



Evaluation of the Cash Transfers for Development Project in Vietnam

Full Report

Oxfam GB Programme Evaluation

December 2008

Commissioned by: Oxfam GB

Evaluators: Rowena Humphreys

EXECUTIVE SUMMARY

BACKGROUND

From mid-2006 Oxfam Great Britain (OGB) in Vietnam directly disbursed non-emergency cash grants to 550 poor and near poor households in An Loc commune. These were to support empowerment by enabling household's to utilise their knowledge and skills to determine the best investments for livelihood development.

An Loc commune has had its fair share of 'emergencies' in the past. Over the last few years there have been droughts, flooding and typhoon events which have contributed to An Loc being the poorest commune in Ha Tinh province. The ongoing OGB project proves to be a fertile ground for learning. In addition to the development of impressive 'nuts and bolts' mechanisms for transfers, data management, partnership and outreach, the programme has also responded to shifts in the status of the beneficiaries organisation by introducing capacity building interventions and related information (OGB, 2007).

This review draws lessons from the rich experiences of the OGB cash transfers project to inform and strengthen future developments and interventions. Conducted in November and December 2008 through document review, household data, interviews with stakeholders and a field visit, it documents and reflects on the evolution, achievements and constraints of the Cash transfers for Development: an Oxfam Learning Project in Vietnam¹.

KEY ACHIEVEMENTS

Based on its outputs, this review notes four key achievements, all worth striving to replicate in the lifetime of the pilot project and any future replications that OGB implement:

- A. Providing new 'spaces' in which the poor (particularly women) can be empowered to raise their voice, claims their rights and engage in community life
- B. Enabling households to sustainably diversify incomes in the way that they see fit
- C. Reduced intra-household conflict and peace of mind
- D. Wider economic and social development that went beyond the project beneficiaries

It was not the remit of this review to assess the progress before the March 2008 however the field work and challenges with statistical data made this an inevitable part of the review. Less emphasis has been placed on the quantitative data but significantly more attention has been paid to qualitative evidence.

¹ Here after called *Cash Transfer Project*

CONTENTS

ACKNOWLEDGEMENTS.....	4
ABBREVIATIONS AND ACRONYMS.....	4
GLOSSARY OF COMMON CONCEPTS AND TERMS USED IN THE PROJECT	5
CHAPTER 1.....	7
INTRODUCTION.....	7
1.1 Background to the review	7
1.2 What are Cash Transfers?.....	7
1.3 The emergence of cash grants for livelihood development	8
1.4 Scope and focus of the review	10
1.5 Methodology.....	11
1.6 Structure of the report.....	11
CHAPTER 2.....	12
OVERVIEW OF OGB CASH TRANSFERS PROJECT IN AN LOC COMMUNE	12
2.1 Background to the programme	12
2.2 Evolution of the Program	14
2.2.1. Program Setup and Design.....	14
2.2.2 Phase One (February 2007 – February 2008)/ Programme Implementation	14
2.2.3. Phase Two (February 2008 – August 2008)/ Programme Implementation	16
CHAPTER 3.....	18
FINDINGS.....	18
3.1. Beneficiary Selection	18
Table 3. Characteristics of household classifications by villagers in An Loc Commune.....	19
3.2 Household Expenditures and Receipts in the Review period March – August 2008	20
3.3 Effectiveness of the cash transfer project to the beneficiaries.....	23
3.3.1 Social Capital.....	24
3.3.2. Financial Capital	27
3.3.3 Human Capital.....	32
3.3.4 Physical Capital	34
3.4 Constraints, difficulties and challenges of the cash transfer project (to the beneficiaries)	36
3.5 Wider Challenges to Cash Grant Programming	39
3.6 Comparison between beneficiaries and non-beneficiaries	41
CHAPTER 4.....	42
LESSONS AND RECOMMEDATIONS.....	42
4.1 Important lessons for OGB based on the current findings.....	42
4.2 Potential Recommendations for this and future interventions	43
4.3. The Potential for Replication.....	44
CHAPTER 5.....	45
REFERENCES.....	45

ANNEXES

Annex 1: Terms of reference

Annex 2: List of people consulted

Annex 3: Guiding questions for consultations with other NGOs

Annex 4: Field work plan and methodology

ACKNOWLEDGEMENTS

The author would like to personally thank the following participants, whom without which the field work and review would not have been possible.

The Pro-Poor Centre (implementing partners) for their time and ongoing assistance before, during and after the review period. Mr Thuy of the Commune People's Committee for the time, inputs and logistical arrangements made throughout the course of the field work in An Loc commune. Nguyen Quy Hanh for his insights, observations, interpretations as well as continual translation and interpretation before, during and after the field work period. Claire Ireland for comments, technical advice and field work suggestions.

ABBREVIATIONS AND ACRONYMS

CPC	Communes People Committee
DPC	District People's Committee
OGB	Oxfam Great Britain
WU	Women's Union

GLOSSARY OF COMMON CONCEPTS AND TERMS USED IN THE PROJECT

Baseline data - Baseline data are initial information collected during an assessment. Baseline data include facts, numbers and descriptions and permit the measurement of the impact of projects implemented by comparing the situation that existed before and after project implementation.

Basic needs - The items that people need to survive. This can include safe access to essential goods and services such as food, water, shelter, clothing, health care, sanitation and education.

Conditional cash transfer - Receipt of the cash transfer is conditional upon the beneficiary providing a service of some kind (such as work); on using a service such as attending a school or health clinic; or spending the transfer on an agreed commodity or type of commodity, such a shelter or restarting a business.

Economic security - A household or community is economically secure when conditions allow it to meet its essential economic needs in a sustainable way, without resorting to strategies which are damaging to livelihoods, security and dignity.

Focus group discussion Focus group discussions are organized dialogues with a selected group of knowledgeable individuals in a community to gain information about their views and experiences of a topic. They are particularly suited for obtaining several perspectives about the same topic.

Food security - A person, household or community, region or nation is food secure when all members at all times have physical, social and economic access to buy, produce, obtain or consume sufficient, safe and nutritious food to meet their dietary needs and food preferences for a healthy and active life. There can be pockets of food insecurity almost anywhere – within countries, communities and families. Food insecurity may be caused by a variety of factors including reduction of food availability (e.g., loss of crops, food stocks, reduced food in markets), access to food (increased prices of food, reduced earnings, reduced sharing/gifts of food) and food utilization (problems in preparation, storage and hygiene, ill-health).

Household - Members of the same family unit sharing a common income/expenditure pot. (N.B. this definition may vary from context to context.)

Lean period - Usual time of year when ability to access sufficient food is most difficult, e.g., for farmers before the harvest (during the rains) when the harvest from the previous year has been exhausted and prices of food are at their highest. For pastoralists, before the main rains when access to pasture and water and hence health of livestock are most critical.

Livelihoods - A livelihood refers to the capabilities, assets and strategies that people use to make a living. That is, to achieve food and economic security through a variety of productive economic activities.

Monitoring - The ongoing task of collecting and reviewing programme-related information. The data gathered during monitoring should allow for programmes to be adjusted as necessary. A monitoring plan should be established during the programme design and based on the programme goals, objectives and activities.

Productive asset - An article that is capable of producing or allows for the production of an item or the provision of a service of economic value. Examples include land, equipment, materials, machinery, facilities (buildings), transport.

Qualitative data - Information based on observation and discussion. Can include perceptions and attitudes.

Quantitative data - Numerical information, such as numbers of intended recipients, number of payments disbursed, amount of cash transferred, number of days worked. This information should be broken down by gender, age and other variables.

Unconditional cash transfers - Cash transfers from governments or non-governmental organizations given without conditions attached to individuals or households identified as highly vulnerable, with the objective of alleviating poverty, providing social protection, or reducing economic vulnerability (see conditional transfers above).

Vulnerability - The conditions determined by physical, social, economic, environmental and political factors or processes, which increase risk and susceptibility of people to the impact of hazards.

CHAPTER 1

INTRODUCTION

1.1 Background to the review

This Learning Project entitled “Cash Transfers for Development” was initiated in mid-2006 with the rationale that ‘the poor can manage the project support themselves without guidance or regulations on how to use the project money’ (OGB, 2008). In being a ‘Learning Project’ it is understood that this project continually learns from its lessons, with the aim of improving and building upon the positive outcomes, whilst learning from any challenges encountered. The project had four main aims:

- Creating the opportunity for people to own productive assets that generate a decent livelihood for meeting the family’s needs
- Making best use of people’s own detailed knowledge of the local context and their capacity and skill to create a livelihood
- Allowing people individual decision-making to determine the best investment they could make
- Raising people social and economic status within the community, enabling them to have greater voice in community meetings

1.2 What are Cash Transfers?

Cash transfers are ‘cash payments which are paid to especially chronically poor households with an aim of supplementing household purchasing power, and moving acquisition of human capital’ (CPRC, 2007).

Particularly when cash transfers are reliable and regular, they can serve to encourage investment in education and health by poor households. They can also help to improve the resilience of chronically poor households in the face of shocks such as typhoons.

There are many different ways that a cash transfer can be delivered however the most prevalent types are conditional and unconditional transfers. The prior is when payment is given but stipulations are in place to guide the way the payment is spent e.g. payment is given to a household provided the child attends school (Rawlings, 2004). Alternatively the cash transfer is given unconditionally or freely. This is the usual preference and it avoids competing with other necessary economic activities of the household (CPRC, 2007). There are a number of perceived advantages and disadvantages of cash transfers and this report is mindful of these, making reference to them where appropriate – See Table 1.

Table 1. Advantages and disadvantages of cash grants

Advantages	Possible disadvantages
<ul style="list-style-type: none"> - Cost efficient - Allow choice for the beneficiary - They have multiplier effects - They avoid disincentive effects - Fewer costs for recipients - Dignity 	<ul style="list-style-type: none"> - Inflationary risks - Anti-social use - Security risk - More difficult to target - More prone to diversion - Disadvantages women - Less available from donors

1.3 The emergence of cash grants for livelihood development

Despite Oxfam's long history in cash transfer programming in social welfare and development programmes, it is only since the 1990s that they began to play a significant role in relief and recovery operations. Focussing in the early years on food relief and repatriation, cash transfers have come to encompass cash for work and cash grant programmes more generally, and have started to become mainstream for many aid agencies.

The British Red Cross (2007) identify the different applications of cash grants (Table 1). In a non-emergency context conditional cash transfers are increasing in popularity and attention. Programmes in Latin America, most notably the programme *Progresa* (now called *Oportunidades*) in Mexico, have enjoyed particular success (ADB, 2008).

Table 2 highlights the different applications of cash grants and shows that OGB's approach in Ha Tinh focuses on the assumption that the cash grants will contribute to poverty alleviation through the support and establishment of livelihoods.

Table 2. Different applications of cash grants

When	Why
Pre-disaster	In preparation for a predictable shock or as part of a disaster risk reduction programme
Initial stages of a disaster	To meet immediate, essential food, non-food and income needs and/or protect/re-establish livelihoods and provide shelter
Recovery or transition period	To help re-establish/ support livelihoods and/or provide shelter or short-term labour opportunities for the benefit of the community
In permanent/chronic crises	To contribute to poverty alleviation, shift the humanitarian programming to social assistance, address essential food and non-food needs and support/establish livelihoods
During conflict	To meet immediate needs and contribute to livelihoods support or establishment.

