

# Humanitarian Assistance through Mobile Cash Transfer in Northern Afghanistan

*Final Report – May 2014*



**Samuel Hall.** ([www.samuelhall.org](http://www.samuelhall.org)) is a research and consulting company with headquarters in Kabul, Afghanistan. We specialise in socio-economic surveys, private and public sector studies, monitoring and evaluation and impact assessments for governmental, non-governmental and international organisations. Our teams of field practitioners, academic experts and local interviewers have years of experience leading research in Afghanistan. We use our expertise to balance needs of beneficiaries with the requirements of development actors. This has enabled us to acquire a firm grasp of the political and socio- cultural context in the country; design data collection methods and statistical analyses for monitoring, evaluating, and planning sustainable programmes and to apply cross- disciplinary knowledge in providing integrated solutions for efficient and effective interventions.

Visit us at [www.samuelhall.org](http://www.samuelhall.org)

This report should be cited using the following reference:

Samuel Hall Consulting 2014. *“Humanitarian Assistance through Mobile Cash Transfer in Northern Afghanistan: An Evaluation of a DFID Pilot Project in Faryab, Jawzjan, and Samangan”*.

This publication was prepared with the support of the Department for International Development (UK) and implemented by *Samuel Hall*. The views and analysis contained in the publication therefore do not necessarily represent DFID’s views.

*Samuel Hall* encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly. For permission to photocopy or reprint any part of this work, please send a request with complete information to [development@samuelhall.org](mailto:development@samuelhall.org).

## Acronyms

ACF	Action Contre La Faim
ACTED	Agency for Technical Cooperation and Development
CaLP	Cash Learning Partnerships
DFID	Department for International Development
FGD	Focus Group Discussion
GDP	Gross Domestic Product
IVR	Interactive Voice Response
MNO	Mobile Network Operators
NGO	Non-Government Organisation
NRAP	National Rural Access Programme
NRC	Norwegian Refugee Council
SIM	Subscriber Identity Module
UNAMA	United Nations Assistance Mission in Afghanistan
USAID	United States Agency for International Development
WFP	World Food Programme

## Table of Contents

Acronyms .....	3
Executive Summary.....	5
Introduction .....	9
Method .....	13
Section I: <i>Assessing the DFID beneficiaries</i> .....	19
Section II: <i>Assessing the delivery of cash through mobile phones</i> .....	33
Section III: <i>Lessons learned and recommendations</i> .....	53
Bibliography .....	60
Appendix A – Sample Size Selection .....	62
Appendix B – Demographic profile of respondents.....	63
Appendix C – List of Key Informant Interviews.....	70
Appendix D – Technical Proposal .....	71

## Executive Summary

In response to the 2011 severe drought that pushed vulnerable rural households into food insecurity in 14 provinces of Northern Afghanistan, DFID has committed to address emergency needs in northern Afghanistan with nutrition, food security and farming inputs. Samuel Hall Consulting, a Kabul-based research firm, was commissioned to conduct a survey between June and September 2012, during which time a pilot initiative was launched in four districts of the Northern provinces of Faryab, Jawzjan, and Samangan to test an innovative approach to help drought-affected farmers achieve food security by delivering cash using mobile phone technology.

Defined as “*direct, regular and predictable non-contributory cash payments that help poor and vulnerable households to raise and smooth incomes*”<sup>1</sup>, cash transfers are aimed at providing immediate relief, and eventually contributing to reducing poverty and increasing resilience of poor households through a better management of risks and shocks. DFID funding provided up to 2 payments (AFA 4,000 each<sup>2</sup>) per household, as emergency relief over a short time period (June and August 2012).

The purpose of this evaluation is to examine the use of cash transfers via mobile phone, rather than the impact of the programme itself. It will examine whether the technology used was appropriate, whether it could reduce the use of coping strategies and whether it would work in the challenging humanitarian context of Afghanistan. In addressing these questions, this independent evaluation will examine the overall efficiency, effectiveness, transparency, and value for money of setting up emergency short-term, cash-based projects to disaster affected populations. Differences will be explored between the cash transfer scheme defined by DFID and implemented by its partners (ACTED, Action Aid, and Afghan Aid) and other humanitarian interventions, specifically the USAID and WFP programmes (the latter of which is food aid). The main objectives of this study are therefore twofold<sup>3</sup>:

- What is the result of each assistance programme (mobile cash transfers and USAID/WFP) on the humanitarian needs of the target population as measured by standard humanitarian criteria?
- What are the primary considerations when deciding whether to establish mobile phone payment transfers in a humanitarian context?

---

<sup>1</sup> C. ARNOLD, T. CONWAY, M. GREESLADE, “Cash Transfer Literature Review”, DFID, UKAID, Policy Division, April 2011.

<sup>2</sup> Approximately GBP 50 for each remittance.

<sup>3</sup> An initial third objective had been the assessment of the value for money (in terms of economy, efficiency and effectiveness) of mobile cash transfer vs. conventional cash transfer programmes. However, following discussions between Samuel Hall and the DFID Evaluation Advisor prior to the start of the data collection, it was decided that a comparison between mobile cash transfers and conventional cash transfers would not add value given that the programme was about the use of cash transfers to address a humanitarian emergency rather than a comparison of cash transfer initiatives for social protection. As such, a comparison between the mobile cash transfer, USAID and WFP programmes (the latter of which is food aid) and a group that received no intervention was agreed. The difficult security situation and the lack of household listing makes data collection extremely challenging in Afghanistan and in this case it was not possible to collect data from a sufficiently large sample size to match participants on key characteristics. This is a limitation of this evaluation and means differences between the groups could be due to factors other than the mobile cash transfers.

Within these primary objectives this study seeks to address a number of specific questions, listed thematically below along with how they were addressed:

<b>Area</b>	<b>Question</b>	<b>How this evaluation addressed the question</b>
<b>Economy</b>	Is DFID's investment in mobile technology of appropriate quality and made at the right price?	This question was addressed using a qualitative approach including interviews with a Telecommunications Expert, interviews with food assistance actors to discuss similar initiatives and indicative costs of these. A comparison of Roshan and Etisalat's mobile coverage and pricing is also included.
<b>Efficiency</b>	How quickly can electronic mobile phone payment systems be set up in practice?	The individual interviews and focus groups conducted with community representatives and NGO field officers provide information on the length of time it took to set up the mobile phone payment systems.
<b>Effectiveness</b>	Do mobile phone electronic payments actually work in practice, keeping in mind Afghanistan's context? Can beneficiaries convert the e-cash into the goods that they need in their localities? How extensive and usable is the Afghan mobile phone network in practice? Are there sufficient agents to enable beneficiaries to convert cash into goods and services?	The survey answers these questions, with the interviews providing additional contextual information. This evaluation is limited in the extent which it can say that mobile phone electronic payments contributed to the positive outcomes as the DFID beneficiaries and control groups were not matched on key characteristics, so outcome differences between the groups may be due to other factors. A map of Roshan and Etisalat mobile network displays the extent of the mobile phone network coverage and interviews with Telecommunications Experts and users provide insight into the usability of the phone network and the process of converting cash into goods, along with barriers to doing this.
<b>Cost-effectiveness</b>	What is the impact of unconditional mobile cash transfers on humanitarian needs relative to the input?	This evaluation examines the effect of mobile cash transfers on key outcomes of interest, however the difficult security situation and the lack of household listing makes data collection meant it was not possible to collect data from a sufficiently large sample size to match participants on key characteristics and as such differences between these groups may have been caused by factors other than the mobile cash transfers. As such, it is not possible to draw conclusions about impact based on this study.
<b>Benchmark</b>	What is the socio-economic effectiveness of the DFID mobile cash transfer project versus humanitarian initiatives (WFP in particular)?	From a policy perspective it was decided that it was more meaningful to compare the cash transfers with other humanitarian interventions rather than other cash transfers. DFID beneficiaries were compared to beneficiaries of USAID and WFP programmes (the latter of which is food aid) on key outcomes. However, it is not possible to make direct comparisons between the groups since the DFID beneficiaries and control groups were not matched on key characteristics, and so differences between these groups may have been caused by factors other than the mobile cash transfers.
<b>Humanitarian Impact</b>	What is the social and economic short- and long-term impact of the DFID mobile cash transfer technology? What are the negative impacts on the local markets?	The evaluation conducts analysis to assess whether there was an inflationary effect as a result of the mobile cash transfer technology. Since the baseline survey was conducted in June 2012 and the endline survey was conducted in October 2012 this evaluation is not able to examine the long-term effects of the technology.
<b>Gender Balance</b>	Does the mobile cash transfer technology increase the social and economic role played by women in rural areas?	The qualitative results add to existing knowledge on the social and economic role played by women in rural areas. Table 6 examines women's average monthly contribution to the household but a different group of beneficiaries were sampled at the endpoint and the intervention and control groups were not matched. Therefore, this evaluation cannot demonstrate whether the mobile cash transfer increased women's social and economic role.

## **A promising pilot project in an extremely volatile security and worsening socio-economic environment**

Despite its failure to address people's humanitarian needs in a timely manner<sup>4</sup>, the DFID pilot test (undertaken more than one year after the 2011 drought) has proven promising, to many extents. There were still food shortages that were not the result of the drought at the time of the intervention, and the cash received helped households to deal with these without having to resort to extreme coping strategies. Other successes of the pilot include: 1) beneficiaries of the DFID programme fit the criteria stipulated in the programme terms of reference, namely including "the poor among the poor", such as women and minorities; 2) a positive effect on beneficiaries' households, who often reallocate these additional resources not only in food items but also in health, education, repayment of debts, etc. 3) a strong popular acceptance and legitimacy of this type of intervention; 4) reliable and efficient partnering NGOs (even if further investigation is now required in Jawzjan); 5) an efficient cash transfer instrument tailored to the Afghan context (though a more in-depth comparison with food distribution and cash voucher programmes should be made, to better gauge the actual efficiency of mobile cash transfer initiatives).

Despite a potential case of fraud, which can be tracked easily, and the fact that a minority of beneficiaries withdrew money themselves, which is part of the overall learning curve of any mobile cash transfer project, the M-Paisa system is a reliable option to transfer cash to rural and urban poor in a conflict situation like Afghanistan. Overall, sending remittances through mobile transfers in the four surveyed districts proves generally reliable, targeted, secure and relatively cheap. It is not absolutely reliable, but it is relatively efficient in a context of increased diversion of food assistance and endemic corruption.

The downsides are: 1) the inadequate format and content of the training sessions; 2) the fact that beneficiaries only withdrew cash and barely used any other M-Paisa services; 3) the risk – especially in the longer-term – that middle-men bypass or divert some cash, as many illiterate people or disadvantaged minorities ask other people to withdraw cash for them; 4) a potential inflationary impact of cash injection (as observed in the Almar district) in areas where security and/or access to other markets are poor. These drawbacks need to be considered when deciding whether to establish mobile phone payment transfers in a humanitarian context.

---

<sup>4</sup> The Humanitarian Assistance through Mobile Cash Transfer project was implemented in 2012, one year after the drought. However, once the project was approved implementation was relatively quick: it took three months to set up the actual cash transfer system.

## **Inconclusive evidence on the actual and potential value for money of mobile cash transfer programmes**

Considering that the key challenge of the programme was delivering support to communities in Northern provinces to meet their emergency needs in a cost-effective and timely manner, the review team considers that the project was neither timely nor cost-effective. However, it does not mean that future mobile cash transfer projects, at a larger scale, may not be more cost-efficient than food assistance programmes. This is especially true in a worsening security context, where access to remote and unsafe areas has become a key parameter for evaluating the impact of any humanitarian or development initiative.

**Timeliness of the DFID pilot project:** The fact that most beneficiaries reported spending their cash on non-essential items leads the review team to think that the DFID initiative: 1) can play both a humanitarian/relief and development/recovery role, as cash grants empower targeted households and allow them to better allocate their resources for emergency or long-term purposes; 2) failed to address the immediate consequences of the 2011 drought, as the project was initiated too late, as often reiterated in the individual interviews and focus groups conducted with community representatives or NGO field officers.

## **Actionable recommendations in a conducive environment for mobile cash transfer**

Based on our field observations and discussions with local communities, beneficiaries, and implementing partners, the following recommendations provide DFID and its partners with a set of actionable measures for improving the programming and operational aspects of future mobile cash transfer programmes.

### **Recommendations for DFID:**

1. Adopt mobile transfer to send remittances (among other instruments);
2. Measure potential diversions and informal commissions;
3. Keep M-Paisa for its better coverage and price;
4. Assess the sunk costs and optimise the transfer schemes.

### **Recommendations for implementing partners:**

1. Assess local socio-economic and political contexts;
2. Suggest options for improving the training;
3. Facilitate minorities' access to M-Paisa agencies (women, disabled, elders);
4. Share information with (and get feedback) from beneficiaries;
5. Improve the existing communications strategy with communities;
6. Develop a complaints mechanism;
7. Put anti-corruption procedures in place.



## Introduction

In 2011, a severe drought pushed vulnerable rural households into food insecurity in 14 provinces of Northern Afghanistan. The investigation conducted by the Food Security and Agriculture Cluster identified a mix of structural and contextual causes – including the exclusive reliance on rain-fed agriculture, low agricultural productivity, a dry summer and the subsequent increased wheat prices – and called for immediate action to support the 3 million people affected by the drought and the risk of famine.<sup>5</sup> In response to this situation, DFID has committed to address emergency needs in northern Afghanistan with nutrition, food security and farming inputs. As such, between June and September 2012, a pilot initiative was launched in four districts of the Northern provinces of Faryab, Jawzjan, and Samangan to test an innovative approach to help drought-affected farmers achieve food security by delivering cash using mobile phone technology.

### What is M-Paisa?

M-Paisa technology allows Roshan (a mobile phone operator) customers to send and receive payments and manage their bank accounts on users' mobile phones. This method of mobile cash transfer has been used in other contexts, such as Kenya, with notable success, but is comparatively new to Afghanistan. The technology enables users to make person-to-person money transfers, disburse and repay microfinance loans, disburse and receive salaries, pay bills, and receive money from abroad via Western Union.

The service is offered in Dari and Pashto for ease of access. According to Roshan's own website: "The service facilitates the transfer of funds using a mobile phone through Short Message Service (SMS) and an Interactive Voice Response (IVR) system. The IVR based menu, an important feature in Afghanistan where 70% of the population is illiterate, is available to customers in Dari, Pashto and English. M-Paisa is powered by Roshan's robust mobile network, which spans across 240 cities and towns in all of Afghanistan's 34 provinces." Further details on the technology can be found on Roshan's website: <http://www.roshan.af/Roshan/M-Paisa.aspx>.

Over the past few years, international actors operating in Afghanistan have increasingly considered cash transfers as an effective mechanism to respond to the needs of poor populations, while improving access to remote and unsafe areas. Defined as "*direct, regular and predictable non-contributory cash payments that help poor and vulnerable households to raise and smooth incomes,*"<sup>6</sup> cash transfers are aimed at providing immediate relief, and eventually contributing to reducing poverty and increasing resilience of poor households through a better management of risks and shocks. In the Afghan environment, the on-going Cash Learning Partnerships (CaLP) initiative, driven by the Norwegian Refugee Council (NRC) and Oxfam, which aims at promoting appropriate cash initiatives, creating synergies between emergency response and recovery strategies, and promoting coordination between various stakeholders (International agencies, NGOs, government, private sector), is a sign that cash is becoming increasingly considered as a response both in short- and longer-term initiatives. USAID,

<sup>5</sup> According to the Emergency Food Security Assessment (EFSA) carried out in August by the Government of Afghanistan, WFP and NGOs, a total of 2.86 million people were affected by the drought and required food assistance until June 2012.

<sup>6</sup> C. ARNOLD, T. CONWAY, M. GREESLADE, "Cash Transfer Literature Review", DFID, UKAID, Policy Division, April 2011.

People-in-Need, Action Contre la Faim (ACF), Oxfam, NRC, WFP, are organizations that have implemented cash-based assistance programmes. Following the same logic, the objective of the DFID pilot initiative is to review the use of this new technology and whether it would work in the challenging humanitarian context of Afghanistan. Evidence from South Africa, India, Kenya and Liberia has demonstrated that electronic payment systems involving smartcards or mobile phones can significantly reduce costs and leakage, while promoting financial inclusion of the poor.<sup>7</sup> The DFID pilot project aims to allow farmers who lost their crops to purchase their own food from the market. This approach follows a dual objective: 1) directly responding to the unmet humanitarian needs of affected households; 2) while indirectly revitalising the local agricultural economy by compensating some of the loss incurred by local farmers.

However, despite all the potential benefits that vulnerable populations may get from cash transfers, and specifically from mobile cash transfers, there are some concerns about risks of corruption, misuse of cash for appropriate commodities and negative effects on local economies.<sup>8</sup> Though a few innovative initiatives have been implemented in Afghanistan, some are concerned that the volatile security situation and fears of corruption will severely impede their development in the country. The 2001-2002 National Rural Access Programme (NRAP), when the World Bank, Japan and the European Commission disbursed a total of \$126 million in the first phase of a widespread cash-for-work safety net, was criticised for: 1) the inadequacy of cash transfers with emergency needs; 2) a poor targeting of the most vulnerable populations; 3) the lack of reliable socio-economic data and information on most of the areas covered by the programme; 4) a weak institutional capacity that had clearly undermined the implementation of the programme; 5) an uneven geographic coverage, due to security constraints.

The purpose of this evaluation is to review the use of cash transfers via mobile phone, rather than the impact of the programme itself. It will examine whether the technology used was appropriate, contributing to DFID's humanitarian knowledge base on the suitability of mobile phone technology as a method of payment in an emergency food security context in Afghanistan, and provide much-needed information for other humanitarian actors, donors, government and the private sector. In addressing these questions, this independent evaluation will examine the overall efficiency, effectiveness, transparency, and value for money of setting up emergency short-term, cash-based projects to disaster affected populations.

---

<sup>7</sup> See: 1) M.ADATO, and J.HODDINOTT, "Lessons from cash transfers in Africa and elsewhere: impacts on vulnerability, human capital development and food insecurity", IFPRI Presentation to Regional Inter-governmental Experts Meeting, Cairo, May 13- 14, 2008; 2) J.M. AGUËRO, M.R. CARTER, and I. WOOLARD, "The impact of unconditional cash transfers on nutrition: the South African Child Support Grant", UNDP International Poverty Centre Working Paper 39; 2007; 3) S.DEVEREUX, et al., "Ethiopia's Productive Safety Net Programme (PSNP): Trends in PSNP transfers within targeted households". IDS / INDAK, 2006.

<sup>8</sup> P.HARVEY, "Cash and Vouchers in emergencies", Humanitarian Policy Group, London, 2005.

The main evaluation questions for this study are twofold:<sup>9</sup>

- What is the result of each assistance programme (mobile cash transfers and USAID/WFP) on the humanitarian needs of the target population as measured by standard humanitarian criteria?
- What are the primary considerations when deciding whether to establish mobile phone payment transfers in a humanitarian context?

---

<sup>9</sup> An initial third objective had been the assessment of the value for money (in terms of economy, efficiency and effectiveness) of mobile cash transfer vs. conventional cash transfer programmes. However, following discussions between Samuel Hall and the DFID Evaluation Advisor prior to the start of the data collection, it was decided that a comparison between mobile cash transfers and conventional cash transfers would not add value given that the programme was about the use of cash transfers to address a humanitarian emergency rather than a comparison of cash transfer initiatives for social protection. As such, a comparison between the mobile cash transfer, USAID and WFP programmes (the latter of which is food aid) and a group that received no intervention was agreed. The difficult security situation and the lack of household listing makes data collection extremely challenging in Afghanistan and in this case it was not possible to collect data from a sufficiently large sample size to match participants on key characteristics. This is a limitation of this evaluation and means differences between the groups could be due to factors other than the mobile cash transfers.

Within these primary objectives this study seeks to address a number of specific questions, listed thematically below along with how they were addressed:

Area	Question	How this evaluation addressed the question
Economy	Is DFID's investment in mobile technology of appropriate quality and made at the right price?	This question was addressed using a qualitative approach including interviews with a Telecommunications Expert, interviews with food assistance actors to discuss similar initiatives and indicative costs of these. A comparison of Roshan and Etisalat's mobile coverage and pricing is also included.
Efficiency	How quickly can electronic mobile phone payment systems be set up in practice?	The individual interviews and focus groups conducted with community representatives and NGO field officers provide information on the length of time it took to set up the mobile phone payment systems.
Effectiveness	Do mobile phone electronic payments actually work in practice, keeping in mind Afghanistan's context? Can beneficiaries convert the e-cash into the goods that they need in their localities? How extensive and usable is the Afghan mobile phone network in practice? Are there sufficient agents to enable beneficiaries to convert cash into goods and services?	The survey answers these questions, with the interviews providing additional contextual information. This evaluation is limited in the extent which it can say that mobile phone electronic payments contributed to the positive outcomes as the DFID beneficiaries and control groups were not matched on key characteristics, so outcome differences between the groups may be due to other factors. A map of Roshan and Etisalat mobile network displays the extent of the mobile phone network coverage and interviews with Telecommunications Experts and users provide insight into the usability of the phone network and the process of converting cash into goods, along with barriers to doing this.
Cost-effectiveness	What is the impact of unconditional mobile cash transfers on humanitarian needs relative to the input?	This evaluation examines the effect of mobile cash transfers on key outcomes of interest, however the difficult security situation and the lack of household listing makes data collection meant it was not possible to collect data from a sufficiently large sample size to match participants on key characteristics and as such differences between these groups may have been caused by factors other than the mobile cash transfers. As such, it is not possible to draw conclusions about impact based on this study.
Benchmark	What is the socio-economic effectiveness of the DFID mobile cash transfer project versus other humanitarian initiatives (WFP in particular)?	From a policy perspective it was decided that it was more meaningful to compare the cash transfers with other humanitarian interventions rather than other cash transfers. DFID beneficiaries were compared to beneficiaries of USAID and WFP programmes (the latter of which is food aid) on key outcomes. However, it is not possible to make direct comparisons between the groups since the DFID beneficiaries and control groups were not matched on key characteristics, and so differences between these groups may have been caused by factors other than the mobile cash transfers.
Humanitarian Impact	What is the social and economic short- and long-term impact of the DFID mobile cash transfer technology? What are the negative impacts on the local markets?	The evaluation conducts analysis to assess whether there was an inflationary effect as a result of the mobile cash transfer technology. Since the baseline survey was conducted in June 2012 and the endline survey was conducted in October 2012 this evaluation is not able to examine the long-term effects of the technology.
Gender Balance	Does the mobile cash transfer technology increase the social and economic role played by women in rural areas?	The qualitative results add to existing knowledge on the social and economic role played by women in rural areas. Table 6 examines women's average monthly contribution to the household but a different group of beneficiaries were sampled at the endpoint and the intervention and control groups were not matched. Therefore, this evaluation cannot demonstrate whether the mobile cash transfer increased women's social and economic role.

## Method

The research team used three complementary tools to draw a thorough picture of the socio-economic and demographic profiles of the DFID mobile transfer programme beneficiaries and their attitudes towards mobile usage and cash transfer initiatives. The three tools included a quantitative socio-economic survey, qualitative focus group discussions, and data-mining using Roshan's transaction logs on programme beneficiaries.

### Quantitative socio-economic survey

A two-phased approach was adopted in order to gather baseline and endline data. The same provinces and districts were covered in the baseline and endline surveys, but none of the respondents surveyed at baseline were surveyed again at endline. For both the baseline and endline phases, three samples were selected to facilitate analysis. These include two control groups (normal households *and* beneficiaries of other international organisations – namely WFP and/or USAID assistance programmes) and a test group of DFID beneficiaries. The three groups were measured and surveyed with the same questionnaire, however the difficult security situation in Afghanistan and the lack of household listing makes data collection extremely challenging and in this case it was not possible to collect data from a sufficiently large sample size to match participants on key characteristics. As a result, direct comparison between the groups is not possible.

A sample target of 360 respondents was set for each group – DFID beneficiary, WFP/USAID beneficiary and normal households. Sample sizes were determined in order to provide robust statistical information with a 95% confidence level and a 5% margin of error. The number of DFID beneficiaries for this programme is around 5,400 people, which requires a sample of 359 people to provide a 95% confidence level and 5% margin of error. These standards are commonly used by leading research and polling agencies around the world. Among populations of unknown size, a sample of approximately 377 would provide the same levels of confidence and margin of error, therefore a sample size of 360 for beneficiaries from WFP/USAID and normal households provides a satisfactory level of significance and robustness (see Appendix A for further detail on sampling).

