is keeping attention focused on land reform because it is so politically charged. NEPAD and other initiatives are creating more space to engage on land reform.

Land reform has not been a focus area for NGOs. We need to engage more in discussion like those in Lesotho on land rights for widows.

### *Cash transfers*

- The appropriateness of providing cash is a policy issue in South Africa. Do cash grants have potential to kick off local economies or are they only used for purchases?

The predictability of a response is as important as the response itself. Cash may also only have a short-term effect unless it is sustained. It is important to develop a predictable response. Even when you move away from food aid and provide cash on a predictable basis there is still the danger that you are simply setting up a welfare system. The question is how to stimulate growth and economic activity so that you are not just responding to short term needs.

- The study seems to assume that the money used for food aid would be available for other forms of support but it seems that this is not the case. What are programmes doing to canvas for cash as opposed to food aid?

At present it is easier to get food than cash but we have to look at what can be done. In some areas like the DRC it has been easier to access cash, we can't just say that it is not available.

- Is cash for work a good option? In Malawi people are selling the vouchers that they get for fertiliser to get cash.

It is clear that poor Malawians are very short of cash and assets to fall back on in times of crisis. What we need is not so much food as new responses in the area of providing cash.

### *Markets*

- To what extent does DFID get involved in the issue such as access to markets in the EU and UK for products from developing countries?

DFID has a clear position on access to markets, which is informed by the UK's very critical view of the EU's common agricultural policy. However, African countries do enjoy

preferential access to EU markets, the problems are more with health standards. How to get over the phyto-sanitary restrictions is a difficult question.

- Initially we did not have the tools to look at vulnerability. Now we have the VACs and we can use their information to analyse vulnerability. However, there is still a critical gap in the area of market analysis. Until we understand how markets work in particular situations we will not be able to say what is needed and why.

WFP is working on an initiative to sell food but this needs to be linked to local markets and procurement in the region.

### *Other issues*

- Mixing short-term and long-term elements can confuse the analysis. One can question whether the market value of the goat set at \$7 really represents its value as an asset to the household.

In fact the goat died but it is true that its value as a livelihood asset is more relevant in this situation than its market value.

- The study also seems to disregard the role of nutrition in mitigating HIV infections.

The figures on HIV are used to show that we are using targeting criteria that are not related to food rather than to make a case about the role of nutrition in HIV.

Good nutrition has a role in HIV but the problem is food insecurity rather than HIV. Even without HIV in southern Africa there would still be food insecurity. We need to understand the complex relationship between nutrition, food sec and HIV.



## **Panel 2**

*Chair: Ann Witteveen, OXFAM*

### **Swaziland VAC**

*Choice Ginindza and Nathie Vilakati, Swaziland VAC*

The lowveld area has been in crisis since 2000 with livelihood failures and economic collapse. The VAC study used a household economy approach to try and understand the situation.

Cotton production collapsed after peaking in 1987-8 and then declining through the 1990s. There was a total collapse of small-scale production in 2000-1.

There are variations between individual households and even with food aid some households are not getting adequate nutrition, while other households are getting more than they need. This points to both oversupply and failure to distribute food effectively. Most households depend on purchases for most of their food.

The official poverty rate is 66% but the survey shows poverty at 90%. This is either due to extreme conditions in 2002 when the study was done or it shows that poverty is much higher in rural areas. There are high levels of inequality. Much of the vulnerability comes from underlying chronic poverty. This is a structural problem that emergency interventions only address in a peripheral way. It is not likely that an agricultural recovery programme could achieve the 3-10 times increase in productivity needed to reverse this trend.

### *Findings*

Food aid and traditional emergency responses need re-evaluation. Improving the efficiency and reducing the size of the food aid programme could shift resources to longer-term recovery and development programmes.