Source: ICRC (2006)

The introduction of cash transfers into the gamut of relief and recovery interventions was born out of major shifts in the ways that aid agencies conceptualised poverty and food insecurity. A number of related theoretical developments influenced this shift. These included:

- **Entitlement theory**, introduced in the 1980s showed that famine could occur even if sufficient food is available in a region. This called into question traditional narratives that equated famine with decline in food availability. Analysis of food security began to look at access as well as supply.
- **'Livelihoods approaches'**, developed in part out of entitlement theory, promoted a shift in thinking away from rural livelihoods as entirely dependent on agricultural production and subsistence. This was accompanied by a recognition of the diversity of household livelihoods and coping strategies, including migration, petty trading, and labour.
- **A focus on markets vs. the state** as an engine of growth emerged in the late 1980's – spilling over into international aid from the World Bank, International Monetary Fund and other institutions. Market-oriented ideologies promoted awareness of market efficiencies in resource allocation and pointed to the potentially negative impacts of government interventions.

The growing interest in cash programmes has been heavily influenced by their perceived advantages over commodity and in-kind support. Oft-cited benefits include that using cash reduces transaction costs, offers greater responsiveness to beneficiary needs, helps to avoid asset substitution, gives greater dignity to recipients, and contributes to the growth of the local economy and markets. Of course, it is not always feasible or appropriate to implement cash programmes. In addition to factors that bear on any distribution – such as access and data needs – the following are key:

- **Markets.** There must be a functioning market system that can supply sufficient volume of goods, and some assessment of the risks of causing inflation for key products.
- **Banks.** There must be a developed banking/financial system to channel project funds.
- **Payment mechanisms.** There must be availability of acceptable payment mechanisms, whether these are post offices, banks or other means of distribution.
- **Security.** This is sometimes thought to be more problematic for cash - assessment must look at risks for staff and beneficiaries of carrying cash and having it forcibly seized.
- **Corruption.** Cash might be particularly vulnerable to corruption by elites or project staff – assessment of risk should look at mitigation measures transparent targeting and entitlements and whether they will be sufficient
- **Cultural appropriateness.** It is necessary to consider whether it is culturally appropriate for women or men to receive and use cash for the program purposes.

Like other types of cash transfer, cash transfer interventions – the focus of this review – have seen increasing uptake in relief and recovery programming in recent years. In addition to a growing body of academic literature, the publication of manuals and guidelines by agencies like Oxfam (2006), International Red Cross and Red Crescent Movement (2007), Swiss Agency for Development & Cooperation² (2007) and growing field experience shows the commitment of such agencies and their donors to working in this field.

Oxfam Great Britain (OGB) has pioneered several approaches in this field, although predominantly in emergency situations. This review reflects the recent experiences of an OGB Learning Project in which cash transfers are disbursed in a non-emergency situation to create livelihood opportunities for beneficiaries.

1.4 Scope and focus of the review

This periodical review focussed on the cash transfers for livelihood development. At the start of the review, discussions were held with OGB livelihoods team staff to finalise the TOR and agree the main areas of focus. These were:

- To document what has been implemented by the project in last six months (March – August 2008);
- To process, interpret and analyse data on beneficiaries' use of cash granted in last 6 months which have been collected, entered by the PPC;
- To compare and analyse people's use of cash granted in review period versus previous one year (February 2007 – February 2008). Identify changes in trends (if any) compared to earlier periods;
- To document the effectiveness (or impact if any) of the project to beneficiaries, local authorities, community-managed groups, government authorities etc.;
- To capture constraints, difficulties or challenges faced by the implementing partner, government authorities, local people and, beneficiaries over the past 6 months;
- To draw lessons and recommendations for OGB in next six months/remaining time.

This review records achievements, analyses constraints and offers recommendations to inform and strengthen future interventions of this kind. The project takes a slightly wider approach than that stipulated in the Terms of Reference. For reasons explained within the following report this review adopts a more qualitative approach, but still draws upon key quantitative data when relevant and appropriate. Whilst the outlined review period (March –August 2008) has been investigated the broader project timescale and wider programming issues have also be considered throughout.

² A wealth of case studies can also be found here: <http://www.sdc-cashprojects.ch/en/Home/Publications>

1.5 Methodology

This is a quantitative and qualitative assessment based on a review of project documentation, household expense and receipt registers, economic surveys and staff, stakeholder and beneficiary interviews. Rowena Humphreys carried out this assignment using the following approaches:

- Review of programme documents and literature on cash grants and livelihood recovery.
- Key informant interviews with OGB staff, field officers, Pro-Poor Centre staff, mass organisations, local government, beneficiaries and non-beneficiaries.
- Focus group discussions with Pro-Poor Centre staff, mass organisations, local government, beneficiaries and non-beneficiaries.
- Household livelihood assessments of beneficiaries and one non-beneficiary.
- Statistical analysis of data collected by the Pro-Poor Centre.

The review team interviewed 37 people (see Annex 2). These included consultations with the Pro-Poor Centre, An Loc Commune People's Committee (CPC) and Project beneficiaries (including representatives of the An Loc Women's Union, Village heads/deputies from An Loc's eight villages), non-beneficiaries and a representative from the District People's Committee (DPC). A set of guiding questions were developed (see Annex 3). Given time constraints, it was not possible to undertake in-depth interviews with all households. The sample size was agreed in consultation with OGB and deemed to be a representative sample.

1.6 Structure of the report

The report begins by outlining the background to the review, the emergence of cash transfers as a livelihoods approach, its relevance to non-emergency relief situations and livelihood development and the scope and methodology of the review. Chapter 2 describes the evolution of the OGB programme and where it stands today is discussed. Chapter 3 presents an analysis of findings from field consultations and statistical data whilst also drawing upon previous OGB internal reports, outlining the project's effectiveness as well as constraints and challenges. Chapter 4 provides lessons and recommendations for how OGB can take lessons forward and build upon the outcomes of this review.

CHAPTER 2

OVERVIEW OF OGB CASH TRANSFERS PROJECT IN AN LOC COMMUNE

2.1 Background to the programme

Ha Tinh province is located on the Central coast of Viet Nam and is regularly affected by storms, hurricanes, typhoons and droughts. Flooding and typhoons has continually affected the region with increasing severity over the last 10 years. Most recently heavy rains and flooding in August 2007, followed by Typhoon Lekima in October decimated rice harvests and severely affected infrastructure and lines of communication in the region³.

An Loc is a mono-agricultural commune, with most income derived from paddy rice farming. In general the agricultural productivity in Ha Tinh province is poor, typified by one yield per year and low food security (2.3 months of food shortages)(Minh, 2006). Farmers in the province are reported to own few assets beyond paddy land, housing and basic furniture and worth, on average, US\$1000 per household (District Peoples Committee, 2005).

An Loc commune consists of eight villages, whose proximity to the main road and the availability of natural capital determine its level of wealth (Map 1). Village One⁴ in An Loc commune is the furthest away from the road and considered the poorest in the commune, comparatively Village Four is considered the wealthiest because it is located on the road. The road represents access to opportunities, particularly for establishing businesses, land prices are accordingly higher in this area. Despite the proximity to road, Village Three's poor soil dictates that this is the second poorest household in the commune. Following a ranking exercise with a CPC representative a ranking of villages was conducted (Box 1) and an associated map constructed (Map 1).

People's committee data for An Loc in 2005 shows that the average monthly income per capita was VND150,000 and the percentage of poor households was 55%, which is under the poverty line issued by the Ministry of Labour, Invalids and Social Affairs (MOLISA)(Minh, 2006). Results from OGB surveys however highlighted slightly higher average monthly income per capita (VND179,834) and that poor households accounted for 69.3% of households. The definition of poor, varies between the state (who tend to concentrate more on income), OGB (tend to concentrate more on assets and a lesser extent income) and the way people themselves relate to these are explored in depth in section 3.1. Overall the terms 'poor' near-poor' and 'better off' means different things to different stakeholders.

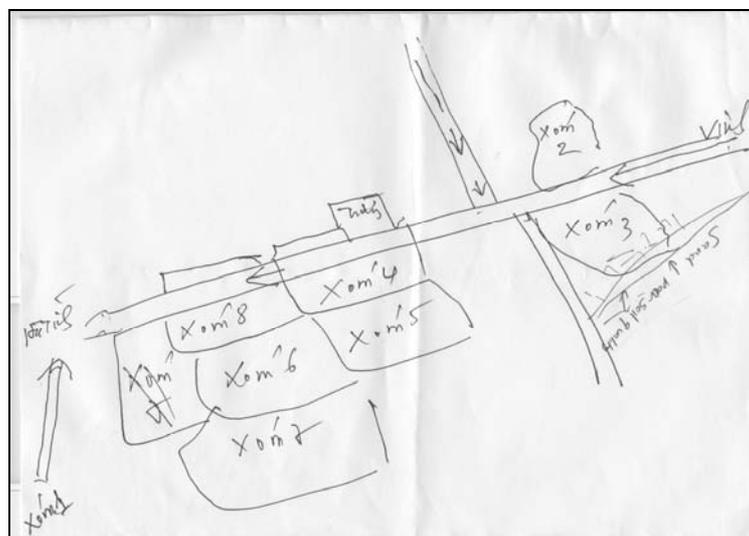
³ Significant flooding in September 2002 and Typhoon Xangsane in March 2006.

⁴ The names of the Villages were 'Village One', 'Village Two' etc – There were no other names for the villages

Box 1. Ranking of Villages relative wealth in An Loc Commune by a CPC representative

- Least Poor**
 Village Four
 Village Two
 Village Five
 Village Eight
 Village Six
 Village Seven
 Village Three
 Village One
Most Poor

Figure 1. Map of An Loc Commune according the CPC



In addition to the OGB project, people receive assistance in other forms. A company called Vincom has reported to have assisted 35 households in the commune with the provision of VND5 million on the condition that the household use this to buy a cow or calf. Villages are checked, a photo of the cow or calf is taken and then money is transferred. None of the beneficiaries that were in the OGB cash transfers project received this assistance as it was viewed, by the commune, that they had already received 'enough'⁵. Overall Vincom prioritised war veterans in beneficiary selection. Additional reports of an NGO called IFAC⁶ were also raised in regards to road building activities. In terms of government support, according to stakeholders there is no targeted support, however following significant shocks (such as flooding) the state may provide reactive assistance, examples of such support may include the provision of rice and seedlings.

In terms of the policy environment in to which this Learning Project was implemented the National Programme on Poverty Reduction and Hunger Alleviation (known as Programme 135) was identified in the OPAL Project Proposal (2006) however the local People's Committee stated that no one in any of the villages in An Loc had received support from this.

Although OGB has worked in Ha Tinh province it had not worked in An Loc commune prior to this project however the Pro-Poor Centre has. OGB initially approached the DPC who subsequently selected the Pro-Poor Centre as the local implementing partner. Previously part of ActionAid, and then later an independent Non-governmental organisation (NGO), the Pro-Poor Centre was established in 2004 as ActionAID began phasing out of this project area. The Pro-Poor Centre has experience of working in microfinance projects and capacity building initiatives (e.g.

⁵ Personal communication during meeting with the Commune People's Committee and then later reiterated in a non-beneficiary Household interview.

⁶ No further information regarding IFAC has been found over and above this report.