A breakdown of the samples achieved in the baseline and the endline surveys is provided below. The baseline survey of 1086 household interviews was conducted between June 1st and June 11th, 2012 in 3 provinces of Northern Afghanistan covering 4 rural districts in Faryab (district of Almar, with 271 interviews), Jawzjan (districts of Khwajadokoh, 272 interviews, and Mardyan, 270 interviews), and Samangan (district of Aybaq, 270 interviews). The endline survey of 1091 household interviews was conducted between October 15<sup>th</sup> and October 23<sup>rd</sup>, 2012. It covered the same provinces and districts as in the baseline survey but *none* of the respondents surveyed in the baseline were surveyed again in the endline.

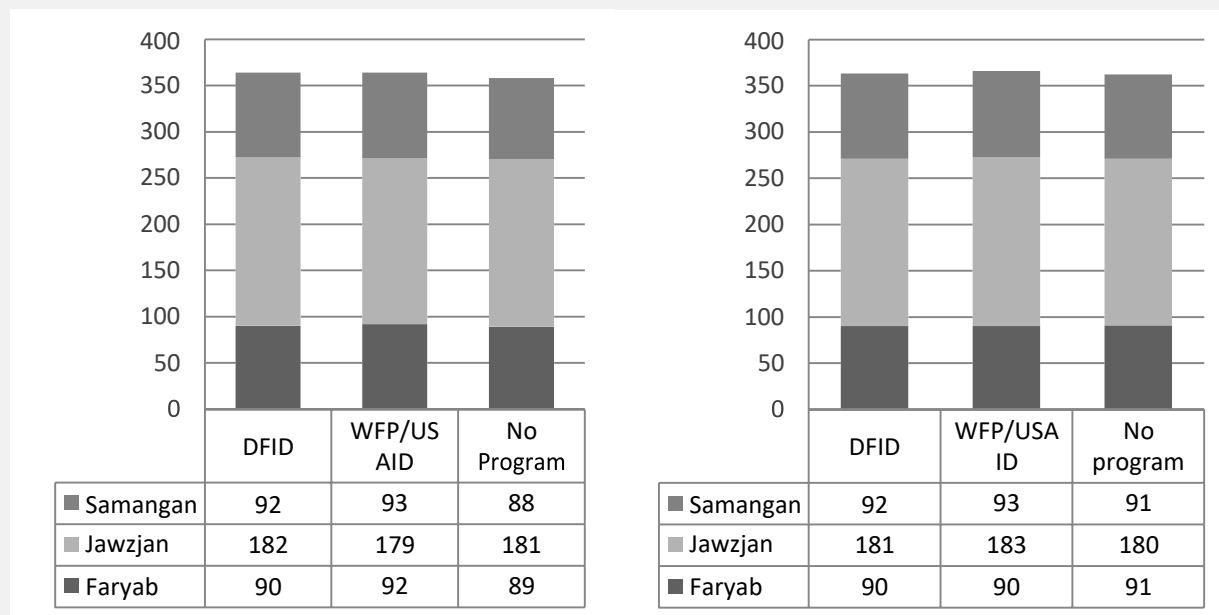


Chart 1: Respondents per province and programme (Baseline)

Chart 2: Respondents per province and programme (Endline)

The two control groups were selected in villages and community clusters that do not benefit from the DFID/M-PAISA programme, to provide DFID with a rigorous estimate of: 1) the socio-economic profile of each surveyed group<sup>10</sup>; and 2) the cost-effectiveness of different modalities of assistance programmes (mobile cash transfers and USAID/WFP) (especially through a comparison between June and October – baseline vs. endline surveys).

The choice of the surveyed villages and community clusters was made after a preliminary discussion with a range of stakeholders:

- DFID representatives: to identify the areas where DFID has mobile cash transfer beneficiaries,
- Local NGOs: to identify similar villages that do not benefit from any direct cash transfer, and
- World Food Programme (WFP) representatives: to identify similar villages that benefit from CFW, FFT, or CFA initiatives.

Security was also taken into consideration, especially in the province of Faryab's Almar district.

<sup>10</sup> Theoretically, the 5,400 beneficiaries of the DFID/M-PAISA cash transfer initiative belong to the poorest households of the 4 rural surveyed districts ('the poor among the rural poor'). As such, the other test groups (WFP/USAID and the no programme group) may have different socio-economic profiles, even if they are selected in the same communities and districts: they may be richer than the DFID beneficiaries.

There are no official or informal household listings that could be used in the four-surveyed districts. In order to include a representative sample of the three surveyed subgroups (1 test + 2 control groups), the sampling methodology followed a cluster-then-random approach adequate for the Afghan context. This multi-stage sampling included the following steps:

- In each targeted area, the main commercial area (bazaar) was identified with the active support of DFID implementing partners, to map the existing socio-economic environments and divide the targeted area into 9 subareas;
- A quota of 10 interviews was allocated to each selected subarea to reduce the effect of homogeneity or bias in sampling;
- A starting point (typically a mosque or a school) was then chosen in each subarea. Streets were numbered from the starting point and households selected at random with, for instance, odd shops and households of streets 1-3-5-7.

### Qualitative focus group discussions

The survey team hosted a series of focus groups discussions (FGDs) in the language spoken in the four surveyed areas (Dari). In order to get comparative qualitative data, 4 FGDs were held in each district, with a total of 16 FGDs parallel to the baseline and endline surveys. This small number of focus groups was not designed to be statistically robust, but rather to gather qualitative information from a group discussion context with a spread of respondents from different sample sections. Therefore, participants were chosen to reflect the general population, with a special emphasis on community leaders, women and youth. More specifically, focus groups with direct beneficiaries, NGOs, and Roshan partners (Dunia group – local "banks" that buy and sell credits) were also conducted. The main added value of FGDs is (1) to triangulate information received through quantitative surveys, and (2) to move beyond individual perspectives to obtain wider sector-level perspectives on the specific issues of standards and certification.

Table 1: Breakdown of the focus group participants

	Number of Focus Groups	Female Focus Groups	Focus Groups with Beneficiaries
Acted	2	1	2
Action Aid	4	2	3
Afghan Aid	2	1	1
<i>Total</i>	<i>8</i>	<i>4 (50%)</i>	<i>6 (75%)</i>

### Data-mining into Roshan's database

Thanks to an agreement between DFID and Roshan, the review team had access to the Roshan database of DFID 'participants' (customers) from the 1<sup>st</sup> of June to the 1<sup>st</sup> of November 2012, which helped to develop a thorough data-mining analysis and monitor the flows of the electronic money transferred to the programme participants. The first step was to collect upfront geographical and participant

information. In collaboration with Roshan and DFID, Samuel Hall gathered different types of data through the Roshan database: cash-in/out activity measurement, assessment of account dormancy, transfers to other subscribers, cash uses, etc. During the endline survey, Roshan's main competitor (Etisalat) was also contacted to help draw a rapid comparison of the existing commercial offers and actual costs of each mobile operator.

### Tool design and pilot testing

Survey questionnaires were designed by Samuel Hall in consultation with DFID Kabul, following an extensive literature review, key informant interviews (see Appendix C for a list of interview participants) and drawing on our extensive experience of conducting similar surveys in Afghanistan over the last 5 years. The interviews were conducted by trained and experienced enumerators in local languages. Where possible, enumerators were drawn from appropriate ethnic groups or geographic areas to put participants at their ease and encourage them to speak freely. Female enumerators were recruited specifically to interview female respondents to minimise the number of potential female respondents who refused to participate in the survey and ensure that a culturally-sensitive approach was maintained with the surveyed populations. Following internationally recognised research ethics, participants were assured of anonymity and told that they could refuse to answer individual questions, or stop the survey at any time if they wished. A pilot test was conducted before the baseline survey in order to allow enumerators to become familiar with the survey tools and to test whether the questions were appropriate for the target demographics. The pilot test was conducted among people from comparable socio-economic backgrounds to people in the baseline survey.

### Limitations of the approach

The Afghan context, with a worsening security situation, makes it practically impossible to develop a fully random survey – even within the subgroups of beneficiaries and non-beneficiaries. More specifically, security has been a concern in Almar district and our teams had to adapt their initial work plan, while progressively engaging with local community leaders before starting their interviews. Similarly, as most communities do not have official lists of households, alternative methods were applied to ensure the quality of the data collected with non-beneficiary households – through the geographic mapping of the area, the random selection of primary sampling units within the area, and the random targeting of clusters of villages.

Moreover, in the Afghan context, there is often a strong acquiescence bias, as most respondents tend to provide interviewers with what they perceive to be the “right answer”. This point is crucial as, Afghan people – and especially the poor – are reluctant to criticize the support provided by governmental or international organisations. Our mix of quantitative and qualitative approaches, along with the Roshan database, aimed to mitigate that risk. In this regard, *interviewers* were asked, at the end of each interview, if they considered that both the opinions and figures given by the interviewee were truthful and reliable. Our team of field interviewers acknowledged a negligible and hence acceptable doubt (see table 2 below) with only 3.0% of “somewhat truthful” or “not truthful” opinions. Likewise, as interviewers considered that 0.6% of the respondents had given inaccurate or unreliable figures, we did



not take into account doubtful answers in both the data cleaning and analysis phases<sup>11</sup>.

The difficult security situation and the lack of household listing makes data collection and implementing a complex matched-comparison design extremely challenging in Northern Afghanistan. A key limitation of this evaluation is that it was not able to collect data from a sufficiently large sample size to match participants on key characteristics. As a result the impact of the cash transfers cannot be assessed, due to key differences in the households that were sampled.

Lastly, the relatively short time span of this two-phased survey (4 months between the two pieces of field work and only 6 weeks between the two remittances) led us to be cautious in some of our conclusions, as a longer-term longitudinal approach (monitoring the same population over a number of years) would be required to empirically measure the impact of the DFID mobile cash transfer initiative. The short time span also means that seasonal bias is an added limitation of this evaluation: the first distribution took place during the harvest season and the second after it; moreover, Ramadan was just in between. It was not possible to adjust for this seasonality, but longitudinal comparisons between baseline and endline have been avoided and instances where seasonality might have played a role in the results are highlighted.

Table 2: Robustness Tests

<b>Robustness Test (perception survey for interviewers only)</b>		
<i>The responses to the questions regarding opinions and perceptions were:</i>		
Truthful	2101	97.0%
Somewhat truthful	57	2.9%
Not truthful	3	0.1%
<i>The responses to the questions regarding figures (income, consumption) were:</i>		
Estimated computed with some precision	2147	99.4%
Arbitrary and unreliable numbers	14	0.6%

<sup>11</sup> Basically, we excluded outliers (the 2% of extreme values) and did not take into account “not truthful” and “arbitrary” answers.

## Section I: Assessing the DFID beneficiaries

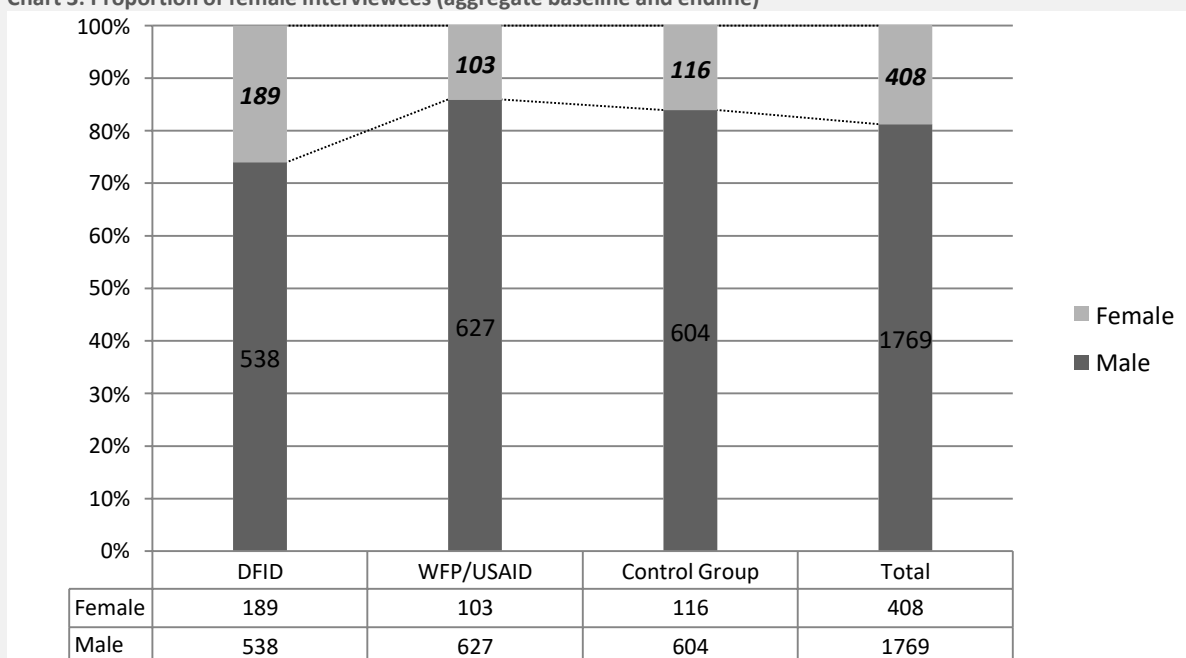
The objective of this section is to provide DFID with a brief overview of the targeted beneficiaries through an examination of: 1) the baseline and endline surveys; 2) DFID beneficiaries, and the two control groups: beneficiaries from other programmes, and non-beneficiaries. Through this dual approach, the review team aims to answer two major questions. **Targeting:** Are there significant differences between DFID beneficiaries and non-beneficiaries? **Socio-Economic Impact:** Is there any direct and immediate socio-economic impact on beneficiaries' lives? A detailed examination of demographic indicators can be found in Appendix B.

### Demographic profile

#### Gender

Capturing the role played by female recipients, and more generally by the female members of beneficiary households, is important for two reasons: first, one of the key objectives of cash-based projects is to target women, as they often have, in practice, control over resources, book-keeping activities and intra-household resource allocation; secondly, female-headed households are considered as more vulnerable, as the proportion of household members involved in the local labour market tends to be lower. From these points of view, both the baseline and endline surveys do confirm the positive outreach of the DFID pilot project and its capacity to reach women. The vast majority of interviewees were men (baseline: 83%, endline: 80%), a minority of DFID respondents (baseline: 29%, endline: 23%) interviewed were women, while only 14% of WFP/USAID beneficiaries and 16% of other interviewees were women. This information is particularly relevant when considering that some female interviewees were not willing or allowed to answer our questions, even if they were the original DFID

Chart 3: Proportion of female interviewees (aggregate baseline and endline)



beneficiaries, indicating that the number of female respondents obtained was an under-representation of the actual number of female beneficiaries of the DFID programme.

*“One of the criteria of the NGO working with us [Afghan Aid] was the revenue. And they also said that women should be selected in priority. Unfortunately, in our community, female-headed households are also the poorest ones, as widows cannot be bread-earners for their families. It is difficult to find good jobs for women here, even if they often help during the harvest season”. There is thus an interesting comparison to be made with WFP/USAID beneficiaries, as it seems that they have different aims and do not target the same type of vulnerable groups: in line with one of the key objectives of the project, the DFID initiative includes a significant number of female beneficiaries (and especially female-headed households and/or widows), whereas WFP/USAID’s targeting is less specific: “It is true that even if the Food-For-Training subcomponent of our programme does prioritize women, through literacy or vocational training courses, its actual outreach is still uneven and that there is no specific gendertargeting, as we try to have a broader and comprehensive assistance strategy towards the most vulnerable groups” (WFP, Programme Officer, Kabul, September 2012).*

## Level of education

Education is often a key determinant of socio-economic well-being<sup>12</sup> - those who are the least well educated are often the poorest members of society. The higher rate of illiteracy in DFID participants compared to that in the two control groups shows that the selection process of the DFID programme has generally been effective and accurate.

As shown in table 3, around four-fifths of DFID beneficiaries (78%) reported being illiterate, compared to only 62% of WFP/USAID and 66% of control group respondents who said that they were illiterate. Such high illiteracy rates may come from the rural background of interviewees, as most respondents live in remote areas; moreover, if we consider the average age of our respondents (between 37 for the control groups and 43 for DFID beneficiaries), most of them have probably grown up at a time when access to education was, if not impossible, at least extremely problematic in most rural areas. Lastly, as control group respondents were selected in neighbouring communities, geographic remoteness or isolation is not a valid explanation for the 12-percentage point gap with DFID respondents.

**Table 3: Education level (consolidated baseline and endline)**

	DFID		WFP/USAID		No programme		Total	
<b>Illiterate</b>	568	78%	450	62%	477	66%	1495	69%
<b>Literate (no schooling)</b>	34	5%	60	8%	36	5%	130	6%
<b>Primary School</b>	60	8%	83	11%	83	12%	226	10%
<b>Secondary School</b>	31	4%	68	9%	69	10%	168	8%
<b>High School</b>	20	3%	53	7%	44	6%	117	5%
<b>University</b>	6	1%	5	1%	8	1%	19	1%
<b>Other</b>	8	1%	10	1%	3	0%	21	1%

<sup>12</sup> Hawkes, D and Ugur, M (2012) *Evidence on the relationship between education, skills and economic growth in low-income countries: A systematic review*. London: EPPI-Centre, Social Science Research Unit, Institute of Education, University of London.

## Socio-economic profile

### Occupation

When asked to specify what the main position of the head of household and bread-earner was, DFID beneficiaries indicated they were more frequently jobless than any other surveyed group, with a 14% unemployment rate compared to only 8% from the no programme group and 2% from WFP/USAID. This indicates that DFID beneficiaries correspond to the targeted population and that DFID implementing partners have adequately selected the beneficiaries. Finally, the high rates of day labourers and self-employed, in all three categories, are indicative of: 1) the fact that the labour markets of Almar, Murdian, and Khwaja Dokosh essentially provide jobs in the agriculture sector (either daily labourer or self-employed farmers); 2) the specificity of Aybaq's semi-rural labour market, with daily labourers in the agriculture and construction sectors.

Table 4: Occupation position (consolidated baseline and endline)

	DFID		WFP/USAID		No programme	
Day labourer	364	50%	457	63%	410	57%
Self-employed	194	27%	201	28%	195	27%
None / Unemployed	105	14%	15	2%	61	8%
Salaried worker (private sector)	22	3%	6	1%	16	2%
Salaried worker (public sector)	19	3%	23	3%	16	2%
Other	17	2%	20	3%	15	2%
Employer	3	0%	3	0%	1	0%
Unpaid family worker	2	0%	4	1%	5	1%

### Key employment sectors

DFID and non-DFID respondents did not differ greatly on geographic coverage of the surveyed communities, and DFID beneficiaries questioned at baseline had very similar results to those questioned at the endline. This should not be considered as surprising, as the objective of the DFID cash transfer was only to provide emergency assistance to local farmers and not to have any specific effect on the local labour market. In these regards, a positive finding of the study is that the targeted labour markets do rely on the agriculture sector – and most surveyed households exclusively on the income generated through agricultural activities. It supports the strategic choice made by DFID to assist local farmers, through cash transfers, as they are the economic cornerstone of the community as a whole. However, it should also be noted that DFID beneficiaries' labour market is not homogenous, as respondents generally had access either to rural, peri-urban or urban labour markets. Beneficiaries from Samangan, for instance, are mostly urban or peri-urban (Aybaq) and thus more likely to get jobs in non-agricultural activities (and especially in the construction sector).

To assess better the key sectors of employment of DFID beneficiaries as well as the control groups, in today's context, it is important to understand the relatively modest weight of the services sector. One of the main characteristics of the exceptional Afghan growth-rate over the past ten years has been the role

played by the services sector, which has increased from 38% of the Afghan GDP in 2002 to 51% in 2011/13. Such a dramatic increase is mainly due to the growth of the transportation subsector that has largely benefited from international inflows over the past decade.

Table 5: Sectors of employment (Consolidated baseline and endline)

	DFID		WFP/USAID		No programme		Total	
<b>Agriculture/Livestock</b>	262	36%	380	52%	319	44%	961	44%
<b>Construction</b>	198	27%	182	25%	222	31%	602	28%
<b>None / Unemployed</b>	103	14%	14	2%	61	8%	178	8%
<b>Other</b>	51	7%	17	2%	28	4%	96	4%
<b>Manufacturing</b>	42	6%	19	3%	23	3%	84	4%
<b>Retail trade</b>	22	3%	20	3%	18	3%	60	3%
<b>Education</b>	10	1%	28	4%	19	3%	57	3%
<b>Road construction</b>	1	0%	40	5%	7	1%	48	2%
<b>Public Administration</b>	15	2%	12	2%	7	1%	34	2%
<b>Transportation</b>	10	1%	9	1%	7	1%	26	1%
<b>Mining / Quarrying</b>	6	1%	4	1%	6	1%	16	1%
<b>NGO/Intl. organisation</b>	5	1%	3	0%	1	0%	9	0%
<b>Wholesale Trade</b>	0	0%	1	0%	1	0%	2	0%
<b>Health</b>	1	0%	0	0%	1	0%	2	0%

<sup>13</sup> Source: WB - Afghanistan Economic Update, October 2011

## Household income

To examine the economic effect of the DFID pilot project on the surveyed households, respondents were asked to provide an indicative estimate of their average monthly household revenue (without the cash transferred via M-Paisa). In the Afghan context, and especially among uneducated interviewees living in rural areas, such data should of course be interpreted with caution; however, the subjective estimates tend to validate our initial field observations and analytical conclusions, as DFID beneficiary households earn on average AFA 1,878 (1,470 in the baseline) less than other randomly selected local households who were not benefiting from any type of assistance at the time of the interview and AFA 1,081 less than USAID/WFP beneficiary households (1,249 in the baseline).

The increase in revenue from the baseline to the endline (+12.6% to + 18.9%) is due to the end of the harvest season. During the summer (between the baseline, June, and the endline, October) overall revenue grows along with the economy: *“The first weeks of summer is the harvesting season and thus the most important season for us. Not only for our sales and our activity, but also for our families: here, we sell caraway and wheat and we now make the largest part of our annual profit; also, we put some wheat aside for our family, as winters are harsh here” (Farmer, 39, Aybaq, Samangan).*

Table 6: Average monthly contribution to the household (AFA)

	Male Adult	Female Adult	Male Child	Female Child	Total	Diff Baseline
<b>DFID</b>	6,105	230	177	8	6,521	+16.6%
<b>WFP/USAID</b>	7,342	164	82	14	7,602	+12.6%
<b>No programme</b>	8,073	228	97	1	8,399	+18.9%

When the household monthly incomes reported by DFID beneficiaries by gender is disaggregated by gender, it is apparent that 68% of the surveyed female beneficiaries reported a monthly income below the 5,000 AFA line (60 GBP), compared to 42% of male beneficiaries.

