Poverty Reduction, Economic Management and Social Policy

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Malawi: Public Works Programme - Conditional Cash Transfers as an Emergency Response to a National Food Shortage

The 2004/2005 Drought

In the 2004/2005 growing season, Malawi experienced a drought which affected farm produce and subsequently led to country-wide food shortages. This followed another drought which occurred in the 2001/2002 growing season, followed by poor rainfall patterns in all the subsequent years. The Malawi Vulnerability Assessment Committee (MVAC) estimated that close to 4.2 million people would need food assistance in the 2005/2006 growing season. Out of these, 2.6 million were deemed to be at highest risk.

Due to the food shortage, the Malawi Government, through the Malawi Social Action Fund (MASAF) project, implemented a Public Works Programme – Conditional Cash Transfers (PWP-CCT) over the months October-December 2005. The PWP-CCT was a programme within the existing MASAF 3 project whose aim was to transfer cash income to vulnerable households to enable them buy food and agricultural inputs for the 2005/2006 growing season.

The PWP-CCT program

The design of the PWP-CCT was on the lines of an emergency drought relief programme leveraging the flexibilities of the MASAF approach. The PWP-CCT was designed along the lines of MASAF 3 Local Authority Managed Projects (LAMPS), a conventional Public Works Programme which MASAF has been implementing for the past 10 years. Under LAMPS beneficiaries are paid a wage which is 20% lower than the market wage; the local leadership, with assistance from the Local Authorities (LAs) selected beneficiaries; only one person per household was eligible to work under the program. The Conditional Cash Transfer of MK1,000 was to be made on the basis that a beneficiary worked on a public works programme for 10 days. Beneficiaries were to work for 8 hours per day at MK100.00 per day so as to enable them, after working on the program for ten days, to buy a subsidized 50 Kg bag of maize and one 50 Kg bag of fertilizer.

MASAF allocated US$ 12.1 million to the LAs to meet the cost of the program - 80% of the funds were earmarked for wages, 18% for works and 2% for administrative expenses. The program planned to benefit 565,281 direct beneficiaries or 3.1 million people includ-
The PWP-CCT was preceded by an intensive Information, Education and Communication (IEC) campaign targeting beneficiaries, traditional, religious and political leaders. LA staff were also targeted as implementers of the programme. The messages communicated focused on the design principles, objectives and implementation arrangements of the PWP-CCT, as well as the conditionality of the program. The campaign mainly used radio, the medium recommended by a listenership survey as being the most accessible to the communities.

Implementation

Resource Management

The total resources available to the program were US$12.1 million and these were allocated to all the Districts based on the population most at risk due to food shortage as estimated by the Malawi Vulnerability Assessment Committee (MVAC). MASAF prepared special project implementation and financial management guidelines which were provided to all the Districts, all of which opened special PWP-CCT Bank Accounts into which resources for wages and works were deposited. The District Administration costs amounting to 2% of total PWP-CCT costs were deposited in the normal MASAF District Operational Costs Bank Account. Apart from the standard cheque-signing arrangement under the LAMPs, an additional signatory from the District Agricultural Office was incorporated under the program to strengthen the verification system. Special security arrangements were made to minimize the risk of transferring wages to beneficiaries.

Types of Projects

While most of the PWP-CCT projects were on road construction, there were some projects on agriculture and food security (e.g. irrigation and compost manure making); environment (e.g. land conservation, dam rehabilitation, afforestation, agroforestry and water hyacinth removal) and; water supply (e.g. gravity fed schemes).

Supervision

MASAF sent supervision teams to each LA to monitor and support the implementation of the PWP-CCT. These teams supplemented the LA supervision arrangements already in place under the Local Authority Managed Projects (LAMPs).

Results

By the end of January 2006, MASAF had successfully disbursed US$12.1 million to all 28 district assemblies - a total of 1,838 projects were spread across Malawi’s three regions. These projects directly benefited 504,012 individuals, which translates to 89.2% of the set target of 565,281 people. As per the design, after the PWP-CCT was over, beneficiaries would get cash transfers under existing LAMP projects, thus raising the number of beneficiaries above the 504,012 facilitated by existing LAMP projects. Beneficiaries used their wages to buy food and seed. Most PWP-CCT beneficiaries were targeted and once the fertilizer was distributed to the rural areas, acquired and used the Government-sponsored fertilizer coupons.

Issues and lessons learnt

IEC campaign

In all LAs, beneficiaries, local, religious and political leaders were well aware of the PWP-CCT program and its procedures. LA staff were also very conversant with the design, principles and procedures of the PWP-CCT. This is attributed to the excellent IEC campaign mounted by MASAF just prior to and during the implementation period. IEC preceding implementation is therefore a critical success factor for such a program.

Number of beneficiaries per project

The average number of beneficiaries per project was 250 and this was too large a number to be managed within a period of ten days. In some LAs, the beneficiaries were split into groups and this created two problems. First, some beneficiaries in immediate need of cash assistance had to wait till their turn came and second, some beneficiaries were expected to work in November when the rains would have started, which denied them a chance to get cash when they needed it the most. It is important to identify enough projects that can be completed in the allocated time so as to enable all eligible beneficiaries to work as soon as possible so as to access the needed cash immediately.

Beneficiaries and Gender

An attractive CCT program could

1. There are 5.5 people per household
potentially lead to gender differentials. In Machinga and Likoma LAs, there were more female than male beneficiaries; in Lilongwe Local Assembly, it was observed that in instances where females were selected, the work was actually done by males from their household - which makes it likely that these males also decided on how the money earned was used. An analysis of the PWP-CCT Impact Survey data will reveal if there were any gender differentials resulting from targeting criteria.

**Projects Supervision**

There was lack of adequate supervision in some PWP-CCT projects. The PWP-CCT projects coincided with the distribution by government extension workers of vouchers/coupons for subsidized fertilizer. Lack of supervision was attributed to this situation as also to the non-availability of transport/vehicles in some LAs. During the PWP-CCT, LAs summoned staff from across all sectors to take supervision responsibilities in various projects. Robust supervision arrangements should be in place prior to implementation as supervision is certainly important for such a programme to succeed.

**Projects Tools**

The initial design of the PWP-CCT was to use 18% of the money for works and tools. This was changed in some LAs and as result the 18% was converted to wages so that more people could benefit. In such LAs, it was expected that beneficiaries would either use their own tools or that the LAs would source tools from completed projects. It was however noted during implementation that the lack of tools hindered work progress and that projects where tools were not adequate started late and had fewer beneficiaries. Future programs of this nature need an adequate number of tools at the very beginning.

**Payment of Wages**

At the beginning of the PWP-CCT, there were fears that LAs would not be able to make on-time wage payments to the beneficiaries. In all LAs, LA Management disbursed the money on time, unlike in the conventional MASAF Public Works Programme where payments are late and occasionally payments are made to ghost workers. This lesson learnt is that LAs have the capacity to pay emergency PWP-CCT beneficiaries on time.

In conclusion, The Malawi Social Action Fund, together with LAs in Malawi, has demonstrated that a PWP-CCT arrangement can be an effective response tool to a national food shortage. Various lessons have been learnt from the design and implementation of the PWP-CCT. The overall lesson learnt is that, where there is a common purpose, a clear goal and with adequate funding, Local Authorities can effectively and efficiently deliver large interventions at community level.

*Note: This brief is not based on a systematic study of the impact of the PWP-CCT. There will be a formal evaluation of the impact and it is expected that more lessons will be learnt after the impact survey data is analysed. These will include lessons on health- and education-related behaviors among beneficiaries.*

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