HIV and agricultural extension) throughout the province, although mainly in the districts of Can Loc and Loc Ha .

2.2 Evolution of the Program

2.2.1. Program Setup and Design

OGB in Vietnam is unique in establishing this type of cash transfer scheme. Not only is this one-off cash transfer pilot project unique to Vietnam but it is also distinctive given its establishment outside of an emergency situation and with few conditionalities placed upon beneficiaries spending.

On a global scale Oxfam have considerable experience of implementing cash transfer schemes (such as food-for-work and cash-for-work) in recovery and relief situations and therefore have significant in-house expertise from which to draw upon. Project design was executed by an experienced team, made up of both national and international staff, most of whom had extensive in country experience and familiarity.

Existing experience in the province, a good relationship with local government (DPC and CPC) and a strong implementing partner (the Pro-Poor Centre) were notable aspects of the project. Strong political will in supporting families along with a relatively peaceful context in which to work provided strong incentives for OGB to establish this pilot project.

According to consultations within OGB and a concept note outlining the rationale for this learning project, staff felt that the time was right for developing a new approach to determine whether simply giving cash, as a one-off transfer payment, was a more effective approach to diversifying and developing a households livelihood portfolio - The cash transfers project therefore serves to challenge conventional wisdom (Quynh & Raworth, 2005, pers comms with OGB staff, 2008). Unlike some potential emergency situations, Ha Tinh has an intact market system supported by sound public services and infrastructure, this represented further promising indications for the feasibility of the Learning Project.

The Pro-Poor Centre was able to mobilise the community and facilitate their involvement in meetings. With high capacity, long-term knowledge and experience of the project site the Pro-Poor Centre was a strong partner for the pilot project.

Prior to the projects implementation a Household Economic Well Being and Gender Equity study were conducted to inform beneficiary selection and provide baseline data.

2.2.2 Phase One (February 2007 – February 2008)/ Programme Implementation

The Cash Transfers Learning Project was agreed upon following the circulation of an internal concept note whereby comments were invited (Quynh & Raworth, 2005). The Concept Note documented the rationale for such a pilot project and a summary of how, when and where it was to be implemented, drawing upon wider experience within emergency contexts worldwide. An OPAL Project Proposal was later developed in March 2006 and approved.

Cash Transfers were mainly intended to improve and diversify 'income generating activities'. Beneficiaries were required to have a bank account and sign a contract of agreement which included some minor conditionalities, these included:

- An agreement to be monitored for three years
- Money was not allowed to be spent on alcohol, gambling or drugs

The Learning projects inception took place in February 2007, slightly delayed due to complexities regarding beneficiary selection and the banks delay in registering 550 new bank accounts.

Supplemented by Household economic and social baseline survey data beneficiaries were selected in a participatory manner by a group of village representatives which included: The village head; a mass organisation representative member; and a villager. This group qualitatively ranked households one by one, using the criteria 'poor', 'near-poor'/'average' or 'better-off'. From a total of 846 households, in the eight villages, 550 were selected. This information was later supplemented by quantitative information from the Pro-Poor Centre who collected data from the villages regarding basic household information (members, professions etc) assets, income, gender issues and community information using a survey jointly developed in collaboration with OGB.

Both sets of information were combined and a list of beneficiaries most in need of such a payment was drawn up. The list was deliberated over in a village meeting, and villagers were able to comment and reflect on the proposed beneficiaries and non-beneficiaries, in some cases information was verified via an investigation.

Final beneficiary selection was carried out by a working group of representatives from the commune peoples committee, the peoples council, mass organisations⁷ and the Pro-Poor Centre. The final list was made available to villages when it was posted at the village house or central location and through an announcement at village meetings. OGB received the final beneficiary list for approval.

According to the CPC Chairman the beneficiaries identified were almost the same as those in the poor and near poor list, developed annually by the local authority. Anecdotal evidence does however suggest that commune's often swap peoples 'poor' and 'near poor' classification around in order to display 'improvements' in poverty rates⁸.

Both of the two vulnerable groups were selected for a one-off cash transfer payment: 422 poor households received a VND 6.5 million payment, additionally 128 near poor households received a VND3 million payment. These amounts were reflective of OGB's overall budget availability and were sizable amounts with which the community could make significant investments into productive assets with. Notably a cow cost around VND5 million at the time the transfers were distributed.

The risks of using cash in An Loc commune were regarded as low but despite the social, economic and political stability conflict did emerge and is discussed in the findings (Section 3.4).

⁷ The Women's Union representative was involved in the selection process which was beneficial given their responsibility of 'vet' loan applications under VND20 million on behalf of the Agricultural Bank in An Loc.

⁸ This is not something that was uncovered during this review but it worth being mindful of

At the same time as the cash transfers went into beneficiaries' bank accounts, training on how to complete the Household Receipt and Expenditure Register took place. This is a book consisting of four parts (planning, spending, income and results of spending) and was developed by OGB and the Pro-Poor Centre. This was introduced to beneficiaries during a village level meeting, and represented beneficiaries' commitment to be monitored for 3 years.

In August 2007 and March 2008 the Learning Project was reviewed by a consultant that was also involved in the projects design. The Learning Project was also internally and informally reviewed in September 2008 by OGB staff. The key outcomes of these reviews, and the statistical data analysed, were:

- Improvements in peoples food security had occurred, particularly given that the cash transfer came at a time of food insecurity for the poorest households
- Drop out rates at schools had declined
- Concerns over the occurrence of conflict during beneficiary selection and the impacts on community solidarity had been raised
- Disaggregating impacts of the project cash from other capital is imprecise and complex
- Database software had processing errors limiting to the ability for the Pro-Poor Centre to adequately input and analyse data collected form the Household Receipt and Expenditure Register and the Household Monitoring Survey.

Based on this current review the following section explores the period following February 2008 to August 2008.

2.2.3. Phase Two (February 2008 – August 2008)/ Programme Implementation

Since February 2008 the Pro-Poor Centre has visiting An Loc commune on two separate occasions, both times to carry out data collection activities. The first visit took place in June and was to collect the Household Expenditure and Receipts Register that had been distributed in January 2008. This took the Pro-Poor Centre approximately one week to visit all eight villages as well as distribute new ones for the following six month period (July to December 2008). In addition to distributing the register the Pro-Poor Centre also conducted the periodical Household Monitoring Survey.

Following the collection of the data books and associated data entry, the Pro-Poor Centre returned to the villages in July 2008 to clarify and query some of the data entries that had been recorded. The Pro-Poor Centre will collect the Household Expenditure and Receipts Register in December 2008 as well as administer another Household Monitoring Survey.

Since the Learning Project's inception, data collection from households continues to take place in the following manner:

1. **The Household receipts and expenses register** – This is a record that is permanently kept in the household in beneficiaries should record all their

expenditures and receipts of money *related* to the cash transfer. This is distributed and collected every six months.

2. **The Household monitoring survey** – This takes places every 6 months and is completed in one sitting, when the above registers are collected. It reflects back on the previous 6 months of the pilot project and relates to the physical and spiritual benefits of it, any difficulties experienced and also allows space for comments and suggestions from the beneficiary.

During the period January to August 2008 there were no activities or training courses conducted. Although it was unclear as to the extent to which people were impacted, Porcine Reproductive and Respiratory Syndrome (also known as Blue Ear disease) affected Ha Tinh province in April 2008 and was mentioned by a number of stakeholders visited. Beneficiaries also noted low rainfall levels during July and August, followed by flash flood events which resulted in crop failure and low yields during September.

CHAPTER 3

FINDINGS

Throughout this section a major point for acknowledgement was that it was extremely difficult to separate the findings for the review period March to August 2008. Accordingly this section continues highlights findings from the review period but also considers the broader project term.

The Household Expense and Receipt Register is no longer viewed, by beneficiaries, as one to record *only* project related transactions. Given the complexity of doing so, this is unsurprising (See Box 2). For this same reason it was somewhat difficult, during meetings with beneficiaries, for them to think about the impacts of the cash transfers for the review period. Although discussed further in section 3.4 this factor may serve to highlight that it not possible to 'micro-monitor', perhaps in order to really learn the true benefits it would be advantageous to compare with non-beneficiaries.

Box. 2. Completing the household expense and receipt register

Miss Linh (a project beneficiary) invested VND3 million of her 6.5 million transfer to invest in the running of a kiosk. She combined this with a bank loan and a loan from my family. The kiosk is a success and generates a financial return but how does record how much of the money made can be attributed to the transfer?

The review has identified valuable findings regarding the projects impacts, effectiveness and challenges and this section explores those.

3.1. Beneficiary Selection

Following the field work the characteristics of the poor, near poor and better off families within An Loc commune were identified (See table 3). These terms were constantly used by beneficiaries and non-beneficiaries to describe themselves and others in the village so gaining a perspective from the people themselves as to what each really mean was important for the reviews understanding. Even though these classifications provide basis for government classifications these descriptions come from the people themselves and are therefore different.

The findings show that the ownership of a cow is marked difference between poor and near poor households. **The financial security this brings and the ensuing reduction in worry and stress levels were frequently mentioned by beneficiaries.**

Table 3. Characteristics of household classifications by villagers in An Loc Commune