Chart 4: Surveyed DFID beneficiary households' monthly income (Gender breakdown, aggregate baseline and endline)

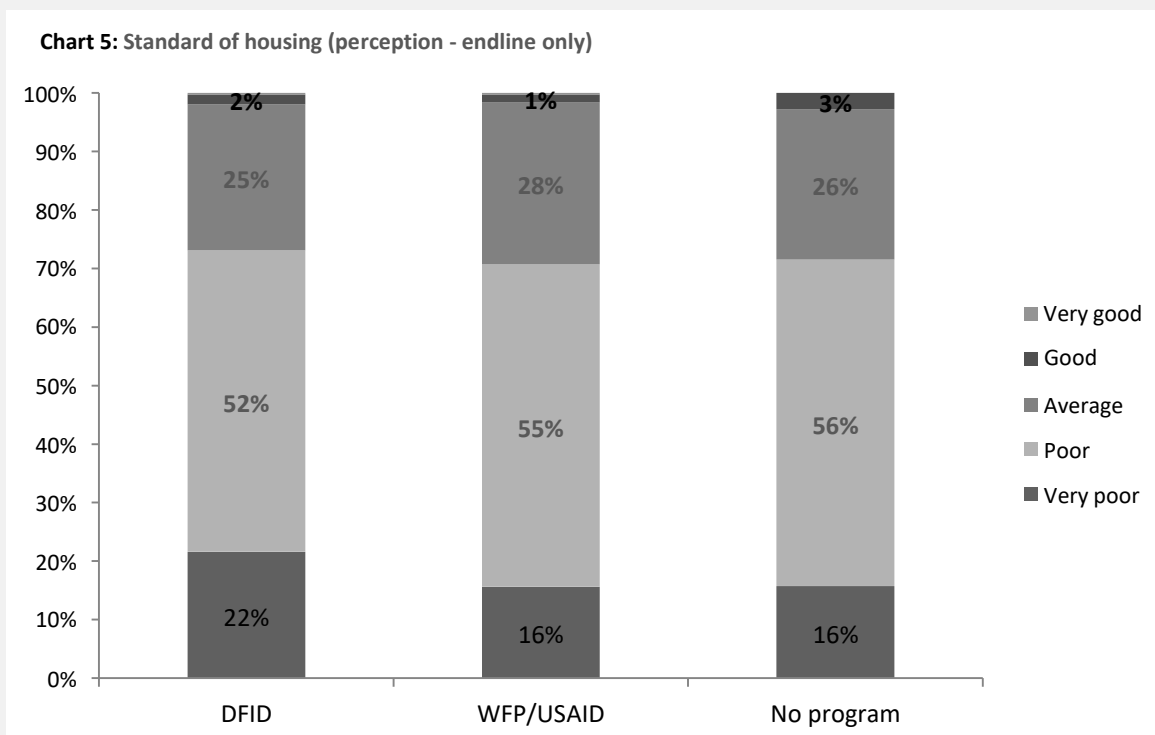
	0-2499 AFA	2500-4999 AFA	5000-7499 AFA	7500-9999	10000-12499	12500-20000 AFA
<b>Male</b>	17%	25%	38%	8%	8%	5%
<b>Female</b>	45%	23%	13%	9%	4%	6%

## Standard of housing (perception)

When asked to rate the standard of the housing they lived in at the time of the interview, it is interesting to note that, whatever their revenues are, respondents tended to provide similar answers: 74% of DFID beneficiaries rated their housing conditions as ‘poor’ or ‘very poor’, with similar responses from the USAID/WFP beneficiaries (71%) and the no programme households (72%). Interestingly, when comparing the same question with the baseline, DFID beneficiaries have on average decreased their perception of their standard of housing (+12 percentage points of poor or very poor) more than other groups (+7.1 percentage points for WFP/USAID group and +7.6 percentage points from the no programme group) despite having received funds from DFID. Additional focus groups conducted in November 2012 revealed that people had taken into account the seasonality factor to appraise the quality of their standard of housing. In other words, it is likely that the significantly higher degradation of DFID beneficiaries’ perception of their housing can be explained by the fact that they suffer more from harsh winters and summers due to the lower quality of their housing.

Table 7: Standard of housing – Comparison with baseline

	DFID		WFP/USAID		No programme	
<b>Poor/Very Poor</b>	73%	12.7	71%	7.1	72%	7.6
<b>Average</b>	25%	-4.7	28%	1.2	26%	0.0





## Standard of living (perception)

When asked if they considered that their economic situation was better or worse than the year before, there is an opposite trend between baseline and endline. DFID respondents consider that their economic situation has improved (+11 percentage points) compared to other groups (-1 for WFP/USAID and -4 for the no programme group). Qualitative interviews conducted with both implementing partners and beneficiaries corroborate this subjective assessment of the DFID pilot project:

- *“In general, we are extra-careful with beneficiaries’ feedback, as they tend to paint a bleak picture of their lives. So, such high and clear satisfaction rates are good news. Our discussions with local community leaders suggest that the economic situation of most of our beneficiaries has improved since June” (Field Officer, Action Aid, Murdian).*
- *“In our district, it has been a very bad year and farmers have suffered a lot, because of bad weather conditions. But when things get worse for everyone, it is even worse for the poorest and needy families. The [DFID project] was extremely positive: it helped people who needed it but also improved their situation compared with previous years” (Community Leader, Almar province).*
- *“The cash we received with the Roshan phones has really improved our lives and we needed it. I don’t know how we would have found the food otherwise” (Farmer, 51, Khwajadokoh).*

Chart 6: How do you consider the current economic situation of your household (endline)?

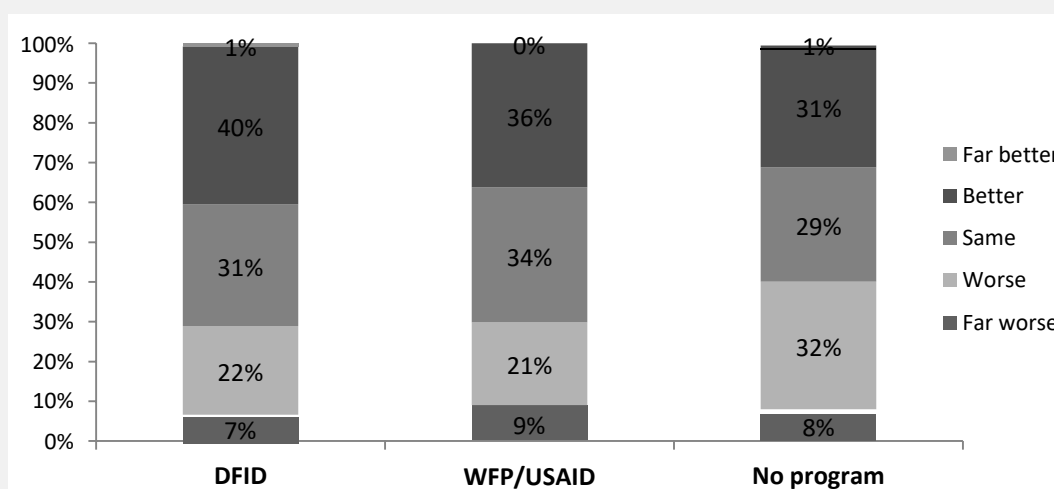


Table 8: Comparison with baseline

	DFID		WFP/USAID		No programme	
Worse/ Far worse	29%	-11	30%	-10	40%	0
Same	31%	0	34%	+11	29%	+4
Better	40%	+11	36%	-1	31%	-4

Table 9 shows that both female and male respondents generally have the same perception of the economic situation of their household.

**Table 9: How do you consider the current economic situation of your household compared to last year (Gender breakdown, aggregate baseline and endline)**

	Far worse	Worse	Same	Better	Far better	Total
Male	8%	34%	23%	35%	0%	100%
Female	9%	26%	47%	16%	1%	100%
All respondents	9%	31%	30%	30%	0%	100%

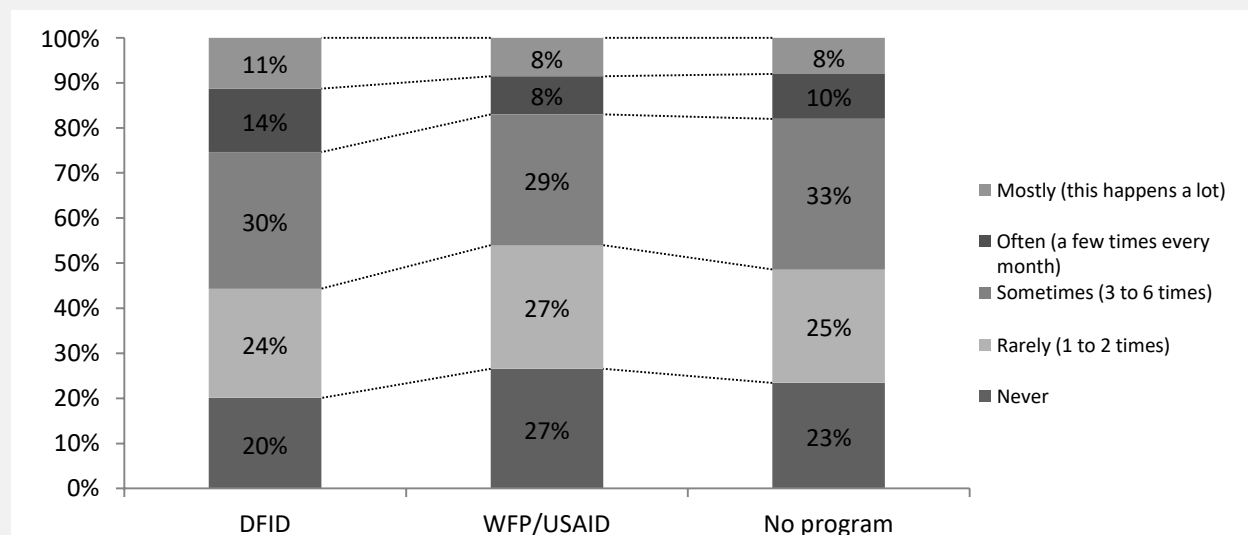
## Food shortage and coping strategies

This section explores the extent to which DFID cash-transfers changed coping strategies for programme beneficiaries (e.g. avoiding having to sell livestock or reducing food diversity) in order to answer the effectiveness question. In other words did the cash-transfers arrive on time and were they were they fit for the needs of the targeted population? Even though the intervention was not timely<sup>14</sup> in helping households respond to the 2011 drought, there were still food shortages, that were not the result of the drought, at the time of the intervention. Seasonality plays an important role in food security in Afghanistan. Temperatures vary dramatically across seasons, with hot summers and frigid winters. In many cases, households are forced to rely only on food supplies stored before the winter. The table below highlights the fact that DFID beneficiary households tend to be more exposed to food shortages, as 55% of the respondents reported having punctual, recurrent or systematic “*problems satisfying their food needs*” in the endline survey.

Respondents from all three surveyed groups tended to report fewer food shortages at endline (-23 percentage points between the baseline and the endline for DFID beneficiaries). This may partly be due to the fact that at the time that the baseline data was being collected (June 2012), respondents from the three groups had just dealt with one of the coldest and harshest winters of the decade.

<sup>14</sup> The Humanitarian Assistance through Mobile Cash Transfer project was implemented in 2012, one year after the drought. However, once the project was approved implementation was relatively quick: it took three months to set up the actual cash transfer system.

Chart 7: How often in the last year did your household have problems satisfying its food needs?



*“Mostly we eat bread and potato, we cannot eat meat – even once a month – and my daily income is 250 Afghanis, and it is not enough for my family because we are 12 members in our family.”*

*DFID Beneficiary, Male Respondent, 33, Illiterate  
Village: Sir Kalan (Samangan)*

Table 10 shows that females tend to report fewer food security situations than male respondents, with 70% of male respondents who said that their household had “sometimes”, “often” or “mostly” experienced problems satisfying its food needs, whereas ‘only’ 55% of female respondents did.

Table 10: How often in the last year did your household have problems satisfying its food needs? (Gender breakdown, aggregate baseline and endline)

	Never	Rarely (1 to 2 times)	Sometimes (3 to 6 times)	Often (a few times a month)	Mostly (this happens a lot)	Total
Male	16%	14%	29%	25%	16%	100%
Female	29%	16%	15%	34%	6%	100%
All respondents	20%	15%	25%	28%	13%	100%

In terms of the coping strategies used by DFID beneficiary households to mitigate the impact of seasonality and food shortages, food depletion appears to be the first mitigation measure – in terms of quality (75% of the respondents for the baseline and endline) and quantity (68%). This is in line with past surveys looking at multi-indicator variables of poverty in Afghanistan.<sup>15</sup> There are three main lessons to

<sup>15</sup> This data on the decrease of food quality *and* quantity among poor populations is corroborated in reports from the NRVA 2007/08, as well as IDP surveys led in urban areas – The World Bank / UNHCR 2011 study on IDPs in urban settings – or in both urban and rural areas as depicted in Samuel Hall 2012 research study on IDP protection for NRC.

be learned from the baseline and endline surveys:

- Overall, the three target groups resorted to the most extreme coping strategies less frequently, which suggests that coping strategies are strongly related to seasonality (decrease between 8 to 22 percentage points for the reduction of food quality, between 2 to 19 for the reduction of food quantity).
- Out of the three surveyed groups, DFID beneficiaries are relatively more likely to reduce both the quantity and quality (diversity) of their food as their main coping strategies – with much higher rates than other surveyed groups between the baseline and endline (respectively – 22 and – 19 percentage points for DFID beneficiaries, to be compared with – 8 and – 5 for WFP/USAID beneficiaries or – 10 and – 2 for no programme group respondents).
- The focus groups validated key assumptions: 1) seasonality is the main explanatory factor influencing households' coping strategies; 2) the cash received by DFID beneficiary households has spared them from resorting to the most extreme coping strategies to deal with food shortages.

#### **Box 1: Dietary diversity in Afghanistan**

The reduction of food quality is of concern, as dietary diversity is strictly correlated to nutrition. As suggested by Souza and Joliffe, in their analysis of the 2007-8 food price crisis in Afghanistan: *“if policymakers focus exclusively on changes in caloric intake, they may miss an important component of the big picture: while poorer households do not cut back on calories very much, it is likely that they reduce dietary quality”*<sup>16</sup>. The key findings of their analysis suggest that households at the bottom of the caloric intake distribution make very small reductions in caloric intake due to the price increases. In other words, poorer households live near subsistence levels and are forced to make adjustments to the quality of their diets in order to maintain energy levels; poorer households with a reduced dietary diversity make the largest reduction in dietary quality – about one and a half times larger than that of households with larger food diversity. It corroborated one of the most fundamental assumptions of the Action Aid, Acted and Afghan Aid representatives we met: humanitarian interventions should also focus – if not prioritise – food diversity over food quantity.

---

<sup>16</sup> Anna D'Souza and Dean Joliffe, “Food Security and Wheat Prices in Afghanistan: A Distribution-Sensitive Analysis of Household-Level Impacts”

Table 11: Has your household had to rely on the following coping strategies? Comparison with baseline

	DFID (baseline)	DFID (endline)	DFID (trend)	WFP/USAID	No programme
Reduce the quality/diversity	86%	64%	-22	-8	-10
Reduce the quantity	77%	58%	-19	-5	-2
Borrow food from relatives	55%	52%	-3	-10	-4
Restrict consumption by adults	36%	28%	-8	-2	-5
Entire day(s) without eating	27%	34%	+7	-5	-6
Purchase food on credit	27%	32%	+5	-6	-17
Send children to work/earn money	1%	7%	+6	+8	+6
Consume seed stock for next year	1%	1%	0	+1	+1
Harvest immature crops	0%	1%	+1	0	0

## Health and nutrition

The main finding of the evaluation, when it comes to health issues, is that the differences observed between the baseline and the endline are most likely due to a seasonality factor (that has affected the 3 subgroups) rather than a direct impact from the DFID pilot initiative. As such, to measure better the impact of the DFID initiative on beneficiaries' health, through a targeted resource reallocation, it is recommended to keep monitoring the beneficiary households over a longer period of time.

Overall, 69% of the respondents have had at least one family member sick or injured over the past 3 months, with little difference between the three groups. As highlighted in the table below, DFID beneficiaries do not seem to suffer particularly from their remoteness or economic constraints, as there is a dense network of medical facilities, local doctors, and healthcare clinics in most rural and urban districts. The improvement between the baseline and the endline (-11.8 percentage points) may be due to the fact that people are less likely to be sick in summer months.

However, having to deal with serious health issues, some respondents said that they had not used any type of health provider as *"it was often too expensive for poor families"* (Female community leader, Aybaq, Samangan province).

Table 12: Sickness over the last 3 months

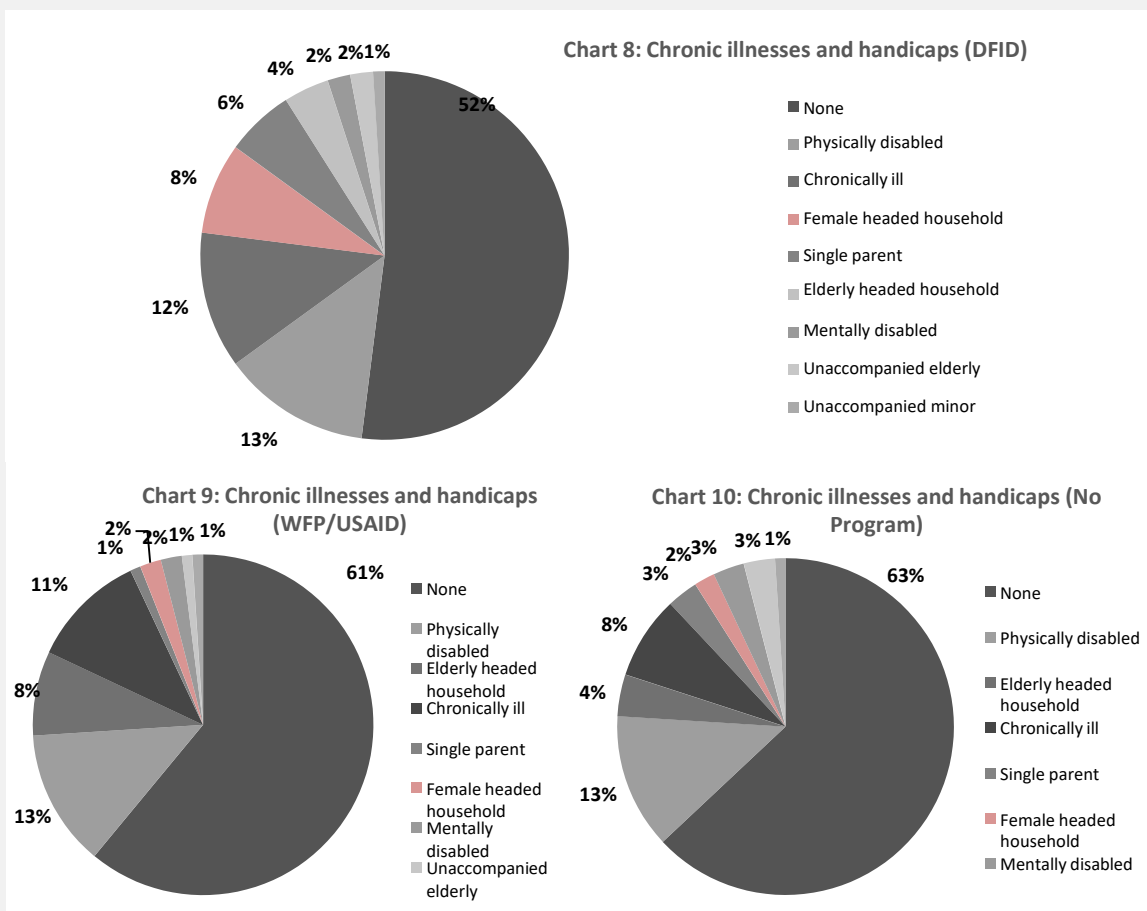
	Aggregate	Evolution
DFID	65%	-11.5
WFP/USAID	71%	-13.5
No Programme	70%	-10.3

To further corroborate the initial findings on the socio-economic profile of DFID beneficiaries, both DFID respondents and the control groups were asked whether any household member was suffering from chronic illness, handicap, or social disadvantage. As highlighted in the three pie charts below, there are two main findings to bear in mind:

- Over the baseline and endline surveys, 48% of the DFID beneficiaries reported having household members with chronic illnesses or handicaps (39% of WFP/USAID beneficiaries and 37% of other

interviewed households), which corroborates the idea that the targeting of beneficiaries was adequately done.

- DFID beneficiary households tend to be more female-headed (8%) than control-group households (both at 2%), which suggests that the surveyed DFID pilot initiatives did succeed in targeting female beneficiaries: *“We explained community leaders that our targeting group was not only vulnerable households but also women. But, in many areas, targeting the most vulnerable amounts to targeting women – and especially widows” (Afghan Aid, Field Officer, Samangan).*



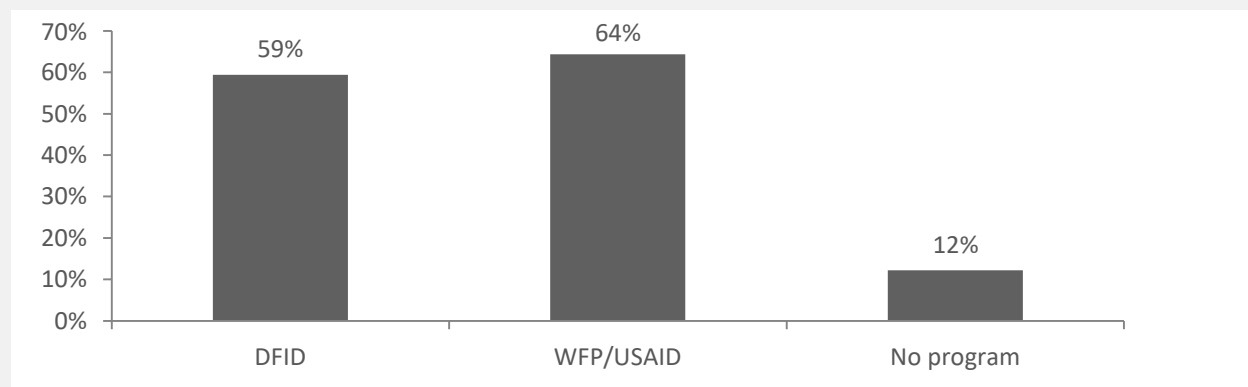
## Section II: Assessing the delivery of cash through mobile phones

### Assistance programmes

As noted by many analysts<sup>17</sup>, the geographic focus of most donors and NGOs is very often aligned with political priorities and agendas. In this regard, in September 2011, when a collective of NGOs alerted the international community of the potential impact of the summer drought in 14 Northern provinces (with almost three million people facing severe food shortages), it was argued that Northern and North-Eastern provinces had been relatively neglected by international and national actors – in comparison with Southern and Eastern areas, where most combats with insurgents have taken place. It was thus interesting to assess if DFID beneficiaries had already benefitted from any other form of humanitarian or development aid.

When asked if they had ever received assistance from national or international programs, a significant majority of DFID respondents (59%) answered positively, whereas only 12% of the no programme households said that they had benefitted from assistance programs. As highlighted in previous sections, it does not mean that the selection criteria of the three partnering NGOs were irrelevant; rather, it means that DFID beneficiary households are *“among the poorest members of their respective communities – hence, are more likely to benefit from several assistance channels”* (Action Aid, Provincial Officer).<sup>17</sup>

Chart 11: Have you ever received assistance from NGOs or other assistance programmes?



Finally, respondents were asked to specify the type of assistance they had benefited from. Not surprisingly, a large majority of DFID beneficiary households mentioned cash transfer (71%) in both the baseline and the endline, which suggests that DFID beneficiaries have generally not benefited from any other type of assistance (aside from WFP cash for work and general food distribution sub-programmes).

<sup>17</sup> US Senate Committee on Foreign Relations, *“Evaluating US Foreign Assistance to Afghanistan”*, 112<sup>th</sup> Congress, 1<sup>st</sup> Session, June 8, 2011. Available at: <http://www.gpoaccess.gov/congress/index.html>. The USAID map of projects is an exact replication of the security incidents map and most USAID funds are being allocated in areas according to their level of insecurity (80% in the South and East); DFID is spending around 20% of its funds in Helmand only, while the French are spending 40% of their total civilian aid in Tagab and Surobi districts (equivalent to 1% of the territory).

Table 13: which type of assistance did you receive?

Assistance	DFID	WFP/USAID	No Programme
Cash transfer	71%	0%	5%
Cash for work	16%	25%	30%
Emergency	10%	11%	45%
Food distribution	9%	72%	14%
Food for asset	6%	3%	14%
Cash for asset	1%	0%	0%
Counseling	1%	0%	0%
Shelter	1%	0%	0%
Education	1%	0%	0%
Training	0%	2%	5%
Job placement	0%	0%	0%
Startup	0%	0%	0%
Health	0%	0%	0%

## Mobile ownership

According to the quantitative survey, for the baseline and endline, 99% of the DFID participants had a cell-phone at the time of the interview (including the cell-phone provided by the implementing NGO), 58% for USAID/WFP beneficiaries and 69% for other households; likewise, a large share of DFID participants had 2 SIM cards or more. On average DFID beneficiaries have 1.52 SIM cards per household, whereas the 722 respondents in the WFP/USAID and no programme groups had 1.11 SIM cards per household on average (baseline and endline). As DFID beneficiaries were asked to include the SIM card that had been given to them during the training, it suggests that the use of cell-phones is related to the socio-economic level of the respondents: without the additional M-Paisa SIM card, the average number of SIM cards falls to 0.52, which is clearly behind the usual urban or rural standards (even if there is an increase between the baseline and the endline, from 0.4 to 0.6 SIM card on average). To further corroborate this point, it is also worth noting that DFID participants were spending on average 177 AFA/month on buying scratch cards while other respondents were spending 209 AFA. The figures for the endline were not taken into account as the holy month of Ramadan naturally introduces a strong bias, with an exponential increase of phone calls.

Table 14: Do you have a cell phone?

