

*Report of
Final
Evaluation*

Market-Based Food Assistance Pilot Project- Pidie and Lhokseumawe Districts, Banda Aceh Save the Children Indonesia, Banda Aceh

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EXECUTIVE SUMMARY

Background: From February-April 2006 Save the Children Indonesia implemented a pilot project, in selected barracks and villages in Pidie and Lhoksuemawe program areas in Aceh, to test an alternative model for providing assistance to food insecure households. Premised on the distribution of commodity vouchers and cash entitlements to 4825 beneficiaries, this pilot was conceived and designed to test the feasibility and practicality of a market-based approach to delivering food in the context of post-tsunami Aceh.

WFP had been providing a monthly food ration to persons displaced or otherwise affected by the December 26, 2004 earthquake and tsunami; Save the Children, as an implementing partner, was distributing food to over 90,000 people at the time of the pilot. Prior to this, research had been showing the source of this insecurity in much of Aceh was no longer food availability. In such areas, food was readily available in local shops and markets, prices were stable and reasonable, and a supply chain was functioning to keep shops stocked. However, most IDPs and host households were unable to take full advantage of the market due to lack of cash. In light of this, SC believed an efficient way to help assure food security for affected households would be to increase their buying power to purchase local foods.

The content and value of the entitlement was estimated on local dietary habits and the cost of basic foods in the local market. Each month beneficiaries received vouchers for 10 kg of rice, 1 kg sugar, and 1 kg of oil, which were redeemable from local vendors. In addition, each beneficiary received a monthly cash supplement of 50,000 Rp (US\$ 5.26).

Main Finding: *The voucher redemption program utilized by Save the Children to test the feasibility and practicality of a market-based approach to delivering food for disaster-affected households in Aceh has proven to be remarkably effective. The choice of a voucher system utilizing local vendors to supply basic food commodities, coupled with cash entitlement disbursements, has been shown to meet established project goals. Not only has the food consumption of targeted beneficiaries met acceptable standards of quality and quantity throughout the pilot duration, the SC MBFA system has shown great potential to be an efficient and cost-effective transitional strategy to move away from general food delivery distributions- provided certain market and economic criteria are met.*

Results:

- The food items provided through the MBFA pilot were seen to be both adequate and appropriate. The vouchers were well received by the beneficiaries and enabled access to food items that are a staple in Acehnese culture. Survey data shows that the voucher commodities were overwhelmingly used at home (and not sold), that the MBFA entitlements (food and cash) provided a significant portion of household consumption needs, and that over the course of the pilot most households did not experience food deficits.

- The entitlement mix (of cash and food vouchers) proved to be an effective and efficient means of enabling a relatively filling and culturally acceptable diet for the tsunami-affected populations in the program. *It is highly recommended that any future MBFA programming consider a mix of cash and voucher entitlements to meet the food delivery needs of the program.*
- Cash disbursements and expenditures were relatively well documented using quantitative and qualitative measures. While not statistically valid, the data clearly indicate that the predominant use of the cash was to provide food security for the households of the participating beneficiaries. No evidence suggests it was a disincentive for work, nor was a significant portion seen to be diverted to non-essential, non-food uses.
- Cash enabled the purchase of a range of nutritious foods to supplement the voucher commodities. Critical to this success was the fact that by ‘giving people ownership of the process’ it enabled them to access their preferred foods; in a sense meeting both dietary needs and aspirations.
- Besides food, the transport of food, or kerosene to cook food, the largest diversion that could be substantiated was to support the education of the beneficiaries’ children. This came in the form of providing transport money for their children to attend school on a daily basis and/or money for their children to purchase food during the school day.
- The amount of cash was pivotal in allowing the beneficiaries to transport their commodities from the vendors back to their villages or barracks.
- None of the beneficiaries interviewed expressed any sense of dignity loss or ridicule. Most of the beneficiaries stated just the opposite: that the vouchers and cash enabled them a sense of freedom and ownership that they were not experiencing during the general food distributions. The evaluator saw no signs to suggest that the cash and vouchers acted as any sort of systematic disincentive for people to seek work.
- The evaluator strongly believes that the pilot system could work at a much larger scale given that the underlying criteria (see **Feasibility** section) have been met. With a stronger emphasis on building the monitoring and evaluation capacity of the MBFA staff a key prerequisite, Save the Children would be well-positioned to leverage their already considerable skills in general food distribution with their newfound skills in MBFA management to effectively run a larger market-based program.

1. INTRODUCTION

This report represents the findings of a final evaluation undertaken for Save the Children Indonesia/Banda Aceh of its Market-based Food Assistance (MBFA) Pilot Project carried out in Pidie and Lhokseumawe districts in early 2006.

For 3 months, from February-April 2006, SC/BA implemented a pilot project, in selected barracks and villages in Pidie and Lhokseumawe program areas, to test a model for providing food assistance by improving economic access of beneficiaries. This pilot was conceived and designed to test the feasibility and practicality of a market-based approach to delivering food assistance in the context of post-tsunami Aceh. The model is based on and was a replication of CARE's similar pilot project undertaken in the Ulee Kareng sub-district of Banda Aceh area in late 2005. There has been much written on the theoretical benefits of market-based approaches and many experts advocate the use of vouchers or cash instead of food to help disaster-affected households. However, there have been very few practical experiences; 'best-practices' have not been well documented. This pilot, therefore, was an important chance to add to the global evidence base, and to learn if a successful market-based approach was possible in the current context of Aceh.

The pilot offered an opportunity for learning about alternative mechanisms for providing assistance to food insecure households in food surplus areas. Themes to be studied within this evaluation include household decisions on the use of vouchers and cash, the degree to which this mechanism assures adequate food consumption, cost-effectiveness and satisfaction levels of beneficiaries and vendors. If this model proves successful, and if it compares favorably to direct food distribution, an expanded intervention will be designed for other areas in which the conditions are conducive to market-based approaches.

2. BACKGROUND & CONTEXT

WFP and its implementing partners have been providing a monthly food ration to persons displaced or otherwise affected by the December 26, 2004 earthquake and tsunami. Save The Children has been distributing food in Pidie, Bireun, Lhokseumawe, Aceh Utara, Aceh Tamiang, Langsa, Lankat, Binjai, Pulo Aceh and Sabang districts in Nanggroe Aceh Darussalm (NAD) Province, serving over 90,000 food insecure people at the time of the MBFA pilot. Ongoing research showed that by mid-2005 the source of this insecurity in much of Aceh was no longer food availability. In such areas, food was readily available in local shops and markets, prices were stable and reasonable, and a supply chain was functioning to keep shops stocked. However, most IDPs were unable to take full advantage of the market due to lack of cash. For them, access was the main constraint to food security and the problem that this pilot project attempted to address. In such areas, an efficient way to assure food security of affected households was thought to be by increasing their buying power for the purchase of local food.

To better understand the context of Banda Aceh and to test the viability of a switch from direct food delivery to a market-based approach, research was conducted by SC staff to

determine whether certain basic criteria were met in any of Save the Children operational areas in Pidie and Lhoksuemawe. Factors considered included: adequate food availability, functioning markets and market infrastructure, stable prices, safety and security, and supportive attitudes of potential beneficiaries and commodity vendors. A number of villages and barracks within Pidie and Lhoksuemawe Districts were chosen as sites for the market-based pilot as food was readily available in local shops, prices were stable and reasonable, and a supply chain was functioning to keep shops stocked. Needs assessments undertaken at these sites identified approximately 4800 people who were in need of continued assistance.

Nature and Size of Entitlement

The entitlement was composed such that it would be adequate for fulfilling monthly food needs, replacing the value of the WFP ration which all 4800 targeted beneficiaries had been receiving since the tsunami. Options for providing market-based food assistance were discussed with a variety of stakeholders, including beneficiaries. Three scenarios were ultimately considered: vouchers only, cash only and a voucher/cash mix. Vouchers-only would severely limit the food items that could be provided, and cash-only was not acceptable to Save the Children and WFP. Beneficiaries also felt that a lump sum cash payment would likely be diverted to other major household expenditures, perhaps leading to food shortages late in the month. The third option was judged to be the most likely to achieve project food security objectives and was therefore chosen. It was felt by SC project staff that a mixed entitlement provided the added benefit of allowing for deeper understanding of the utility of both vouchers and cash for providing food assistance.

The content and value of the entitlement was roughly estimated based on local dietary habits and the cost of basic foods in the local market. In this pilot, each targeted beneficiary received vouchers for 10 kg of rice, 1 kg sugar, and 1 kg of oil. These three items are important parts of the local diet, sold in all shops, and were therefore deemed suitable for a voucher purchase. In addition, each beneficiary received a monthly cash supplement of 50,000 Rp (US\$ 5.26), the use of which was at the discretion of the recipient (though during the distribution process SC offered a written suggestion that beneficiaries use it for other complementary foods such as fish or vegetables, or condiments). Total value of the entitlement was approximately 111,500 Rupiah/person/month (or US\$11.75). This was roughly a 45% increase in the value of the extant WFP general food distribution (GFD) ration but less than reported average per capita monthly food expenditures.

3. OBJECTIVES & PURPOSE OF THE EVALUATION

As per the TOR, the objectives of the evaluation were to:

- Determine the relative success (efficiency and cost-effectiveness) of the pilot model in providing food assistance using a market-based approach.
- Provide SC and other stakeholders in Aceh with recommendations for future programming

i. EVALUATION METHODOLOGY

Document Review: the evaluator reviewed a number of documents provided by Save the Children, CARE, and other stakeholders. Additionally, a desk review of current literature on the use of vouchers and cash-based programming in humanitarian, transitional and development settings was undertaken to understand key questions, controversies and existing experiences in the field (see Appendix D for references).

Interviews with Key Stakeholders: Aside from the MBFA Program Manager (who was out of country at the time of the review), the evaluator had access to all other MBFA staff throughout the evaluation. Several meetings with MBFA field-based staff in the districts of Pidie and Lhokseumawe were held during the course of the evaluation, along with informational discussions with district and provincial SC Finance Managers.

An interview was held with Dihya Ihsan, Assistant Project Manager for CARE's Banda Aceh MBFA Pilot, on 22 July to discuss outstanding questions, issues and lessons learned from the CARE MBFA pilot, and how they may or may not have impacted on the success of the SC pilot.

Open-ended semi-formal interviews were held with participating and non-participating vendors and beneficiaries of the MBFA program, including village leaders and barracks coordinators. Additionally, beneficiaries in the MBFA program served as informational sources for feedback on the World Food Program (WFP)-supported direct delivery food distribution program (hereafter referred to as GFD- general food distribution).

Analysis of Data: The evaluator was provided access to all existing SC monitoring and survey reports. The most relevant were the End of Project Household Survey (EPHS), the Monthly Beneficiary and Vendor Surveys, and the Daily Consumption, Income and Expenditure Log. MBFA accounting records, beneficiary distribution lists and other SC project documentation were also analyzed.

Field Visitation: The evaluator spent time at SC Banda Aceh offices 19-20 July, interviewing staff and reviewing pertinent project documentation.

21-24 July- the evaluator spent in Pidie District. Discussions with Pidie MBFA staff and district management. Review of district accounting and survey information. Site visits to Rawa Gampong and Pasi Rawa villages and Peukan Baroe, Kuala Pasi and Balee Musa barracks were organized. Semi-structured interviews with beneficiaries were undertaken at each site. Vendors from each site were contacted and interviewed.

25-28 July- was spent in Lhokseumawe District. Discussions with Lhokseumawe MBFA staff and district management. Review of district accounting and survey information/data. Site visits to Pusong Lama, Pusong Baru, Keudee Aceh, Blang Teu, Jambo Timue and Jambo Mesjid villages were organized. Semi-structured interviews with community leaders and beneficiaries were undertaken at each village. Vendors servicing each site were contacted and interviewed.

29-31 July- Banda Aceh. Final document review and write-up of project evaluation.

Composition of the Evaluation Team: The team consisted of one individual, Thomas Cole, a technical Food Security/Livelihoods Specialist in the Hunger and Malnutrition Unit (HMU) of Save the Children/US. An Indonesian consultant was supposed to join the evaluation team but was forced to cancel at the last minute.

5. FINDINGS & CONCLUSIONS

The findings of the evaluator were derived through a mix of qualitative and quantitative methods as detailed under the **EVALUATION METHODOLOGY** section above. As the SC MBFA pilot was a replication of a CARE MBFA project piloted a few months previously, there were many similarities in the conclusions drawn from the two projects. Where this took place an effort was made to acknowledge them, along with attempts to draw distinctions between the findings or operational structure of each of the projects being evaluated. In order to facilitate a comparison of the CARE and Save the Children MBFA pilots, the format of this evaluation is based on the format of the final CARE MBFA evaluation. Recommendations are made throughout the document and are *shown in italics*. A larger list of recommendations follows the main body of text.