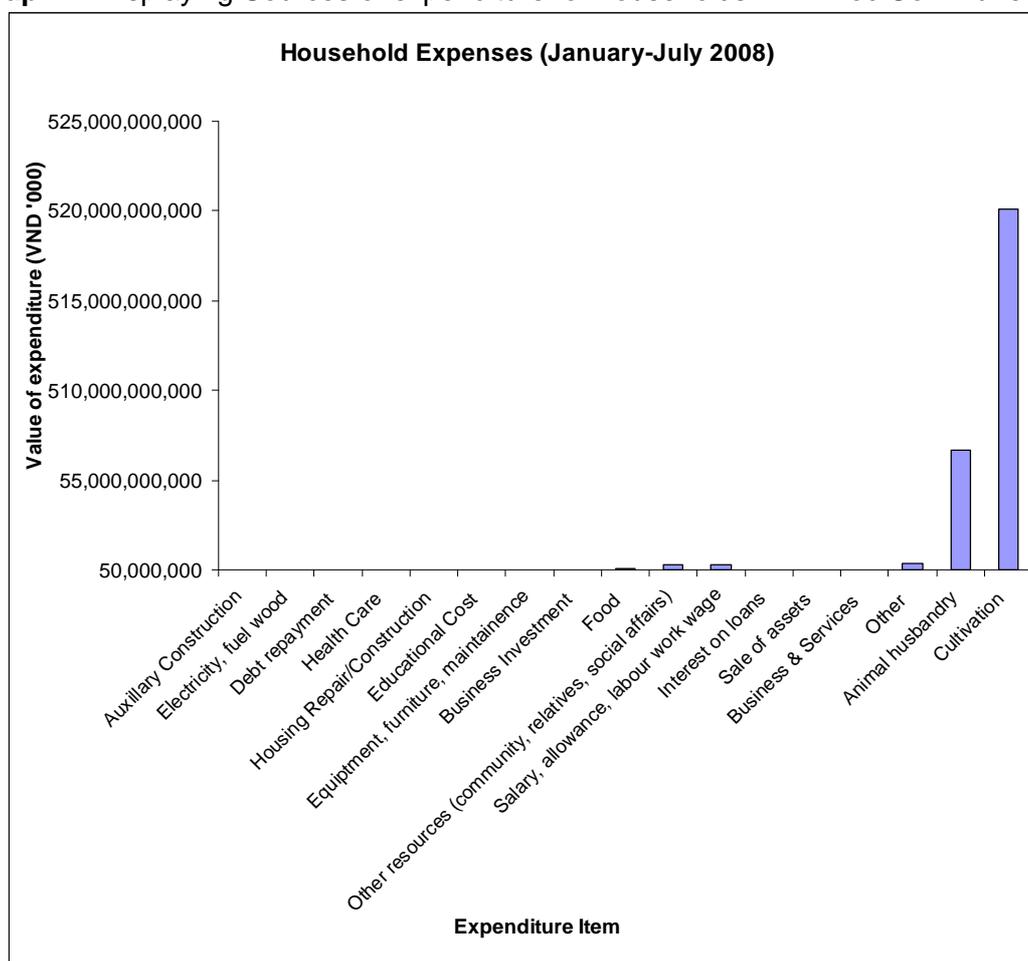
	'Poor' characteristic	'Near poor' characteristic	Better off
Housing materials	Cottage (thatched roof, made from rattan/bamboo - not concrete)	Concrete house, one storey, some auxiliary buildings	Concrete house, sometimes more than one storey, larger and more auxiliary buildings than near-poor
Levels of worry/stress regarding money	High	Medium	Medium (Worried about others owing them money)
Engagement in Animal husbandry	Generally does not own animals	Owens some to sell for meat	Owens some to breed and sell for production
Income sources	Predominantly farming	Farming & animal husbandry for meat	Diversified income with on-farm and off-farm businesses
Community engagement/ visibility	Low (no time available for this)	Medium (more time available)	Highest (Most time available)
Health status regarded as strongly correlated to food security by beneficiaries	Generally poor and highly vulnerable to shocks	Generally good although vulnerable to shocks	Good
Food security	Lacking for up to 4 months/year – may borrow rice	Can secure food security for the year but may face shortages if there is a shock	Highest level of food security regardless of shocks, because they don't rely solely on subsistence
Availability of land	500m ² /person/household	500m ² /person/household	500m ² /person/household
Debt status	Heavily (informal and formal loans)	Slightly (informal and formal loans)	Slightly indebted plus people owe them money
Ability to repay debt	Low	Medium	High
Reasons for taking loans	Seasonal inputs and simply making ends meet	Buying productive assets predominantly cows and then equipment relating to cows	Investing in business and diversifying into off-farm enterprises
Income level	Under VND 100,000 /adult/household/month	Under VND 200,000 adult/household/month	More than VND 200,000 adult/household/month

Source: theIDLgroup

3.2 Household Expenditures and Receipts in the Review period March – August 2008

The greatest expenditure, during the period between March 2008 and August 2008, was on cultivation. The most likely expenses within this would be fertiliser, seedlings and, for those without cows, the borrowing of them to plough the field. This is a predictable outcome considering that the data covered the time of planting (see seasonal calendar – Figure 2). Additionally **a significant amount of money was spent on food**. This is predictable given the lean period in February and March, when the household is waiting for the harvest. Household interviews revealed that during this period they often borrow rice. Figure 2 shows the seasonal calendar that was developed through interviews with households in Village One during the field work.

Graph 1. Displaying Sources of expenditure for households in An Loc Commune



Source: Household receipts and expenses register (March – August, 2008)

Figure 2. Seasonal Calendar

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Task	Summer-Autumn Crop					Winter-Spring Crop						
	Soil preparation, planting	Tending		Harvesting			Soil preparation	Planting	Tending	Harvesting	Soil preparation	Planting
Other			Lean Period				Typhoons & flooding season					

Source: Household interviews (November, 2008)

The largest receipts, during the period March to August 2008, were also from cultivation. This data set, although covering the lean period, also covers the harvesting period and so when the harvest is sold this would be a predictable income receipt for many of the households. The total receipt for all villages was VND7.36 billion.

The next largest receipt of money, apart from “other”⁹, was from animal husbandry (Graph 2). Although the exact dates of the transactions are not available many households reported selling off calves during the lean period, for extra income which may therefore account for this. In reference to the seasonal calendar (Figure 2) it may also be that households with cows receive a receipt of cash when they rent them out to others households for ploughing the fields.

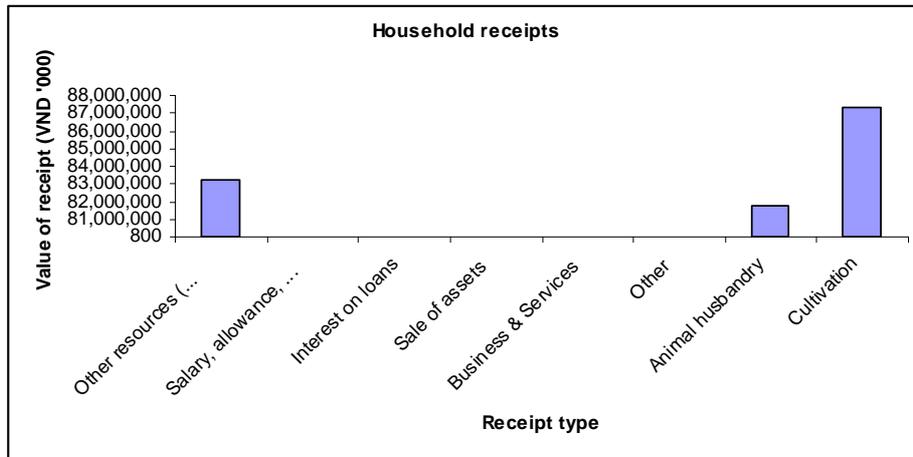
From the village disaggregated data it is clear that Village One, which was regarded as the poorest, receives the smallest amount of income from animal husbandry, perhaps related to a lower ownership of cows and therefore a lower trade in calves for meat or cows for renting (Graph 3). Comparatively Village Four, which relies less on agriculture, given its proximity to the road, and higher levels of diversification still receives a significant amount from animal husbandry. One might suggest that because of Village Four’s higher regarded status that it might receive higher receipts from labour and income. The results in Graph 4, which show income from labour employment, in fact show that Village 4 received the most, this is perhaps due to **higher levels of migration** (see Box 3) and associated remittances although it must be acknowledged that surveys involving income must appreciate that respondents might be apprehensive to fully divulge information.

Box 3. Migration in An Loc

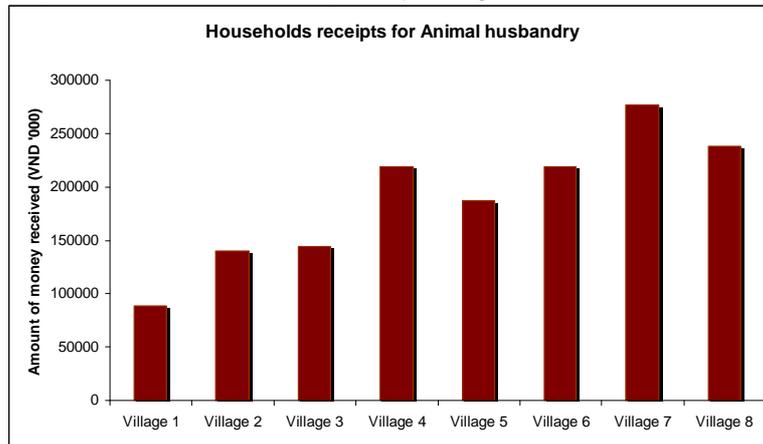
Beneficiaries noted that seasonal migration was common. In general women migrated to Dak Lak during October – December. Whilst men migrated to Ho Chi Minh City to make shoe or work labourers on building sites. One man said that his wife earned approximately VND7-8 million for 3-4 months work on a coffee plantation in Dak Lak.

⁹ “Other” does not provide any detail or information in this instance because there is no related disaggregated data available to accompany it.

Graph 2. Disaggregated household receipts for An Loc Commune



Graph 3. Household receipts, by village, for animal husbandry



Graph 4. Household receipts, by village, for Labour and employment



3.3 Effectiveness of the cash transfer project to the beneficiaries

The cash transfers delivered by OGB represented a significant amount of money to households. A sudden injection of VND6.5 million to 422 households that have an average monthly per capita income of VND179,834 is significant. To one person the amount given represented three years wages in one transaction. Despite the potential disadvantages (highlighted in Table 1) of reactionary inflation no reports of this were cited.

All round there were positive reports, substantiated by evidence that suggests that the money made significant impacts on peoples lives, reduced the number of poor households whilst boosting the productive assets of them – In line with OGB's original aims it seems that many households did invest in cows as their choice of productive asset.

Although this is not exhaustive, some impressive results recorded include improved community infrastructure, new opportunities for the youth and unemployed, increased community/social activities, increased female participation, improved respect for the law and general improvements in peoples state of mind in regards to a reduction in the stress and worry they experienced.

An encouraging result from the perspective of the CPC was that An Loc has experienced, prior to the projects involvement, 5% annual reductions in the poverty rate. Following the injection of cash transfers it witnessed, according to CPC, a 20% decrease. According to the CPC, the poverty rate in 2006 was 65.1% compared to the current 2008 rate which is now 40.2%. The CPC attributed this decrease directly to the provision of OGB's cash transfers. This raises interesting implications for the next few years and whether this can be sustained, whilst also showing strong evidence for government uptake, or rolling out the concept to a wider audience.

3.3.1 Social Capital

Based on the field work and, to some degree the data collected, it would seem that social identities have been recognised and reconfigured, as a result of the cash transfers. This has served to enhance status and enable occupational and social mobility. Identity is crucial in terms of accessing jobs, housing, as well as informal support networks, the structure of family life, intra-household relations and habits. It is at the intra-household level that decisions are made about how the cash transfer is spent and for what purpose, and their (gender) identity is crucial for this.

As a result of the cash transfers project stakeholders highlighted a number of ways in which the social capital of individuals, households and the community had been enhanced:

Improved gender awareness

‘Even if you migrate to An Loc, and you are new to the commune, you must follow the tradition and let the woman deal with the household finances’.

WU Representative (29/11/08)

Women’s involvement in the project, through the counter-signing of all cash withdrawals, meant that they had a significant role to play as direct beneficiaries. Reports from both the CPC (male staff) and the Women’s Union (WU) highlighted that this mechanism led to them having influence and control over expenditure decisions. Both of the above sets of respondents regarded women as having a better ability than men to manage cash and household finances.