Expectations of agricultural recovery need to be realistic and this should be only one of several elements in the recovery programme:

- Food purchases remain the most important source of food
- Food price inflation has had a negative effect on access to food
- Food aid has had a negative effect on food prices
- Income and cash transfers play an important role in household economies
- The collapse of the cotton industry has contributed to low levels of cash income
- Cash transfers could play role
- Public works and labour intensive industries could play a role in meeting community needs

### *Programming options*

- Rehabilitate cotton and other small-scale farming
- Promote income-generating activities

## **Discussion**

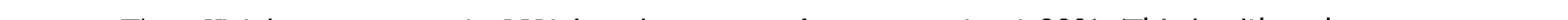
- Why did the cotton industry collapse?

Drought and the inability to get loans contributed to the collapse of the cotton industry. Another big reason was that the ginnery in Swaziland closed down.

- How did it happen that the highest income group got more food aid than those in the bottom 10%?

The government distributes food aid without looking at who is getting it. It gives out a set amount per person per day. The reason for those in the top 10% of households getting more may have to do with there being more adults in these households. Those getting less will not starve but they will not be getting enough to live a healthy life.

Other reasons may be that in some areas there is more than one NGO distributing food and those in higher income groups may have access to more than one source of food aid.



There are clearly serious problems with targeting. Relief committees drawn from the beneficiaries decide on the distribution and it is part of Swazi culture that everyone gets a share of a gift from outside. Targeting needs to be reviewed.

- What is included in the gifts category in the household income survey?

The gifts category was minimal and was mainly made up of remittances. It might be better to have a category of other income sources that would include remittances.

- Why will agricultural recovery only lead to a slight increase in income?

Interventions are only likely to lead to small increases in productivity. The tendency in this area is to concentrate on grain even though it has a high failure rate. Interventions need to look at other kinds of production besides crop production.

## **Malawi VAC**

*Charles Rethman, food security and livelihoods adviser to the Malawi government*

The Malawi VAC study uses household level analysis to look at livelihoods, food intake, income and expenditure. Shocks have been detrimental to livelihoods in Malawi and have led to food insecurity. Many households have very low incomes of \$60-100 a year and can afford to buy less than half the household food energy needs. The analysis shows that households have few options for adapting or coping with change largely because they have no asset base or livestock and very low incomes. Because the demand for food is low the food economy is depressed.

In Karonga the average household income is around \$80, which can buy about half the household calorie needs. In a normal year people consume a bit more than the minimum food energy needs.

About 75% of this comes from their own production but they get very little income from crops. If they do sell some crops the selling price at harvest time is about half the purchasing price later in the year.

A substantial food deficit is predicted for this year. A cash injection of about \$70 would enable households to meet minimum needs for staple foods, but households also have other basic needs and if you are talking about development they need some savings.

The government has started a public works programme providing cash for work funded by the EU but this only covers the central part of the country. The public works programme needs to move its targeting from outputs, for example which road to build, to looking at how much cash people are getting and who is getting it, so that it can target the most vulnerable areas.

The study shows that it is possible to convert food to cash equivalents and look at the income required to meet food security needs. The pilot programme has shown that the costs of cash transfers are comparable with providing food aid with the added benefit that the cash stimulates the local market and acts as an incentive to local production.

Next year the public works programme will be expanded. Targeting needs work to ensure long term targeting of households caught in chronic poverty.

The VAC analysis has helped government to develop a coordinated response and look at different programmes to see how much of the cash and food needs were being covered and to predict areas with a shortfall. This analysis is being used to try and raise support.

### *Conclusions*

The VAC needs to provide detailed longer-term vulnerability information on underlying poverty. In order to develop a rapid reaction capability the public works programme needs to look at ways to respond to short-term need and it needs to be able to respond in different areas.

Donors and relief agencies need to change from only thinking about food to include cash.

We need to learn from experiences elsewhere.

### **Discussion**

- The analysis seems to centre on the food deficit and not on total livelihood needs. It does not take into account aspects like health, education and dietary diversity.

We recognise that the study is limited but unless people have food you cannot start to look at other things. Basic calories are the first requirement but we should be pegging the cash requirement much higher. With \$1 a day you can satisfy a much greater variety of needs than just food. The point in the study is to show that you can convert from food to cash.