Overarching Finding and Conclusion:

The voucher redemption program utilized by Save the Children to test the feasibility and practicality of a market-based approach to delivering food for disaster-affected households in Aceh has proven to be remarkably effective. The choice of a voucher system utilizing local vendors to supply basic food commodities, coupled with cash entitlement disbursements, has been shown to meet all project goals. Not only has the food consumption of targeted beneficiaries met acceptable standards of quality and quantity throughout the pilot duration, the SC MBFA system has shown great potential to be an efficient and cost-effective transitional strategy to move away from general food delivery distributions- provided certain market and economic criteria are met (as outlined below).

Feasibility:

The CARE final evaluation team did a laudable job in their analysis of the conditions that need to be met before an MBFA program could, or should, be thought of as a viable strategy. This section on feasibility is drawn verbatim from their report:

‘In line with the overarching finding and what we consider to be the overall success of the MBFA in terms of its ability to efficiently deliver food aid, it would appear to be an extremely feasible and workable model for replication. That said: it is not workable everywhere and will probably function only where certain conditions permit, namely:

- Sufficient local production of the food commodities to be distributed.
- The location of shops relatively close to the beneficiaries.
- The ability of vendors to carry sufficient inventory to service the number of beneficiaries in a given distribution area.
- Existence of transport and the infrastructure to supply the shops and for the beneficiaries to obtain and carry the ration.
- Ability of the vendors to be provided commodity on credit for the period needed to reconcile vouchers and make payment to them.
- Relative security in terms of carrying cash and vouchers to distributions, particularly cash.
- An operating bank wire transfer or banking system to make payments to vendors.
- Relative stability of the prices of food commodities to be distributed.
- Willingness of the beneficiaries and vendors to participate.’

Cost-Effectiveness:

An MBFA system of using vouchers and cash is a highly cost-effective way of delivering food to beneficiaries. This was demonstrated in the findings of the CARE MBFA Final Evaluation and in a number of other recently published or circulated documents highlighting the experiences of other agencies operating similar programs¹. The findings from this pilot are not as definitive, yet they still suggest the potential for MBFA programs to be far more cost-effective than direct delivery programs when operated at similar beneficiary capacity or scale. Comparisons and analysis of administrative and support costs between the two approaches from one area in Aceh (Lhokseumawe) suggest that as programmed over the same 3 month period, Save the Children-managed general food distribution was more cost-effective than the SC MBFA delivery system (see **Economic Impacts- Cost** section in narrative). The caveat in this comparison is the low beneficiary/higher staff ratio of the MBFA pilot: greater start-up and operational costs were realized for a relatively small number of beneficiaries (2432 of the total pilot figure of 4825). If the program were operated at greater scale then those operational costs would be significantly lower. And, as rightly pointed out in the CARE evaluation, the financial figures for most GFD programs (including the ones the author utilized in this report) seriously underestimate the true costs associated with the procurement, inland transport, handling and reporting on the commodities even before they enter the hands of SC’s distribution team. When viewed in this context the voucher and cash disbursement mechanisms of the MBFA program would seem the more cost-effective and efficient means of delivering food to affected populations.

¹ Harvey and Savage

Questions & Topics Outlined in the TOR:

INPUT/OUTPUT LEVEL:

Entitlement Composition:

- Evaluate the types and amounts of food provided through vouchers.

In relation to the stated aims of the program and the needs of the beneficiaries, the food items provided through the MBFA pilot were both adequate and appropriate. Composed of rice, cooking oil and sugar, the vouchers were well received by the beneficiaries and enabled access to food items that are a staple in Acehnese culture. **Survey data shows that the voucher commodities were overwhelmingly used at home (and not sold), that the MBFA entitlements (food and cash) provided a significant portion of household consumption needs, and that over the course of the pilot most households did not experience any type of food deficit.** These main points were echoed both in final evaluation interviews with beneficiaries and in monthly monitoring reports from the MBFA pilot.

Evaluating data from the End-of-Pilot Household Survey² (EPHS) 99% of the beneficiaries felt that, given the choice to change the composition of commodities (either eliminate or substitute for another food item) from rice, cooking oil and sugar, no change should be made. This feeling was supported through interviews at every distribution site in both districts expressing contentment with the choice of commodities. Lessons had been learned from prior WFP-funded general food distributions (GFD) in tsunami-affected areas that canned fish and, to a lesser extent noodles, were not well received in many areas throughout Aceh³. Canned fish was ultimately stopped in GFD rations in the area, and noodles and biscuits were replaced with sugar in the MBFA voucher program. The cash supplement was designed to meet other basic food needs of the households.

The rice in the MBFA pilot was considered far superior to that received in GFD rations. Almost every person interviewed in Pidie and Lhokseumawe districts had very strong opinions on the quality of the locally produced, commercial variety of rice, *Tangse*. Most local vendors carried *Tangse* and those participating in the MBFA pilot were often able to provide it when beneficiaries came to redeem their vouchers. In the EPHS, 82% felt that the rice they received was 'excellent', 16% felt it was 'average', and no reports of poor quality rice. 98% of those surveyed consumed the ration of rice at home (as opposed to selling, trading, storing or giving it away)

² The End-of-Pilot Household Survey was conducted at the close of the program. 200 beneficiaries, 100 from each district, were chosen through random selection to take part. The results of the EPHS are included in this report as Appendix E.

³ Anecdotal input from village and barrack residents as well as program staff suggest that over 50% of the distributed canned fish was being resold by GFD beneficiaries in the months preceding the MBFA pilot; people much preferred fresh fish. In response to such widespread reports (and criticism), WFP eventually dropped canned fish from its commodity list in early 2006. SC continued to distribute the stock it had in its warehouses through April 2006.

The MBFA pilot vouchers provided 1 kg of cooking oil, as opposed to the 0.6 kg provided in the GFD ration. However, the quality of the GFD cooking oil was considered better than what they received with the voucher (and the WFP-supplied GFD oil was fortified; the market-sourced vegetable oil in the MBFA pilot was not). Some beneficiaries felt that receiving more oil was a trade-off for the lesser quality. Still, 80% rated the MBFA oil ‘excellent’, while 20% rated it ‘average’. There were no reports of poor quality oil. 98% of those surveyed said that in a given month they consumed the oil at home.

The MBFA pilot provided each beneficiary a voucher for 1 kg of sugar. 82% felt they received ‘excellent’ quality sugar over the three months, while 18% rated it ‘average’. There were no reports of poor quality sugar distributed. 99% of those surveyed said that in a given month they consumed the sugar at home.

An interesting insight noticed in final evaluation interviews was that a number of people expressed satisfaction that the MBFA provided a fixed ration size over the three months, as opposed to GFD rations which tended to fluctuate in composition and quality. In some communities this was an important topic and it provoked lively discussions. **Given the massive degrees of instability or uncertainty coming out of the tsunami it is important to see that something as seemingly innocuous as a stable ration size could be counted on as a type of psychosocial support.**

- Evaluate the amount of cash provided.

One of the more important results coming out of the SC MBFA pilot was that the uses of the cash disbursements were relatively well documented using quantitative and qualitative measures, and that the cash predominantly was used to provide food security for the households of the participating beneficiaries.

The amount of the cash disbursement in the SC MBFA pilot- 50,000 Rp (US\$5.26) per beneficiary per month- was derived from the original CARE MBFA project design assessment. That figure represents the approximate difference between the market value of the food ration and the cost of a complete monthly food basket.⁴ It is the evaluator’s opinion that this was an adequate amount to help provide the balance of a nutritious and food secure diet for those participating in the pilot. There was no evidence to suggest it was a disincentive for work, nor was a significant portion seen to be diverted to non-essential, non-food uses.

Given that the MBFA food vouchers supplied just $\frac{3}{4}$ of beneficiary monthly caloric needs (based on the WFP-supported level of 2100 kcal per person per day), 44% of monthly protein, and $\frac{1}{3}$ or less of most micronutrients (calcium, iron, iodine, Vit A, thiamine,

⁴ CARE MBFA Pilot Programme “Report of Final Evaluation”

riboflavin and magnesium)⁵, it was important for the cash component to provide the remainder of household food needs- both in terms of protein energy (total kilocalories) and micronutrient content. EPHS data suggest that the cash, coupled with the vouchers, enabled participating households to greatly increase their consumption of supplementary food items over pre-pilot levels to cover this nutrient gap. When asked if the vouchers and cash had affected their household consumption patterns over the pre-pilot period,

- 67% had consumed more fruits and vegetables
- 73% had consumed more fresh fish
- 69% had consumed more eggs
- 28% had consumed more milk
- 26% had consumed more meat

The amount of cash was also pivotal in allowing the beneficiaries to transport their commodities from the vendors back to their villages or barracks.

- How do food, vouchers, and cash compare as alternatives to assisting food insecure households in Aceh?

There has been much written on the beneficial uses of cash programming in emergency and post-emergency settings⁶, particularly in regards to livelihood support. There is also a growing body of literature comparing the advantages and limits of cash transfers in lieu of direct, or in-kind, food distribution⁷ in such settings.

A key strategic decision of the MBFA pilot program was the use of a mix of commodity vouchers with a cash entitlement. The lack of established livelihood or income generating activities, remittances, or other methods of income within the participating barracks or villages meant that many beneficiaries were reliant on the MBFA program for the bulk of their nutritional needs. Had the program just distributed commodity vouchers (providing only cash was never a viable option) there may have been a strong chance that beneficiaries would not have had the financial means to access complementary foods nor the spare money to transport their commodity entitlements from the vendors' shops each month. End of Pilot Household Survey (EPHS) data show that for 80% of program

⁵ See Appendix A- Nutritional Values of MBFA Voucher Commodities. These figures were derived using NutVal 2004a, a form of software developed by WFP and UNHCR to calculate the nutrient composition of distributed food commodities.

⁶ 'Food vouchers are most commonly justified if the aim of the program is to meet nutritional needs, in which case vouchers guarantee the purchase of food in appropriate quantities and of appropriate quality.' Page 23 in Pantaleo Creti and Susanne Jaspars, *Cash-Transfer Programming in Emergencies*, Oxfam GB, 2006.

⁷ see N. Edirisinghe, 'Anticipation of the Effects, Comparative Advantages and Limits of Proposed Cash Transfers in Lieu of Food in Sri Lanka's Tsunami-related Emergency Through the Use of Specific Assessments', SENAC project, WFP; see also any of Paul Harvey's recent work on cash-programming.

beneficiaries the voucher and cash entitlement provided for 75% of their monthly food consumption, and that for 94% of the beneficiaries the entitlements covered at least half of their monthly food needs.

Looked at from another angle: for over half of the beneficiaries in the program the cash entitlement represented at least 75% of their household's monthly cash income; for 90% of the respondents in the survey the cash disbursement provided at least half of their monthly household income. These figures and others cited in the preceding sections suggest that the mix of entitlements worked effectively and efficiently to provide a relatively filling and culturally acceptable diet for the tsunami-affected populations in the program. *It is highly recommended that any future MBFA programming consider a mix of cash and voucher entitlements to meet the food delivery needs of the program.*

Collaboration with Vendors:

Developing an effective system of markets and vendors is essential for the success of any MBFA program. The evaluator found that SC staff in both Pidie and Lhokseumawe districts were highly successful in meeting this objective: in assessing and monitoring market conditions and prices; selecting and properly orienting vendors; and in implementing relevant M+E tools to ensure the timely and smooth redemption of vouchers within the shops, post-redemption reporting by vendors, and the reimbursement payments by SC to those vendors.

MBFA staff carried out the pilot in 3 stages each month: pre-distribution, distribution, and post-distribution. Contact and collaboration with vendors primarily took place in the pre- and post-distribution phases. Prior to distribution team members undertook market price surveys, assessed the stock and preparation of commodities in participating shops, reviewed contracts with the vendors, and supplied them with a master list of beneficiaries and corresponding voucher numbers (which enabled vendors to know exactly how much of the commodities they had to stock and package). This information was then cross-referenced with SC lists developed during distribution of the cash and vouchers. Post-distribution, staff daily monitored voucher collection at the vendors and provided support if needed for the vendors to complete their reports for SC finance to get reimbursed.

- Is the system modeled workable or can it be made workable?

The voucher redemption process was a resounding success. There were, however, *a number of key components which made the system workable, without which the system could just as easily have failed. Some of these components were:*

- *a signed contract between the vendor and SC clearly stipulating prices, responsibilities and payment timetables*
- *sustained MBFA staff interaction with and monitoring of vendors*
- *adequate assessment data which clearly demonstrated that important market, commodity availability, and vendor criteria were in place prior to program start-up.*

As spoken of earlier, this latter point is essential to understand when evaluating the viability of a program to be scaled up or transferred to other geographic areas.