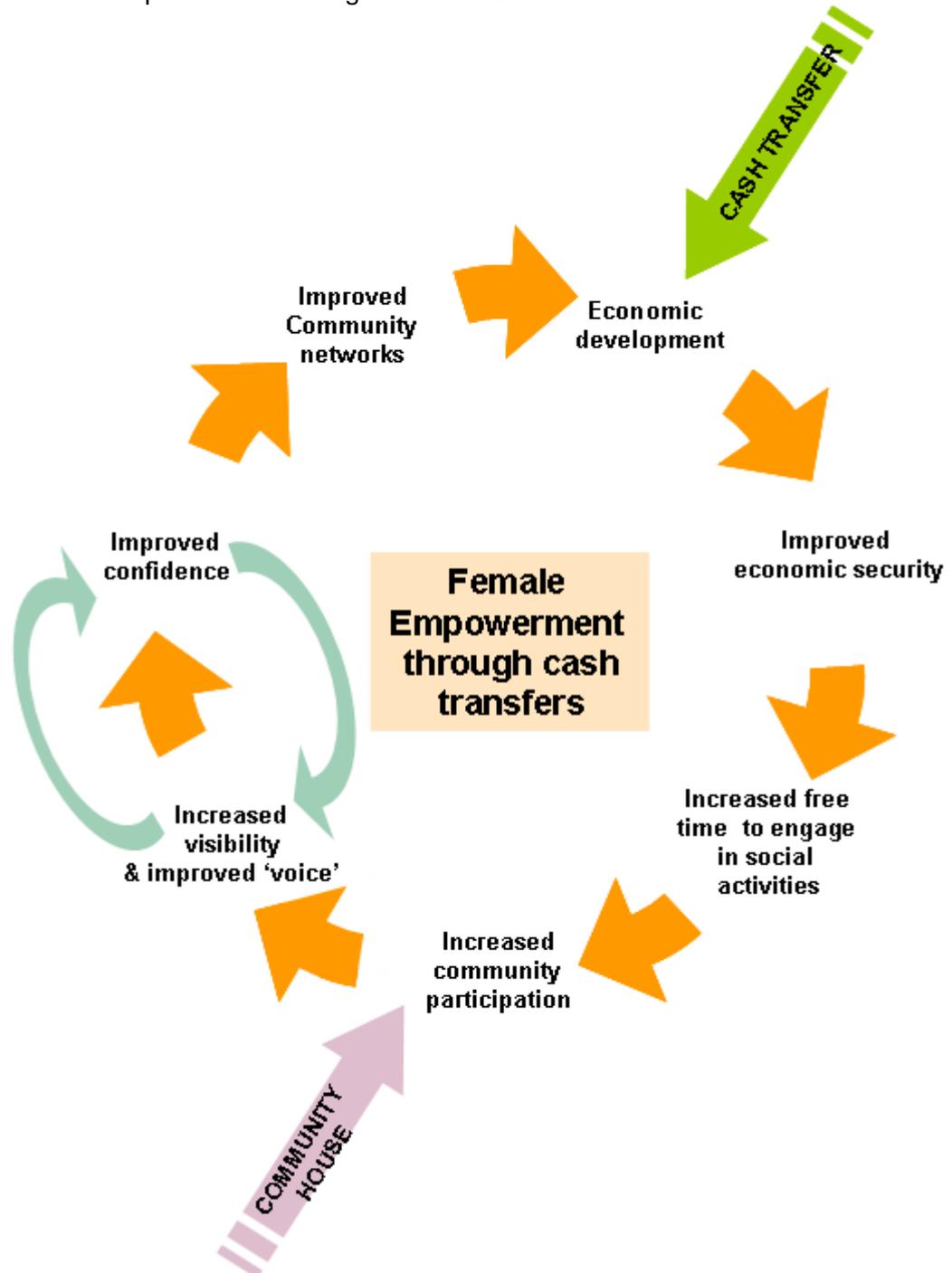
Women did not feel however that because of the project they had suddenly taken on a new responsibility of dealing with the household finances they viewed the female management of household finances as a *‘rural tradition’* in An Loc. The biggest difference, for those consulted, was when a woman suddenly had an elevated or new financial responsibility, such as the management of a business’s finances. This was the point at which **women felt particularly confident and empowered**. Overall many of the women emphasised that although they ‘hold’ the money there is joint decision making on investment choices.

During a meeting with the WU the review revealed encouraging examples of female empowerment and improved confidence. Figure 3 shows the cycle of how economic development and social development of women led to their perceived empowerment. The investment choices made meant that they women has less financial worries and stress which therefore gave them time to participate in different areas of community life. **Women reported that they had more time available to participate in community meetings, village sports activities and also cultural activities**. This increased participation in community life led to increased confidence of interacting with others, speaking out and raising their opinions, particularly in village level meetings. This was all facilitated by the building of a community house which gave a new space for participation. For the women spoken to during this review their lives had ‘significantly changed’. This is an extremely encouraging result for OGB given that the original project proposal aimed to empower women as decision makers in the household. It seems that not only have women enjoyed this at a household level they have also become **more vocal at the community level** too.

“Women are playing volley ball now! That’s something we didn’t use to have time for!”.

WU Representative (29/11/08)

Figure 3. Female empowerment through cash transfers in An Loc



Source: theIDLgroup

Women's perception of men's attitudinal changes

The women's view of how men had perceived this change was twofold. Most women highlighted how they thought that they felt **men's responsibility towards the household had improved** due to the households improved economic stability. They

thought that men noticed a change, enjoyed it and were encouraged to maintain it. One woman said that men had more respect for the women, her reasoning behind this was that “Men only drink one glass of rice wine instead of two now!”. For this woman this was a serious point of concern. This comment serves to show that it is not so much that people become poor through drinking but that they turn to alcohol when they are in a desperate situation with few opportunities for income generation.

‘The cash transfers were like much needed rain to the rice’

Household interview (30/11/08)

Some of the women interviewed during the WU focus group discussion mentioned how, as a result of the cash transfer and the increased financial security, that there had been **less tension in the household**. In general households said that financial insecurity brings great stress to the household and is therefore a major focus for disagreements within the household. The cash and the fact that it was a transfer, as opposed to a loan, brought significant peace of mind to the beneficiaries met during the field work. The Household Economic Survey corresponds to this data pointing out that households do

not have more arguments as a result of the project¹⁰.

Investing in spirituality

Investments into coffins and family tombs were recorded by a number of beneficiaries. Coffins were seen as a particularly important investment amongst the older beneficiaries. According to interviews with stakeholders larger families placed great value on investing into the upkeep of the family tomb. Spirituality clearly plays a major role in the lives of people in An Loc and the expenditure, at least at the start of the project reflects this. Although this was not the target of the project, i.e. it is not a productive asset, **there is an inextricable link between people’s spirituality and their physiological well-being that cannot be discounted and should be considered a positive unexpected outcome**. In the eyes of beneficiaries this has long term significance in their lives and was mentioned on numerous occasions during the field work.

Contributing to the Community

Some people contributed some of their cash transfers to the building of a concrete Inter-village road. In terms of contributing to this it was seen that villages were compelled to contribute. The amount of the contribution was based on the number of kilometres of road divided up amongst the number of people within the household. This calculation produced an amount that each household had to contribute to the road. From the results collected in the surveys households in village One apparently contributed between VND200,000 to the road building, regardless of their status. As highlighted above the construction of **a village house created a ‘new space’ for people to raise their voices** (see Household Profile Box 6).

¹⁰ A reminder that this data needs to be treated with caution.

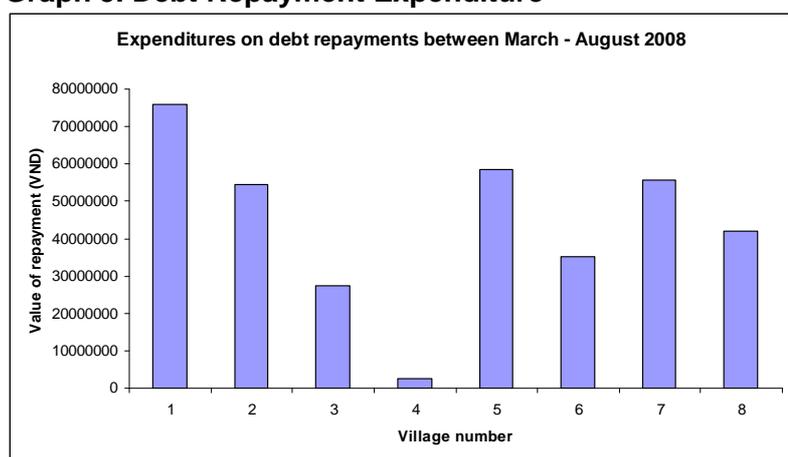
3.3.2. Financial Capital

Financial capital is the most versatile of all the capitals because it can be converted into many other forms. It gives households flexibility to spend the way they see most appropriate.

Breaking the cycle of debt

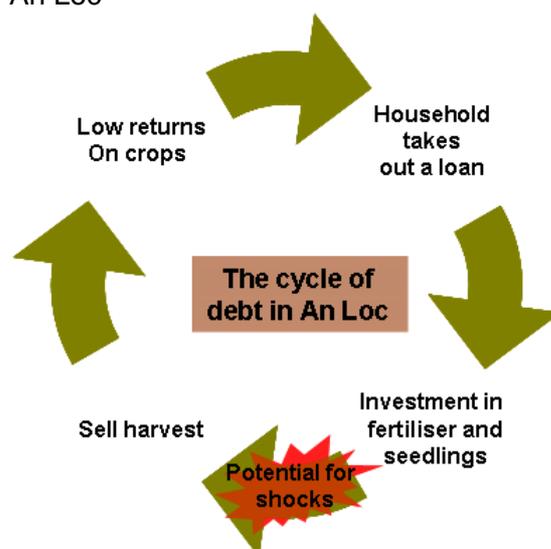
All of the beneficiaries we spoke to remarked on the subject of loans and debt. This plays a significant role in a household's survival ability. People take loans for a number of reasons but the poorest usually do so to buy fertiliser and agricultural inputs in order to develop the next season's crop. In general it is a dismal picture for many. The beneficiaries consulted all had debt and most were very pessimistic regarding their ability to ever fully repay it, they themselves regarded it as a cycle from which there was no foreseeable escape. From graph 5 it is possible to see that the repayment of debt is highest in Village One and lowest in Village Four, perhaps reflecting their perceived wealth status (see Box 1).

Graph 5. Debt Repayment Expenditure



Source: Household receipts and expenses register (March – August, 2008)

Figure 4. The cycle of debt for the poor in An Loc



Source: theIDLgroup

Beneficiaries commented on the fact that the best possible scenario, regarding the taking of loans, is that a loan is taken to buy fertiliser and seedlings, once the crop is harvested and sold the loan can be paid back with enough money left over to live on and reinvest. However beneficiaries said that this is not what actually happens. As displayed in Figure 4 beneficiaries emphasised that the crops are not good enough to make a full repayment, particularly if they are faced with shocks such as drought or flooding events, consequently the interest on the loan accrues (one beneficiary mentioned a rate of 1.75%). When the next season approaches they will take out another loan (therefore adding to their existing one) and continue along the same cycle but with the added burden of extra interest to repay. As a result the household debt level increases year on year.

Given this cycle the cash transfer represented an opportunity for some households to break this cycle by paying off all or some of their existing loans, which again brought significant peace of mind and economic security to beneficiaries.

However the sustainability of this intervention and spending money on paying off debt, given the cycle, is questionable. The underlying fact that crops are not achieving large enough yields and subject to shocks has not changed and given the impacts of climate change this may, in the future, be exacerbated. When speaking with households that used the cash transfer to pay off debt in February 2007, the issue of debt have not disappeared. The statistics show that a number of beneficiaries continue to make debt repayments, so for some using the transfer to pay off the debt may have only delayed the burden, rather than solved it. The baseline economic survey highlighted that land is of poor quality and producing low yields so it would seem that the need for agricultural extension is particularly pertinent, especially for the poor who continue to experience food shortages.

In comparison to those that used initial investment for debt repayment, many invested in cows. A cow represented an asset that could generate income, through the sale of calves, as well as plough the field – See Box 5.