	DFID	WFP/USAID	No Programme
Yes	99%	58%	69%
No	1%	42%	31%
Respondents	364	364	358



## Registration with M-Paisa

Almost all DFID beneficiaries (98% for the baseline and 99% for the endline) claimed they were registered with M-Paisa. For other groups, almost no interviewee indicated they were registered. For the rest of the analysis that covers M-Paisa we will consider only DFID interviewees. The vast majority (83%) of the beneficiaries were registered through the DFID programme. It is interesting to notice that 7% of the interviewees in the endline claimed to be registered directly via an M-Paisa reseller, while only 0.2% used that method during the baseline. It may indicate that some interviewees confuse DFID implementing partners with M-Paisa resellers – or maybe that they sneaked in the programme after seeing the practical benefits of the initial programme phase.

Table 15: Are you registered with M-Paisa?

	DFID	WFP/USAID	No programme
Positive	98%	0%	1%
Baseline	-1.37	0.27	0.55

Table 16: How did you register with M-Paisa?

	Endline / Baseline	
Through the DFID programme	83%	+6.73
Through a MPAISA reseller	7%	+6.80
A friend registered me	0%	-1.69
Other	10%	-11.84

## M-Paisa Awareness

In the baseline survey, the M-Paisa awareness was non-existent among USAID/WFP or ‘other households’, while by contrast, and not surprisingly, only 9 DFID participants (out of 364) had not heard about M-Paisa. The training conducted by the partnering NGOs and the multiple ad-hoc sessions held between beneficiaries and members of local communities seemed to have progressively raised the awareness, if not the actual technological understanding, of the targeted households – and more generally, of their community: *“After the initial training provided by ACTED, which was extremely clear, we did not want to forget what they had taught us, so we decided to practice a lot and NGOs were also extremely dedicated and responsive to help us improve our knowledge of the M-Paisa system” (Male beneficiary, Almar, Faryab).*

More interestingly the endline survey shows that not only are all DFID beneficiaries aware of the M-Paisa system, even if a significant albeit decreasing proportion still does not know exactly what it is, but an increasing percentage of non-beneficiaries from the other two control groups also know the M-Paisa technology: *“Our community does not have M-Paisa but more and more people are interested in it. I am not sure they would be ready to transfer money with it yet, but they would surely be happy to receive some money, as they have heard positive things about it from other villages” (Village elder in Samangan).* Such a positive and relatively unexpected side-effect of the DFID pilot initiative is good for Roshan and may be used by DFID to further increase its bargaining power in future commercial negotiations.

Table 17: Do you know what M-Paisa is?

	DFID Baseline	DFID Endline	Other* Baseline	Other* Endline
Right Answer	29%	57%	0	8%
Wrong Answer	68%	42%	0	19%
I don't know	3%	1%	100%	73%

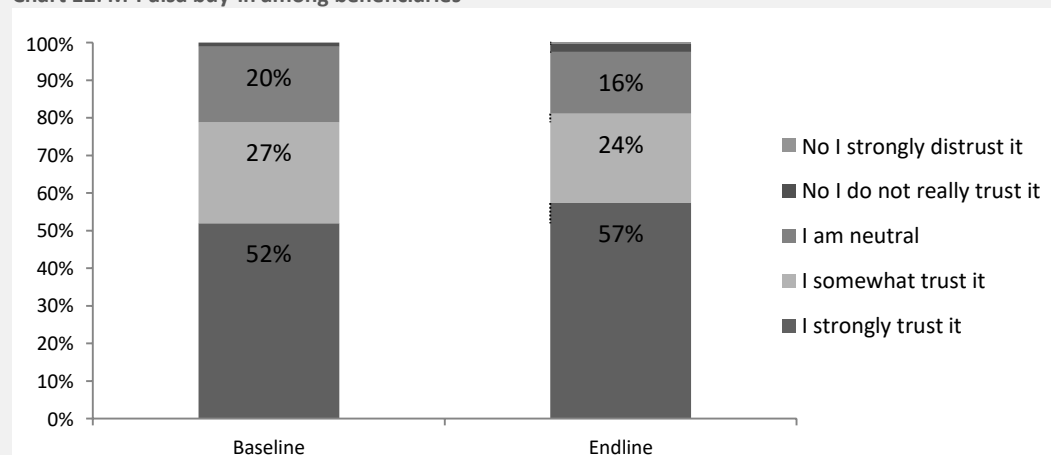
\* "Other" includes both USAID/WFP beneficiaries and respondents from the no programme group.

## M-Paisa buy-in

As highlighted in the baseline, and validated in the endline, one positive impact of the training provided by partnering NGOs has been on people's trust in the M-Paisa system: in the first quantitative survey, only 5 respondents had expressed some distrust or concerns about it, and only 9 in the second survey. Two hypotheses formulated after the baseline survey were confirmed after the second one:

- 1) If focus group participants unanimously showed their interest and trust in the system, they also expressed some concern on *other people's capacity* to use it: *"This summer, a lot of trainees were not able to withdraw their money because they are scared by such an innovative technology. It is an educational obstacle, poor people do not have the capacity and I am the only one who went to school in my family."* (Female beneficiary, 18, Literate, Murdian district).
- 2) When focus group participants were asked to give the main improvement allowed by the M-Paisa technology, they almost systematically said that it could strongly mitigate the risk of corruption by providing people with a real control over their money: *"We don't want any other assistance because we directly receive money and no one can take our money, if they distribute food, the governor or powerful people would not distribute the assistance completely"* (Male beneficiary, 63, Illiterate, Mohajer, Khwaja Dokoh, Jawzjan).

Chart 12: M-Paisa buy-in among beneficiaries



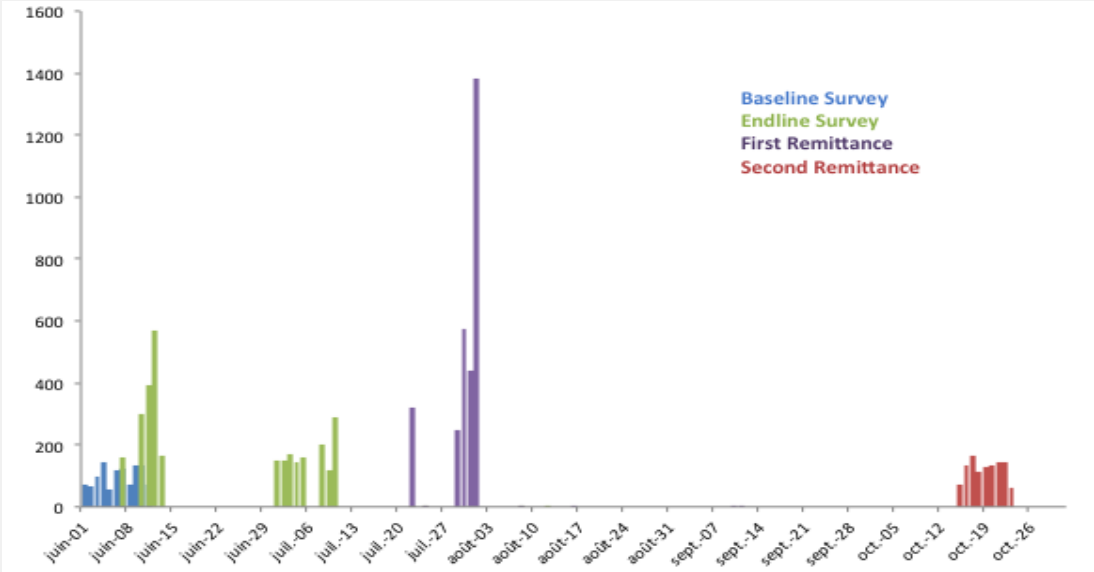
The qualitative information collected therefore supports DFID’s initiative: people themselves underline the human factor behind M-Paisa as being a “deal maker or breaker”: on the one hand they identify the lack of capacity (*not only illiteracy but also defensive attitude towards new technologies*) as an obstacle, on the other the power over human corruption as a real opportunity. Therefore, training could be made more specifically about addressing the gap in capacity and fulfilling the anti-corruption potential. Straight-to-the point training curricula can be designed to use the findings from this research as the backbone of more efficient training lessons, building on the direct feedback from beneficiaries, notably on the human component and impact of M-Paisa. By using their language, and addressing their concerns, the curriculum could ensure a stronger and more sustainable buy-in from beneficiaries and their communities. If they are shown how the training and the M-PAISA programme can build the capacity to use new technologies while decreasing the potential for corruption, beneficiaries themselves may more easily become a spokesperson in their communities, gain in confidence and feel that they are bringing something to their communities, a feeling often not enjoyed by vulnerable populations. The perceived effectiveness of M-PAISA in limiting opportunities for corruption would thus still be reinforced through individual and collective awareness-raising community dialogues.

**Receiving M-Paisa remittances**

Between June and October 2012 DFID has issued 8,514 cash transfer of 4,000 AFA. In total, 5,538 unique M-Paisa accounts have benefitted from the DFID cash transfer program.

- 47% of them received only one remittance;
- 53% received the remittance twice during the pilot period, which is in line with the initial expectation.

Chart 13: A two-phase data collection



In the above chart we can see that the baseline survey took place before the first remittances were sent out. M-Paisa records were hence not linked to interviews because many interviewers did not have their M-Paisa SIM set up at the time of the survey. The endline survey was conducted three months after all

the remittances were sent out to participants. During the endline we asked each DFID interviewee to provide its M-Paisa Msisdn in order to link interviews with transactions registered in Roshan database.

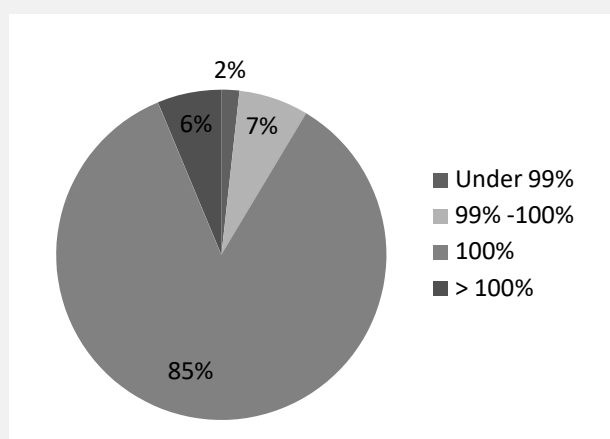
Consequently during the endline, all the DFID beneficiaries interviewed should have a record of their remittances in the Roshan transactions database. However, out of the 358 interviewees who provided their M-Paisa Msisdn, 59 had no record of the DFID remittance in the Roshan database: essentially there was no record of any remittance paid into that account. This could be due a data-entry mistake by Roshan but could also be an indication of fraud<sup>18</sup> – as this issue is recurrent and almost specific to a single district (Jawzjan), there is an urgent need to further investigate this problem by randomly monitoring beneficiaries and systematically collecting their Msisdn.

Chart 14: Withdrawn amount in percentage of the remittance (all 5,492 beneficiaries)

### Withdrawal patterns

Once beneficiaries receive their remittance on their M-Paisa account, they need to transform the electronic money into cash. To that aim, beneficiaries need to go to a M-Paisa agent and conduct a withdrawal transaction.

The chart on the right indicates that 85% of the 5,492 registered beneficiaries withdrew from an M-Paisa agent 100% of the remittance they received, whilst 7% of the beneficiaries withdrew between 99% (included) and 100% (excluded) of their remittances.



- Almost all DFID beneficiaries (92%) entirely emptied their electronic account, doing 1 withdrawal (95% of the cases) or 2 (5% of the cases) withdrawal operations per remittance. For all those beneficiaries, Roshan only recorded two types of operations: receiving the remittance and withdrawing the remittance.
- 2% only (96 beneficiaries) withdrew less than 99% of the remittances (=3,960 AFA for a remittance of 4,000 AFA).
- For the remaining 6% who withdrew more than they received as a remittance from DFID, they had other incoming transfers (that were not formally identified).

---

<sup>18</sup> A systematic monitoring of the 358 questionnaires from the data collection to the data entry was done after the fieldwork to make sure that *Samuel Hall* had not made any mistake.

*“The Afghan Aid beneficiaries never use any other feature. Those people are poor and they just take the cash and leave. They are not here to buy music or play games with crazy applications. Roshan should understand that. In the end, [Roshan] will make money anyway!”*

*Roshan shopkeeper, Aymaq, Samangan province, September 2012*

### **Withdrawal experience**

The main finding is that 87% of the surveyed respondents did not know how to withdraw money through M-Paisa. It clearly ties a large majority of the DFID beneficiaries to a minority of middlemen who know how to withdraw money and can potentially get a commission or divert some of the transferred cash. A comparison of the baseline and endline highlights two main findings:

- A greater proportion of those beneficiaries questioned at the endline (9%) reported knowing how to withdraw cash and having experienced cash withdrawal compared to those questioned at baseline (1.5%).
- Fewer interviewees questioned at the endline (4%) indicated that they knew how to withdraw cash in theory only compared to those questioned at baseline (18.5%).

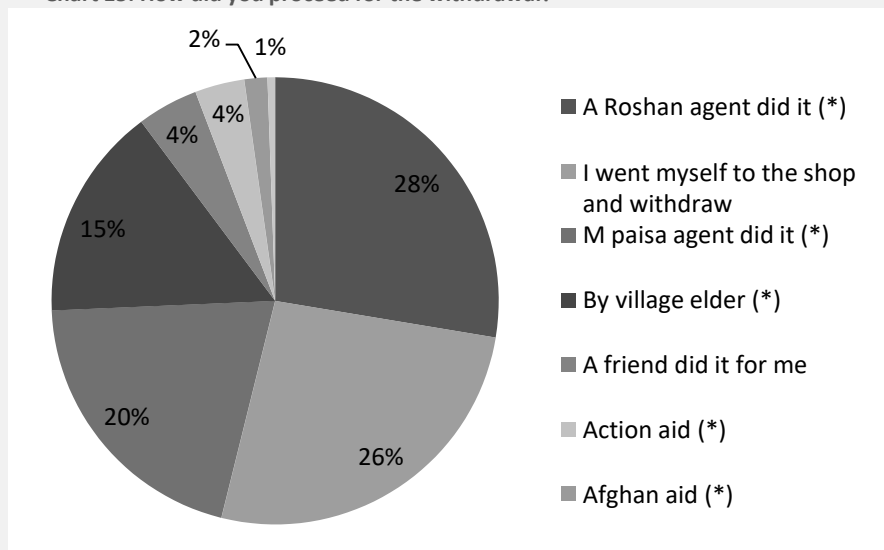
These figures lead to two conclusions: 1) overall, as 87% of the beneficiaries said that they did not know how to withdraw (–7 percentage points compared with the baseline), it seems that either the training was not adapted to local audiences or refreshers would be needed; 2) likewise, considering that 9% of the beneficiaries have actually withdrawn cash and that 87% of them did not know how to do it in practice, it suggests that a small number of individuals are tasked to withdraw the cash for the rest of the beneficiaries.

Table 18: Do you know how to withdraw money?

	Endline/Baseline	
Yes and I have already done it	9%	+7.5
Yes but I have never done it	4%	-14.5
No, I don't know	87%	+7.0

Of those who had made a withdrawal, only 26% of participants said they went to the M-Paisa shop to withdraw it. However, the “other” answers indicate “a Roshan or M-Paisa agent” did it, indicating they gave the phone to agent to operate the withdrawal. Other interviewees outsourced the withdrawal operation to a third party, mainly a village elder (15%), a friend (4%), or one of the supporting NGOs (Action aid 4%, Afghan aid 2%, ACTED 1%). In Samangan, for instance, cases of Roshan resellers withdrawing cash for beneficiaries living in remote areas were reported in the endline survey. If there was apparently no cash diversion, such practices are obviously in contradiction with the initial objective of the DFID project (and could potentially lead to corruption and cash diversion).

Chart 15: How did you proceed for the withdrawal?



(\*) Answer not suggested, extracted from "other" answers

### Informal commission scheme

Of the interviewees who gave their mobile to somebody else to withdraw the cash for them, 86% of said there had been no commission for the withdrawal, 9% acknowledged a commission, and 5% did not know whether a commission had been taken or not.

On average, beneficiaries claim to receive 97.7% of their intended remittance (based on declaration from interviewees). While this number has to be viewed with caution (most interviewees are not at ease with numbers and have no interest in complaining about a system that has provided them with some actual assistance), it is a fair indication that interviewees consider that there is no diversion or corruption in the existing system: *"We generally receive the totality of our remittances, but most of us do not understand how the system works and how you can withdraw money; moreover, female beneficiaries are not allowed to travel long distances and older beneficiaries or disabled people cannot travel anymore. That is why we use friends or relatives to withdraw this cash. Sometimes they ask for small commissions to pay for the gas or the service. But I have not heard any negative thing about it"* (Male beneficiary, 32, Khwajadokoh district).

Table 19: AFA 4,000 remittance average breakdown for the beneficiary

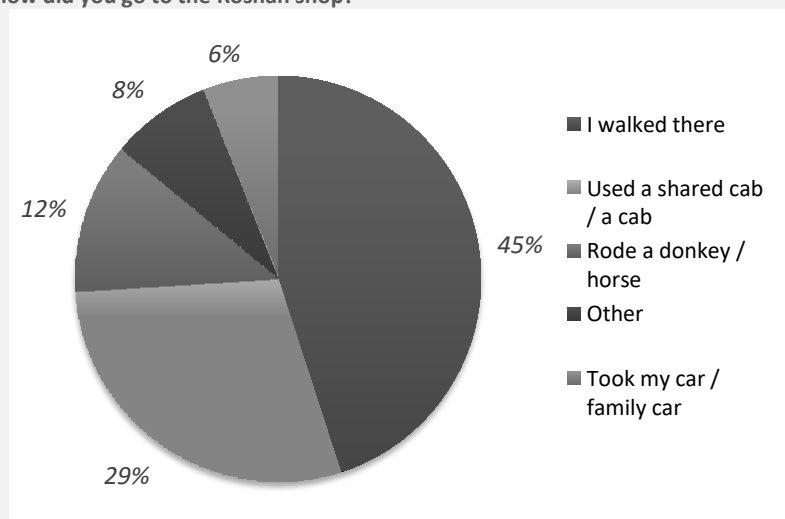
Gross Remittance	AFA	4,000.00	100%
Travel costs	AFA	48.78	1.21%
Commission for help with withdrawal	AFA	20.41	0.51%
Roshan commission	AFA	20.00	0.50%
Net remittance	AFA	3,910.81	97.78%

### Barriers to withdrawal I: travelling?

Travel and distance are not considered as obstacles by most beneficiaries: 44% of the beneficiaries who withdrew cash "walked there" (especially in Aybaq, as several Roshan shops can easily be found in the direct neighbourhood of most beneficiary communities); 29% used or shared a cab and 12% a horse or a

donkey. However, it should also be noted that the only focus group participants who mentioned travel as a constraint were female beneficiaries, as they are generally not allowed to leave their village to get some cash in the nearest urban centre (with a Roshan shop).

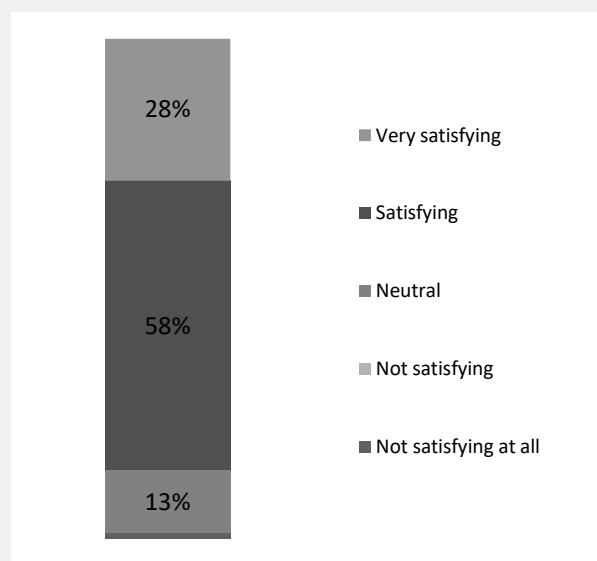
Chart 16: How did you go to the Roshan shop?



### **Barriers to withdrawal II: accessing the Roshan shops?**

The endline survey confirmed DFID beneficiaries’ positive experience of Roshan shops: 86% of the interviewees who reported having withdrawn money at Roshan shops said that their experience at the Roshan shop was either satisfying or very satisfying: “As the Roshan shopkeeper is used to dealing with the M-Paisa technique, he sometimes explains me new aspects of the technology that I ignored. So everyone is happy, even if the shop is really too far from my home. In the end, he makes good money and I learn new things while getting money as well!” (Male beneficiary, 27, Murdian district).

Chart 17: How would you rate your experience at the m-paisa shop?

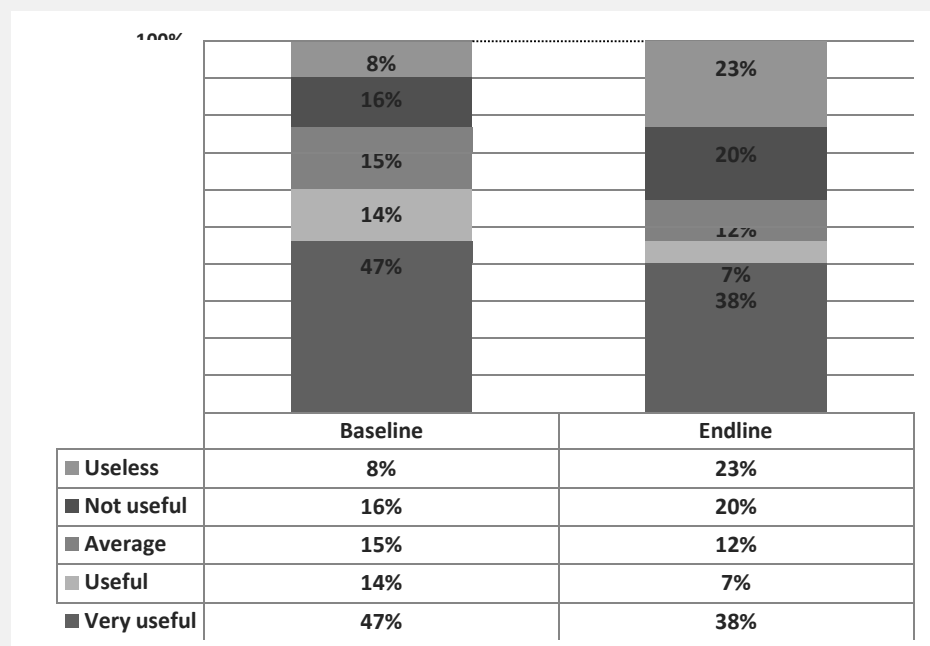


### **Barriers to withdrawal III: understanding the M-Paisa technology?**

A significant share of DFID beneficiaries received training on M-Paisa, explaining the wide awareness of M-Paisa among the DFID interviewees: 45% of those beneficiaries interviewed at baseline reported having attended training, whereas 37% of those interviewed at endline reported attending training. In the baseline, while most participants assessed the training as “useful” or “very useful”, there is likely to have been a strong acquiescence bias and beneficiaries might have provided what they perceived to be the ‘right’ answer to thank partnering NGOs as well as DFID for their cash transfer programme. By contrast, focus group discussions highlighted that illiteracy stood as a strong barrier on understanding of basic information regarding the use of M-Paisa and that interactive voice response (IVR) was still not optimised for M-Paisa beneficiaries. People interviewed in the endline survey were more sceptical – as 43% of the respondents who had attended the first training session thought that it had been either “not useful” or “useless” (compared with 24% of those interviewed at baseline).



Chart 18: M-Paisa training: satisfaction rate



Finally, as suggested in the mid-term report, to fill in these gaps, training content should be improved to tackle the illiteracy barrier by relying more heavily on graphical illustrations as a training tool. In addition, we strongly recommend that the training includes practical transaction training, to learn “by doing”. During the training all participants should have their M-Paisa SIM activated with part of the remittance on their credit. An M-Paisa dealer should also attend the training so participants can actually conduct real money withdrawal operations.