- At the moment the VAC is not able to analyse market flows. It needs to integrate the WFP's study on market flows into its analysis. We need to know what is the most important element in the analysis, is it the market?

The market does influence purchase prices and hence the amount of money needed to purchase food needs. At the moment we can't predict prices accurately in Malawi and there is a big need to develop this capacity. As a result we have had to make assumptions about purchasing price. We are monitoring the price of maize and if it rises above the projections we will have to adapt our predictions.

There are a number of options, for example we have discussed the likely outcome of strengthening the strategic grain reserve. This will help to stabilise prices and this will help the middle income groups but it will not help the poorest. They need more than stable prices.

- Did the study take into account incomes from fish, tobacco and cassava in arriving at the very low incomes.

The wealthier households are along the lakeshore where fishing plays a big part but it is declining and they are experiencing a drop in income. Income from tobacco has increased



but only for wealthier households. The poor have not benefited and have grown poorer. There has been an increase in inequality.

- The study shows that a lot of people are becoming poor but presumably there are also some wealthy groups in Malawi. How are they getting wealthy? There seems to be a crisis of pessimism but we are not looking at those who are getting wealthier and the answers that they offer.

There are a few small areas where even the poorest are quite well off such as the coffee growing areas. There even the poorest have some resources. But in most areas the income of the poorest households is in the range of \$60-150 a year. Cassava brings in very little income. The study looked at all sources of income.

- The study has translated the food gap into a cash gap but the VAC has also done a lot of work trying to understand livelihoods. How does the VAC plan to use this information? Is it going to argue that cash interventions are better than food? At the moment it seems to be leaving donors to decide what to do with the information.

So far the VAC has focused on early warning. This was partly due to the ongoing crisis and the need to get acute vulnerability planning up and running. In the next few years it will be looking at underlying chronic vulnerability.

- Cash should not be seen as a panacea. The question is not so much whether cash or food is best but what is best for the household. The problem is that household members can't access work or land. Asking food or cash may be narrowing the potential responses.
- The VAC is presenting very important information. Has its work influenced the decision to distribute food aid through the market?

There are a lot of interests represented in the VAC including a range of NGOs and the government. They all have their own ideas of what the most appropriate interventions are. Decisions have to be made through discussions in a broader forum and the government has coordinated this. What the VAC tries to do is present a range of interventions and this year we have tried to present cash as well as food interventions.



### **Panel 3**

*Chair: Greg Ramm, SC-UK*

### **Informal Trade Research**

*Phumzile Mdladla, FEWSNET and Joyce Luma, WFP*

FEWSNET is interested in informal trade because the food balance sheet is very important for understanding food requirements and how people access food. We know that information on cross border trade is not being captured and long term studies have shown that it is considerable. Failure to factor this information into the analysis has led to

overestimates of import requirements in various countries. The resulting oversupply can depress trade and distort prices.

We needed to develop monitoring systems to give a picture of this trade over time. There are similar systems in place in the region, in particular the regional agricultural intelligence network in east Africa, which covers Kenya, Tanzania and Uganda. The table (see presentation) shows the improvement that information on cross border trade can make to the balance sheet. It shows that imports into Kenya are much higher once this cross border trade is taken into account.

The pilot study covers six countries. We started by setting up monitoring points around Malawi, then Zambia and ended with Zimbabwe. The diagram (see presentation) shows the design of the system, which records daily trade volumes. The information is centralised and analysed in Lusaka and a bulletin is produced and distributed through the region.

The design and development phase ended in June. And we are now in the third phase of evaluation and assessment, looking at the effectiveness, cost and coverage of the system. We are also assessing the sustainability of central processing in Lusaka.

The second set of results will soon be available on the web site [URL?]. We are assessing whether governments are interested in taking over the system and whether the SADC and COMESA can take it over at regional level.

Analysis of the trends show that a lot of maize is going from Mozambique to Malawi and that it does not just go to border areas. Trade in rice is fluid from Tanzania to Malawi and back depending on prices. Some of the rice is produced locally but most of it comes from Thailand.