Box 4. ACCESS TO CREDIT

Two popular mechanisms for the poor to access credit were highlighted during the field visit:

1. Borrowing from the *Bank of Social Policy* or the *Agricultural Bank*. The Women's Union play a major role in 'vetting' loan applicants requests when they are under VND20 million. Above this the bank will personally visit the home.
2. Borrow informally from friends and family

Box 5. Mr Ho Van Tin, Cash Transfer Beneficiary

Mr Tin (51) lives with his wife (48), two sons (14 & 16), his daughter (27) and their grandson (3)

Village 1 (poorest in An Loc commune), classed as 'Near-poor' and received a VND3 million cash transfer.

Major assets before the project: 1 cow, 1 buffalo

Major assets after the project (today): 4 cows, 1 buffalo, 1 house

Mr Tin highlighted benefits of his investment decision:

"Before the project I wouldn't say we were poor but we weren't rich either – we were in the middle but with the money we were provided we bought a cow and now we have four. We rent the cow out for ploughing but most of the money comes from when the cow has a calf. We can keep the calf, feed it up and later sell it – or just sell it as a calf if we need the money straight away. With the recent increase in the value of cows we make around VND5 million or more per cow – I recently sold a calf for VND4 million so for me this is a good life change!"

Household Interview: 30th November 2008



Figure 5.

Factors that determine asset investment choices



Source: theIDLgroup

This review does not advocate that paying off debt is an unwise choice or that buying a cow is optimum, however it does serve to exemplify how difficult investment decisions may be for some households. Figure 5 highlights the complex set of factors involved in the decision making process. Some of the greatest determining factors, emphasised during the field visit, were:

Social: Depending heavily on the pressure induced by the community to invest in certain assets e.g. a community house or an intra-village road.

Cultural: Depends on the level of value that the beneficiary places on cultural and spiritual values, and the degree to which a beneficiary is influenced by expectations from outsiders.

Financial: Existing levels of debt and the source of that debt e.g. they may prefer to pay back a bank because of interest accrual and perhaps delay paying back a family member.

Physical: How much existing productive capital a household has e.g. cows & pigs, the state of the house that they live in, the quality of the intra-village road and other publicly owned assets to which they may be expected to contribute to (See Box 6)

Human: The availability of human labour and the healthiness of that labour. This is the most basic asset for a household so investing in someone's particularly poor health would seem to be the priority choice for most households.

Local: These are factors that cut across all of the above, which may fall into the above categories and are unique to the local setting

Timing: The above factors are all influenced by the timing of the transfer e.g. if the transfer comes during the lean period then the household would logically spend more money on buying food or perhaps after a death when the need to invest in a coffin may be high.

??? ('Unknown'): Sometimes, particularly to the outsider, the choice for investment in an asset may be unexplainable. Some factors may be so deeply entrenched in the beneficiaries psyche that there just is not an explanation for their choice.

For each beneficiary the above factors will be different and Figure 5 explains the decision making factors behind one beneficiary's investment. In terms of monitoring and evaluation the above choices need to be understood as deeply as possible to ensure efficient targeting, in the most appropriate way at the most opportune time.

Box 6. Mr Tuan, Cash Transfer Beneficiary

Mr Tuan (39), wife (33) & two children (12, 10) Village 1 (poorest in An Loc commune), classed as 'Poor' and receive a VND6.5 million cash transfer

Major assets before the project: 1 cow, 1 calf
Major assets after the project: 2 cows, 1 house

Mr Tuan highlighted talked about the impact of the cash transfers and the impact it has made on his life:

"Before the cash transfer my family and I lived in a thatched cottage made of straw, bamboo and rattan (picture right above). However following the cash transfer me and my elderly, widowed father, who also received a cash transfer, pooled our money (total VND9.5million) and built a new house (picture right below). There are many benefits of having this house. This house is much more secure, its warmer and also more resilient to storms and flooding. The concrete area in front of the house also lets me dry the rice better. I feel more confident having a proper, concrete house, particularly when I have friends and relatives come to visit. My mind is healthier because having this house leaves me one less thing to worry about, I can just concentrate on the fields and my family".

"Our income is helped by the fact that my wife goes to Dak Lak to harvest the coffee plantations for about 3-4 months a year. During this time it's very difficult for me



because I have to look after the house, children and the fields. Usually the children are fine though, they just play outside, but for me it is hard. It was particularly hard this year because there was a drought for two months. At the end of the drought heavy rains came and we tried to replant the rice but it still failed. We had to borrow food from friends during this time".

Household Interview: 30th November 2008

Appropriateness of cash as a transfer

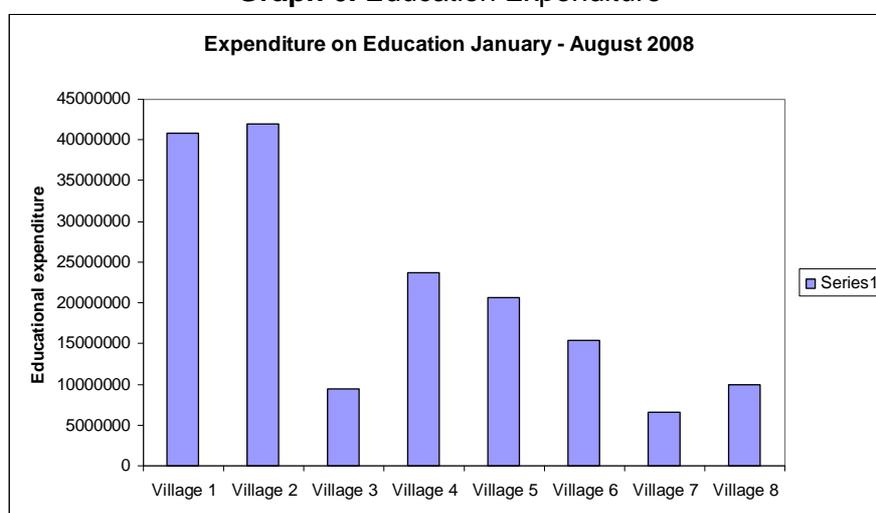
Everyone consulted during the field visit viewed **cash as the most effective type of transfer** because it served to empower the beneficiary by allowing them to select the most appropriate form of investment, based on their own needs. This conforms with the theory of cash transfers, in that **cash is a 'dignified' transfer** (see Table 1). The DPC highlighted that because it went direct to the household's bank account there were no opportunities for corruption. The DPC emphasised that the project was highly transparent which added to the credibility of the local government and the implementing agency. Overall there were no reports of the transfer being spent on the 'wrong things' such as alcohol or gambling. It might be interesting to note however that cigarettes for many may seem like a return to normality so even though this is not perhaps their most ideal choice expenditure it may bring a sense of psychological well-being which is equally important for the beneficiary.

3.3.3 Human Capital

Education Services

The strong correlation between investment in education and economic development are well noted. Following the cash transfers the CPC emphasised that there were increased literacy rates, greater school attendance rates and lower drop-out rates reported from the commune’s school. At present we are unable to verify this with official data however according to the household expense and receipt register 88% of beneficiaries recorded educational expenses for the period March to August 2008. This equated to a total expenditure of VND 649 million. Interestingly Village One, regarded as the poorest, spent the second highest amount on education showing that despite their economic situation they continue to place high regard on the value of investing in education¹¹.

Graph 6. Education Expenditure



Source: Household receipts and expenses register (March – August, 2008)

The cash transfer represented cash that could be directly used for education. One woman emphasised how she had always put education first and was proud that she was always able to send her child to school. The most important aspect of the cash transfer for her was that she **no longer had to worry about where she would find the money** for this. For others however the cash transfer also represented being able to **send the child to school on a more regular basis**, it is anticipated that this would particularly be the case with the extreme poor, who value education but simply cannot afford it.

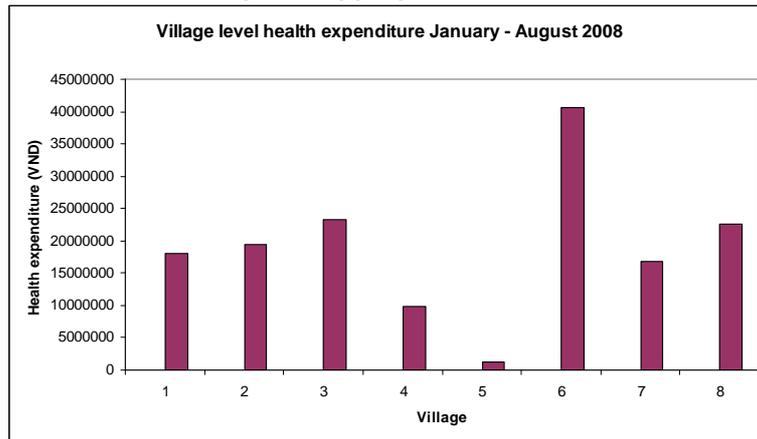
Health

Many of the beneficiaries noted how cash **transfers had reduced the stress and burdens associated with money**. Although the value of this to mental wellbeing of beneficiaries cannot necessarily be quantified or recorded, it was repeatedly mentioned throughout the field work and should be considered a significant and positive outcome.

¹¹ Given difficulties in allocating expenditure to the project it is possible that the differences in expenditure are related to differences in the way households recorded their data.

Some beneficiaries had spent money on health and from the data it is possible to note that when the cash transfers were first disbursed some households did make significant expenditures on health, although these were more like large operations e.g. an eye operation for a family member. The more recent expenditure represents smaller transactions, and as can be seen from Graph 6, the majority of payments are under VND500,000 indicating more periodical, less critical illnesses which would be very important for a households productive capacity. Human capital is the most basic of all capitals and is vital for all of the beneficiaries who are predominantly reliant upon subsistence agriculture for their livelihood security.

Graph 6. Village disaggregated Health Expenditure



Source: Household receipts and expenses register (March – August, 2008)

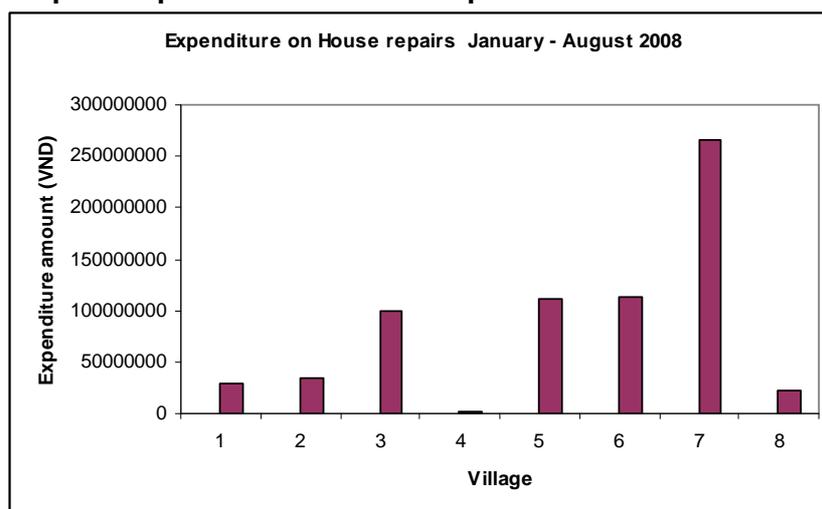
3.3.4 Physical Capital

A number of investments into physical capital were made by households. The most notable investments were made into personal residences, the inter-village road and community houses.