*“We received training, but I didn’t learn it because I am illiterate, the quality of the training was good but I couldn’t learn.”*

*DFID Beneficiary, Male Respondent, 26, Illiterate, Khwaja Dokoh, Jawzjan*

### Using M-Paisa’s money

When asked how they would use the money transferred through M-Paisa, individual respondents provided a relatively wide range of answers, showing that non-food items are not necessarily prioritized: clothes and furniture (49%-51%), debt reimbursement (36%-32%), health (32%-19%), education (12%-15%), and fuel (8%-5%) were the most frequently cited answers with food (39%-48%). Providing that beneficiaries do spend the money on such essential items, it may be that the cash transfer initiative could lead to longer-term improvements and sustainable socio-economic outcomes – rather than quick humanitarian impacts. Such a key assumption should of course be cautiously developed and fine-tuned in the light of a more comprehensive assessment of the household expenses, benefit sharing strategies<sup>19</sup>, and resource allocations. At this stage, however, it is likely that:

<sup>19</sup> See SANDRI (2012): “Not always in the official reports, sharing and re-distribution of cash among members of the

- Seasonality plays an essential role on beneficiaries’ cash allocation decisions: health or fuel expenses generally tend to decrease during summer (respectively: – 13 and – 3 percentage points over the surveyed period).
- *“Assuming that people use their cash [...] on food and non-food items does not imply that the initiative does not play a humanitarian role; what it means is that the grant helps people allocate their resource the way they want, on essential basic items. However it clearly raises questions on the timeliness of the initiative”* (ACTED Field Officer, Faryab, Almar district).

Table 20: How will you spend the money?

	Baseline	Endline
Items for house (clothes, furniture)	49%	51%
Food items	39%	48%
Debt/Loan Reimbursement	36%	32%
Health	32%	19%
Education	12%	15%
Fuel, Power	8%	5%
Purchasing livestock	4%	5%
Rent	1%	2%

communities, was found to be a quite common practice. Although it might be argued that sharing and re- distribution can lead to the dilution of the assistance provided, it can also allow the survival of important traditional forms of community “safety net” mechanisms. Therefore there is a need to understand and analyse why communities re-distribute, and along which lines the money is re-distributed. Understanding informal “safety net” and community coping mechanisms is critical in setting realistic and context-specific targeting and in deciding the level of assistance. Acknowledge and understand re-distribution and sharing of assistance to enable realistic and context specific targeting methodologies and level of assistance”. *Review of the ECHO Response to the Drought in Northern Afghanistan through Cash Transfer: Lessons Learned*, for ECHO, ACTED, Intersos, Oxfam, Novib, People in Need and Save the Children, June 2012.

### Roshan's coverage and pricing (benchmark with Etisalat)

Roshan, and mobile network operators (MNOs) started in 2003, has a much wider coverage than Etisalat which started in 2007, especially in Rural areas. However, Etisalat's coverage is known to grow quickly and is expected to have an equivalent coverage as Roshan in the next few years. Both have a corporate system of salary disbursement.

If we first focus on their respective coverage, Roshan has the largest network in the country. However, Roshan's market share is relatively low among control group participants, meaning that people in the targeted areas do not naturally use Roshan: *"Roshan is perceived as a more expensive operator and while Roshan is the market leader with the widest coverage, it lags behind among the poorest segments of the population who prefers other operators, like MTN and AWCC, especially in the poorest rural areas of Northern Afghanistan"* (Telecommunications Expert, ex-Roshan and Etisalat, Kabul).

Finally, should DFID be willing to further develop its electronic cash transfer strategy with Roshan, it will probably need to develop a basic M-Paisa registration programme among participants. Alternatively, as other MNOs are likely to develop their own mobile banking solutions, DFID may also be able to use beneficiaries' own SIM cards.

Chart 19: Roshan national coverage (November 2012)

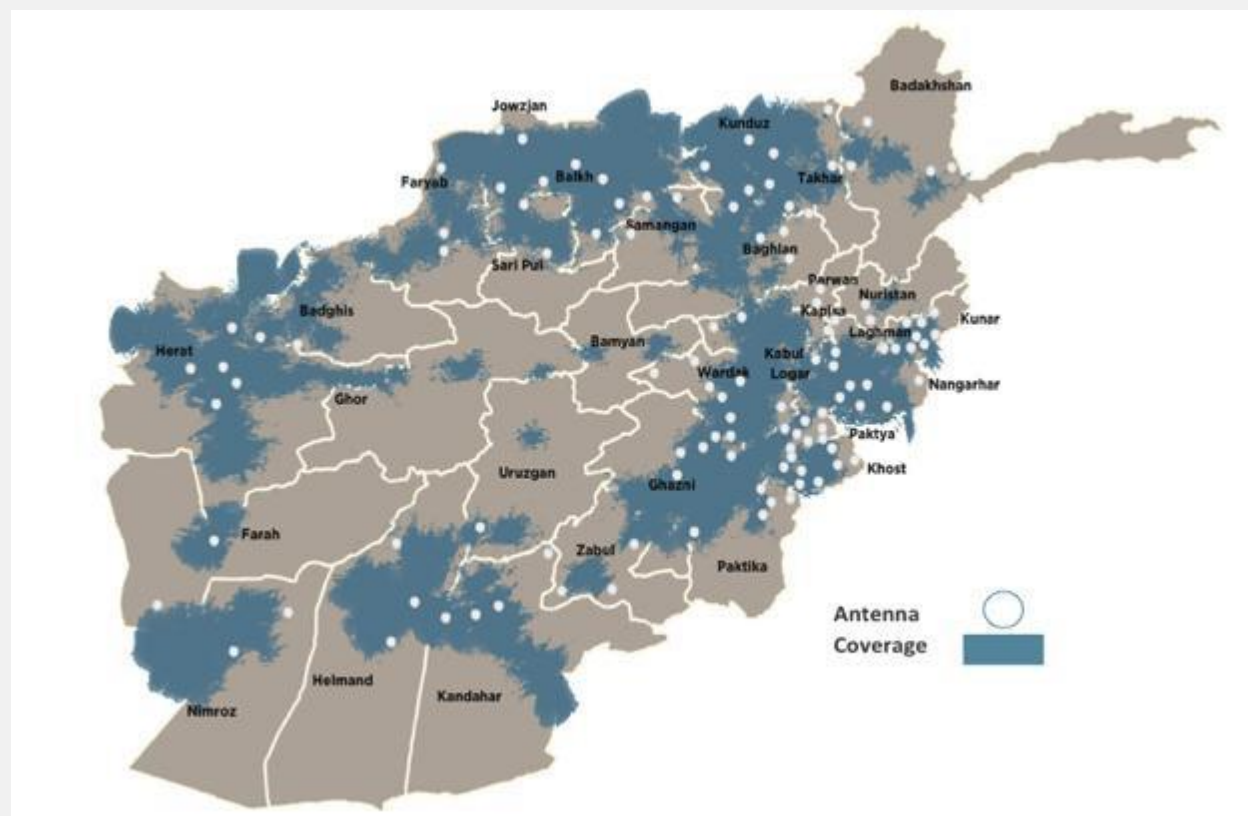
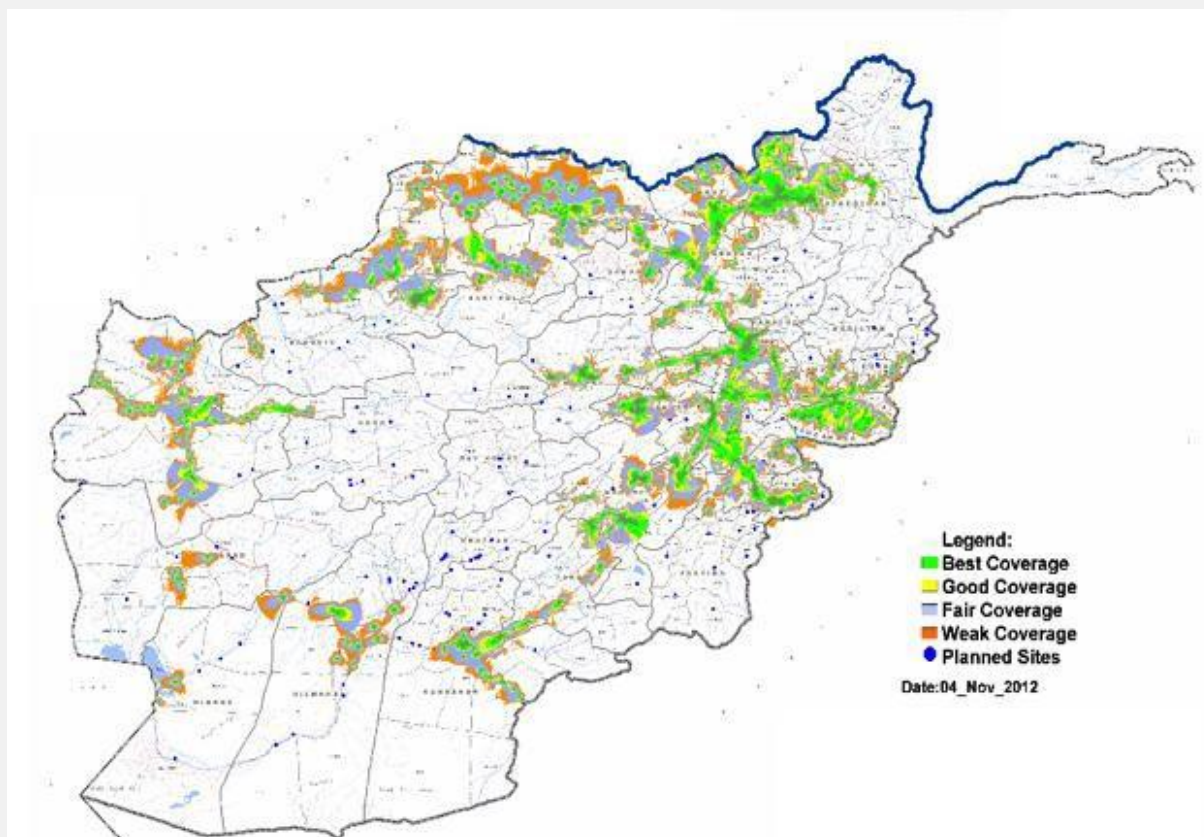


Chart 20: Etisalat national coverage



Finally, based on the information provided by both Roshan and Etisalat and a triangulated estimate of Roshan’s and Etisalat’s respective costs, the review team came to the conclusion that Roshan was still cheaper than Etisalat. However, this estimate is based on the information provided in late 2012, when Etisalat was still developing its commercial offer. Providing that Etisalat develops a larger rural coverage and a range of commercial offers more specifically tailored to cash transfer programmes in emergencies, DFID may take advantage of more competitive offers (prices and services) in the future.

Table 21: Benchmark Roshan / Etisalat (all figures in AFA)

Pricing per mobile operator	Commission for DFID	Total cost for DFID	Withdrawal commission	Net remittance for the beneficiary	Yearly cost for monthly 4,000 for 5k participants
M-Paisa Roshan	20	4,020	20	3,980	241.2M (incl 1.2M Roshan fee)
M-Hawala Etisalat	51	4,051	20	3,980	243.1M (incl 3.06M Etisalat fee)

## Value for money of a mobile cash transfer programme in Afghanistan in 2014

Considering that the key challenge of the programme was delivering support to communities in Northern provinces to meet their emergency needs in a cost-effective and timely manner, the review team considers that the project was neither timely nor cost-effective. However, it does not mean that future mobile cash transfer projects, at a larger scale, may not be more cost-efficient than food assistance programmes. This is especially true in a worsening security context, where access to remote and unsafe areas has become a key parameter for evaluating the *impact* of any humanitarian or development initiative.

**Timeliness of the DFID pilot project:** Even if the overall design of the project can be deemed as satisfactory, the fact that most beneficiaries reported spending their cash on non-essential items leads the review team to think that the DFID initiative: 1) can play both a humanitarian/relief and development/recovery role, as cash grants clearly empower targeted households and allow them to allocate better their resources for emergency or long-term purposes; 2) failed to address the immediate consequences of the 2011 drought, as the project was initiated too late, as was often reiterated in the individual interviews and focus groups conducted with community representatives or NGO field officers, and; 3), it was a relatively modest intervention (2 remittances of 4,000 AFA over a six month time span), which does not allow any definitive conclusion in terms of long-term impact.

**Specific cost-effectiveness of the pilot project:** Interviews with food assistance actors, including the Norwegian Refugee Council and the World Food Programme, were undertaken and these involved the discussion of similar initiatives and pilot programmes and the perceived cost of these. The perception of these experts was that distributing cash transfers is less cost-efficient than distributing food aid in today's Afghanistan. The main reason given for this is not the actual administrative, transportation or delivery costs but economies of scale in commodity costs: in other words, importing food in bulk at wholesale prices is considerably cheaper than giving beneficiaries cash to buy the same food at retail prices on local markets. A caveat of this finding is that this evaluation did not have access to the cost estimates so could not verify this perception. Unfortunately, assessing the price differential between imported food aid and food purchased locally using cash transfers was not in the scope of this study but could be done by DFID Afghanistan. Though, comparing the cost-effectiveness of a small mobile cash transfer project and that of a nationwide food distribution programme can be misleading, as it is difficult to have a clear idea of the possible economies of scale generated by a nationwide mobile cash transfer programme.

**General cost-effectiveness of mobile cash transfer programmes:** At a larger scale, scenarios should take into account the transfers to recipient ratio to assess whether mobile cash transfer schemes are more cost-efficient than food distribution models. From this point of view, the evaluation team would expect from the predictable economies of scale realised with nationwide programmes that the proportion of total costs that goes to project management and delivery would sharply decrease in the case of cash – while they would probably increase in a worsening security context, as the handling costs (staffing, transport) for food would almost certainly exceed the mobile operator charges and other costs associated with disbursing cash. However, due to the limitations of this study further testing of this hypothesis is needed. Lastly, costs also need to be expressed in relation to an economic and social range of impacts, as some outcomes are intangible, such as “dignity” or “empowerment of women”.

## Analysing the inflationary effect

Local bazaars, especially in rural districts (Almar, Khwajadokoh, and Murdian) are often poorly integrated in secondary markets and urban centres and constrained by the geographic and climatic characteristics of the country; likewise, the worsening security context (whether insurgents or predatory gangs) has become a major obstacle to the development of commercial trade in many rural areas. Any cash transfer, by definition, will impact on markets and local economies, especially if they are isolated or constrained. When deciding whether to provide cash assistance, the impact of cash on local economies thus needs to be assessed in the pilot phase: How effectively will markets be able to respond to an injection of cash? In other words, will people be able to buy what they need locally at affordable and relatively fair prices? Will people be able to buy the goods they need? By contrast, is there likely to be an inflationary impact from a cash injection?

To assess whether the use of cash had either multiplier or inflationary effects on local economies, the review team surveyed a basic basket of commodity prices in the four surveyed districts. The rationale behind this was to understand people's livelihoods and how local economies and markets work. If the timeline of the assessment and the objectives of the pilot phase did not allow us to identify any positive multiplier effect, by contrast inflationary effects are theoretically easier to assess.

By cross-referencing different agricultural and livestock prices (wheat, potatoes, and a three-year old male sheep from the dominant variety) in a single index, the review team not only explored the effect of broader socio-economic patterns on the local markets, but also sought to identify exceptional price increases or localised inflationary phenomena.

In order to create an index, one must convert each of the factors into a comparable unit of measurement - for the sake of ease, we have chosen a simple numerical scale with a baseline value of 100. We shall refer to this as the 'index value'. Market prices of wheat, potatoes, and sheep were assessed every month in 3 communities per district; the price of each item was based on the average price collected in 4 different shops. A total of 12 different prices per item were thus assessed in every surveyed district to determine the average monthly price of each item; overall, 144 prices were collected every month over a period of six months (and eight months in the case of Almar, as shown in the graph below).

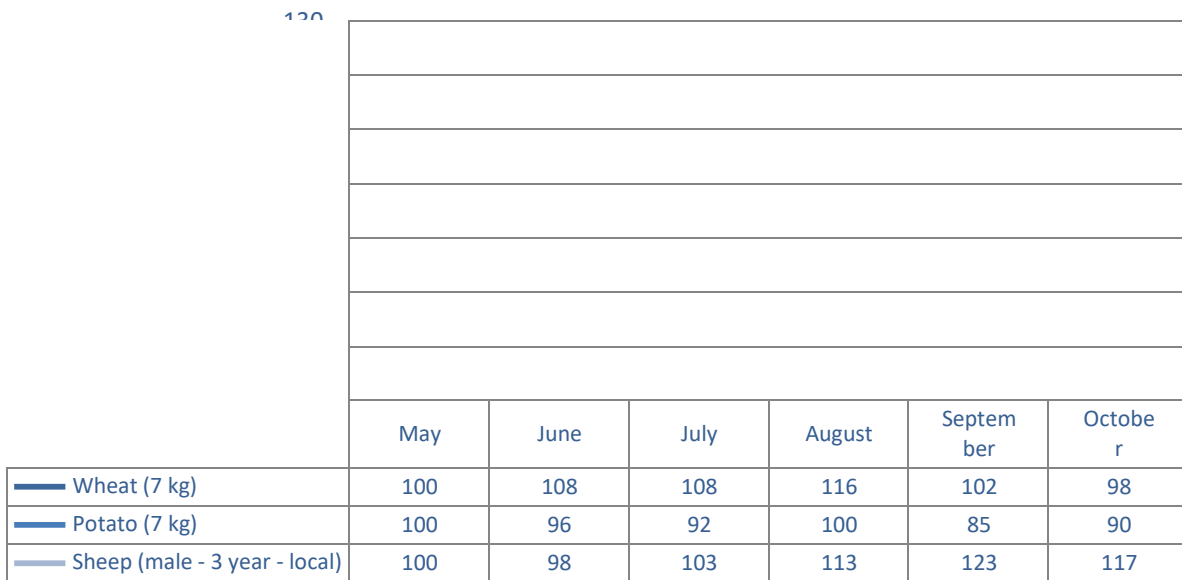
To fine-tune our analyses and differentiate seasonal evolutions, exceptional or abnormal price trends, from actual inflationary phenomena, focus group discussions with local traders, livestock owners, and farmers were organised on a regular basis.

*"Prices can go up when WFP brings its wheat bags or when international NGOs distribute vouchers or cash. I am sure it can. But our markets are more robust and connected than you think and they can satisfy all types of demand at a reasonable price."*

*Livestock trader, 35, Aybaq, Samangan*

In **Aybaq, Khwajadokoh, and Murdian**, our analysis found no clear evidence of inflationary impact. In both cases, the price evolutions seem logical: the strong price increase of sheep in September can be explained by religious motives (Eid), while the general and specific price dynamics of wheat and potatoes are mainly related to seasonality.

**Chart 21: Market prices in Aybaq (Index 100 - May to October 2012)**



**Chart 22: Market Prices in Murdian (index 100 - May to October 2012)**

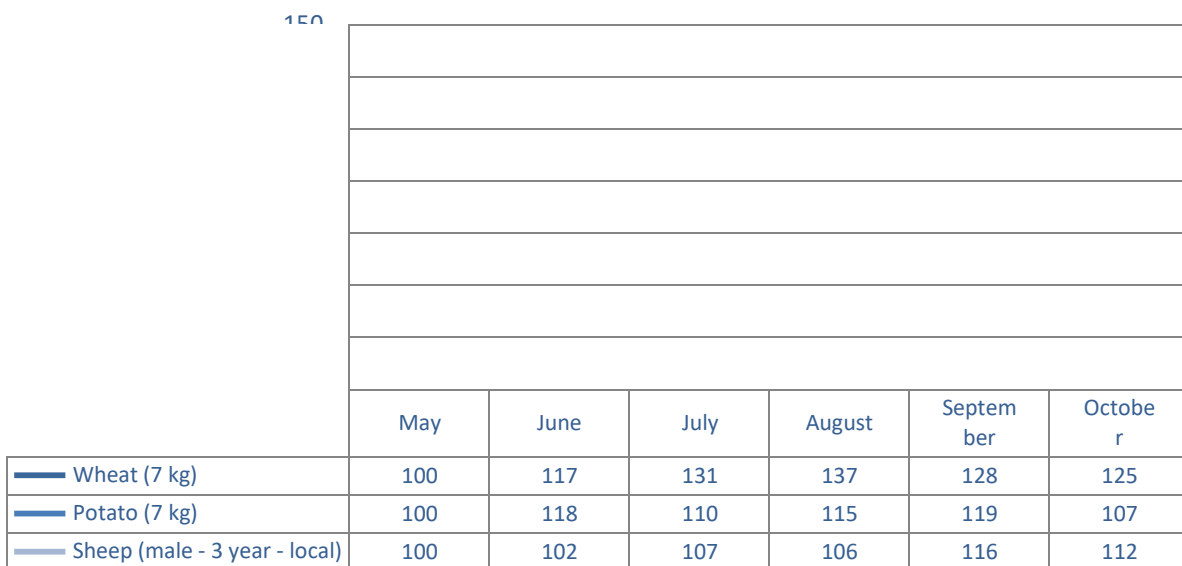
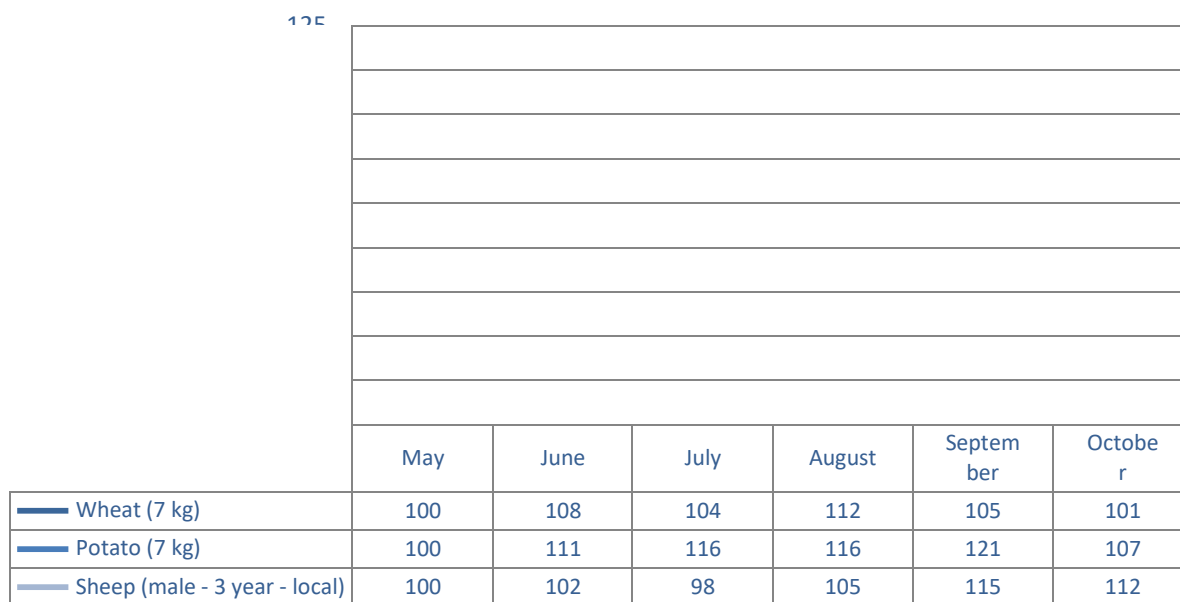




Chart 23: Market Prices in Khwajadokoh (index 100 - May to October 2012)



In **Almar**, the market prices seemed less predictable. Wheat and potato price peaks were observed between July and September (up to 40% or 50% increases for wheat and up to 35% for potatoes); by contrast, sheep prices seem more clearly related to seasonality.

To further investigate such exceptional price increases, the review team decided to develop a benchmark assessment of wheat prices with the neighbouring district of Qaysar over a 8-month period between May and December 2012, and to organise additional focus groups with local traders to test the validity of our assumptions.

Based on our price comparison with Qaysar, there are exceptional price dynamics in Almar (+40 to +45 index points), which is not judged to be related to the local and usual market conditions. Moreover, the peaks in prices seen on the markets of Almar district correspond to the two periods of cash disbursement. Taken together with the qualitative interviews in the local markets of the district, it is therefore plausible that there is an inflationary impact of the cash transfer in Almar. This impact appears to intervene after disbursement, and price indexes seen at Almar reach the level of the neighbouring district two months after the last phase of the cash transfer.