- Evaluate the process and selection of the vendors

Following the MBFA Implementation Plan, SC staff undertook vendor surveys of the markets in proximity to the barracks and villages of beneficiaries. Vendors were then invited to a meeting held in the office of the local sub-district government, during which the MBFA pilot and the eligibility criteria were explained in detail.

One of the strengths of the program derived from the detailed criteria that vendors had to meet to join.⁸ It is the evaluator's belief that this was an important factor in meeting program goals. Yet these same criteria (or the initial description of them to potential vendors prior to the start of the pilot) may have overly narrowed the vendor applicant pool as a number self-selected or opted out of applying who, in hindsight, could certainly have managed the program. This was apparent in interviews with two non-participating vendors in both districts. Although a visual inspection of their shops suggested ample capacity, both vendors cited a fear of not meeting the pilot criteria as reasons for not applying. During the pilot both realized that their fears were unfounded, though by that time it was too late to join. This point was supported by the observations of four participating vendors who each independently cited (a) fear of not getting repaid, and (b) fear of not meeting vendor criteria as the two main reasons why neighboring businesses did not apply. It was felt by the evaluator that many more vendors in both districts could have participated in the program.

- Did the voucher redemption process work as planned?

Yes. EPHS data show that for all three commodities, beneficiaries reported that vendors had the correct product and quantity of product nearly 100% of the time, which suggests a reliable flow of information and communication between MBFA staff and participating vendors. This data is supported by qualitative interviews with beneficiaries at all 11 sites in which only positive comments about the vendors emerged (*'the vendors were polite and helpful,' 'We did not experience any problems with them. Most were very nice. One even let us trade lesser quality rice for better.'*) Most vendors interviewed felt a strong sense of commitment to the program- both from a business angle and from a desire to help in the reconstruction of Aceh. The fact that **all vendors had significant financial capital invested in initially stocking the first month's commodities** also played a major role.

- What did not work and why?

⁸ Participating vendor criteria: (a) are enthusiastic, (b) stock and sell rice, oil and sugar, (c) have adequate storage, (d) have adequate security, (e) have, or will open, a bank account, (f) have an official business license, and (g) they have a business relationship with reliable suppliers

Apart from some minor instances of confusion during the first month's redemption process, there were no significant issues reported of the process not working.

Information/Sensitization:

- Adequacy and timeliness of information shared with local partners and beneficiaries.

According to EPHS data, 97% of the beneficiaries found that the information provided by SC on the project (size/nature of entitlement, procedures, location of vendors, etc) was good.

Interviews with 10 vendors during the final evaluation (of 37 total that took part in the pilot) also saw a similar response. Several felt that such information sharing by SC staff enabled them to respond adequately to any issues or questions that beneficiaries had about the commodities or the redemption process. Most felt satisfied with their relationship to SC and expressed that the written and signed contract ensured that information concerning financial and commodity issues was dealt with promptly. There were no reported instances picked up in pilot monitoring which would suggest a problem with information sharing nor were any issues raised in final evaluation interviews.

Fluidity of Financial Systems:

- Was distribution to beneficiaries prompt and orderly?

The evaluator was not able to witness any of the distributions, though reports from those interviewed clearly demonstrate beneficiary satisfaction with the speed and ease of the voucher and cash distribution. On distribution day identification cards were checked against a SC program list, with beneficiaries either signing or using a thumbprint to receive their cash and voucher. One household member was able to collect for her/his entire household, a fact which invariably helped to speed up the distribution. It should be noted that most of the opinions expressed were in the context of comparing the MBFA distribution with their experience of GFD. In opposition to the lengthy (*'the GFD took much of our time, usually part of a whole day'*) and congested (*'the GFD was often crowded,' 'It made us feel uncomfortable'*) conditions apparent on GFD days, all respondents were forthcoming in their feeling that the MBFA voucher distribution was far more efficient (*'vouchers were easier to handle'*) and quicker (*'we spent 45 minutes getting the cash and vouchers while we could spend up to 8 hours for GFD'*).

- Did system for cash disbursement work safely and efficiently?

All beneficiaries in interviews with the evaluator stressed that they experienced no security problems upon receipt of the cash disbursement. This was also seen in the EPHS (D5) with 100% of respondents citing no problems at all when receiving cash at the distribution site and transporting it home. In Pidie, SC staff arranged for two (2) uniformed policemen to be onsite during the distribution to help with security. In

Lhokseumawe SC security were used to staff the distribution sites instead of the police; the DDM felt it more culturally appropriate in that area of Aceh not to have GoI security overseeing the distribution. Given the nature and history of conflict in the region it is the evaluator's opinion that this decision most likely helped to create a 'safer' and more secure experience for the beneficiaries.

- Was reimbursement of vendors prompt and fair?

According to the contract signed between all vendors and SC (each contract outlined the same responsibilities for the parties) there was a clear reimbursement timeline, with the amount based on the agreed upon retail price for each commodity plus a 5% commission. SC was obligated to perform a bank transfer to designated vendor bank account no later than four (4) working days from the time of voucher collection (given that all supporting documentation was verified and signed off). Vendors were also given the option to be reimbursed by means of a check. During the 3 month pilot period there were no reported instances of SC reimbursing vendors outside of the agreed upon timeframe, nor were there instances of SC reimbursing vendors for less than the agreed upon price. During the evaluation all vendors interviewed expressed satisfaction with the reimbursement process.

Prior to the initiation of the program, however, many vendors had misgivings (expressed to the MBFA staff at the time and later to the evaluator) that the program did not provide them with an initial advance to stock the first months commodities in their shops. There were fears that having made the investment, SC would later renege on reimbursing them. In this instance 3 of the 8 vendors interviewed for the final evaluation stressed that ultimately the 5% commission was a fair payment for assuming this risk by making it worthwhile to continue with the program. Many of the vendors expressed the opinion that they while they received benefits from increased sales of commodities, it was this 5% commission which made it profitable for their business. Analysis of program financial data shows that for vendors in Pidie serving the fewest number of beneficiaries (117), the cost to stock the needed commodities was approximately 7 million Rp, or about US\$740; vendors who had the most beneficiaries (167) needed to invest more than 10 million Rp in stocking the commodities for distribution, or about US\$1,050. There was no way of knowing how many of the vendors were able to access credit for the first month's distribution.

- Was SC accounting efficient and accurate?

Review and analysis of SC financial account logs, monthly distribution monitoring reports, and total cash and food voucher invoice reports for Pidie and Lhokseumawe districts found relevant financial and accounting information to be clear, accessible and as stipulated in the project implementation plan.

A review of monitoring and evaluation surveys and collected information found that the MBFA pilot was not as successful as it might have been. The entire MBFA staff was

adept at compiling and tracking quantitative figures (see above), though it was apparent that skills in qualitative M+E were not as developed and encouraged during the course of the pilot. The evaluator found that most instruments in use (Daily Consumption, Income and Expenditure Log, Monthly Beneficiary Survey and Monthly Vendor Survey) were not always used or implemented in their entirety (both in terms of timing and rigor in undertaking the surveys). Upon discussions with staff in Pidie and Lhokseumawe it was clear that M+E training or preparation for the field staff had not taken place in a systematic manner beyond an explanation of the survey tools to be utilized. Further review found that the detailed MBFA M+E plan which CARE had developed had not been distributed by the SC Pilot Program Manager to the staff, and that the programs in both districts were therefore operating off of the MBFA Implementation Plan. While describing the M+E tools to be used, the Implementation Plan did not provide detail as to the correct methods concerning the timing and undertaking of the required M+E instruments. The highly informative and necessary M+E Information Matrix found in the draft CARE MBFA M+E Plan was not included in the SC MBFA Implementation Plan. Thus, most of the staff were unaware of the true extent of their accounting responsibilities, especially in regards to fulfilling the M+E expectations of the pilot.

- What improvements should be made in these systems?

See above for discussion on areas of improvement.

While the systems for monitoring and tracking financial flows were efficient, both of the districts utilized slightly different forms with which they gathered information. This made it difficult during the final evaluation to make ready comparisons between the two districts on basic indicator data. *Care should be taken therefore to synchronize accounting procedures and M+E tools across the program, especially when operating in separate areas with distinct staffing. All staff should receive training in using the same tools and forms.* This was one of the recommendations coming out of wrap-up meeting between the evaluator and the Lhokseumawe staff. This was expressed by several of the Pidie team as well at various points during the evaluation. It was felt that training in M+E and Accounting procedures should be emphasized prior to any future implementation of an MBFA program.

Staffing and Management:

As the MBFA pilot was undertaken in two districts, SC management staff consisted of two separate teams: In Pidie district there were four (4) people working fulltime on the pilot (a Project Coordinator, two Distribution Officers, and one Food Monitor), with financial and administration support provided by the SC District Finance Officer. Project oversight and supervision was the responsibility of the Pilot Program Manager who was based in Banda Aceh. In Lhokseumawe there was also a four-person team (two Distribution/Field Supervisors and two Food Monitors) directly implementing the pilot, though a full-time data entry specialist was also assigned. The Deputy District Manager (DDM) assumed the role as team leader and was responsible for the oversight and supervision of the MBFA pilot within that district. Finance support was given by the

Lhokseumawe District Finance Officer. Each of the district teams also had the support of a light truck and driver (who also worked for other sectors). There was no M+E support for the pilot, even on a district level.

- Was the pilot adequately staffed?

Based on a review of the project implementation plan, the goals accorded to each team, and the successful results of three months of distributions of cash and vouchers in each district, it would seem that the pilot was adequately staffed. Discussions with the teams in each district support this finding, as members in both Pidie and Lhokseumawe felt confident that current levels of staffing could even support greater numbers of beneficiaries and vendors. One major area that the evaluator felt the pilot was lacking was adequate staff support for M+E tools and procedures. It is the evaluator's opinion, however, that had the staff known and undertaken all of the M+E requirements expected of the project they would still have been able to successfully run the project. How many more beneficiaries and distribution sites they may have been able to handle can not be adequately determined.

One vital area for attention concerns the translation of project documents. In trying to understand why some of the tasks or processes outlined in the Implementation Plan were not adequately completed it became clear that a few of the documents were not translated from English to Bahasa Indonesian (or Acehnese) in their entirety. What appeared straightforward in the English language version of the plan was not as detailed in the translated form. *Therefore, the same rigor normally used in translating survey questions (i.e. back translations utilizing two different translators) should be applied in the translation of any project documents.* Adequate administrative support needs to be provided to ensure this (even if it is just a second person to check or verify the accuracy of the translation).

- What additional skills were required?

The needs for appropriate skills in M+E have just been discussed.

In light of this any future MBFA project to be considered should incorporate a monitoring and evaluation system⁹ that adequately provides information necessary to monitor the program's progress on a routine basis, and which assesses the program's impact on the beneficiaries' communities. As this should involve the establishment of baseline data, MBFA staff would need to be trained in baseline survey collection. Though monitoring is generally thought of as ongoing – collecting data along the way, and evaluation is thought of as the “before” compared to the “after,” ideally these two systems work in harmony. Information collected during the baseline should help to focus the program interventions, while information collected during the routine monitoring should feed into the evaluations and help guide program management.

⁹ These recommendations for increased M+E monitoring are taken from a Rapid Food Security Assessment undertaken in Feb 2006 for SC food security programming in the districts of Pidie and Lhokseumawe; the fact of similar needs suggests M+E be a priority focus.

The specific needs of the M&E system will depend on the specific interventions (i.e. cash and/or voucher composition) and on the information that SC and donors/partners deem the most helpful in gauging success in achieving goals and objectives. Once these are established, the MBFA program should ensure that appropriate staffing levels and skill sets could meet the needs. *It is recommended that for future MBFA programs monitoring and evaluation be an essential management tool (e.g. ensuring that the project and staff meet their objectives) and a means to continually feed into implementation (e.g. modifying activities based on success rate).*

- Were the monitoring systems in place to:
 - Maintain control and identify and resolve problems quickly:

All evidence suggests that SC monitoring systems were effective in maintaining control of the administrative and financial components of the pilot. Small problems that arose with vendors were acknowledged, documented, and dealt with before they may have become a major issue.

- Keep stakeholders informed:

See **Information/Sensitization** section above.

- How would the pilot systems work at a much larger scale?

This evaluator believes wholeheartedly with the findings of the CARE MBFA Final Evaluation that the pilot system could work at a much larger scale given that the underlying criteria (see Feasibility section above) have been met. An important strength and asset of the SC staff is their experience in monitoring and overseeing direct distributions of commodities to large numbers of beneficiaries. Many agencies don't have that institutional capacity readily available in their field staff the way that SC does, so scaling up a project of this sort wouldn't pose as many logistical hurdles as it might to other agencies without that experience.