At the moment we are concentrating on monitoring rice, maize and beans but we have asked the border monitors to monitor any other staples. Wheat is important for Zimbabwe.

## **Discussion**

- Is the higher volume from July to August due to the monitoring system coming on line or because those staples were traded more in those months?

The system went live in July and this is the peak of the marketing season for the region. We expect a decline by October.

- Are the maize and other commodities being traded from the current season or from the previous season?

We don't know whether this is the current or previous years' production. We were initially only planning to monitor in season but decided to monitor through the year to see whether it was worth it.

- Is FEWSNET working with governments on what this data means entails and how to use it? In other words is it engaging in policy discussions with governments? Mozambique has expressed concern about the volume of informal trade.

At present we are not working with governments to use the data but that is the intention. We hope the information will not be used to curb informal trade.

We will be having a policy discussion with NEPAD next week. Most African countries are looking closely at trade.

- How far does the system track rice and other staples in terms of their sources and destinations?

We don't attempt to track where food comes from and where it goes. Maybe other studies can try to understand these links.

- Does the system look at margins and prices?

We have not looked at the prices

- Is there any monitoring of South Africa's borders, a lot of people come and go from Mozambique?

As far as trade with South Africa goes we are not monitoring Beit Bridge although it is very important. But the situation there is totally different with bakkies rather than bicycles used for transport and it is not really possible to know what is in the bakkies.

- Given that there are too many border crossings for you to monitor them all how do you estimate the total flow of trade?

We only know what we are reporting on. We don't know what the total is and we don't pretend that what we are monitoring is the total figure. The intention is not to count every bag but to show the importance of the informal trade and its contribution to the food economy.

- In the case of Zimbabwe there is a considerable amount of traffic that does not go through border posts.

Food that does not go through formal crossing points is smuggled across the border and we do not have the resources to monitor this. What we are monitoring is the small amounts that are not attracting border levies. If someone brings a whole truck through they have to pay duty and this gets recorded.

- Why is grain not moving south in Mozambique? If a bridge is built and transport costs come down perhaps trade with southern Mozambique will increase?

After initial visits to crossing points we came to conclusion that most food in southern Mozambique moves through formal channels and is already recorded. Recent assessments at the border between Mozambique and Zimbabwe indicated that because of the strict controls grain is not crossing in to Zimbabwe but is going further south internally. You are

only allowed to bring one 50kg bag into Zimbabwe free. After that you have to pay Z\$4 a bag.

- Are the border points that have been chosen the most significant so that the monitoring is capturing most of the trade?

This was one of the points looked at in the initial study to ensure that we placed monitors at the most important crossing points.

- It should be possible to measure the flow because the importance of border points changes as situations change, even things like who is the head of customs at the point. Situation is not static.

We are monitoring the most active border posts but we have also put monitors on some of the inactive points to see what happens there.

- We need to be able to work out what is happening with trade and what incentives are involved.

It seems that the strict controls in Zimbabwe are preventing informal trade.

- Has the analysis looked at price fluctuations as a result of food crossing borders? We have started to look at this in Malawi.

The latest report has started looking at prices at borders. We will need to look at fluctuations over time. We have also looked at prices for this report. For example there are reports that in Zambia you can't even sell food that has come across the border.

- Is there any idea of what percentage of trade is going through informal channels, or will that only emerge with time from the project?

At the end of the marketing season – around January we will see whether we have captured a significant portion of the trade. We are looking for more partners so that we can cover more of the border points.

Though we do not know what percentage we have captured we have been able to improve the assessment and analysis of food supply and the response. We have captured around 40 000 tons.

Information on formal imports into Malawi is not available.

- How do you separate seed and grain?

This does not matter in the final analysis.



## **Concluding Session – Where to from here?**

*Chair: Sue Mbaya (SARPN)*

The discussion focused on four areas:

- Future discussions
- Gaps
- Partnerships
- Platform for new studies

These are dealt with in greater detail below.