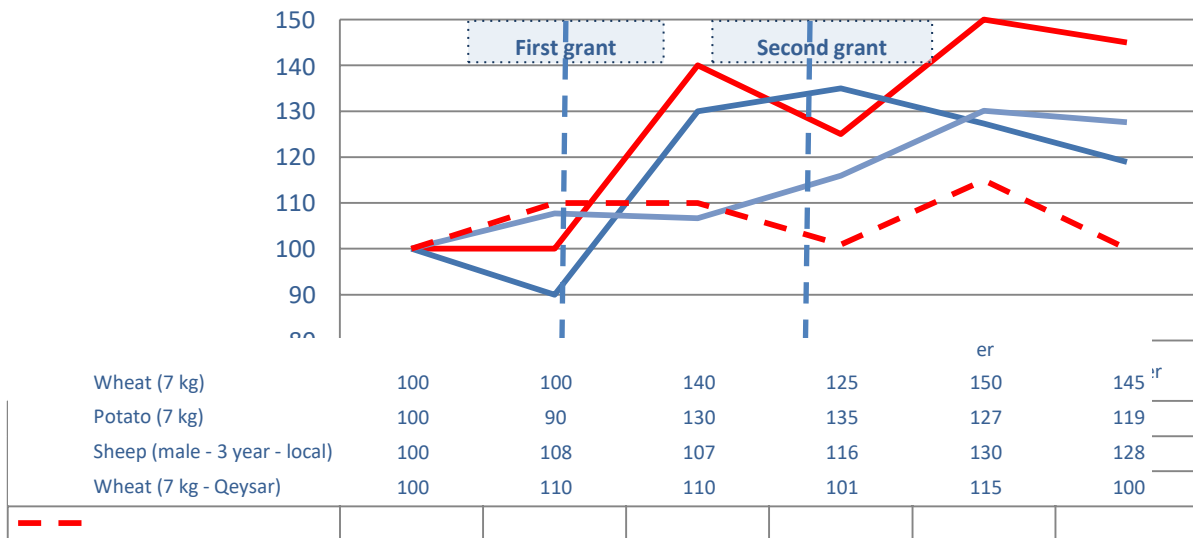
If we now try to analyse the difference between Almar and the other three districts, we may assume that two major variables determine the inflationary phenomenon. First, the level of security at Almar has continuously worsened, which further weakens local trade and isolates the local markets. Second, the access to the local market of Almar district is more complex than in the other three districts surveyed by the research team, as access to market and infrastructures are lacking. Hence, both contextual and structural reasons may explain what our quantitative and qualitative data have otherwise underlined – an inflationary impact following the cash injection on the local market.

*There is one notable caveat:* the primary objective of this study was not to assess this impact. Therefore,

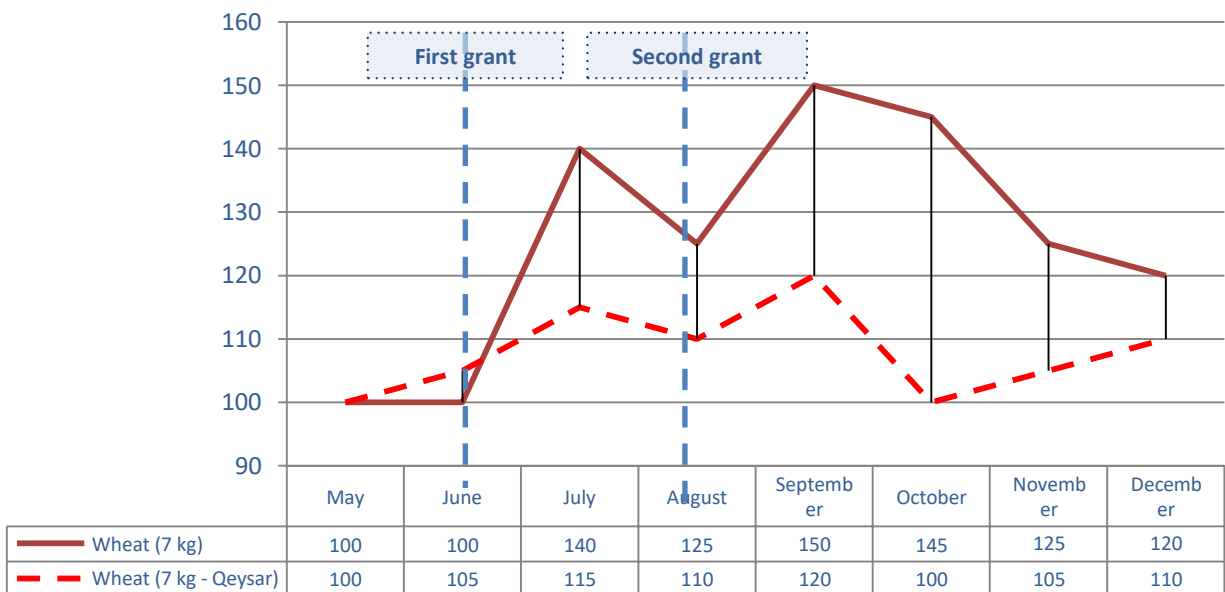


a longer term and more comprehensive analysis of the market dynamics has to be planned ahead of future cash transfers, and similarly, as a monitoring mechanism during the cash intervention process. In these regards, if the qualitative information and quantitative data collected in Almar and Qaysar do not fully allow us to understand the interaction between the different local markets, there may be a possibility of rebalancing of prices in Almar to neighbouring markets, and such an economic backlash must be carefully assessed and controlled to avoid destabilizing an already fragile socio-economic and political network.

**Chart 24: Market Prices in Almar and Qaysar (Index 100 - May to October 2012)**



**Chart 25: Wheat prices in Almar and Qaysar (May-December 2012 / index 100)**



## Section III: *Lessons learned and recommendations*

**What is the result of each assistance programme (mobile cash transfers and USAID/WFP) on the humanitarian needs of the target population as measured by standard humanitarian criteria?**

Even if the DFID mobile cash transfer pilot project cannot realistically be considered as a timely humanitarian answer to the 2011 drought, the project has had some successes. At the time of the intervention, there were still food shortages, that were not the result of the drought, and the cash received helped DFID beneficiaries to deal with these without having to resort to extreme coping strategies.

Other successes include: 1) beneficiaries of the DFID programme fit the criteria stipulated in the programme terms of reference, namely including “the poor among the poor”, such as women and minorities; 2) a positive effect on beneficiaries’ households, who often reallocate these additional resources not only in food items but also in health, education, repayment of debts, etc. 3) a strong popular acceptance and legitimacy of mobile cash transfers; 4) reliable and efficient partnering NGOs (even if further investigation is now required in Jawzjan); 5) an efficient cash transfer instrument tailored to the Afghan context (even if a more in-depth comparison with food distribution and cash voucher programmes should be made, to better gauge the actual efficiency of mobile cash transfer initiatives); 6) a relatively cheap option (Roshan vs Etisalat).

Despite the potential case of fraud, which can be tracked easily, and the fact that a minority of beneficiaries withdraw money themselves, which is part of the overall learning curve of any mobile cash transfer project, the M-Paisa system is generally a reliable option to transfer cash to rural and urban poor in a conflict situation like Afghanistan. Overall, sending remittances through mobile transfers in the four surveyed districts, proves to be generally reliable, targeted, secured and relatively cheap. It is not absolutely reliable – but it is relatively efficient in a context of increased diversion of food assistance and endemic corruption.

**What are the primary considerations when deciding whether to establish mobile phone payment transfers in a humanitarian context?**

There are some downsides and these need to be borne in mind when deciding whether to establish mobile phone payment transfers: 1) the fact that the project could not address people’s concerns in a timely manner; 2) the inadequate format and content of the training sessions; 3) the fact that beneficiaries only withdraw cash and rarely use any other M-Paisa services; 4) the risk – especially in the longer-term – that middle-men bypass or divert some cash, as many illiterate people or disadvantaged minorities ask other people to withdraw cash for them; 5) a potential inflationary impact of cash injection (as observed in the Almar district) in areas where security and/or access to other markets are poor.

This section provides the key findings and lessons learned from the two-phase study conducted in Northern Afghanistan, while identifying a set of eleven actionable recommendations aimed at improving the future development of cash based initiatives.

## Who are the mobile cash transfer beneficiaries?

The key findings outlined below review specific elements of the socio-economic and demographic profiles of DFID beneficiaries, and will underline key lessons learned through the baseline assessment.

**Gender:** Almost one third of the DFID respondents were women (*baseline: 29%, endline: 23%*), which confirms the achievements of one of the key gender components of the programme, even if in practice the difficult access to M-Paisa agencies remains an important obstacle to the further empowerment of female beneficiaries within their households and their communities.

**Demographics:** Data collected on ethnicity, age, marital status, education, and documentation, confirm that DFID beneficiaries were the most vulnerable among the rural or urban poor, in comparison with USAID or WFP beneficiaries. The overall profiles of the DFID beneficiaries encompass the following key profiles: 1) widows and female-headed households (*DFID: 18%; WFP/USAID: 4%; no programme: 6%*), 2) older households with a higher average age (*DFID: 43; WFP/USAID: 39; and no programme: 37*) and 3) less educated with high rate of illiterate respondents (*DFID: 78%; other control groups: 63%*). Whilst this shows that the selection process has targeted the most vulnerable, it raises some concerns to be borne in mind: 1) questioning the capacity of such minority groups to understand and implement practically the requirements of the M-Paisa programme, 2) questioning their ability to have access to M-Paisa agencies, and 3) raising the question of their higher vulnerability to corrupt or predatory actors in their communities. By this we mean that if beneficiaries are indeed the most socially vulnerable, they are also more likely to be under greater pressure from those holding powerful positions in their community.

**Socio-economic profiles:** The analysis of household composition – number of household members and economically active members – and of household economic indicators – occupation, key employment sectors, underemployment and child labour, as well as household income – corroborate the fact that the socially vulnerable beneficiaries also fulfil key poverty indicators: *14% of unemployment, massive underemployment, basic jobs as daily labourers in the agriculture or construction sectors, 15.3% of children working for the household*. This means that they are doubly vulnerable: first from a social standpoint, and second from an economic standpoint.

**Health and Nutrition:** As seen in other studies, food quality (*copied strategy for 64% of DFID beneficiaries*) and quantity (*58%*) are often compromised in a systematic coping strategy found in our sample as in other samples of vulnerable populations surveyed in Afghanistan. What stands out in this research is the issue of food depletion, by which households reduce the amount of money spent on food needs and food diversity. This study shows that DFID beneficiaries systematically tend to deplete food consumption, as they have no other viable coping strategy or option to resist shocks. It also validates the selection process: it further proves that the selection of beneficiaries was rightfully targeted, as these are specifically those households that should be assisted through a cash transfer programme.

## What is the result of the DFID cash transfer pilot project?

**Short-term results:** The DFID pilot project seems to have had a positive effect on the surveyed households, in all the targeted districts. Whilst taking into account the seasonality factor, DFID beneficiaries interviewed at endline tended to resort much less on food depletion (*-22 percentage points between the baseline and the endline*) and reduction of food diversity (*-19 percentage points between*

*the baseline and the endline*) than those interviewed at baseline. This finding is supported by findings from the interviews.

**Longer-term results:** If the main objective of the mobile cash transfer programme is to respond to humanitarian crises and emergency situations, it is worth mentioning that it may also have the potential to generate sustainable social and economic development: an average 44% of the surveyed beneficiaries reported spending the cash on food, 50% said that they would spend it on items for their house, 34% on loan repayment, 25% on health, and 14% on education.

**Training:** A significant proportion of the participants did attend a training session on M-Paisa. However, illiteracy, travel cost, and poor overall understanding of the system, are strong barriers to the adoption of the M-Paisa system. Some participants were empowered with the withdrawal for other unable beneficiaries, most of the time not taking a commission. However, only a handful of beneficiaries (9%) know how to use the system. The vast majority of beneficiaries relied on a third party to obtain the cash: someone from the village, NGO aid workers or M-Paisa agents.

**Withdrawal:** The remittance reaches almost fully (97.7% of the total) the end beneficiaries – extra costs are extremely limited – according to surveyed beneficiaries, and confirmed by Roshan transaction logs which clearly show that all the remittances transferred through M-Paisa are quickly and totally withdrawn in cash.

**Inflationary impact:** A survey (6-8 months in duration) of the market prices in the surveyed districts suggests that isolated and unsafe areas are more likely to suffer from an inflationary impact. A comparison of the wheat prices in 6 bazaars of the neighbouring districts of Almar and Qaysar highlighted a 30 to 45 point difference (index 100) between the two markets after the two phases of cash disbursement.

**Roshan:** Today, Roshan is still the cheapest option (-0.8%). Considering the relatively good services provided by Roshan, with the support of DFID implementing partners, there is no reason to immediately shift from one mobile operator to another at this stage. However, DFID bargaining power has increased, with Etisalat's arrival on the market of mobile cash transfer.

### What could be DFID's strategy towards mobile cash transfer?

Based on our field observations and discussions with local communities, beneficiaries, and implementing partners, the main risks of transferring cash are: 1) corruption; 2) diversion; 3) inflationary effects due to the injection of cash. The following recommendations aim to provide DFID and its partners with a set of actionable measures for improving the programming and operational aspects of future mobile cash transfer programmes.

#### Recommendations for DFID:

- 1. Adopt mobile transfer to send remittances (among other instruments):** The DFID pilot project has had some successes and the remaining issues could likely be addressed easily. Even though the intervention was not timely in helping households respond to the 2011 drought, there were still food shortages that were not the result of the drought at the time of the intervention, and the cash received helped households to deal with these without having to resort to extreme

coping strategies. As such, the review team considers that the pilot project validates the assumption that the role of cash-based responses should be thoroughly reconsidered in both emergency *and* recovery situations – in a country where only a few experiences have been conducted until now. *“It is important to recognise that cash-based responses are not a panacea, nor are they universally appropriate. They are one element of the humanitarian toolbox – a complement to in-kind assistance, not a replacement for it. Cash-based responses have their own risks; cash transfers may trigger inflation in local markets, are just as likely to be poorly implemented and managed, and suffer from problems of exclusion, poor targeting and corruption, just like any other type of project”*<sup>20</sup>. DFID should continue to stimulate the process while partners need to make efforts in co-ordinating systematically also at field level. Whenever possible, synergies and complementarities among agencies and projects should be supported to increase the impact of the intervention.

- 2. Measure potential diversions and informal commissions:** M-Paisa can be a strong means to empower indirect- or non-beneficiaries, as many illiterate or older beneficiaries ask their relatives to withdraw money for them. However, as most participants use a third party to withdraw the money, by either giving them the SIM or transferring the money, DFID and its partners should systematically monitor whether beneficiaries conduct the withdrawal operation themselves and if they receive the full remittance: if the most vulnerable do not feel able to withdraw money themselves, it clearly leaves the system open to middle-men and corruption.
- 3. Keep M-Paisa for its better coverage and price:** Should Etisalat reduce its commission and/or increase its services, the programme should carefully compare the network coverage of the different competitors in the targeted district, before shifting from one operator to another. As DFID’s bargaining power will increase with the volume of the transactions and the arrival of a new entrant, the selected operator will have to be much more cooperative (not only on technical aspects but also during the monitoring and evaluation phases, for instance).
- 4. Assess the sunk costs and optimise the transfer schemes:** Empirical research has demonstrated the positive impact on poor and vulnerable households of cash transfer schemes in countries like Mexico, Brazil and South Africa.<sup>21</sup> Key aspects of the cash transfer schemes, such as their affordability to the state and the means of targeting of beneficiaries, are well known. However, there has been much less research into the most effective mechanisms of payment of these schemes: *‘This reflects a common view that the payment mechanism is easy to design and implement, at least compared with other components, hence is regarded an after-thought’*.<sup>22</sup> In these regards, careful consideration of the existing options may transform the payment mechanisms from being a sunk cost component of the DFID initiative into a potential source of benefits at micro level (for beneficiaries) and at macro levels (both for the surrounding communities, and even the financial system and growth overall).

---

<sup>20</sup> HARVEY, P. (2007) *Cash-based responses in emergencies*, Humanitarian Policy Group Report 24, Overseas Development Institute.

<sup>21</sup> See for example, useful summaries in the DFID Social Protection Briefing Note Series Nos 2-3, available at <http://www.dfid.gov.uk/pubs/>

<sup>22</sup> *Scoping Report on the Payment of Social Transfers Through the Financial System*, Report of Bankable Frontier Associates for DFID UK, July 2006. P.7.

## Recommendations for implementing partners:

- 1. Assess local socio-economic and political contexts:** Implementing partners should be better used to understand the socio-economic profile of the targeted districts and communities, which may lead to a more nuanced adjustment of the cash grant (e.g. 4,000 AFA does not have the same value in Summer and Winter; the purchasing power in Almar and Aymaq may differ; inflation may become massive over the next few years in Afghanistan; etc.). If the amount of the DFID cash grant was chosen based on the average food basket estimations in the surveyed districts in 2010/11, the definition of this amount has to be adjusted to local realities and a set of key socio-economic variables.
- 2. Suggest options to improve the training:** Training content should be improved to tackle the illiteracy barrier by showing, for instance, more graphical illustrations. It is also recommended that the training sessions include transaction training. During the training all participants should have their M-Paisa SIM activated with part of the remittance on their credit. A M-Paisa dealer should also attend the training so participants can actually conduct real money withdrawal operations. Refresher sessions should also be included for participants already enrolled in the programme. In the longer-term the effectiveness of the training can also be measured by looking at the types of transactions: are beneficiaries still reluctant to use other M-Paisa functionalities? Do they understand the benefit they can get from them? Last but not least, it is recommended that the content of the trainings echo the findings in this research from focus group discussions regarding the human elements of M-Paisa: both the limited capacity or ability to use this system, acknowledged by the participants themselves, and the potential to limit corruption. If these two elements are targeted more clearly in the training, the use of the different services of M-Paisa might increase. This last point might also ensure higher community buy-in, strengthen the social position of vulnerable households within their communities hence becoming a source of social and cultural empowerment.
- 3. Facilitate minorities' access to M-Paisa agencies:** Focus groups with women and elders have shown that some minorities (women, elders, disabled) suffer from accessibility issues, as it is very often impossible for them to travel to the next M-Paisa agencies to withdraw their cash. A recurrent suggestion has been to decentralize and increase the number of M-Paisa agencies (at the district and community levels).
- 4. Share information with (and get feedback) from beneficiaries:** Clearly inform beneficiaries of their rights through sessions that would lay out: 1) how beneficiaries are selected; 2) how much they should receive with what frequency; 3) when they should receive the forecasted disbursements (with expected dates); 4) who they should contact to complain about the programme.
- 5. Improve the existing communications strategy with communities:** Communicate widely and transparently the project's purpose and criteria, and establish dialogue and complaint mechanisms which are accessible and clear to all community members. In a worsening security environment, with a likely increase of corruption and economic predatory attitudes, communities need to take the full ownership of the project and must be fully committed to its success. This will help them to be fully associated with the implementation and the monitoring of the project: *"Communication and transparency with communities are crucial to ensure that*

*the project targets those who are most in need and therefore will achieve its objective*<sup>23</sup>.

- 6. Develop a complaint mechanism:** Implementing NGOs should explain clearly the nature, purpose and process of complaint mechanisms to communities (including information such as who to appeal to, how complaints should be dealt with and how complainants should be treated). The filed complaints need to be documented and analysed in order to track individual cases and to monitor whether particular groups (families, ethnicities, social profiles) are systematically excluded or favoured. This recommendation did not arise from a specific problem in the pilot, but from more general multiple quotes from focus groups. Cash distribution programmes need to be carefully designed and monitored and a complaint mechanism can play a significant role in this.
- 7. Put anti-corruption procedures in place:** Should any evidence of diversion or corruption be found in a community, the cash transfer programme should immediately be suspended so that there can be a proper investigation. Communities should obviously be informed of this conditionality system, so that everyone gets an incentive not to divert the programme from its main objectives. However, DFID and its partners (Roshan and the implementing NGOs) should set up a rapid anti-corruption assessment, so that the most vulnerable are not too penalised by the sanction. From this point of view, it is worth noting that the use of mobile phones can greatly help evaluation and anti-corruption teams identify the perpetrators of the fraud.

*“Programmes like [the DFID cash transfer initiative] are useful to our community. But international NGOs must understand that things are changing in this area. What is true of today may not be true of tomorrow. Security has changed, prices have changed, corruption has increased [...] NGOs should be able to assess the actual situation and adapt themselves to the reality the people of this village have to deal with. It is not simple and they should collaborate with us.”*

*Elder, Male Respondent, 40, Literate, Almar, Faryab*

---

<sup>23</sup> SANDRI, M. (2012), *Review of the ECHO Response to the Drought in Northern Afghanistan through Cash Transfer: Lessons Learned*, for ECHO, ACTED, Intersos, Oxfam, Novib, People in Need and Save the Children, June 2012.



## Bibliography

### General Literature Reviews

- CONWAY, A., and GREENSLADE, M. (2011), *Cash Transfers: Literature Review*, DFID Policy Division.
- FARRINGTON, J., HARVEY, P., and SLATER, R. (2005), *Cash Transfers in the Context of Pro-Poor Growth, Discussion paper for OECD/DAC Povnet Risk and Vulnerability Task Group*, ODI.
- HARVEY, P. and HOLMES, R. (2007), *The potential for joint programmes for long-term cash transfers in unstable situations*, Humanitarian Policy Group, Overseas Development Institute.
- ODI (2007), *Cash Transfers in Development and Relief Contexts: Review of the Recent Literature*, Overseas Development Institute.
- SAMSON, M., VAN NIEKERK I., and QUENE K.M. (2010), *Designing and Implementing Social Transfer Programs*, Economic Policy Research Institute.
- SDC (2007) *Cash Workbook: A Practical User's guide for the Preparation and Implementation of Cash Projects*, Swiss Agency for Development and Cooperation.
- SLATER, R. (2009), *Cash Transfers: Graduation and Growth*, Overseas Development Institute.
- TROGER F. and TENNANT V. (2008), *The use of cash grants in UNHCR voluntary repatriation operations: Report of a 'lessons learned' workshop*, PDES 2008/09, UNHCR.

### Conditional Cash Assistance

- JANVRY A., and SADOULET, E. (2004) *Conditional Cash Transfer Programs: Are They Really Magic Bullets?* University of California, Berkley.
- RAWLINGS, L.B. and RUBIO G.M. (2005), *Evaluating the Impact of Conditional Cash Transfer Programs*, World Bank Research Observer, Vol. 20 (1): 29-55.
- WFP (2008), *Vouchers and Cash Transfers as Food Assistance Instruments: Opportunities and Challenges*, WFP/EB.2/2008/4-B, Executive Board Second Regular Session.
- World Bank, (2009), *Conditional Cash Transfers: Reducing Present and Future Poverty*, Policy Research Report, The World Bank.

### Cash assistance in emergencies

- HARVEY, P. (2007) *Cash-based responses in emergencies*, Humanitarian Policy Group, Report 24, Overseas Development Institute.
- HARVEY, P., JASPARS, S. (2007), *A Review of UNICEF's Role in Cash Transfers to Emergency Affected Populations*, EMOPS, UNICEF.
- HARVEY, P. (2005) *Cash and vouchers in emergencies*, Humanitarian Policy Group Discussion Paper, Overseas Development Institute.
- HORN RELIEF (2007) *A Practical Guide to Cash-Based Response in Emergencies*, Supported by Oxfam Novib.
- GORE, R. , and PATEL, M. (2006), *Cash transfers in emergencies A review drawing upon the tsunami and other experience*, Social Policy and Economic Analysis UNICEF.
- HOLZMANN, P., MITCHEL, D. and PEPPIAT D., (2001), *Cash transfer in emergencies: evaluating benefits and assessing risks*, Network HPN Paper, Overseas Development Institute.



### **Cash assistance in Afghanistan**

- ACF (2012), *Afghanistan: Hawala Cash Transfers for Food Assistance and Livelihood Protection*, Action Contre la Faim.
- ACF (2011), *Evaluation of cash transfer components of two ACF projects in Samangan and Day Kundi Provinces*, CaLP and ECHO.
- HOFMANN, C-A. (2005), *Cash transfer programmes in Afghanistan: a desk review of current policy and practice*, Humanitarian Policy Group Background Paper, Overseas Development Institute.
- SAMUEL HALL CONSULTING (2013 upcoming), *Cost effectiveness study*, Commissioned by WFP Afghanistan.
- SAMUEL HALL CONSULTING (2010), *Review of Food-for-Training Component*. Commissioned by the World Food Programme.
- SANDRI, M. (2012), *Review of the ECHO Response to the Drought in Northern Afghanistan through Cash Transfer: Lessons Learned*, for ECHO, ACTED, Intersos, Oxfam, Novib, People in Need and Save the Children, June 2012.
- UNHCR (1994), *Repatriation Under Conflict: A Review of the Encashment Programme for Afghan Refugees in Pakistan*, UNHCR Evaluation Report.

### **General literature on Afghanistan**

- CSO (2008), *National Risk and Vulnerability Assessment 2007/8: A Profile of Afghanistan*, implemented by the Ministry of Rural Rehabilitation and Development and the Central Statistics Organization with financial support of the European Commission.