As mentioned under **Staffing**, however, the program would need to have an M+E plan in place and ready to operate from the beginning of operations, with staff already having been trained. A baseline survey should be undertaken to record data at the outset so monitoring and evaluation during the course of the program have a point of reference from which to measure change.

An important issue, too, is the question of targeting when working at scale. Scaling up usually implies reaching a larger section of the population, whereas targeting implies a honing, or narrowing, of one's scope. While these methods can work together, ensuring their mutual success lies in the capacity of management and field-based staff to make the correct decisions on who to target and how best to do it as the program expands. If the conflict-affected in Aceh are a consideration for future assistance, then the needs and

aspirations of people in these predominantly GAM-identified communities should be thoroughly understood. Recent documentation suggests that ‘targeting’ is not well accepted in these areas and that communities prefer to share in the benefits of any form of intervention¹⁰.

- Would they need to be more/less rigorous, and in what ways?

It is recommended that any future MBFA program, regardless of its size, needs to be far more rigorous in its approach to documentation and reporting.

PROCESS/EFFECT LEVEL

Use of Vouchers:

- Were beneficiaries able and willing to use the vouchers as planned?

If one of the expected outcomes of the project was that beneficiaries redeem their vouchers from vendors and that the food obtained is largely consumed within the household then the project could be seen as a success.

In response during the EPHS to the question, ‘What was done most often with the vouchers?’ 86% answered that they had redeemed them for rice, oil, and sugar. 13% responded that they had exchanged them in the shop for other goods. In following up on this last response the evaluator was not able to get confirmation from either the beneficiaries or the vendors that in some cases the vouchers were being redeemed for other products. MBFA staff was also not able to verify the extent that this took place. The fact that the vendors had so much invested in the voucher commodity stock, and the fact that no financial irregularities were found in vendor accounting figures, leads the evaluator to think that this was not as widespread as reported; or that in some cases it referred to the vendor exchanging the rice voucher for another type of rice (which did happen on numerous occasions).

In terms of the use of commodities the EPHS found that in a given month:

- The rice was consumed at home 98% of the time (197 out of 200 responses)
 - The oil was consumed at home 98% of the time (196 out of 200 responses)
 - The sugar was consumed at home 99% of the time (198 out of 200 responses)
-
- What problems arose and how can they be resolved?

¹⁰ World Bank, *GAM Reintegration Needs Assessment: Enhancing Peace through Community-level Development Programming*, March 2006.

According to all estimates the voucher redemption process ran quite smoothly. A few beneficiaries spoke of some confusion as to where they should go to redeem their vouchers during the first month. MBFA staff provided further guidance during those times to orient the voucher recipients. Two vendors also spoke of some initial confusion in the first month of beneficiaries trying to redeem vouchers in the wrong shops; the vendors during those instances pointed them to the correct vendor.

Use of Cash:

- To what extent did the cash provided contribute to the food security of the beneficiaries?

One of the most important findings coming out of this evaluation is a decent understanding of what beneficiaries do with their cash disbursements. By and large the most contentious component of MBFA- at least from a donor/NGO view¹¹- the distribution of cash in Pidie and Lhokseumawe districts was critical in providing beneficiaries some means of control over their own food security. Through the End-of-Pilot Survey, Monthly Beneficiary Surveys, the Daily Household Consumption, Income and Expenditure Logs, and interviews with beneficiaries and vendors it is apparent that the cash enabled the purchase of a range of nutritious foods to supplement the voucher commodities. Critical to this success was the fact that by ‘giving people ownership of the process’ it enabled them to access their preferred foods; in a sense meeting both dietary needs and aspirations¹². In the context of general food distributions and the near-complete *lack* of control over the process by local communities or beneficiaries, this move towards cash was overwhelmingly supported by most everyone involved: beneficiaries, vendors, community leaders, and local district officials.

In response to a question during the EPHS asking beneficiaries to ‘estimate as accurately as possible the use of the cash provided by SC,’

- 60% replied that they purchased foodstuffs
- 11% replied for the purchase of cooking or cleaning supplies
- 9 % replied for the transport of food
- 9% for snacks, treats, cigarettes, etc
- 10% for other expenditures

These results corroborate comments made in interviews by beneficiaries in all of the villages and barracks during the final evaluation. During these interviews in both districts respondents described using the cash for fresh fish, eggs, vegetables (for

¹¹ Concerns of cash-transfer programs and distributing cash in lieu of in-kind food aid have been a hot topic of conversation in the humanitarian community- see Creti and Jaspars; Harvey; Harvey and Savage; ODI/UNDP Cash Learning Project Workshop in Aceh, Indonesia- Workshop Report

¹² This echoes the results of a Sri Lanka WFP assessment concerning the effect of cash transfers on the food security of tsunami-affected households (Edirisinghe): ‘Cash should allow greater diversity in the food basket in terms of types of food and quantities. The choice of food types would reflect beneficiaries’ normal preferences; the quantities would reflect the needs of the individuals.’

relish/sauce), fruit, kerosene, transporting the commodities from the vendors, and for sending their children to school (both for transport and food during the school day). **They also used the opportunity when redeeming their vouchers to purchase other food and non-food items such as onions, chili peppers, soap, shampoo, and snacks for their kids.**

In an analysis of Daily Consumption, Income and Expenditure Log survey data collected over the 3 month pilot period- in which beneficiaries had been asked to estimate as accurately as possible expenditures during the past day¹³- many of these same responses can be seen: at least 50% of the households had purchased kerosene (for cooking and light), 96% had bought food items to prepare relish/sauce, 60% had bought fish, meat or vegetables, and at least 55% had spent money sending their children to school. Although not statistically powerful, the import of these responses lies in their corroboration of earlier survey data and interview results.

- Extent of diversion to other uses (including both essential expenditures and anti-social behaviors)

Besides food, the transport of food, or kerosene to cook food and light households, the largest diversion that could be substantiated was to support the education of the beneficiaries' children. This came in the form of providing transport money for their children to attend school on a daily basis and/or money for their children to purchase food during the school day. The ability to do this was universally felt as a great importance across the pilot areas of both districts; in every conversation and interview over the course of the final evaluation beneficiaries spoke of the role of the cash disbursement in this light. Likewise, it was widely pointed out that these funds did not go to school fees or dues.

Given the conservative nature of Acehnese society under Sharia Law many of the problems associated with what could be termed "anti-social behaviors," i.e. gambling, or the purchase and consumption of alcohol or drugs, are not prevalent. The evaluator attempted to ascertain whether, on the day of voucher redemption in the shops, beneficiaries had also bought cigarettes along with their other purchases. Only one of nine vendors interviewed volunteered that some had bought cigarettes, though this type of information is hard to gather. While many people smoke in Aceh it was impossible to know if the cash was going to those ends. If so, then it is likely a small amount.

- Were there variable benefits that different household members including children derived from the use of cash?

See above, in discussion on diversion of cash to school-based needs for children.

¹³ In the actual log, the question reads "estimate the Major expenditures during the past day (value of at least 10,000 Rp). Staff in Pidie had asked the question of beneficiaries in terms of 'estimate total expenditures during past day.' Thus, although not explicitly called for in the survey, the staff was able to gather some important information on purchasing that would have been otherwise unknown.

Gender Roles

- What problems, if any, appeared related to intra-household control of the entitlement and how could the problems be mitigated in the future?

SC made a point of trying to target and distribute the vouchers and cash entitlements into the hands of the senior female of each beneficiary household. Having women control the intra-household assets deriving from cash transfers has been documented from other projects to increase not just their share of household income, but their authority in household decision-making.¹⁴ EPHS data show that the senior female controlled the cash and vouchers and made decisions about their use 74% of the time; 16% of the time they were controlled jointly between adults, and 10% of the time men controlled them. Interviews with groups of beneficiary men by the author found them to overwhelmingly support the idea of women in their communities being the ones to receive and control the entitlements. Several of them spoke to the effect that, *“In Aceh, women can manage money better than men.”* In conversations with beneficiary women there was much good-natured laughter over the question of whether or not there were any issues that men had with them controlling the cash and vouchers. Invariably the answer was no, there were not any problems: *“We are better at controlling it than they are, and they know that.”* It was also shared that for a number of households in Pidie and Lhokseumawe men would often hand over their daily or weekly income to women for safekeeping and control.

Vendor Behavior/Attitudes

- To what degree did vendors/suppliers honor the terms of contracts and serve beneficiaries fairly and responsibly?

All evidence shows that vendors honored the terms of their contracts, both with SC and with the beneficiaries. Apart from a few reported instances of not having *Tangse* quality rice in stock (which in itself was not a contractual obligation), beneficiaries were content with the service that the vendors provided. During the EPHS beneficiaries rated vendor service as: excellent 29% of the time, good 69% of the time, and average 2%; there were no reports of below average or poor service quality. As mentioned elsewhere in this report, beneficiaries found vendors to have rice, oil and sugar ready for voucher redemption 100% of the time on distribution days; quantities were seen to be correct almost 100% of the time as well (there was a report one month of a vendor not having oil in stock when a beneficiary attempted to redeem the voucher). There were several reported instances of vendors allowing the beneficiary to trade their rice back in on another day in exchange for rice of better quality.

It was expressed in interviews that SC staff in both Pidie and Lhokseumawe felt that the vendors had honored the terms of their MBFA contracts with SC.

¹⁴ Creti and Jaspars, p.10

- To what extent do vendors feel that the added revenues were worth the administrative burdens inherent in the model?

As discussed previously in this report, many vendors were initially skeptical of the financial arrangements of the program, especially when it meant that they had to front the costs of the first month's distribution until they got reimbursed several weeks later¹⁵. For several of the vendors interviewed, the program may not have been worth it had SC not provided in the 5% commission; the 5%, it was explained, enabled them to undertake the risks and administrative burdens that the program required. After the first month, however, most vendors began to see that the business the program generated was worth the extra hassle. Responses derived from vendor interviews during the final evaluation point to the fact that their businesses benefited from both the profit margin on the commodity sales and from the 5% commission, though it was the commission that enabled some of them to pursue credit opportunities with their suppliers in the second and third months. One vendor explained how he used 2-3% of the 5% commission each month to establish credit with a supplier. **Unfortunately, due to the fact that no baseline was established and vendors were not instructed to document revenues surrounding the redemption process the author was unable to adequately pursue this question.**

- How do non-participating vendors and merchants feel about the project and how great is their desire to be included in the future?

This question was pursued in talking with several non-participating vendors, though detailed information was gathered with only one in each district. Both of them had initially felt the criteria was too stringent for them to be accepted into the program, though realized once the distributions began that they could have done it after seeing neighboring vendors who were in the program. They both saw that on occasion beneficiaries would shop from them if the participating vendor did not have an item in stock. One said that on many instances the other vendor would borrow or buy items from his shop to then sell to the beneficiaries. Both expressed a reserved, yet positive interest in being part of a future program. It was the author's impression in both of these larger shops that the quantities of commodity moved during the redemption process would have been a very small part of their monthly business. *Helping to develop smaller businesses by including them in a possible future program should be investigated as a form of targeting when choosing vendors (see **Recommendations**). **Knowing more about the roles that vendors play in the community will feed into the baseline data that is needed on this topic the next time around.***

Impact Level:

PRIMARY IMPACTS

¹⁵ SC was obligated to reimburse the vendors within 11 days of commodity voucher and cash distribution; most vendors, however, had already bought stocks of rice, sugar and oil in the week preceding SC's distribution.

(The CARE evaluation team interpreted the following questions on food and nutritional security as corresponding to the goal indicators outlined in the Information Matrix of the MBFA M+E Plan. While the SC MBFA pilot was a replication of the CARE pilot, for some reason the staff from SC did not work from a project M+E Plan; rather, many of the M+E tools were provided together with a project MBFA Implementation Plan.)

Unfortunately the Implementation Plan did not give clear instructions for SC staff on how often and how best to measure the indicators (see point on translations made earlier). A key tool in monitoring these food and nutritional impacts- the Daily Consumption, Income and Expenditure Log- was only partially implemented, meaning that data normally used to help answer the following questions was not gathered. That said, the evaluator has attempted to utilize other sources of information (the EPHS and qualitative semi-structured discussions with beneficiaries) to help understand the pilot's impact on food and nutritional security.

Food Security

- To what extent did the voucher/cash entitlement temporarily assure adequate food consumption for all types of beneficiaries, and mainly for children?

This question was engaged at length in the earlier sections on **Use of Vouchers** and **Use of Cash**. Widespread anecdotal evidence gathered in the final evaluation interviews with beneficiaries suggests that the mix of cash and voucher entitlements enabled many households to devote some of the cash to their children's food consumption during school days. While not formally picked up on in any of the M+E tools utilized during the pilot, this use of cash merits further investigation.