Personal residences

Beneficiaries invested in new, concrete houses or invested in the maintenance and repairs of existing houses. **This provided much needed security to an area that is particularly susceptible to natural disasters** (most notably floods and storm events). Since the projects inception there has been a number of storm events, in 2007 there were six notable storm events. The expenditure on house repairs and maintenance for the period March to August 2008 show that Village Four, a village in which all houses are now made from concrete spent the least on repairs. For those without a concrete house, generally the poorest, investments will need to be more regular to repair damage from storms, this perhaps serves to clarify the investment choice of the beneficiary from Village One highlighted in box 5.

Graph 7 Expenditure on house repairs



Source: Household receipts and expenses register (March – August, 2008)

Intra-village Road

This reportedly improved access around the village as well as making it easier to transport goods and access the main road from the village. Village One is the furthest from the main road and considered the poorest, upon visiting this village it was noted that the road is unpaved. In order for the village to build a road the village must reach a consensus and agree to contribute. Village One did not reach a consensus because most people were not able to contribute funds or labour. When speaking to a beneficiary in Village One he mentioned how he would like a road as it makes it easier to transport things, particularly when it rains and the road gets muddy. He also mentioned how he thought it was important for him to ‘keep up’ with other villages that already had concrete roads.

Community houses

As highlighted above, in section 3.3.1, community houses represented a new space for participating in community activities. This benefited both beneficiaries and non-beneficiaries and is something that the entire community could take advantage of. A household interview with Mr Nguyen Dinh Quy, a non-beneficiary, explained how he saw the situation in Village Four - see Box 7.

Box 7. Mr Nguyen Dinh Quy, Non-Beneficiary

Mr Quy (66), wife (62) & three children (30, 26, 24)

Village 4 (least poor village in An Loc commune), classed as 'better-off' and did not receive a cash transfer although was on the beneficiary selection committee and previously part of the cash transfers Management board.

Main sources of income: 2 million Dong/month as his veteran retirement fund from the government, animal husbandry, rice and remittances from his three children who all live in Hanoi.

Mr Quy, despite a non-beneficiary, highlighted the changes in community life since the cash transfer project:

"The structure of the community house began in 2004, however due to lack of funds it stopped shortly after. The cash transfers allowed the whole community, to some degree, to contribute towards its completion. Now it has been completed there are many benefits. My wife and I have improved our health because we go there twice a week to do yoga, this has also helped other old people in the village. There are definitely more activities that people can get involved in now, the Women's Union meets more too. The community house is useful for all and I think it helps bridge the generation gap. We have a selection of books for everyone – children's book, books for farmers – There's something for everyone."

"Most importantly it's a new space for village meetings. Before this house we used to have meetings in the village head's house but this was difficult. People didn't want to disagree or speak out in his house in front of his wife and his children. Having this space has given the community more freedom to speak out and now people criticise a lot more. The community house is neutral ground and also bigger so attendance has grown. Women raise their voices more, whereas they just used to



concentrate on being a housewife".

"I can see changes in the beneficiaries' lives too. I think the solidarity in the family has improved, whilst the household itself has more independence and stronger awareness. Overall community mobilisation is also easier now that the economy is stronger. People get involved more and I think this has made the community stronger, happier and noisier!"

Household Interview: 30th November 2008

3.4 Constraints, difficulties and challenges of the cash transfer project (to the beneficiaries)

Conflict and community resentment

Conflict was a significant factor at the project inception. Distinct animosity was reported by most of the stakeholders consulted in the field. This was mainly due to the way that households were selected and the widespread understanding that being poor according to the government guidelines is not an accurate measure. There is significant cause for concern here, particularly given that the commune was initially regarded as one in which conflict was not an obvious cause for concern.

Animosity towards those on the commune management board was particularly strong. These people played an important role in choosing who was selected. Serious cause for concern is raised when noting that a CPC member was threatened, along with his family, at home with a knife by a disgruntled community member who had not been selected for receiving the transfer. The situation was resolved by bringing in the police and also improving communication and consultation with the villages with regards to the decision making process – this particularly highlights the **importance of transparency** throughout the beneficiary selection process.

CPC and the Pro-Poor Centre emphasised that the tension was strongest when cash transfers were first distributed. One estimated cited that conflict is now only 10% of what it was at the start – clearly animosity still continues. An example for why conflict still presents itself was that during the voting process people made informal agreements with each other. This consisted of saying households encouraging others to vote for them with the promise that they'd later be rewarded financially. However upon receipt of the cash transfer some beneficiaries did not follow through with their agreement which caused anger and animosity.

Understanding networks, peoples relationships and, where possible, psychological well-being, would potentially help to foresee areas of conflict or disagreement – a baseline social survey may represent an important way of ascertaining this. An Loc is a long established commune and it was highlighted by many of the stakeholders that there is a strong sense of community. Some of the beneficiaries considered the issue of conflict as unsurprising because there was already a strong awareness of who 'needed' money and who 'did not'. Therefore if the labelling applied during the beneficiary selection process was inappropriate or was not in tune with the villager's reality then cause for conflict was inevitable.

The beneficiary selection process had implications for community participation. Although the field work has a very small sample size of non-beneficiaries it was said by them, and confirmed by the CPC that they had reduced their involvement in community activities because they thought that those with the cash transfer should now take on more responsibility. Despite the small sample size this is a worrying finding and it remain a challenge for the Learning Project to keep this sub-section of the community engaged along with increasing participation form new and other households.

The resentment and conflict may have been solved by the community itself and therefore consequently ignoring some of the selection process. There were reports

that some households were 'forced' to share the money received with other households in the community. It is unclear how this exactly happened but clearly this is a cause for concern. This would also have implications for the spending power of the beneficiaries and the level of purchases and investments that could be made. Additionally the Household Receipts and Expenses Register would not adequately reflect investment/spending choices of the beneficiary and the other households that 'benefited' from the transfer. One factor to bare in mind is that if this project were to be replicated and more stringent conditionalities put in place households that receive some of the transfer indirectly would not be subject to the same conditionalities as the beneficiaries.

Resentment was also noted on the behalf of the projects management board. Commune officials felt that the community did not trust them. The commune felt as though villagers thought that there must be great financial gains, given that it was a *cash* transfer project, for the management board. Despite the fact that they continue to work voluntarily most villagers have trouble believing this. A commune trust survey was carried out and Mr Tu (Deputy Head of the management board) received a very low ranking. He felt that this was unjustified and that the cash distribution process had contributed to this in some way.

Banking & Loans

The bank accounts that have been established are not full banking accounts. They are saving book accounts which only have a manual withdrawal facility. There is no opportunity for depositing cash which limits households ability to save money. The bank did not feel that people would not deposit any money, which is why they did not give people the option of doing so. They did not see any long term gain on the part of 'poor' and 'near poor' households having full bank accounts.

This opinion of the bank represents a dismal picture of their perceptions of the poor. This marginalisation as a result of limiting access to financial services may have repercussions in terms generating trust and accessing credit. Despite the banks view all those consulted during the field work said that they immediately withdrew all the cash and there was a general consensus that the cash should be put to use quickly.

The previous review conducted in September said however that the motivation for withdrawing cash so quickly was that there was pressure to invest in community infrastructure and by withdrawing and investing quickly they may potentially avoid 'having' to pay a contribution.

Debt

As previously identified in section 3.3.2 the sustainability of investing transfers into paying off debts is questionable. OGB, as part of the projects aims, highlights that expenditure was to be directed towards 'productive assets'. Clearing debt does not concur with this however there are no conditionalities in place to enforce or direct this. As previously mentioned paying off debt only serves to delay the build up of further debt rather than solve the key problem for many which is poor productivity and low agricultural yields. This factor highlights that cash alone is not enough for some. Technical assistance, particularly in the form of agricultural extension was highlighted by beneficiaries and should be a consideration for any future intervention.

Contributing cash for community assets

From section 3.3.4 it is apparent that households contributed to building a community asset (i.e. an inter-village road). The opinion within the commune was that *'households now had the money so they should contribute'*. From the CPC's perspective, households did not have a choice in this – despite the participatory approach advocated during beneficiary selection (in section 3.3.4).

It seems it is common practice in An Loc for households to contribute to the building of a road and community or public goods. The process for this is that the commune votes if it wants a road, if they reach a positive consensus then the CPC puts forward, for example, one tonne of concrete, after this the community must pay in terms of money and in terms of labour. The amount a household has to contribute is calculated by dividing the cost of the road amongst the population and then the household paying the appropriate amount.

The above process of calculating contribution varies slightly with different reports. Although there were no reports of force being used, this would clearly be a cause for concern. This is potentially an unexpected outcome of the project and not necessarily foreseen in the design but an immediate concern here is that the private household is replacing government's expenditure on public goods and that the provision of cash transfers facilitates this.

3.5 Wider Challenges to Cash Grant Programming

During the review period the following constraints difficulties and challenges were emphasised

The challenge of attribution

Expenditure and data collection has been extremely detailed and comprehensive and the Pro-Poor Centre has contributed considerable time and dedication to collection of data and ongoing monitoring of beneficiaries.

Challenges for the project is that as time goes by it becomes increasingly difficult and for households to record their cash expenditure. It was noticed during the field work that the registers original purpose for recording cash transfer use is no longer adhered to by beneficiaries. Given the low number of responses versus the original number of beneficiaries some households are no longer using the register.

In terms of the data collected this provides an interesting insight into peoples expenditure however we can conclude that different households use the register for different purposes which brings limitations when comparing the project outcomes. The register itself however is perhaps an unintended outcome of the project which has improved the financial management amongst households.

The extensive and ongoing monitoring is impressive. A large dataset now exists which has the potential to be used for wider, more general purposes. However it raises the question as to whether the project is in fact measuring the most appropriate things and what the data means. It might, in the future, be advantageous to also look at monitoring similar non-beneficiaries in order to really gauge the comparative impacts of the cash transfer on household expenditure and receipts.

Some important points gathered form the field and through the application of the data are:

- The software has limitations in terms of data manipulation and its design. Most notably the software only allows for searches to take place on the last 6 months worth of data, which inhibits developing knowledge of long-term change. It is possible to extract the data, manipulate and than analysis temporal changes however the coding¹² is sometimes inaccurate which may lead to misleading outputs. The software also does not allow for changes in its design.
- The Household receipt and expenditure register is as detailed as the household likes however when data is entered it is grouped and therefore important pieces of information are 'lost' which inhibits detailed analysis.
- The data outputs do not allow for the dates of transactions to be observed, which makes it therefore difficult to link expenditures to wider market changes

• ¹² For example: In some cases, when information is not collected, the programme automatically codes '0' – '0' can mean no result, but it may also represent a pre-assigned code. For example in terms of education levels '0' represents illiterate, but equally '0' represents 'no result' the data can therefore be highly misleading if not closely analysed and cleaned before analysis.

e.g. the food crisis, increased fertiliser prices and the more recently the financial crisis.