### **Case Studies**

- GABRIELLE, T. and NORI, M. (2012), *Cash-based safety nets for livelihood support in Northeastern Somalia: A feasibility study for Save the Children UK & Horn Relief*.
- HAVER, K., HATUNGIMANA, F., TENNANT, V. (2009), *Money matters: an evaluation of the use of cash grants in UNHCR's voluntary repatriation and reintegration programme in Burundi*, PDES- UNHCR.
- IDL GROUP, BRITISH RED CROSS (2008), *A Summary of the British Red Cross Cash Grants For Livelihood Recovery in Aceh, Indonesia*, IDL Cash Grant Study Report 2008.
- IFRC, (no date), *Case Study: Revitalising Communities With Cash Grant*, IFRC Geneva.

## Appendix A – Sample Size Selection

### QUESTIONS AND ANSWERS...

#### Sampling Size: *Why 360 respondents per surveyed group?*

1. The margin of error is the amount of random sampling error in a result. The most commonly accepted margin of error for international survey polls is 5% so that is what we used in this study.
2. The confidence level enables us to communicate the uncertainty of an estimate taken from the population. It is an educated guess as to the value of a characteristic of the population based on the value calculated from a sample. It provides a margin of error around our initial estimate such that we can be almost certain (usually 95% or 99% certain) that the interval contains the true value of the population characteristic. Considering, once again, international standards, a 95% confidence level is acceptable for the DFID survey.
3. As such, the minimum recommended sample size for the DFID survey (considering a total of 5,400 beneficiaries, with a 5% margin of error and a 95% confidence interval) would be 359. With such a sample and providing that we get responses from everyone, we are more likely to get correct and representative answers.
4. Lastly, it should be noted that the surveyed areas are rural districts (Aybak in Samangan, Almar in Faryab and Khwajadokoh and Mardyan in Jawzjan). As such, respondents are more likely to have relatively homogeneous socio-economic profiles than urban respondents (whose social, economic, cultural, and demographic profiles tend to vary a great deal from one neighborhood to another). The data collected during the quantitative phases of the survey should thus offer a better and more accurate picture of beneficiaries and non-beneficiaries' attitudes and practices.

#### Test Groups: *Where do the other respondents (non-M-PAISA beneficiaries) come from?*

1. Theoretically, the 5,400 beneficiaries of the DFID/M-PAISA cash transfer initiative belong to the poorest households of the 4 rural surveyed districts ('the poor among the rural poor'). As such, the other test groups (beneficiaries of other assistance initiatives i.e. WFP/USAID or non-beneficiaries) may have different socio-economic profiles, even if they are selected in the same communities and districts: they may be richer than the DFID beneficiaries.
2. The two test groups will be selected in villages and community clusters that do not benefit from the DFID/M-PAISA programme. It should provide DFID with an unbiased view of: 1) the socio-economic profile of each surveyed group; 2) the cost-effectiveness of different modalities of delivering food aid.

The choice of the surveyed villages and community clusters will be made after a preliminary discussion with DFID representatives (to identify the areas where DFID has mobile cash transfer beneficiaries), local NGOs (to identify similar villages that do not benefit from any direct cash transfer), and the World Food Programme (to identify similar villages that benefit from CFW, FFT, or CFA initiatives).

## Appendix B – Demographic profile of respondents

### Demographic profile

#### Ethnicity

Asking questions about ethnicity in Afghan communities is highly political and ethnicity-related questions have systematically been excluded from national census or official surveys from the Afghan Government. One of the reasons may be that the National Parliament is theoretically representative of the ethnic composition of the country, which explains the reluctance to provide any national or even provincial official data in order to avoid any politicisation.

Interviewees were representative of the surveyed districts' ethnic mix: the majority of them were Uzbek (baseline: 67% endline: 58%), then Turkmen (baseline: 16%, endline: 21%) and Tajik (baseline: 12%, endline: 21%), with the remainder being 'other' ethnicities. Considering that no specific or formal guideline had been given to the three partnering NGOs, this may suggest that both the beneficiary selection and the random sampling among those selected beneficiaries are representative of the overall population of the surveyed districts. Indeed, according to data collected by the United Nations Assistance Mission in Afghanistan<sup>24</sup>, Faryab is constituted of an ethnic Uzbek majority (56.8%), while Tajiks are the second largest group (21.4%), Pashtuns coming third (14.1%), and Turkmens fourth (4.5%). The under-representation of Pashtuns in our sample is a consequence of the actual districts surveyed and the fact that the survey was not meant to provide a geographical coverage of the entire province.

Table 1: Ethnicity breakdown (consolidated baseline and endline)

	DFID	WFP/USAID	No programme	Total	Ethnicity (%)
Uzbek	436	409	497	1342	62%
Turkmen	147	137	114	398	18%
Tajik	98	116	54	268	12%
Pashtun	34	8	47	89	5%
Hazara	1	4	0	5	0%
Other	7	50	2	59	3%
Total	723	724	714	2161	100%

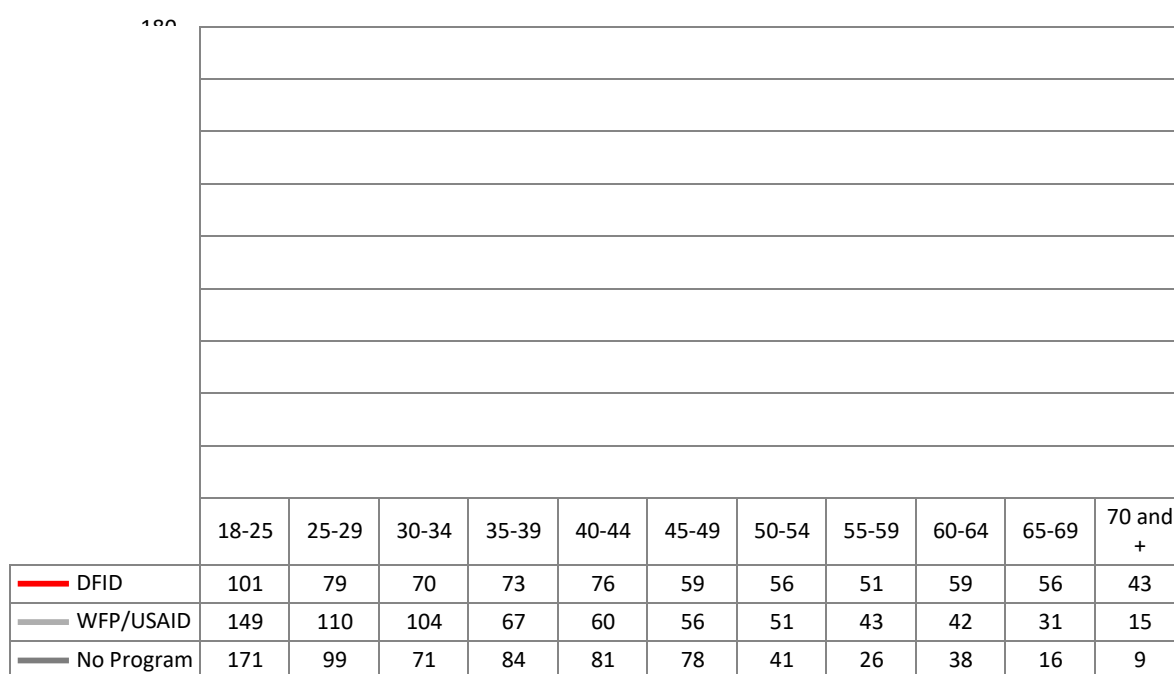
#### Age

The average surveyed DFID beneficiary is 43 years old (baseline: 42; endline: 44). DFID participants were on average clearly older than WFP/USAID beneficiaries (39) or interviewees that had not benefitted from any programme (37). A probable explanation of the relative older age of DFID beneficiaries was given to the review team by an Afghan Aid field officer: "[The fact that DFID beneficiaries are older, on average,]

<sup>24</sup> UNAMA, *Security and Political Situation of Faryab*, UNAMA, Maymana 2006.

makes full sense, as they are the poorest people in our communities, which also means that they have often less household members who are on the active labour market: they have generally composed of minorities: children who are too young to work, women, disabled, or older people”. Following this opinion, the graph below shows that a significant proportion of DFID beneficiary households tends to be above 60 – hence less inclined to be active on the local labour market: 22% DFID beneficiaries are aged 60 and over, while this proportion respectively falls to 12% and 9% for the two control groups. If we consider that the objective of the DFID pilot initiative is to focus on the most vulnerable households, such a significant difference inclines the review team to consider that the three implementing partners have fulfilled their mission by selecting – on average – older community members, who are socio- economically more vulnerable than younger ones.

Chart 1: Age breakdown per programme (consolidated baseline and endline)



If we focus on the three implementing partners of the DFID pilot project (ACTED, Action Aid Afghanistan, and Afghan Aid), a quick look at the table below shows that there are no significant differences between the three NGOs, which all have stringently respected DFID’s guidelines by following beneficiary selection criteria targeting the most vulnerable people. The fact that these three organisations systematically include community development councils and leaders in an open consultation process to draw up their list of beneficiaries<sup>25</sup> also shows that communities are willing to cooperate with them by assessing the most vulnerable individuals (e.g. older ones) in the community.

<sup>25</sup> See for instance *the MPAISA Third Monthly Progress Report, 2012*, which highlights that “The [Action Aid] list was shared with the CDCs, village elders and head of sectoral departments in the districts and other stakeholders to provide their feedback”.

Table 2: Age Breakdown per implementing partner (consolidated baseline and endline)

	18-25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70 and +
<b>ACTED</b>	16%	12%	9%	9%	12%	4%	7%	3%	9%	9%	8%
<b>AAA</b>	14%	11%	10%	11%	12%	11%	6%	8%	7%	8%	3%
<b>Afghan Aid</b>	13%	10%	11%	9%	6%	6%	10%	12%	10%	6%	9%
<b>Overall</b>	14%	11%	10%	10%	11%	8%	8%	7%	8%	8%	6%

## Marital status

The marital status of the interviewees is an important indicator to gauge: 1) it can reflect the socio-economic level of the respondents, as it is a useful indicator of wealth and social status in a society where weddings are seen as a mandatory outwards sign of wealth; 2) the actual representativeness of the initial beneficiary selection process; and 3) indirectly the quality of DFID's implementing partners. In all these regards, the quantitative data tends to corroborate the qualitative focus groups conducted in the field: with 18% of widows or widowers, the DFID initiative does capture poorer households and vulnerable sub-groups. By contrast, only 6% of the control group's respondents reported being in that situation (42 out of 719).

Table 3: Marital status (consolidated baseline and endline)

	DFID		WFP/USAID		No program		Total	
<b>Single</b>	60	8%	163	22%	123	17%	346	16%
<b>Engaged</b>	7	1%	21	3%	13	2%	41	2%
<b>Married</b>	525	72%	516	71%	539	75%	1580	73%
<b>Divorced</b>	1	0%	1	0%	2	0%	4	0%
<b>Widow/Widower</b>	134	18%	28	4%	42	6%	204	9%

*"I would love to study more and get a good job, but unfortunately, there is no job available here and Universities are too far from our village. So, I am not sure I will have the money and position to find a good wife here. Even with poor families, you need to show that you can take care of their daughters and provide enough income for her to live well"*

*DFID Beneficiary, Male respondent, 21  
Village: Fateh Abad (Almar)*

## Level of education

In a recent UKAID-funded review of the relationship between human capital and growth<sup>26</sup>, as well as in the labour economics literature<sup>27</sup>, empirical evidence has shown an interaction between education and earnings in low-income countries. Assuming that: 1) the objective of the DFID initiative is to select the ‘poor among the poor’ in rural Afghanistan; 2) there is a positive correlation between the level of education/skills of the respondents and their household’s income, DFID beneficiaries should be relatively less educated than the respondents of the two control groups. Our data collection tends to confirm, in all the targeted districts, that DFID beneficiaries are generally less educated than both WFP/USAID beneficiaries and ‘no programme households’. Once again, this finding shows that the selection process of the DFID programme has generally been effective and accurate: *“DFID has clearly selected relevant partners to conduct its pilot project: they are transparent, and accountable organisations that have proven successful over the years – thanks to their remarkable understanding of local communities and their reliable beneficiary selection processes” (AREU Researcher, Balkh).*

## Legal documents (identity cards)

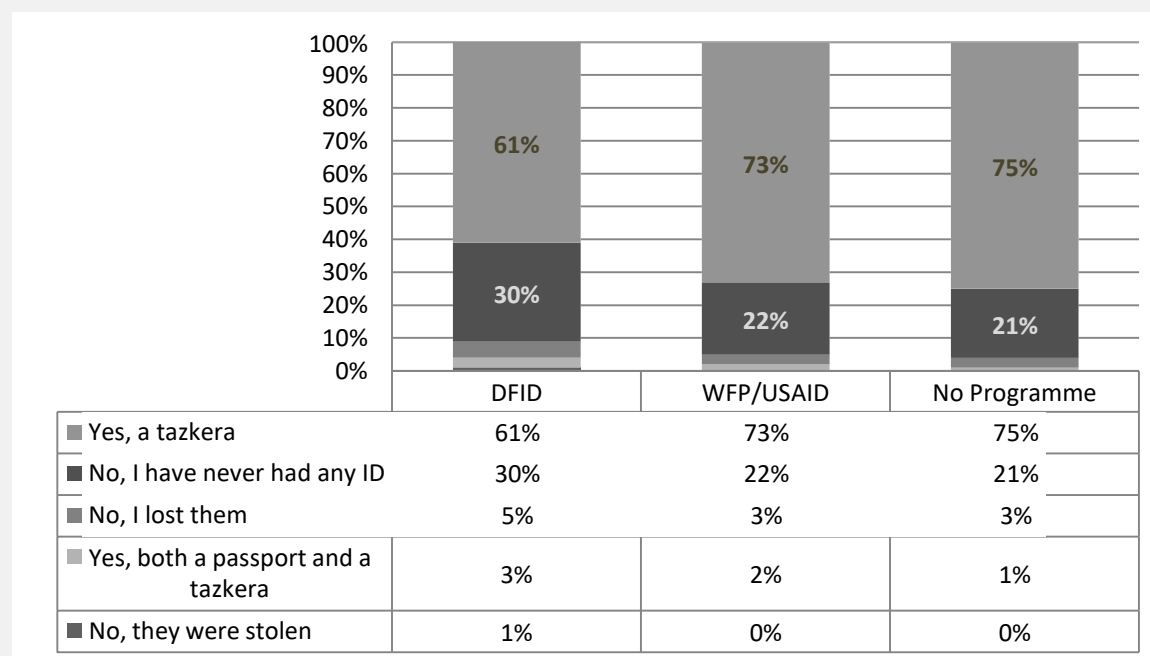
The acquisition of legal documents is a reliable indicator of the social status of respondents, as it highlights the household’s relationship to local authorities as well as its capacity to exert and assert its rights: *‘For those poor people, who are far from Maimana, the absence of tazkera is another major obstacle, as they cannot expect anything from civil servants and governmental authorities – which means that they will have to pay more bribes to have access to services they should not pay for’ (Former ACTED M&E Officer, Faryab).* In these regards, the table below confirms that DFID beneficiaries are less likely to have any identification document (or *tazkera*): whereas there is a clear homogeneity among both WFP/USAID beneficiaries and no programme households (with respectively 73% and 74% of positive answers), only 61% of DFID beneficiaries reported having identification documents, which confirms their lower social inclusion, hence their higher exposure to social discriminations.

---

<sup>26</sup> Hawkes, D and Ugur, M (2012) *Evidence on the relationship between education, skills and economic growth in low-income countries: A systematic review*. London: EPPI-Centre, Social Science Research Unit, Institute of Education, University of London.

<sup>27</sup> See in particular: Bils M, Klenow PJ (2000) *Does schooling cause growth?* American Economic Review 90(5): 1160–1183; Hanushek EA, Kimko DD (2000) *Schooling, labor-force quality, and the growth of nations*. American Economic Review 90(5): 1184–1208; Oketch MO (2006) *Determinants of human capital formation and economic growth of African countries*. Economics of Education Review 25(5): 554–564.

Chart 2: Do you currently have any identification documents? (consolidated baseline and endline)



## Socio-economic profile

### Household composition

The household composition of the three surveyed subgroups corroborates another preliminary finding (see *Marital Status*). DFID beneficiary households have 7.48 members on average, while there are respectively 8.92 (USAID/WFP) and 8.68 (no programme) household members in the two control groups. Considering that such a gap is common to the four districts, it is worth mentioning that the main difference between the surveyed subgroups comes from the proportion of male adults (18 and over) in the household composition: they account for 22% of the DFID households, 26% for the other two groups.

Table 4: Average household composition (consolidated baseline and endline)

	Male Child	Male Adult	Female Child	Female Adult	Total
DFID	2.01	1.72	1.95	1.97	7.65
WFP/USAID	2.37	2.29	2.16	2.10	8.92
No Program	2.27	2.22	2.11	2.08	8.68

## Employment, underemployment, and child labour

The relatively low percentage of unemployment among the survey respondents needs to be treated with caution, as:

- 1) Underemployment and working poverty are in fact greater challenges in a country where 60% of the employed workforce are in agriculture working in low-productivity and subsistence-type production;
- 2) Focus groups with DFID and non-DFID beneficiaries have confirmed that most people are employed in agriculture or construction – occupying casual, seasonal and temporary positions, with no economic safety net.

Table 5: Labour force participation rate (8 to 80) based on monthly contribution to the household

	Male Child	Male Adult	Female Child	Female Adult
DFID	2%	72%	1%	9%
WFP/USAID	1%	73%	1%	9%
No Programme	1%	73%	1%	7%

Finally, a more detailed analysis of the unemployment rates among the three surveyed subgroups confirms:

- The large gap between male and female adults when it comes to unemployment rates (with a difference of more than 60 percentage points, on average, as shown in table 5);
- The ambiguous status of child labour (tables 5 and 6), as male and female children do contribute to the household general income, even if it is almost never considered or reported as “work” by their parents; nevertheless, when asked whether any child in their households had worked in the past, 15.3% of DFID beneficiary households with children answered positively – compared to 13.8% of households with children for WFP/USAID and 11.2% for the no programme group.

Table 6: Child’s contribution to the household income (Consolidated baseline and endline)

	DFID		WFP/USAID		No programme		Total	
Child working in the Hh	98	13.5%	95	13.0%	75	10.4%	275	12.3%
No child working in the Hh	542	74.5%	594	81.5%	597	82.9%	1726	79.6%
No child in the Hh	87	12%	40	5.5%	48	6.7%	175	8.1%
Total	727	100%	729	100%	720	100%	2,176	100%



## Basic needs and major obstacles

Table 7 shows that DFID beneficiaries rank water and food as their basic needs and main challenges faced, along with un- and under-employment. The point of specificity is the basic access to water and food, significantly higher than in any of the surveyed control groups: +17 and +12 percentage points with WFP/USAID and other respondents for water; and +7 and +10, respectively, for food. The difficulty of meeting such basic needs confirms, once again, that DFID has selected the “most needy” households, and hence the right beneficiaries for its programme.

Table 7: Currently, what are the 3 greatest problems your household faces? (Consolidated baseline and endline)

	DFID	WFP/USAID	No Programme
Access to water	84%	72%	67%
Unemployment / underemployment	71%	70%	66%
Access to food	42%	35%	32%
Access to electricity	33%	37%	46%
Access to health services	18%	19%	19%
Access to land	12%	17%	16%
Lack of savings	9%	10%	13%
Sanitation facilities	9%	13%	8%
Access to housing / shelter	8%	3%	4%
Insecurity	6%	4%	5%
Lack of road infrastructures	3%	4%	6%
Lack of education certificate	4%	5%	3%
Limited access to credit/loans	2%	1%	1%
Lack of marketable skills	3%	1%	1%
Lack of identity papers	1%	0%	2%

## Appendix C – List of Key Informant Interviews

DFID	Humanitarian Programme Manager – Afghanistan
DFID	Programme Manager – Afghanistan
DFID	Senior Humanitarian Adviser – Afghanistan and Pakistan
DFID	Evaluation Advisor – Afghanistan and Pakistan
Roshan	Senior Manager, M-Paisa Business Development
Roshan	Junior Manager, M-Paisa Business Development
Roshan	Retailer – Jawzjan
Roshan	Retailer – Samangan
Roshan	Retailer – Faryab
ACTED	Head of Programme – Afghanistan
ACTED	Monitoring and Evaluation Officer – Afghanistan
ACTED	Senior Reporting Officer
ACTED	Field Coordinator
Afghanaid	Deputy Director (Humanitarian Programmes and Advocacy)
Afghanaid	Field Coordinator
Afghanaid	Area Coordinator
Action Aid	Head of Programme
Action Aid	Project Manager
Action Aid	Field Coordinator
Zendagui Consulting	Mobile Payment and Telecommunications Expert
UNWFP	Head of Programme – Afghanistan
UNWFP	Monitoring and Evaluation Officer – Afghanistan
UNWFP	Regional Coordinator (Mazar-e-Sharif) – Afghanistan
USAID	FAIDA project – Mobile Cash Transfer Project
USAID	FAIDA project – SMEs
NRC	Head of Programme
DRC	Head of
Solidarités	Project Manager (Samangan) – Afghanistan
UNOCHA	Head of Sub-Office (Western Region)
UNOCHA	Head of Sub-Office (Western Region)
World Bank	Afghanistan Reconstruction Trust Fund – Technical Advisor
World Bank	Afghanistan Rural Enterprise Development Programme – Programme Officer

# Humanitarian Assistance through Mobile Cash Transfer in Northern Afghanistan

*March 2012*

Commissioned by DFID Afghanistan



# Table of Contents

- Technical Proposal Cover Letter .....3
  
- A. Background Information ..... 4
- B. Technical Approach ..... 6
  - STEP 1: Qualitative Assessment*.....7
  - STEP 2: Data Mining*.....9
  - STEP 3: Quantitative Survey*..... 13
- C. Timeline and Deliverables..... 17
- D. Institutional Capacity ..... 18
- E. Team Composition ..... 21
- F. Past Experience in Afghanistan ..... 28

## TECHNICAL PROPOSAL COVER LETTER

---

Kabul  
March 20<sup>th</sup>, 2012

To: DFID  
Wazir-ak-Baran, Kabul, Afghanistan

**Reference: Humanitarian Assistance through Mobile Cash Transfer in Northern Afghanistan**

*Date: March 20, 2012*

*Samuel Hall Consulting* hereby proposes the attached offer to perform all work required to the contract as described in DFID terms of reference. Please find attached the following:

3. A detailed **Technical Proposal** (including methodology and tools to complete the survey as well as CVs of key personnel, and required certifications and licenses, and a company profile)

These technical proposal will remain valid for 90 days.

We hereby acknowledge and agree to all of the terms and conditions, special provisions, and instructions included in the RFP and in DFID general Conditions. We further certify that *Samuel Hall*, as a firm — as well as the firm's principal officers and all commodities and services offered in response to this RFP — are eligible to participate in this procurement under the terms and conditions of this solicitation.

Yours sincerely,

*“Samuel Hall Consulting”*

Street # 5, Qala-e-Fatullah, House B.  
Kabul, AFGHANISTAN

Kabul, March 20, 2012

## A. Background Information

Lack of timely spring and autumn rains has caused substantial crop failures in 14 provinces in northern Afghanistan. The UN estimates the number affected by the drought is 2.6 million<sup>28</sup> and that they are in need of urgent humanitarian support. The worst affected provinces are in the central northern zone of Afghanistan where wheat and pasture have totally failed in a number of places. As a result, staple foodstake people through the winter have been lost. Many of those who have exhausted their food stocks from last years' harvests and have seen their crops fail in the field are now without any visible support for the winter months.

DFID has committed to address unmet, emergency needs in northern Afghanistan with nutrition, food security and farming inputs. In line with the HERR 29 recommendations, DFID intends to use an innovative approach to help drought-affected farmers achieve food security – by delivering cash where the markets are functioning - using mobile phone technology. This will allow farmers who lost their crops to purchase their own food from the market.

The Afghanistan humanitarian food security and agriculture cluster (FSAC) coordinated a national food security assessment under WFP's technical leadership, using WFP's emergency food security assessment tool (EFSA) in August 2011. The assessment concluded drought existed in 14 provinces of Afghanistan, with the most acutely affected in the central Northern zone.

The inclusion of an independent evaluation is intended to contribute to VfM metrics, informing DFID about the overall efficiency, and cost effectiveness, of setting up emergency short-term, cash-based projects to disaster affected populations. Further, it will contribute to DFID's humanitarian knowledge base on the suitability of mobile phone technology as a method of payment in an emergency food security context in Afghanistan.