Nutritional Security

- To what extent did the voucher/cash entitlement lead to a reasonably nutritious diet (by Aceh standards) for all types of beneficiaries and especially for children?

Again, the main points of this question were engaged in earlier sections on **Use of Vouchers** and **Use of Cash**. Unfortunately the evaluator had no tools at his disposal to discern what a 'reasonably nutritious diet by Acehnese standards' is defined by. For many of the beneficiaries who had their oceanfront villages and fishing-based livelihoods destroyed in the tsunami, however, it would not be a stretch to guess that a well-balanced Acehnese diet would likely include fresh fish, rice, some type of relish/sauce, and seasonal fruit. Whether pre-tsunami consumption levels or dietary composition (if that is indeed the litmus or baseline) was *reasonably nutritious* is a question well beyond the scope of this evaluation and therefore cannot be answered.

Economic Impacts

- How significant were benefits to participating vendors and other local food merchants? (The small scale of the pilot precludes measurable economic impacts at the district, or

even community levels. Individual vendors, however, may have benefited in discernable ways.)

Absent any baseline data or specific tools to monitor impact on participating vendors, it is extremely difficult to gauge how significant the benefits accruing to them may have been. Needless to say all of the vendors interviewed (10 of 37 total in the pilot program) suggested that they gained from the program: most spoke of an economic ‘double’ benefit- of the sale of the commodities coupled with the commission- though a few of the smaller vendors also spoke of the project helping them learn some business and organizational skills as well as systems that could help them expand their businesses once they get more capital. Every vendor suggested that at the time, the MBFA helped their business grow- enabling them to build stock levels and increase their customer base. Several of them volunteered that the MBFA program increased their recognition within the community as a whole, though whether this translated to greater business is not known.

The range of commissions earned by the vendors in Pidie and Lhokseumawe is informative (though not entirely worthwhile to this evaluation without any data or financial figures to compare them with, such as ‘What % of monthly net income was derived from MBFA commodity sales? What % of monthly net income was derived from the MBFA commission?’). They are put in here just to show the range and to give a sense of what kind of money is being earned by participating in the program.

:

- Vendors in the program with the fewest beneficiaries earned 351,085 Rp (US\$36.96) from supplying 117 beneficiaries each month.
- Vendors in the program with the most beneficiaries earned 501,835 Rp (US\$52.82) from supplying 167 beneficiaries each month.¹⁶

Cost

- How do SC administrative costs for the pilot compare to those for its distribution program?

One of the main outputs of this evaluation should be an attempt to discern the relative cost-effectiveness of the cash-transfer and voucher pilot compared to direct delivery general food distribution (GFD). **While interesting and potentially provocative, such comparisons do need to be studied and taken with caution; providing reliable, or acceptable, budgetary figures for GFD has proven in the past to be a formidable challenge.** That said, the present author will make an attempt, though does so with the caveat that these numbers are approximate and far from definitive. Following these figures a discussion of the results from the CARE evaluation will be provided to enable a comparison between the similar programs.

¹⁶ For reference purposes the minimum monthly wage for a senior high-school graduate is approximately 800,000 Rp (sourced from interview with SC staff).

Lacking reliable province-wide financial data for Save the Children MBFA and GFD programs, this comparison will be between the direct delivery program and the MBFA pilot only in Lhokseumawe district (which covered roughly half of the total beneficiaries in the program: Pidie District had 2393 beneficiaries).

Figures obtained from SC indicate that the three month (Feb-Apr 2006) MBFA pilot for 2,432 beneficiaries in Lhokseumawe cost approximately: **\$94,703**

or **\$31,568 each month** (see appendix B), broken down in the following way:

- **\$15,744** represented commodity reimbursements (to vendors)
- **\$12,800** represented cash disbursements (to beneficiaries)
- **\$787** represented 5% commission paid to vendors
- **\$2,237** represented total administration and support costs

The cost per beneficiary per month was approximately: **\$12.98**

The percentage that SC paid to administer the program (both staff and administration costs) was approximately: **5.2%** of the total monthly cost

The Save the Children GFD Program in Lhokseumawe had an average of 61,480 beneficiaries during the months of Feb-Apr 2006. Figures obtained from the program show the total cost per month: **\$514,297**

- **\$494,668** represented the cost of commodities (rice, fortified vegetable oil, canned fish and fortified noodles¹⁷)
- **\$19,629** represented the cost of administration and support

The cost per beneficiary per month was approximately: **\$8.37**

The percentage that SC paid to administer the program (both district staff and administration costs) was approximately: **3.8%**

As can be seen from these figures managing a direct delivery program (at a district level in Aceh) for 61,480 beneficiaries a month costs about 3/4 the amount that it costs to administer an MBFA program providing entitlements to 2,432 beneficiaries (3.8% compared to 5.2%). To make an actual cost comparison makes no sense in this case as the contexts, beneficiaries and commodities are all different. What is also interesting to see is the cost per beneficiary in both programs: **\$8.37 for GFD**, and **\$12.98 for cash/vouchers**.

¹⁷ Noodles were distributed in February and March, and not April, while biscuits were only included in the distribution for March- as there was extra stock in the warehouse that needed to be handed out. **The fluctuating ration size and composition of WFP commodities makes it difficult to make accurate cost comparisons.**

The evaluators in the CARE final evaluation chose to measure the total administrative cost of the CARE MBFA program for 5,000 people against the total administrative cost of a direct delivery program for 39,000 beneficiaries: they report that the MBFA was 30% cheaper to operate than the GFD, though they just do a straight-up comparison of the administrative costs (in total \$ amounts). That methodology to this author does not lend itself to a viable comparison between the approaches because it does not give *relative* costs per beneficiary, nor does it give a sense of the *percentage* of a project's budget going to administrative support.

I would have to agree with their ensuing discussion, however, in which they describe the fact of many more hidden costs in the GFD not necessarily represented in district administration costs: costs incurred by WFP, the cost of procurement and shipping of imported food, provincial support costs from finance and food sector managers, etc... It is beyond the scope of this evaluation to investigate the full range of those costs, though if pursued there would be sure to be many unaccounted for to add to the budget figures outlined above.

Another very important point to factor in concerns what happens to the financial figures for an MBFA program that gets scaled up 10 or 20-fold. Assuming the Lhokseumawe MBFA program begins serving 24,320 beneficiaries (a 10-fold increase); there is no reason to believe that the program would then need ten-times (for a total of 50) the number of staff to carry it out, especially in management positions. By removing those redundant positions it would cut the amount of staff by at least 30-40% and still leave more than adequate numbers to run the program.

- How does the value of the entitlement compare to WFP's cost per ration, excluding the cost of SC's administration?

Save the Children MBFA Ration				
Commodity	Qty	Unit	Unit Price	Value (Rp)
Rice	10	Kg	5,000	50,000
Oil	1	Kg	5,000	5,000
Sugar	1	Kg	6,500	6,500
Cash				50,000
			Total:	111,500

As seen from the table above the total cost for an MBFA ration is 111,500 Rp or approximately **\$11.74**

Below is the table showing the estimated value of GFD ration (the value basis is generated from average prices for these commodities found being resold in local markets; the value does not necessarily represent the true cost of the item):

SC/WFP GFD Ration				
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Commodity	Qty	Unit	Unit Price	Value (Rp)
Rice	10	kg	5,000	50,000
Oil	0.75	kg	5,000	3,750
Canned Fish	0.85	Kg	5,880	5,000
Noodles	1.33	kg	13,300	17,689
			Total:	76,439

As seen the total value for a GFD Ration distributed in Lhokseumawe during Feb-Apr 2006 was approximately 76,439 Rp or **\$8.05**

Secondary Impacts

Negative Social Impact:

- Did beneficiaries complain of dignity loss or ridicule going to shop with a voucher?

No. None of the beneficiaries interviewed expressed any sense of dignity loss or ridicule. Most of the beneficiaries stated just the opposite: that the vouchers and cash enabled them a sense of freedom and ownership that they were not experiencing during the general food distributions. During the EPHS 96% of the respondents stated that they would prefer continuing to receive the vouchers and cash than they would to return to general food deliveries.

- Were there reports of discrimination or bad treatment by the vendors?

No.

Negative Economic Impacts:

- Did the inflow of vouchers/cash have any inflationary impacts?

Absent any baseline data from which to measure cost fluctuations/price increases over the life of the project, it is impossible to reliably answer this question. However, ongoing market price surveys and monthly vendor surveys suggest that there were not wide fluctuations in commodity prices during that time (given that price increases constitute inflationary tendencies).

- Did the entitlement act as a disincentive for beneficiaries to seek work?

The evaluator saw no signs to suggest that the cash and vouchers acted as any sort of systematic disincentive for people to seek work. On the contrary, most beneficiaries interviewed expressed strong aspirations to re-engage in various livelihood and income generating activities (if they hadn't yet already started); **one ongoing request at almost every site visited was for some form of livelihood support in addition to the MBFA entitlements.** This is a pivotal point in recommendations for future MBFA

programming: tailor voucher and cash disbursements with some type of livelihood capacity building or skills training; this type of sequencing would enable an effective exit strategy for all types of food assistance.

- Did non-participating vendors detect any loss of revenue during the pilot (due to diversion of consumers to participating vendors)?

This was not apparent with the few non-participating vendors engaged by the evaluator. On the contrary, the MBFA program seemed to have pushed a small amount of business their way on voucher redemption days. Many of the participating vendors were far enough away from the villages or barracks (1-2.5 km away) that there were ample numbers of other shops at which beneficiaries could have bought goods- making it difficult for any one vendor to notice a large deflection of business. Given the nature of the evaluation, however, there are no reliable ways to answer this question.

Safety and Security

- Did beneficiaries feel they were at risk, either during distribution of vouchers/cash or during shopping excursions?

There was not an expressed security threat felt by the beneficiaries involved in interviews during the final evaluation. 100% of the respondents in the EPHS stated that they had no safety concerns or problems when receiving cash at the public distribution point and transporting it home. There was not a follow-up question concerning similar fears around the commodities.

- Were there incidences of theft or violence?

There were no reported cases of theft or violence documented in any of the ongoing survey instruments used by the pilot staff. Interviews with staff, vendors, beneficiaries and leaders in the villages and barracks did not report any such cases.

Beneficiary Selection

- Did the switch from food to cash incite any improper behaviors regarding the selection of beneficiaries?

Save the Children utilized pre-existing beneficiary lists for the MBFA pilot program. All the beneficiaries in the program were part of entire villages or barracks (everyone in those villages or barracks was eligible and participated) that had been receiving WFP direct delivery of food. The fact that targeting (of vulnerable populations within a barrack, for example) did not take place most likely removed some of the potential for trouble or ‘improper behavior.’ If targeting were to be a component of future MBFA programming, great care would need to be placed on adequate socialization of communities as to why and how this will be accomplished. Many villages and barracks have been used to the blanket distribution policies of WFP GFD, so care needs to be

taken to fully explain that **MBFA programs are not the same as GFD programs**. This could potentially be an issue in predominantly GAM-populated areas: given the nature of the conflict in Aceh and the nature of their resistance, many GAM supporters have a strong inclination to share benefits community-wide (whether this is food aid, livelihood support, government support for ex-political prisoners, or World Bank funding for ex-combatants and civilian GAM- much of it is shared between everyone in the community)¹⁸.

6. RECOMMENDATIONS

Many of the recommendations suggested in the CARE final evaluation have relevance to all potential future MBFA programs, especially in Aceh, so some of them are listed here. There are also a number of recommendations that deal with other aspects of MBFA programming not expressly dealt with in the CARE evaluation, namely those surrounding the use of cash as an entitlement and the importance of considering nutrition more central to programming.

- **Increase collaboration:** Collaboration between SC and key stakeholders, particularly WFP, should be discussed and strengthened, particularly concerning expansion of the project, size and constitution of the ration, amount of the cash entitlement, etc. This is an important issue if SC is considering expanding MBFA programming further into WFP direct delivery areas. Strategizing over exit strategies for GFD and the potential to sequence into MBFA programs should be a priority. The sharing of “lessons learned” with CARE and other agencies contemplating or already implementing market-based delivery strategies is also strongly recommended.

- **Defining an exit strategy- Linking MBFA with Livelihoods and other sectors:** Importance of linking emergency response with emerging social protection services. Look for synergies between MBFA and other sector (livelihoods, education, health) programs. The refrain most often heard from beneficiaries and the government is that while they appreciate assistance with food, what is most often needed is livelihood support. As an exit strategy an MBFA program could phase out into a livelihood support program providing skills and training for the same sets of beneficiaries, just as the MBFA is a good strategy moving beneficiaries out of direct food distribution. Need to view the process sequentially, not necessarily as an either/or proposition:

**general food distribution (emergency) → market-based food assistance (transition)
→ livelihood support (recovery/development).**

Such an approach can stimulate greater market access for the beneficiaries by building their asset base at the same time as it continues to help nurture the links which drive the local economy (local merchants and vendors, local farmers and fishermen). Given the

¹⁸ See World Bank study on GAM reintegration needs (listed as a reference in Appendix D): the greatest priority voiced in the study was for livelihood assistance- defined by financial capital, skills-building and training, and increased market access.

fact that such livelihood assistance programs exist within SC programming in Pidie and Lhokseumawe districts it makes strategic sense to see if they could be aligned.