- The software currently has many faults and errors that inhibits certain data executions and viewing of outputs.
- Technical assistance with regards to software support is limited and therefore software errors remain.
- The software is cumbersome to use. Although more of a personal perception but given the experience within this review even the basic file formats are not widely used and the programme is specially designed so limits its wider use, analysis and application. For ease of data sharing it might probably be easier to simplify the data storage device into files such as excel which would still allow for statistical analysis. There is a wealth of information available so it is a real shame that it cannot be put to more use.
- Attributing expenditure and receipts is very subjective for a household and is resulting in different households using the register in different ways.

It seems that in regards to these complexities the Pro-Poor Centre have low ownership because they do not see any apparent value in collecting the data apart from their reporting duties to OGB. It would be good to see that even when the projects reporting period is over that the Pro-Poor Centre continues to collect the data because it remains a useful insight into households livelihoods.

The original economic survey that was conducted was reportedly very helpful although reports suggests it was also extremely complicated, taking up to a day for some households to complete. If this survey were simplified it would represent an important data collection tool and would also provide a good basis of comparison since the projects inception. As yet it has not to be replicated and its complexity may be a major barrier for why this is the case.

Overall the project does not have a comparative control group of non-beneficiaries which makes it very difficult to ascertain as to whether the impacts recorded were a direct result of the programme or not. There were many things happening at the time of the programme so it is very difficult to say if these happened as a direct result of the learning project or as to other things happening in the wider community and economy at the time.

3.6 Comparison between beneficiaries and non-beneficiaries

Whilst not in the remit of this review to study non-beneficiaries we were able to meet with five individuals and identify two important outcomes:

- The first was that there was widespread understanding that the beneficiaries selected were the most appropriate given their 'poor' or 'near-poor' status. They mentioned conflict although emphasised it was only from a few 'jealous' people.
- Secondly it seems that many of the non-beneficiaries had made a number of indirect in addition to the community house and intra-village roads. One woman remarked on how her construction material business had received more business when the cash grants were given as there was an increase in the number of repairs, maintenance and building being done. One man also noted how people had repaid the small loans that he had given.

It very important to note these multiplier effects highlighted in the second point above. By studying non-beneficiaries in more depth there may be a host of other positive effects that result from the project which we are currently unaware of. The cash transfers, for these beneficiaries at least, have served to stimulate the wider economy and could be a prominent justification of why such an approach could be advocated further.

CHAPTER 4

LESSONS AND RECOMMENDATIONS

4.1 Important lessons for OGB based on the current findings

- LESSON 1** To achieve a fair and equitable selection of beneficiaries the selection process must be open and participatory to ensure that everyone is aware and informed.
- LESSON 2** Base line surveys are important for understanding and determining the environment into which the cash transfers will be introduced. Understanding the complex social and cultural arrangements with a community is as important as understanding the economic situation in order to inform efficient, effective and fair beneficiary selection.
- LESSON 3** Data collection and monitoring is a complex task and attribution can be difficult, particularly over longer time frames. Financial accountability and monitoring how recipients use grants are important but should not impose burdens that outweigh the benefits of the programme.
- LESSON 4** The timing of the transfer is an important determinant for expenditure decisions and taking into account aspects such as the lean period and seasonal natural hazards is important.
- LESSON 5** The mechanism of 'cash', as a transfer, is appropriate because it empowered beneficiaries to make their own informed decisions regarding expenditure choice.
- LESSON 6** Limited conditionality, with incentives and flexibility to spend cash on a range of livelihood activities brings most benefit in a livelihood cash grant programme. People can make highly informed decisions about their expenditure choices without conditionalities directing them.
- LESSON 7** Cash transfers injected into the community have both direct and indirect benefits for non-beneficiaries and the wider economy
- LESSON 8** Benefits from the cash transfers can be more tangible and intangible, both of which are extremely important to the overall well-being of the community.
- LESSON 9** Understanding beneficiaries' debt levels and reasons for the debt might provide an indication as to how debt can be alleviated with a mixture of complimentary interventions.

4.2 Potential Recommendations for this and future interventions

- It would be worth considering contributing funds to the whole community as well as to individual households. This would overcome complications of households feeling obliged or being forced into contributing community assets such as roads or houses¹³.
- Further consideration of running training courses with households so that they are able to maximise the potential of their cash transfer. Areas of suggestions predominantly include agricultural extension and broader advice on available investment decisions. This highlights that cash transfers should be integrated into a comprehensive package of context-specific social protection interventions.
- Given the presence of conflict and the consequential reliance that was placed on leaders to mediate and solve tension it might be beneficial to have some leadership training in place. This may represent a valuable investment to the leaders who currently work voluntarily on the Learning Project.
- In further relation to the issue of conflict, in the future it might be possible to ease this with an in depth social survey that addresses social cohesion and cultural values of the community to fully understand relationships and networks between different parts of the community.
- Include non-beneficiary households in the sampling frame so that wider impacts on the economy and potential indirect can be gauged and compared. This might be a little unethical so perhaps the project may have to promise something in return at the end of the review period.
- It would advantageous to select certain households to engage in a longitudinal survey whereby they are monitored for maybe four to five years so as an in-depth understanding of their livelihoods can be made.
- Data collection should be more user-friendly, faults should be fixed and the Pro-Poor Centre needs to have stronger ownership of the data to ensure that it is useful for their own programming as well as OGB's.
- A suggestion from the CPC that the voting process used to select beneficiaries should be formalised in writing to make it more official, people would take it more seriously that way and you might avoid people voting for other households in return for money'.
- Given the encouraging outcomes from the WU meeting and in regards to female empowerment the review highly recommends that another gender survey is collected to reveal the true depth of this empowerment.

¹³ Note that WWF have done this in their Biodiversity corridor initiative in Thua Thien Hue

- Feed learnings from this study into the broader Oxfam Cash Transfer Programming, in order to move forward best practice on cash transfers in the Oxfam Movement.
- A suggestion from OGB following the review of the draft version of this review includes advocacy work with local institutions e.g. improving the bank's perception of poor people and their ability to save.

4.3. The Potential for Replication

This Learning Project has shown how important and valuable good baseline analysis is for informing initial support. The lessons outlined here represent an opportunity for Oxfam to take advantage of this 'Learning Project', and develop it further. OGB are well aware of the risk of conflict so are now well placed to build upon that experience and move forward.

In terms of a target population for a potential future OGB might consider targeting even poorer communities. In the context of Vietnam that will inevitably mean targeting ethnic minorities and the landless poor. Such groups have limited experience with the cash economy and weak access to markets which will have implications for programming with cash. This again highlights the importance of OGB's baseline surveying.

In terms of recommending a project such as this to the government, perhaps under a broader country-wide programme such as P135, caution should be adopted. The impact of the cash would be extremely different when comparing lowland versus upland farmers, female versus male headed households and ethnic minority versus ethnic majority households etc. The variations between households are broad and understanding the local social, economic and environmental conditions were key to the success of this project so identifying how this level of analysis can be scaled up to a country-wide level would be pivotal for success. Understanding how to supplement cash transfers with technical inputs to make the most of the transfer in the future will be testament to the projects wider success.

CHAPTER 5

REFERENCES

Project Documents that helped informed the review

Chaudry, P (2007) *Informal review – Vietnam Cash Project Update* (email format) 29-09-08

Thuy, P.T (2007) *Six-month monitoring report* (Feb-August 2007) Vietnam Cash Transfer Project. Pro-Poor Centre, Ha Tinh, Vietnam.

Minh, T. H (2008) *Annual Report – Cash Transfers for Development: an Oxfam Learning Project in Vietnam* (Reporting Period February 2007 – February 2008)

Minh, T. H (2006) *Household Economic Wealth Being and Gender Equality in An Loc Commune – Can Loc District – Ha Tinh Province*. Submitted to Oxfam GB and Pro-Poor Centre 10/2006.

OPAL Project Proposal (2006) 3rd draft, 6 March 2006 – Cash Transfers for Development: an Oxfam Learning project in Viet Nam.

Quynh, N,Q, & Raworth, K (2005) *Why Oxfam is planning to ‘just give them the cash’ in Viet Nam*. Draft for consultation 8 December 2005

References

ADB (2008) *Conditional Cash Transfer Programs: An Effective Tool for Poverty Alleviation?* [online] http://www.adb.org/Documents/EDRC/Policy_Briefs/PB051.pdf [accessed 29 October 2008].

CRPC - Chronic Poverty Research Centre & Development Research and Training (2007) *Social Protection and Cash Transfers in Uganda – Frequently asked questions on cash transfer* [online] Available: [http://www.chronicpoverty.org/pdfs/CPR-Uganda/CPRC-UG_PolicyBrief3\(2007\).pdf](http://www.chronicpoverty.org/pdfs/CPR-Uganda/CPRC-UG_PolicyBrief3(2007).pdf) [Accessed 21 October 2008]

Deveraux (2007) *Making Cash Count: Lessons from East and South Africa* [online] <http://www.helpage.org/Resources/Researchreports/Makingcashcount> [accessed 21 October 2008].

FAO – Food and Agricultural Organisation (2004) *Food Insecurity and Vulnerability in Viet Nam: Profiles of Four Vulnerable Groups Food* [online] Available: <ftp://ftp.fao.org/docrep/fao/007/ae066e/ae066e00.pdf> [Accessed 17 October 2008]

ICRC - International Red Cross and Red Crescent Movement (2007) *Guidelines for cash transfer programming* [online] Available: [http://www.icrc.org/Web/eng/siteeng0.nsf/htmlall/publication-guidelines-cash-transfer-programming/\\$File/Final-version-of-mouvement-guidelines.pdf](http://www.icrc.org/Web/eng/siteeng0.nsf/htmlall/publication-guidelines-cash-transfer-programming/$File/Final-version-of-mouvement-guidelines.pdf) [Accessed 17 October 2008].

Rawlings, L (2004) *A New Approach to Social Assistance: Latin America's Experience with Conditional Cash Transfer Programs* [online] Available: http://www-wds.worldbank.org/external/default/WDSCContentServer/WDSP/IB/2004/10/12/000012009_20041012095621/Rendered/PDF/301650PAPER0SP00416.pdf [Accessed 17 October 2008].

SDC - Swiss Agency for Development & Cooperation (2007) *The SDC Cash Workbook* [online] Available: http://www.sdc-cashprojects.ch/en/Home/SDC_Cash_Workbook/Toolbox_Cash_Workbook?officeID=72 [Accessed 6 December 2008].

Waddington, C (2003) *Livelihood Outcomes of Migration for Poor People* [online] Available: http://www.migrationdrc.org/publications/working_papers/WP-T1.pdf [accessed 21 October 2008].

© Oxfam GB 2008

First published online by Oxfam GB in 2010.

This document is part of a collection of programme evaluations available from Oxfam GB in accordance with its evaluation policy.

This document was originally written for internal accountability and learning purposes, rather than for external publication. The information included was correct to the evaluator's best knowledge at the date the evaluation took place. The views expressed in this report are those of the author(s) and do not necessarily reflect Oxfam's views.

The text may be used free of charge for the purposes of advocacy, campaigning, education, and research, provided that the source is acknowledged in full. The copyright holder requests that all such use be registered with them for impact assessment purposes. For copying in any other circumstances, or for reuse in other publications, or for translation or adaptation, permission must be secured and a fee may be charged. Email publish@oxfam.org.uk

For further information on the issues raised in this document email phd@oxfam.org.uk

Oxfam is a registered charity in England and Wales (no 202918) and Scotland (SC 039042). Oxfam GB is a member of Oxfam International.

www.oxfam.org.uk