A number of themes recurred throughout the discussions. Prominent amongst them were the humanitarian aid-development continuum / divide, the need for better understanding of how food and other markets relate to vulnerability, and how to achieve greater policy impact.

On the latter point the discussion emphasised that:

- while good evidence based research is essential, to impact on policy processes you have to understand the interests involved and how the processes work.
- we need information specific to the region and cannot rely on the information from the Great Lakes region.
- to influence policy makers information needs to be captured in accessible format.

### **Future Discussions**

*Humanitarian aid-development continuum / divide*

This has conceptual, institutional, logistical and time-scale elements

Issues include:

- What are the links and what are the differences?
- developmental food security
- A longer term holistic approach
- differences in geographical and time scale between humanitarian and development interventions

*Social safety nets*

Issues include

- The different views on the part of governments and NGOs on the issue
- What is available on the work being done in Malawi and Botswana on social safety nets?
- Is it available in an accessible form?

*A livelihoods focus as opposed to food needs (CORE analysis)*

*The dichotomy between food security and development crises and how to respond*

*The differences between chronic / recurrent food insecurity and transitory food insecurity*

*Evaluation of interventions; dissemination of debate and of lessons learned (especially to governments)*

Issues include

- How do we disseminate debate on these issues?

*Cash for work and other forms of cash transfers*

UNICEF will be producing an in depth study of this issue in the region. Cash for work has been tried before and was dropped because there did not appear to be direct benefits. We need to analyse why this was and how to make cash transfers effective. For example they may not be appropriate in high inflationary environments

*HIV and AIDS*

This needs to be taken into account but not overemphasised. It exacerbates vulnerability but there would still be problem without it.

## **Policy impact**

Issues include

- Who are we addressing?
- Are we targeting information accurately?
- How are decisions being made?
- What are the interests involved?
- To what extent is evidence-based information being used in policy formulation?
- How can we ensure that it plays a greater role?
- What other forces play a role?
- Who is responsible for implementing policy and how are they involved in information networks?
- How do we engage with the policy making processes?
- Do VACs provide enough information at present to mould interventions?

## **Gaps**

*Market analysis*

This came up in a number of contexts as an area that needs more work. Issues include food systems and trade and the impact of food aid on markets.

*Modelling agricultural trade and food security systems*

*Remittances*

*Stakeholder gaps*

These include the agricultural technical support and early warning sectors.

*Accessible information*

Food security policy briefs and case studies that can help to inform players and move policy development from food production to broader food security issues. ODI series of policy briefs contains relevant information.

### *Information dissemination*

How can we create greater awareness of the issues amongst stakeholders and public in the region and in donor countries?

### **Partnerships**

A range of actors are converging along similar lines of thinking. How can they be linked in order to take the debate forward and impact on policy and practice?

As regional bodies how do we engage at national level with governments and other stakeholders?

We also need to improve links with SADC and its agencies and other regional bodies.

The consensus was that SARPN and RIACSO should play a lead role in taking discussions forward but they should also look to include other bodies listed below.

RIACSO is providing a forum to bring people together to discuss issues and to assess and evaluate reports from agencies. It does not include all players, for example government.

SARPN can provide access to material through its website and has good distribution networks. It also has links with SADC.

We need to include other players, especially government and SADC. How best to do this?

FANRPAN provides a possible link to SADC. Will have to tread carefully to avoid possible sensitivities around who convenes whom.

### **Broader Debate / Platforms**

There are a number of ongoing studies in the region that will be coming out soon and need platforms that ensure in depth debate and engage a wider range of players, especially governments in the region.

#### *Conference 2005*

A conference next year could provide a platform that would help to agencies to take the next step.

Relevant ongoing research and policy processes include:

- ODI work on modelling food systems. Its policy briefs are a useful resource on many relevant issues.
- SADC social security policy. This has involved discussions with trade unions in the region.
- UNICEF study on cash transfers
- DFID Hunger and vulnerability programme

What other ways are there to take these issues forward?