- **Review MBFA staff job descriptions.** In light of the completion of the pilot, review all MBFA project descriptions and, if appropriate, revise them to conform to post-pilot reality.

- **M&E:** Strengthen monitoring at the impact level through the reformulation and quantification of indicators. Baselines must be established if comparisons are later to be made; indicators should be quantified; and their language made more precise. At the process level, ensure strong monitoring at each point where the delivery of goods is approved and/or where goods change hands, i.e. the inclusion of beneficiaries and the delivery of commodity by the vendor. Experience from the pilot shows that staff are more adept at gathering numerical or statistical information than they are qualitative information. Build staff capacity around report writing and monthly summaries.

- **M&E:** Strengthen system to monitor nutritional intake and status of beneficiaries. With so much attention being placed on the cost-effectiveness and efficiency of the MBFA systems, nutritional questions often go by the wayside. Cash and voucher programs offer a wealth of potential opportunities to learn more about the consumption and dietary habits of the food insecure. Lessons learned could prove far more effective at delivering a nutritious food aid basket than what is currently offered through GFD.

- **M&E:** Develop better survey tools and questions to understand the economic impact of MBFA programs on vendors (e.g. percentage of income derived from program commodity sales). MBFA programs in Aceh offer the chance to learn a great deal about the functioning of markets in societies recovering from natural disaster: It is vital that this opportunity is not lost.

- **Manual preparation:** Codify all MBFA systems and procedures in manual form, particularly as those procedures as outlined in the Proposal and other planning documents have changed in practice. Ensure that all staff are thoroughly knowledgeable of each phase of the project and understand the requirements (i.e. timing, scope) of reporting or tasks. Check to see that all project documents have been translated accurately and in their entirety.

- **Insurance:** Investigate the purchase of insurance or bonding for Distribution Officers and others carrying large amounts of cash.

- **Food Basket:** Develop clear guidelines from the outset of the program on the value and composition of a food basket that provides a good (and adequate) nutritional ration to each household member within the local context. Sphere Standards on food security, food aid and nutrition should be consulted and utilized to help inform this process. The mix of vouchers and cash should then be balanced to best meet this goal.

- **Develop commodity specifications:** Precise specifications for the quality of the rice issued by the vendor should be developed and included in contracts with the vendors. This also should be repeated for any of the other commodities chosen for a voucher program.

- **Report writing:** Instruction and training in report writing is recommended. Among other things, concise overviews should be prepared on a monthly basis for senior management so that they are informed and prepared to discuss latest project trends, which take on more importance given the rapidly changing economic and living conditions of IDPs in Banda Aceh. M+E needs to work better at providing management a clear picture on the functioning of a project or program; lessons learned through ongoing analysis should inform management decisions during the entire program.

- **Importance of a cash and voucher mix:** Understand that cash is often needed for transport to access the voucher commodities from vendors. Very few of the participating vendors are within walking distance of the villages or barracks. And remember that as each household has approximately 4 members they need to transport close to 50 kg of commodities each month (4 beneficiaries = 40 kg of rice + 4 kg of cooking oil + 4 kg of sugar = 48 kg). It is naïve (and potentially a financial burden on beneficiaries) to think of not providing this if the program is asking them to travel to redeem their commodities. This becomes more of an issue if a future program targets vulnerable populations within a community for voucher assistance: they are often vulnerable because they are unable to access other livelihood sources for income; by forcing them to pay for transport to access food without providing livelihood assistance could unwittingly increase their food insecurity and vulnerability. If more beneficiaries had access to other sources of income or livelihood activity then this may not be such an important issue. Guidelines should be drawn up to know when and how much of a cash component should be included.

- **Evaluate Vendor Criteria:** Future programs should look at the range of shop sizes that fit the program criteria and work to target some of the smaller businesses for capacity-building. Experience from the pilot showed that some of these vendors with tiny shops were able to manage the MBFA distributions without any problems. At first glance they might not have appeared to meet program criteria, though with proper support and monitoring from the MBFA staff they were successful¹⁹

¹⁹ The vendor in discussion here served Pasi Rawa barracks. He was the only vendor interviewed who was actually a beneficiary at the same time as he and his family lived in the barracks.

Appendix A- Nutritional Value of MBFA monthly ration

NutVal 2004 - General Ration Planning and Calculation Sheet													
	NAME:	MBFA- Banda Aceh				DATE:	04/2006						
RATION CONTENTS	RATION g/person/day	ENERGY kcal	PROTEIN g	FAT g	CALCIUM mg	IRON mg	IODINE µg	VIT. A µg RE	THIAMINE mg	RIBOFLAVIN mg	NIACIN mg NE	VIT. C mg	
RICE, POLISHED	333	1199	23.31		2	30	5.7	0	0	0.33	0.10	18.6	0
SUGAR	33	132	0		0	0	0.0	0	0	0.00	0.00	0.0	0
VEGETABLE OIL (UNFORTIFIED)	33	294	0		33	0	0.0	4	0	0.00	0.00	0.0	0
RATION TOTAL	399	1625	23.31		35	30	5.7	3.63	0	0.33	0.10	18.6	0
SAFE LEVEL OF INTAKE	2100	2100	52.5		40	450	22	150	500	0.90	1.40	13.9	28
% OF REQUIREMENTS SUPPLIED BY RATION		77%	44%		87%	7%	26%	2%	0%	37%	7%	134%	0%
% OF ENERGY SUPPLIED BY PROTEIN OR FAT			6%		19%								

(figures generated using NutVal 2004a)

Appendix

B



SC Cost for "MBFA" Program 3 MONTHS PILOT PROJECT IN LHOKSEUMAWE

Program		MBFA Program						
Period		3 Months (February, March and April 2006)				Exch. rate 1 US\$		
District		LHOKSEUMAWE				9,500.00		
Targeting Beneficiaries		2.432						
Estimate Budget (Monthly)		Rp299,893,733.33		Equivalent to US\$ \$31,567.8 (Rp 9,500 exchange rate)				
Estimate Total Budget		Rp899,681,200.00		Equivalent to US\$ \$94,703.3 (Rp 9,500 exchange rate)				
No.	Description	No.Of Benef	Quantity	Price	Amount	In US\$		
	GOODS							
1	Rice	2,432	10	5,000	121,600,000	12,800.00		
	Vegetable Oil	2,432	1	5,000	12,160,000	1,280.00		
	Sugar	2,432	1	6,500	15,808,000	1,664.00		
					149,568,000	15,744.00		
			3 Months project		448,704,000	47,232.00	A	
	Payment to vendor					-		
2	Payment to Vendor (Adjusted 5 % fee)		3 Months		22,435,200	2,361.60	B	
						-		
3	Cash Entitlement	3 Months project	2,432	1	50,000	364,800,000	38,400.00	C
4	Supporting Cost					-		
	Team Leader		1	4,000,000	4,000,000	421.05		
	Field Supervisor		2	3,000,000	6,000,000	631.58		
	Food Monitor		2	2,000,000	4,000,000	421.05		
	Data Entry		1	1,500,000	1,500,000	157.89		
					15,500,000	1,631.58		
		3 Months project		3 Months	46,500,000	4,894.74	D	
5	Administrative Cost					-		
	Est. Voucher book Rp75.000 / pad = 50 pieces	3 Months project	50 pads	75,000	11,250,000	1,184.21		
	Stationeries including stamps for Voucher				200,000	21.05		
	Banner 1 x 1 mtr (20 Shops and 6 in Barracks)	26	Pcs	100,000	2,600,000	273.68		
	White Board (20 shops) and 6 in village	26	Pcs	50,000	1,300,000	136.84		
	Light Vehicle 20 Litres a day x 22 days		1	4,300	1,892,000	199.16		
					17,242,000	1,814.95	E	
	TOTAL COST EXPENSES	A+B+C+D+E		For 3 Months	899,681,200	94,703.28		
				Monthly Cost for MBFA	299,893,733	31,567.76		
				COST FOR 1 BENEFICIARIES (Rupiah)	Rp123,312	12.98		
				COST FOR 1 BENEFICIARIES (US Dollar)	\$12.98	0.00		

Appendix

C



"GFD" PROGRAM COST

DISTRICT : LHOKSEUMAWE

Program		GFD Program					
District		LHOKSEUMAWE					Exch. rate 1 US\$
Average total beneficiaries		61480 (Average from Feb-Apr 2006)					9,500.00
Estimate Total Budget Monthly		Rp4,885,822,760.00	Equivalent to US\$	\$514,297.1 (Rp 9,500 exchange rate)			
No.	Description	Est benef	Ration	Price	Amount	IN US\$	
GOODS							
1	Rice	61,480	10	5,000	3,074,000,000	323,578.95	
	Vegetable Oil	61,480	0.75	5,000	230,550,000	24,268.42	
	Canned Fish	61,480	0.85	5,880	307,277,040	32,344.95	
	Noodles	61,480	1.33	13,300	1,087,519,720	114,475.76	
			12.93		4,699,346,760	494,668.08	
2	Administrative Cost		794.94	MT		-	
	Rental the warehouse to store the Goods (Monthly)				5,000,000	526.32	
	Rental the Trucks 10 MT (Monthly)		4	900,000	3,600,000	378.95	
	Rental the Trucks 5 MT (Monthly)		3	500,000	1,500,000	157.89	
	Loading and unloading cost		881	30,000	26,430,000	2,782.11	
	Fuel for trucks @ 30 liters a day x 22 days in month		7	4,300	19,866,000	2,091.16	
	Fuel for light vehicles @ 20 liters a day x 22 days in month		5	4,300	9,460,000	995.79	
	Implementing Partner (local NGO) Monthly		1	47,120,000	47,120,000	4,960.00	
					112,976,000	11,892.21	
3	Supporting Cost					-	
	Food Coordinator		1	4,000,000	4,000,000	421.05	
	Food Officer		4	3,000,000	12,000,000	1,263.16	
	Food Monitor		11	2,000,000	22,000,000	2,315.79	
	Data Entry		1	1,500,000	1,500,000	157.89	
	Truck Driver & Light vehicles		12	2,000,000	24,000,000	2,526.32	
	Warehouse officer		1	3,000,000	3,000,000	315.79	
	Warehouse assistant		1	2,000,000	2,000,000	210.53	
	Warehouse checker		1	2,000,000	2,000,000	210.53	
	Warehouse cleaner		2	1,500,000	3,000,000	315.79	
					73,500,000	7,736.84	
MONTHLY COST GFD		1 + 2 + 3			4,885,822,760	514,297.13	
					Cost per person (GFD Program)	79,470	8.37
					COST FOR 1 BENEFICIARIES (US Dolla	\$8.37	0.00

1

2

3

Appendix D.

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Appendix E.

Save the Children MBFA- Banda Aceh END-OF-PILOT HOUSEHOLD SURVEY

I. OBJECTIVE

A survey to capture representative quantitative data for key indicators related to food consumption of beneficiaries and attitudes and behaviors related to the use of food vouchers and cash entitlement. The raw data and tabulated results of this survey will be made available to the final evaluation team.

II. SURVEY METHODS

A questionnaire of primarily closed-ended questions was used during interviews with a sample of 200 households, randomly selected from the verified beneficiary lists. The sample was taken from 100 beneficiaries in Lhokseumawe district and 100 beneficiaries in Pidie district.

III. DATA SAMPLE

No.	District	Sub-district	Village/Barrack	# of HH	# of sample
1	Lhokseumawe	Blang Mangat	Jamboe Timue	175	27
2		Blang Mangat	Blang Teue	50	11
3		Blang Mangat	Jambo Mesjid	136	22
4		Banda Sakti	Keudee Aceh	11	5
5		Banda Sakti	Pusong Lama	110	20
6		Banda Sakti	Pusong Baru	82	15
7	Pidie	Kota Sigli	Pasi Rawa	235	35
8		Pidie	Rawa Gampong	110	17
9		Pidie	Peukan Baro	71	11
10		Bandar Baru	Balee Musa	130	20
11		Pidie	Kuala Pasi	114	17
Total Beneficiaries				1,224	200

IV. RESULTS

Primary Respondent on the survey were head of household (72 persons), spouse of household (122 persons) and others which are close family members (3 persons). Gender of beneficiaries who are collecting the vouchers/cash from Save the Children during the three months of the project life were; 12 household taken by male, 181 household taken by female and 7 household had varied from month to month.

QN	Question	Variable	Answer	Percentage
A1	Result	Complete	164	82.00
		Did not reply	0	0.00
		Partially replied	0	0.00
		Others	36	18.00
A2	Name of Primary Respondent	-		0.00
A3	Primary Respondent	Head of Household	72	36.00
		Spouse of HH	122	61.00
		Other	6	3.00
A4	Gender of Head of Household	Male	139	69.50
		Female	61	30.50
A5	Gender of Person Collecting Vouchers/Cash from SC	Male	12	6.00
		Female	181	90.50
		Varied from month-to-month	7	3.50
A6	Demographic Makeup of Household	# of adult males	213	25.91
		# of adult females	225	27.37
		# of female children < 18 yrs	190	23.11
		# of male children < 18 yrs	194	23.60

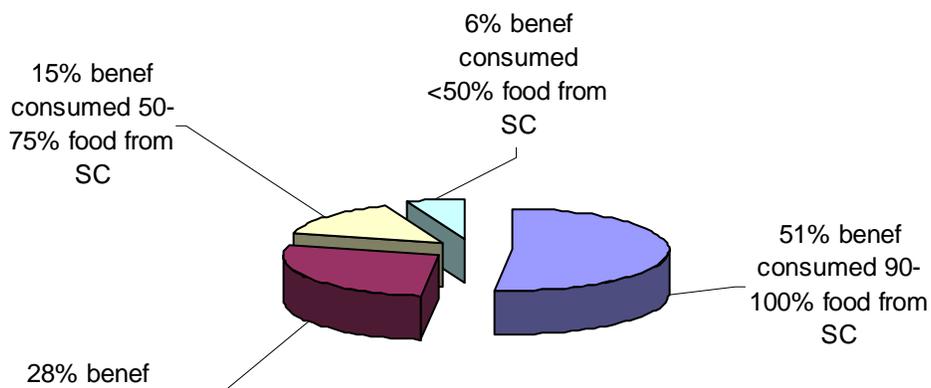
a. Food Security and Food Assistance

Most beneficiaries (52%) had consumed 90-100% food which came from SC entitlement that was made up of primary food resource for them each month. The tsunami disaster reduced their opportunity for work availability, and they have small income per month which is not proportional with the number of family members. During the 3 month program implementation, the voucher utilization in household was controlled and decided by senior female (73.50%) and mostly the beneficiaries redeemed the voucher and spent the cash for the food that showing on the chart.

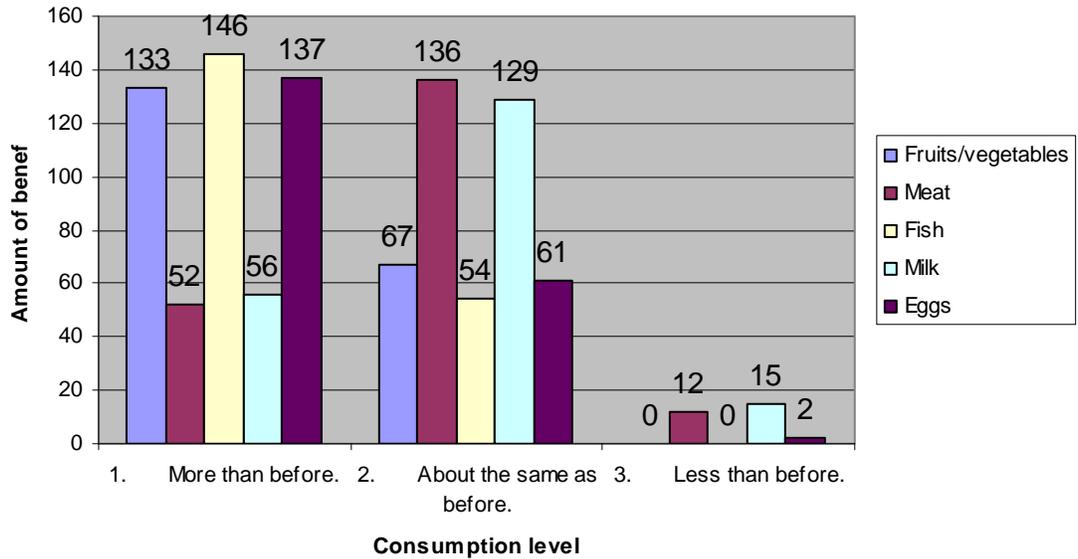
QN	Questions	Variables	Answer	Percentage
B1	In average, what proportion of monthly food consumed in the HH came from SC entitlement (voucher + cash)?	1. 90-100%	104	52.00
		2. 75-90%	55	27.50
		3. 50-75%	29	14.50
		4. < 50%	12	6.00
		5. Don't know	0	0.00
B2	During the past three months, did the household experience food deficits (i.e. days where HH food needs were significantly unfilled)?	1. Never	142	71.00
		2. Occasionally	50	25.00
		3. Often	8	4.00
B3	If there were frequent days of food shortage, how did the household most often cope?[mark (x) for all that apply?]	B3a Everybody ate fewer meals or smaller portions	0	0.00
		B3b Adults ate fewer meals or smaller portions.	0	0.00
		B3c Men ate fewer meals or smaller portions.	0	0.00

		B3d Women ate fewer meals or smaller portions.	0	0.00
		B3e Children ate fewer meals or smaller portions.	0	0.00
		B3f Members of household ate outside the home.	0	0.00
		B3g Other strategies	0	0.00
B4	Did the household receive food vouchers during the past three months?	1. Once	0	0.00
		2. Twice	0	0.00
		3. Three times	200	100.00
		4. Never	0	0.00
B5	Who controlled the vouchers and made decisions about their use?	1. Senior male	21	10.50
		2. Senior female	147	73.50
		3. Other male	1	0.50
		4. Other female	1	0.50
		5. Jointly among adults	30	15.00
		6. Other	0	0.00
B6	What was done most often with the vouchers?	1. Exchanged in shop for rice, sugar, oil.	172	86.00
		2. Exchanged in shop for other goods.	25	12.50
		3. Traded with other people.	0	0.00
		4. Given to other people.	1	0.50
		5. Unused.	2	1.00
B7	Since receiving the vouchers (and cash), has your household consumed ?	1. More fruits/vegetables than before.	133	66.50
		2. About the same as before.	67	33.50
		3. Less than before.	0	0.00
B8	Since receiving the vouchers (and cash), has your household consumed ?	1. More meat than before.	52	26.00
		2. About the same as before.	136	68.00
		3. Less than before.	12	6.00
B9	Since receiving the vouchers/cash, has your household consumed ?	1. More fish than before.	146	73.00
		2. About the same as before.	54	27.00
		3. Less than before.	0	0.00
B10	Since receiving the vouchers/cash, has your household consumed ?	1. More milk than before.	56	28.00
		2. About the same as before.	129	64.50
		3. Less than before.	15	7.50
B11	Since receiving the vouchers/cash, has your household consumed ?	1. More eggs than before.	137	68.50
		2. About the same as before.	61	30.50
		3. Less than before.	2	1.00

Proportion of monthly food consumed in the HH came from SC entitlement



Escalation of food consumption since receiving the voucher and cash from SC



b. Food Commodities: Types/Quantities/Quality

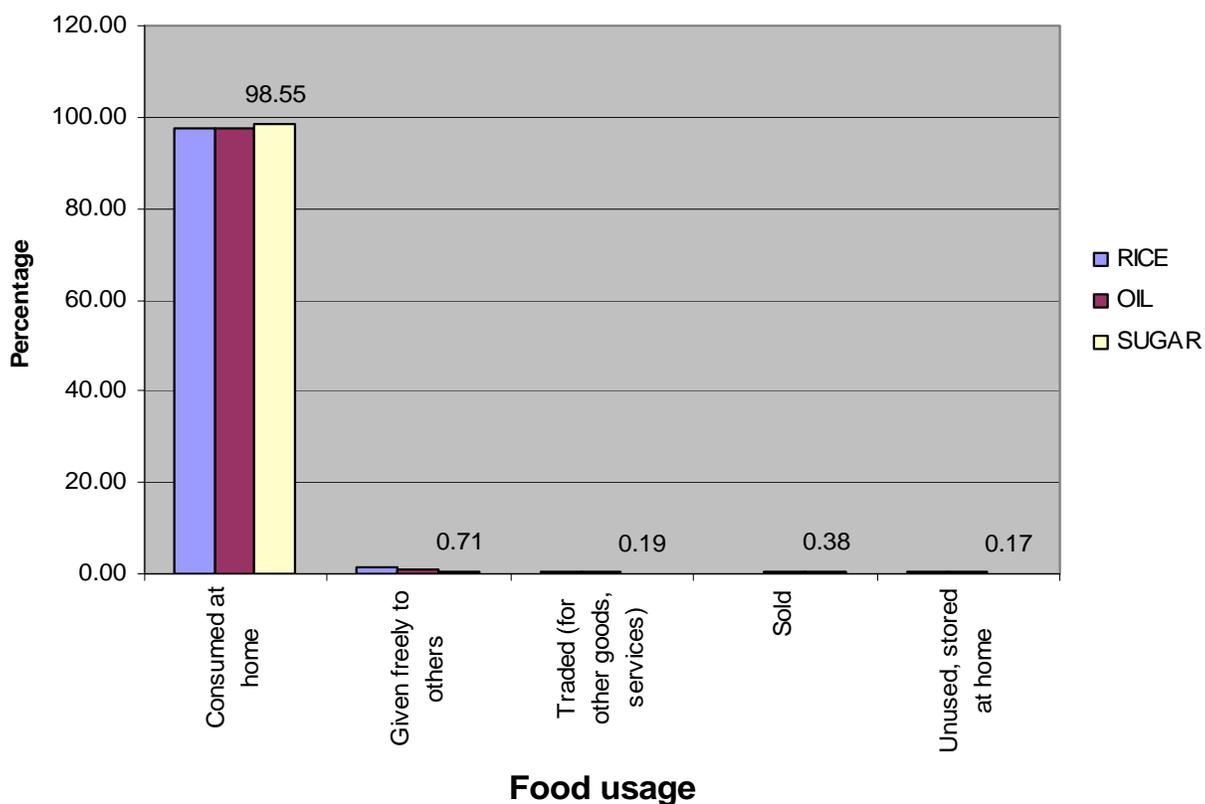
Almost all the time (99.50%) the vendors made all the commodities available to the beneficiaries during the 3 month program implementation period. Vendors have provided full ration for each commodities every month with varied quality from month-to-month but on overall commodities had excellent quality (see the chart below). In a given month, all commodities consumed at home, given freely to others, traded (for other goods, services), sold, or unused and stored at home is also shown in the chart below.

QN	Questions	Variables	Answer	Percentage
C1	If you could eliminate one of the three food vouchers and substitute	1. Rice	0	0.00
		2. Oil	2	1.00

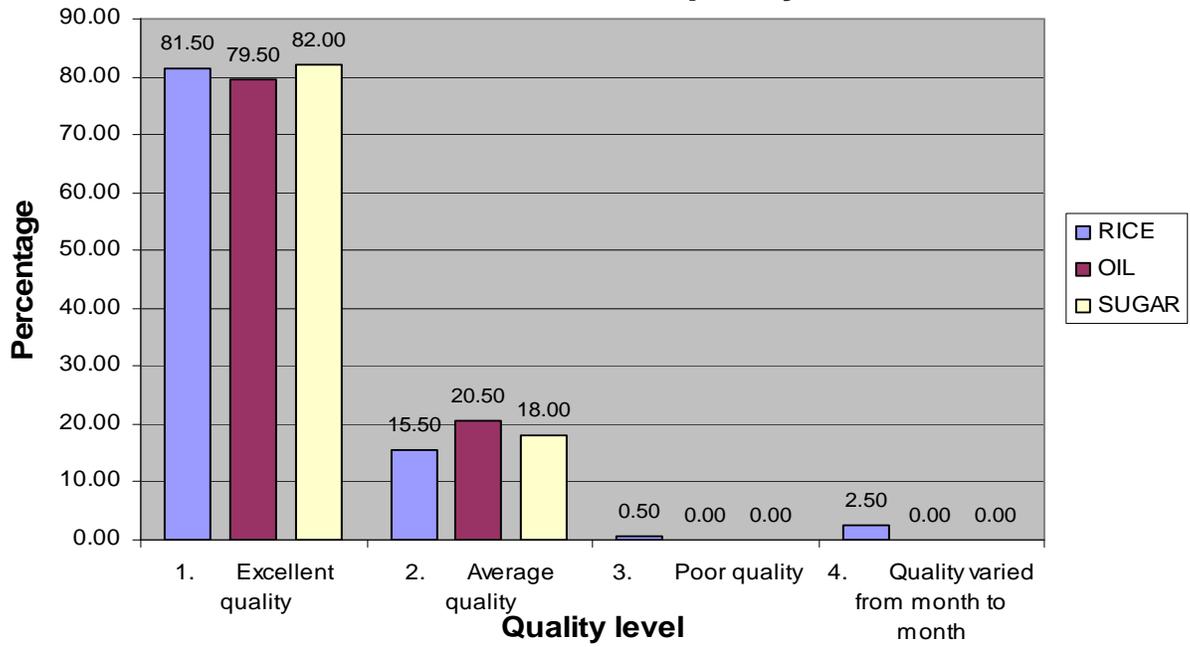
	another food item, which would you eliminate?	3. Sugar	1	0.50
		4. No change	197	98.50
C2	Which would you add?	1. Noodles	0	0.00
		2. Biscuits	0	0.00
		3. Canned fish	0	0.00
		4. Milk	0	0.00
		5. Other (name) _____	3	1.50
RICE				
C3	When attempting to redeem the rice voucher, the vendors visited had the correct product in stock	1. Every time	200	100.00
		2. Two out of three times	0	0.00
		3. One out of three times	0	0.00
		4. One out of two times	0	0.00
		5. Never	0	0.00
C4	When redeeming a rice voucher, I/we received.....?	1. always 10 kgs	200	100.00
		2. sometimes less than 10 kg	0	0.00
		3. always less than 10 kg	0	0.00
		4. Do not know	0	0.00
C5	In a given month, estimate the ways that the rice entitlement was used (% value assigned to each, total must equal 100).	Consumed at home	-	97.63
		Given freely to others	-	1.40
		Traded (for other goods, services)	-	0.40
		Sold	-	0.00
		Unused, stored at home	-	0.56
		Total		100.00
C6	Rate the quality of the rice you received.	1. Excellent quality	163	81.50
		2. Average quality	31	15.50
		3. Poor quality	1	0.50
		4. Quality varied from month to month	5	2.50
OIL				
C7	When attempting to redeem the oil voucher, the vendors visited had the correct product in stock	1. Every time	199	99.50
		2. Two out of three times	1	0.50
		3. One out of three times	0	0.00
		4. One out of two times	0	0.00
		5. Never	0	0.00
C8	When redeeming an oil voucher, I/we received.....?	1. always 1 Kg	200	100.00
		2. sometimes less than 1 Kg	0	0.00
		3. always less than 1 Kg	0	0.00
		4. Do not know	0	0.00
C9	In a given month, estimate the ways that the oil entitlement was used (% value assigned to each, total must equal 100)	Consumed at home	-	97.72
		Given freely to others	-	0.79
		Traded (for other goods, services)	-	0.59
		Sold	-	0.56
		Unused, stored at home	-	0.34
		Total		100.00
C10	Rate the quality of the oil you received.	1. Excellent quality	159	79.50
		2. Average quality	41	20.50
		3. Poor quality	0	0.00

		4. Quality varied from month to month	0	0.00
SUGAR				
C11	When attempting to redeem the sugar voucher, the vendors visited had the correct product in stock	1. Every time	199	99.50
		2. Two out of three times	1	0.50
		3. One out of three times	0	0.00
		4. One out of two times	0	0.00
		6. Never	0	0.00
C12	When redeeming a sugar voucher, I/we received.....?	1. always 1 kg	200	100.00
		2. sometimes less than 1 kg	0	0.00
		3. always less than 1 kg	0	0.00
		4. Do not know	0	0.00
C13	In a given month, estimate the ways that the sugar entitlement was used (% value assigned to each, total must equal 100)	Consumed at home	-	98.55
		Given freely to others	-	0.71
		Traded (for other goods, services)	-	0.19
		Sold	-	0.38
		Unused, stored at home	-	0.17
		Total		100.00
C14	Rate the quality of the sugar you received.	1. Excellent quality	164	82.00
		2. Average quality	36	18.00
		3. Poor quality	0	0.00
		4. Quality varied from month to month	0	0.00

Estimation of food utilization



Commodities quality

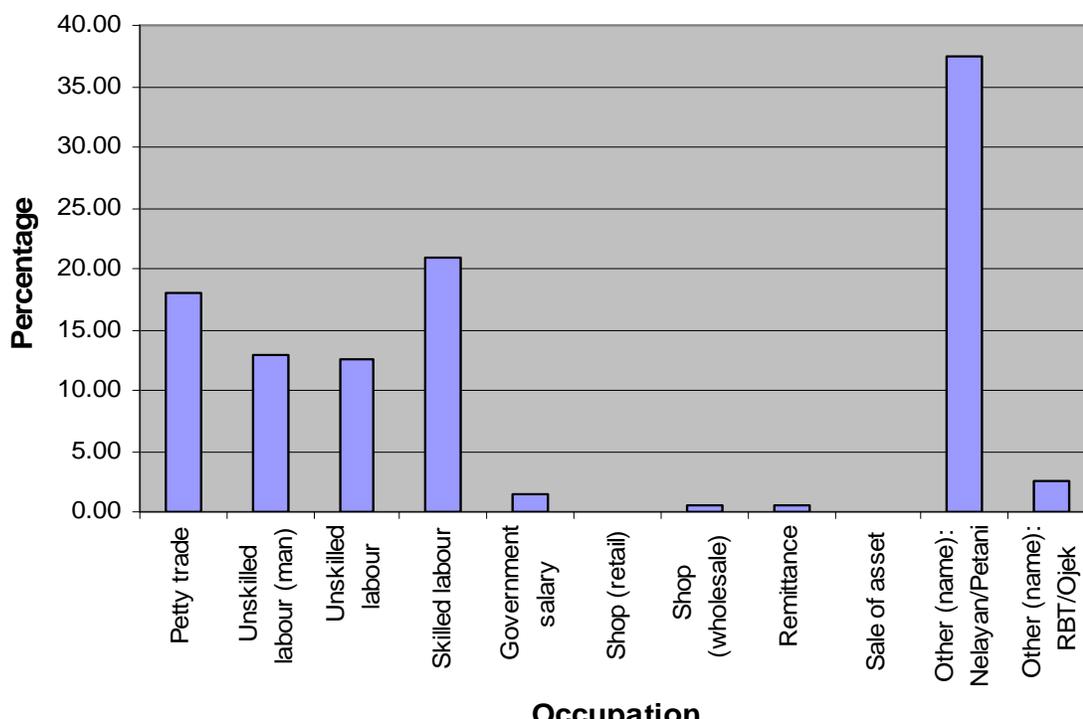


c. Questions on Cash Supplement.

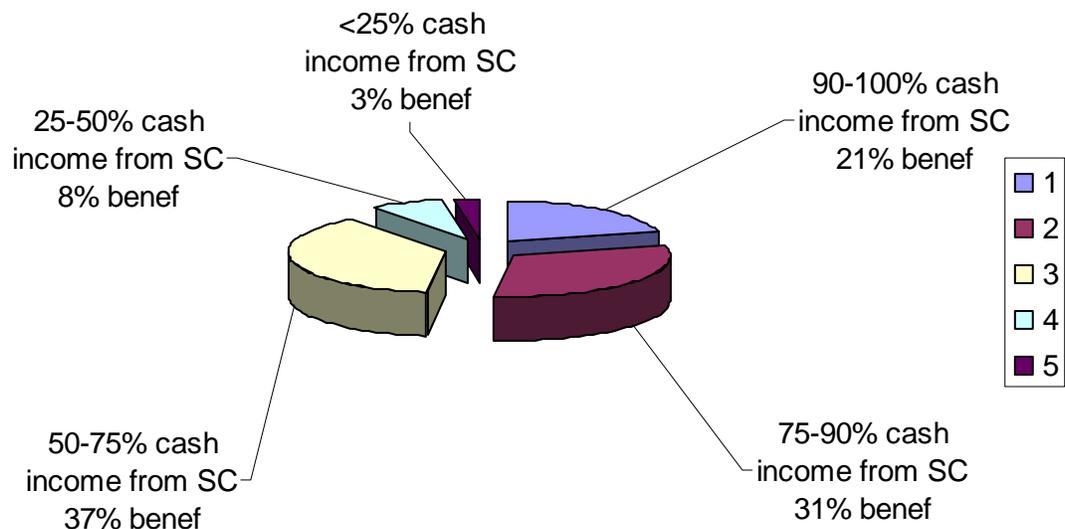
QN	Questions	Variables	Answer	Percentage
D1	During the last month, what were the sources of income for your household? [Mark (x) for all that applies?]	Petty trade	36	18.00
		Unskilled labor (man)	26	13.00
		Unskilled labor (woman)	25	12.50
		Skilled labor	42	21.00
		Government salary	3	1.50
		Shop (retail)	0	0.00
		Shop (wholesale)	1	0.50
		Remittance	1	0.50
		Sale of asset	0	0.00
		Other (name): Nelayan/Petani	75	37.50
Other (name): RBT/Ojek	5	2.50		
D2	On average, what proportion of HH monthly cash income during pilot came from SC entitlement?	1. 90-100%	42	21.00
		2. 75-90%	62	31.00
		3. 50-75%	76	38.00
		4. 25-50%	15	7.50
		5. < 25%	5	2.50
D3	Who controlled the cash received from	1. Senior male	20	10.00

	SC and made decisions about its use?	2. Senior female	147	73.50
		3. Other male	0	0.00
		4. Other female	2	1.00
		5. Jointly among adults	31	15.50
		6. Other	0	0.00
D4	Estimate as accurately as possible the use of the cash provided by SC?	Purchase foodstuffs	-	59.96
		Pay for transport of food	-	8.51
		Purchase cooking/cleaning materials.	-	10.72
		Purchase snacks, treats, cigarettes, etc.	-	9.82
		Other household expenditures	-	10.98
		Total		100.00
D5	Did you have safety concerns or problems when receiving cash at the public distribution point and transporting it home?	1. None at all.	200	100.00
		2. Some worries.	0	0.00
		3. Threats, significant fear.	0	0.00
		4. Attacked and/or robbed.	0	0.00
D6	To have the ideal proportion of vouchers to cash, I think SC should	1. Decrease cash / increase vouchers	9	4.50
		2. Keep the same as current	167	83.50
		3. Increase cash / decrease vouchers	24	12.00

Source of Household Income



Proportion of HH monthly cash income during pilot came from SC entitlement is shown on the following chart:



d. Questions on process/methodology

Most of beneficiaries or about (65.50%), indicated as “Good” in rating the information provided by SC and others regarding the project, size/nature of entitlement, procedures, location of vendors, etc. While the rest of them or (32%) indicated as “excellent”, and 2.50% indicated as “average“. Rating the services from vendor’s side during voucher redemption, 69% of them indicated ‘good, 29% excellent, and 2% average. Generally (96%), of the beneficiaries indicated “no problem” with traveling to shops and transporting food to their home just 1% gave a minor inconvenience and 3% gave the answer as extreme hardship because of time taken away from home or other duties.

QN	Questions	Variables	Answer	Percentage
E1	Rate the information provided by SC and others on the project, size/nature of entitlement, procedures, location of vendors, etc.	1. Excellent	64	32.00
		2. Good	131	65.50
		3. Average	5	2.50
		4. Below average	0	0.00
		5. Poor	0	0.00
E2	Rate the service you received from vendors during voucher redemption.	1. Excellent	58	29.00
		2. Good	138	69.00
		3. Average	4	2.00
		4. Below average	0	0.00
		5. Poor	0	0.00
E3	I rated vendor as below average or poor because....[mark (x) for all that	E3a Discourteous or neglectful service		0.00
		E3b Lack of stock (rice, sugar, or oil)		0.00
		E3c Attempts to substitute inferior products		0.00
		E3d Attempts to substitute smaller quantities		0.00
		E3e Other (name)		0.00
			0.00	
E4	Traveling to shops and transporting food home has been ?	1. An extreme hardship	6	3.00
		2. A minor inconvenience	2	1.00
		3. No problem at all	192	96.00
E5	It was an extreme hardship because.....[mark (x) for all that apply]?	Long distance	0	0.00
		Costly transportation	5	2.50
		Poor condition of roads	0	0.00
		Time away from home or other duties	1	0.50
		Other (describe)	0	0.00
				0.00
E6	Would you prefer to continue receiving vouchers/cash, or return to direct food delivery?	1. Vouchers/cash	193	96.50
		2. Direct food delivery	2	1.00
		3. Don't know/don't care.	5	2.50

A question about the voucher program improvements, majority of beneficiaries desire that voucher can be add on the ration and some of them wish SC can provide also another item such as coffee, milk, soap. For cash program improvements, most of beneficiaries wish that cash money can be more than Rp. 50.000,-. So, hopefully the cash can be used as a capital asset.