DFID intends to commission an independent evaluation of the programme to be managed by the lead Humanitarian Adviser with the support of DFID's Evaluation Adviser. An independent evaluation is required to enable a comparison of the options available in Afghanistan to quickly deliver food security and humanitarian assistance. The evaluation will make an assessment of the appropriateness of mobile phone payment technology in responding to emergencies in Afghanistan. The evaluation should inform DFID's understanding of the efficiency, effectiveness, transparency, cost-effectiveness and value for money offered by unconditional cash transfers compared with unconditional cash transfers via mobile phone.

Overall, the evaluation will help DFID to make an assessment of whether mobile phone payment technology represents good value for money in responding to emergencies. Value for Money is defined in terms of maximising effectiveness, efficiency and economy and cost-effectiveness and the evaluation should make an assessment against each of these criterion.

The three evaluation questions are:

1. *Do mobile phone payments represent better value for money (in terms of economy, efficiency and effectiveness) than conventional cash transfer programmes?*<sup>30</sup>

---

28 Emergency Food Security Assessment (EFSA) report, 29 August 2001, Food Security and Agriculture Cluster. This data was augmented by further information from NGOs in September and October.

29 Humanitarian Emergency Response Review.

<sup>30</sup> Following discussions between Samuel Hall and the DFID Evaluation Advisor prior to the start of the data collection, it was decided that a comparison between mobile cash transfers and conventional cash transfers would not add value given that the programme was about the use of cash transfers to address a humanitarian emergency rather than a comparison of cash transfer initiatives for social protection. As such it was agreed this evaluation question

2. *What was the result of each system of financial transfers on the humanitarian needs of the target population as measured by standard humanitarian criteria?*
3. *What are the primary considerations when deciding whether to establish mobile phone payment transfers in a humanitarian context?*

The key user of the evaluation findings will be DFID Afghanistan – which will gain an insight into the efficacy and appropriateness of mobile transfer as an emergency response. DFID Afghanistan will use this information to judge the appropriateness of using the M-PAISA payment technique in future humanitarian crises.

---

should be dropped and a comparison between the mobile cash transfer, USAID and WFP programmes (the latter of which is food aid) and a group that received no intervention should be used instead.

## B. Technical Approach

At this stage, the methodology section presented below should be considered as a first draft. It shall be fine tuned and discussed with DFID counterparts. The tools presented below have been widely used by the intended director and manager of this project as well as the selected national consultants to conduct major research projects and have proved their efficiency in the Afghan context. The quality of information gathered with the proposed tools is assured by the direct involvement of both international and national consultants with a strong expertise in socio-economic surveys in Afghanistan. It has been designed in order to ensure a proper monitoring of the research, as well as an optimum circulation of the most qualitative and quantitative information up to the project manager.

The review team will provide DFID with baseline and endline assessments of its M-PAISA project, by using three methodological steps:

1. *Qualitative Analysis (through KIIs, Focus Groups and Case Studies);*
2. *Data mining into the Roshan database (upon agreement between Roshan and DFID);*
3. *Quantitative Baseline and Endline Surveys (2,160 beneficiaries and non-beneficiaries);*

This 3-step approach will allow the review team to answer the 3 questions of the initial terms of reference – as suggested in the tables below.

<i>Do mobile phone payments represent better value for money (in terms of economy, efficiency and effectiveness) than conventional cash transfer programmes?</i>				
		<i>Qualitative</i>	<i>Data Mining</i>	<i>Quantitative</i>
<b>Question 1: Value for Money</b>	<b>Economy</b>			<input type="checkbox"/>
	<b>Efficiency</b>		<input type="checkbox"/>	<input type="checkbox"/>
	<b>Effectiveness</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Cost-Effectiveness</b>			<input type="checkbox"/>

<i>What was the result of each system of financial transfers on the humanitarian needs of the target population as measured by standard humanitarian criteria?</i>				
		<i>Qualitative</i>	<i>Data Mining</i>	<i>Quantitative</i>
<b>Question 2: Socio-Economic Impact (SHI)</b>	<b>Benchmark (WFP)</b>			<input type="checkbox"/>
	<b>Humanitarian Impact</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Long-term Impact</b>	<input type="checkbox"/>		
	<b>Gender Balance</b>	<input type="checkbox"/>		<input type="checkbox"/>

<i>What are the primary considerations when deciding whether to establish mobile phone payment transfers in a humanitarian context?</i>				
		<i>Qualitative</i>	<i>Data Mining</i>	<i>Quantitative</i>
<b>Question 3: Recommendations</b>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## STEP 1: Qualitative Assessment

*Key Informant Interviews: the objective of key informant interviews is to gather qualitative first-hand information and opinions from relevant governmental, non-governmental, international, and national actors.*

The project will use a variety of informants to collect and analyse their assessment of the needs of the country in terms of standards formulation. The key informants will include:

1. **Relevant government ministries and agencies:** MRRD (incl. NSP interlocutors), MoLSAMD/DoLSAMD, MAIL/DAIL, MoEc, Afghan National Disaster Management Authority (ANDMA), MoWA/DoWA, etc.
2. **International Organisations:** other DFID interlocutors, WFP, WHO, USAID, UNHCR, ILO, UNICEF, UNDP, World Bank, USAID, etc.
3. **Non-governmental organisations (NGOs) and For-Profit Contractors** concerned with education, livelihood, gender, employment, humanitarian aid, as well as rural development.

All these different actors are direct or indirect stakeholders, when it comes to humanitarian assistance and emergency. In many provinces where WFP operates, it often subcontracts its food-distribution (at least for the FFT programme) to local Departments of Women Affairs (DoWA), Education (DoE), Labour and Social Affairs (DoLSA), or Agriculture (DAIL). As such those actors will be taken into account to fine-tune our analytical approach and deepen our understanding of local contexts.

DFID counterparts may of course suggest other interlocutors to be interviewed.

The interviews will follow an in-depth interview methodology, with open-ended questions, lasting on average 1 hour per respondent. A special questionnaire will be built for each representative – depending on the area of specialization. A full list of key informant interviews and stakeholder contacts will be included as an annex to the final report.

*Focus Group Discussions (2 per district at each step – 16 FGDs in total): The objective of Focus Group Discussions is to gather first hand qualitative information from beneficiaries, non-beneficiaries, and community leaders at the community level.*

The Survey team will host a series of focus groups discussions (FGDs) to explore perceptions, needs and challenges of Afghans in terms of basic needs (food, education, health, and employment). In order to get comparative qualitative data, 2 FGDs will be held for each district, for a total of 16 FGDs (2 per district for the baseline assessment and 2 for the endline – 4 districts\*2surveys\*2FGDs = 16). Specific guidelines will be developed for group interviews with 6 to 8 respondents. Twelve focus group sessions will then be led by one moderator and one note-taker and a total of 96 to 128 people will take part to the discussions.

Participants will be chosen to reflect the general population, with a special emphasis on community leaders, women and youth. More specifically, focus groups with direct beneficiaries, NGOs, and Roshan partners (Dunia group – local "banks" that buy and sell credits) will also be conducted. The main added value of FGDs will be (1) to triangulate information received through quantitative interviews, and (2) to move beyond individual perspective to obtain wider sector-level perspectives on the specific issues of standards and certification.

*NB:* The project team will be responsible for following ethical and cultural considerations, which include but not limited to obtaining informed consent from the FGD participants. In particular, both male and female moderators and note takers will be used to make sure that the qualitative assessment voices the actual and unbiased perceptions of female beneficiaries.

**Case Studies (6):** *The objective of the case-studies is to lay the emphasis on individual beneficiaries and non-beneficiaries to get subjective and individual examples of households suffering from food crisis or benefitting from the M-PAISA programme.*

The field team will be in charge of collecting in-depth information on six (6) different rural and urban households (3CTs\*2surveys = 6). It shall give us a more individual idea of the social and economic cost of humanitarian food crisis – at the household level; it will also provide us with *examples* of M-PAISA users (programme beneficiaries).

In-depth interviews will therefore be conducted with different remarkable individual profiles, based on the following criteria:

1. **Socio-Economic specificities** (internal migrants, returnees from Pakistan or Iran, semi-nomadic people, income generating activities);
2. **Demographics** (ethnicity, age, and gender – through the interviews of at least 3 women and 3 respondents under the age of 24).

#### **Rapid Evaluation of DFID Implementing Partners**

The review team will also carry out an evaluation of DFID implementing partners (3 selected NGOs: Action Aid, Afghan Aid and Acted) to assess their respective **beneficiary selection criteria** and **gender policies**. A SWOT analysis as well as practical recommendations will then be provided to DFID for information and/or action.

## STEP 2: Data Mining into Roshan Database

**Data-mining:** *The data-mining aims to monitor the flows of the electronic money transferred to the programme participants.*

Mobile data is a very powerful tool for monitoring and evaluation since all transactions are recorded into Roshan's databases.

**Effectiveness:** Is Roshan network and Dunia shop (m-Paisa shops)'s geographical coverage adequate to effectively reach rural areas? Are m-Paisa procedures (Registration, cash withdrawal) adapted to local rural population? Is m-Paisa usage accessible to participant? Is participant usual mobile usage (provided they are Roshan subscribers) compatible with m-Paisa usage?

**Efficiency:** How do participants use their electronic money over time? Do they withdraw everything at once? Do they let money sleep on their electronic account? Do they transfer the cash to other individuals (locally? to other provinces?)? Can we detect corruption schemes through m-Paisa usage?

**Humanitarian impact:** Do participants use their electronic money to buy airtime or content (music, ringtones, etc.)? If the local market lacks of cash liquidity, will the programme in fact create a local market of electronic money?

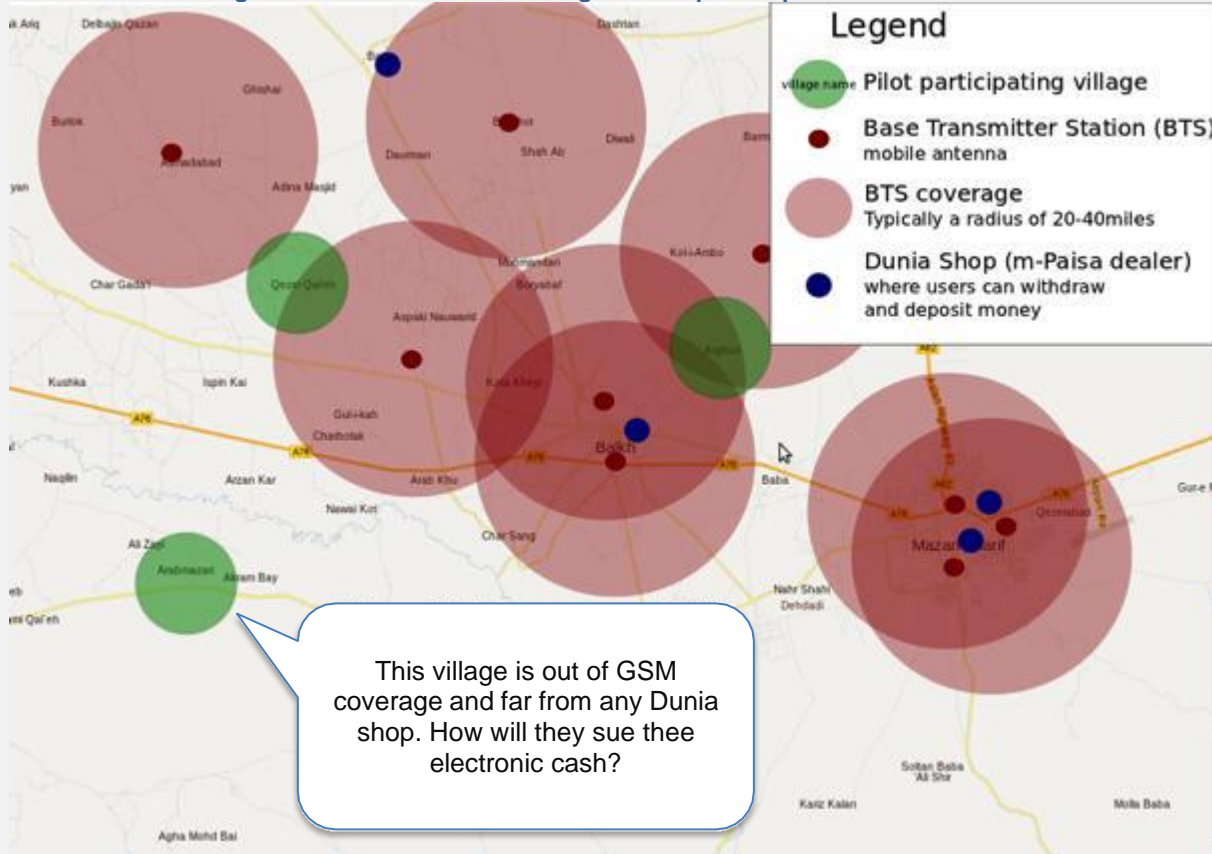
### *Initial Data collection*

The first step will be to collect upfront geographical and participants information. In collaboration with Roshan and DFID, *Samuel Hall* will gather the following data from Roshan:

	Data	Goal
1.	GSM coverage map and BTS (Base Transmitter Station) GPS coordinates.	Map mobile coverage and BTS against participants' village location.
1.	Dunia (m-Paisa reseller) shops GPS coordinates	Calculate distance between participants and closest Dunia shop, theoretically needed to withdraw the electronic money.
1.	Participants' msisdn (phone number) and participant profile.	Profile participants in regard to their mobile usage:
2.	Participants' recent mobile usage (last 3 months): voice and sms data.	<ol style="list-style-type: none"> <li>1. How much do they usually spend on their phone?</li> <li>2. Do they usually use SMS? (needed for m-Paisa)</li> <li>3. What are the differences by profile (village, gender, age)?</li> </ol>

Expected Result

Illustration 1: Making sure GSM and dealer coverage are adapted to pilot location



### Post pilot data collection

At the latest stage of the pilot, all m-Paisa transactions from participants will be collected in order to measure the efficiency and the local impact of the program. This data collection will allow to answer the following questions:

1. If the e-cash is sleeping on the electronic account: Is the m-paisa dealer too far to with? Does the m-paisa beneficiary understand how the system works? Does the participant keep the cash as safe keeping? Did he/she loose his/her mobile?
2. If the beneficiary's cash is transferred to another account in totality: Who is this other account? Someone who will go to the m-Paisa shop to withdraw the cash on behalf of the beneficiary? Is the beneficiary a front man in a corruption scheme? Was the NGO fooled/complacent in the process?
3. If the cash is used in doing small cash transfer transactions: Is it because of shortage of real cash in the local areas? Are people creating a local economy based on electronic money? Are people sending money to needy relatives in other district/province?
4. If the cash is used to buy airtime: How does access to mobile communication helps in a humanitarian crisis context?
5. If the cash is used to buy electronic content (ringtones, music, other): Did the NGOs provide a relevant list of beneficiaries?

The following transaction data will be collected for each participant:

	Data		Goal
6.	Withdrawal / deposit transactions: date, amount, dunia dealer id.	7.	Measure cash-in/out activity.
		8.	Geographically map where the withdrawal takes place.
9.	Weekly m-Paisa account balance.	10.	Measure account dormancy.
11.	E-cash transfer transactions: date, amount, sender msisdn, sender BTS, receiver msisdn, receiver BTS.	12.	Is the cash transfer forwarded to other subscribers? One or many distinct subscribers?
		13.	Where? Locally? To other province?
14.	Airtime buying transactions: date, amount.	15.	Do participant use the cash transfer to buy airtime? What volume?
16.	Content buying transactions: date, cost, content type (ringtones, music, other)	17.	Is the cash used for humanitarian needs?

Expected Result

Illustration 2: Displaying cash balance aggregated by village after the fund transfer

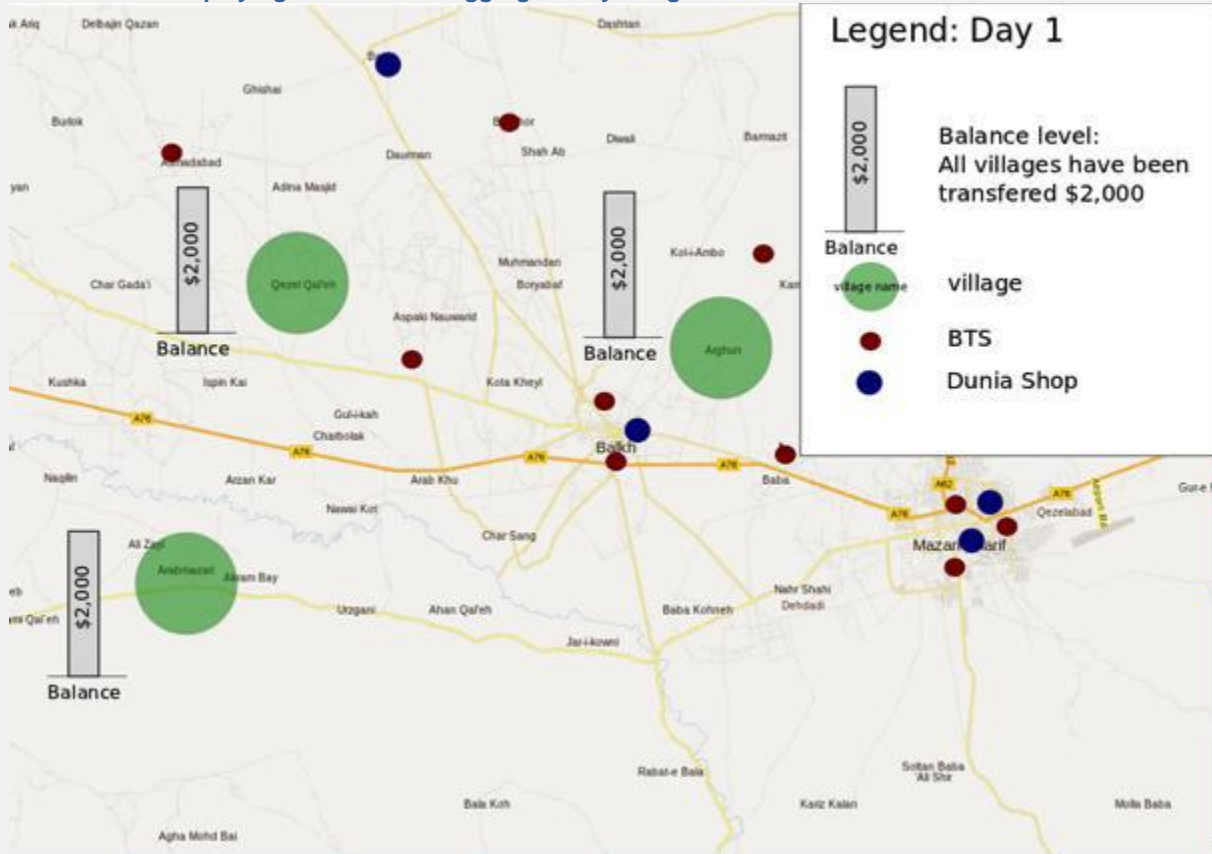
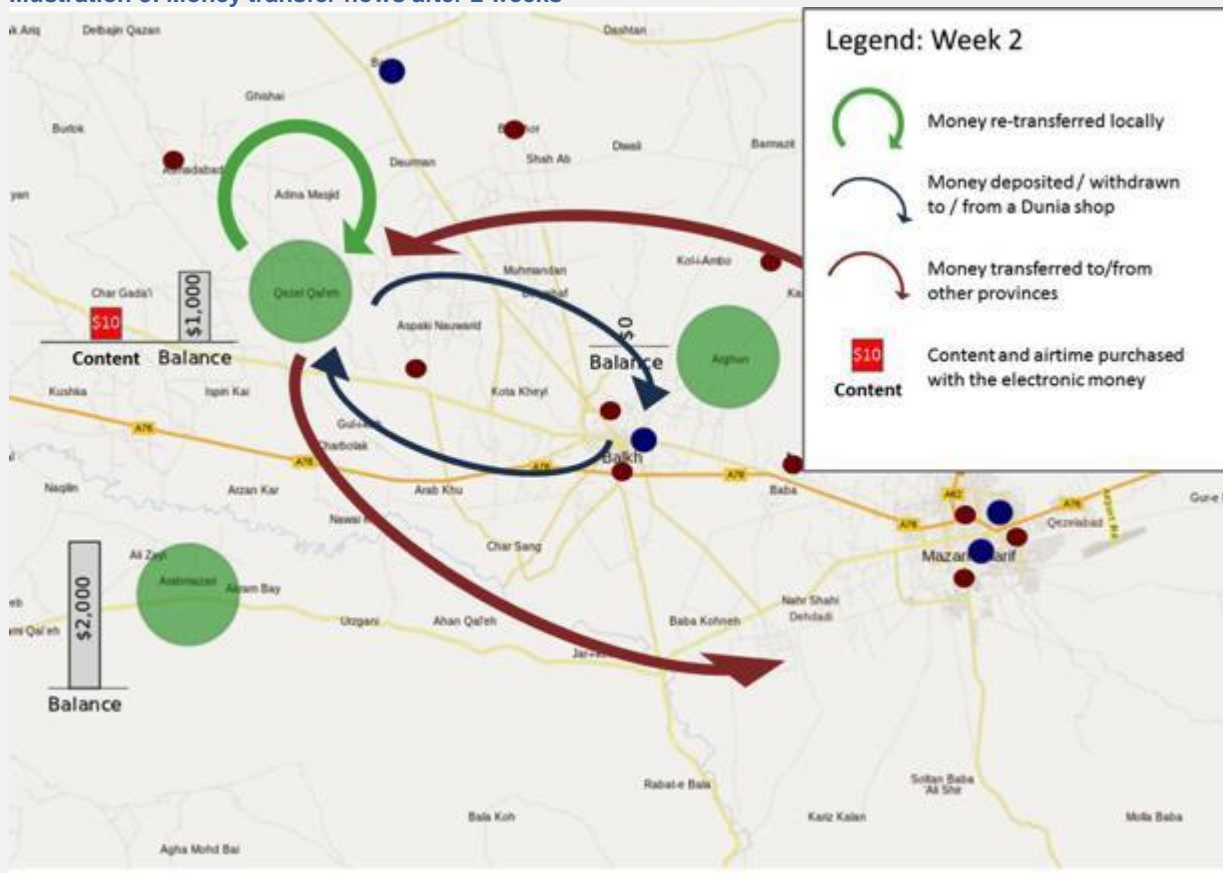




Illustration 3: Money transfer flows after 2 weeks



### STEP 3: Quantitative Survey

**Quantitative fieldwork (baseline and endline surveys):** The quantitative fieldwork aims to understand the social and economic cost-effectiveness of the DFID M-PAISA project through comparisons with WFP/USAID programmes.

The quantitative survey proposed in this research scheme is necessary to complement the datamining component and the qualitative fieldwork, and get a specific set of data (necessary to develop a rigorous economic analysis and an accurate idea of the value for money of the project). More specifically, the review team will not only examine the socio-economic profile of the respondents, but also the actual economic impact of the initiative thanks to a longitudinal (baseline and endline survey) and comparative (DFID beneficiaries, other cash transfer beneficiaries, and non-beneficiaries) assessment. In these regards, and as stated in the original TOR, the issues to consider are:

**Economy:** Is DFID's investment in mobile technology of appropriate quality and made at the right price?

**Efficiency:** How quickly can electronic mobile phone payment systems be set up in practice?

**Effectiveness:** Do mobile phone electronic payments actually work in practice, keeping in mind Afghanistan's context? (network coverage in remote mountainous terrain, network outages, (insurgents or technical faults) phone battery re-charging challenges in poor households, low literacy as a barrier to sufficient knowledge of use of the mobile phone M-Paisa application etc). Can beneficiaries convert the e-cash into the goods that they need in their localities? How extensive and usable is the Afghan mobile

phone network in practice? Are there sufficient agents to enable beneficiaries to convert cash into goods and services?

**Cost-effectiveness:** What is the impact of unconditional mobile cash transfers on humanitarian needs relative to the input?

**Benchmark:** What is the socio-economic effectiveness of the DFID mobile cash transfer project versus other cash transfer initiatives (WFP in particular)?

**Humanitarian Impact:** What is the social and economic short- and long-term impact of the DFID mobile cash transfer technology? What are the negative impacts on the local markets?

**Gender Balance:** Does the mobile cash transfer technology increase the social and economic role played by women in rural areas?

### Survey Design

The quantitative fieldwork will be based on the initial analytical frame defined by the DFID counterparts and the *Samuel Hall* technical advisor. The objective of the survey is twofold: 1) to capture reliable figures on household composition, food consumption, resilience to economic shocks and mitigation strategies, education, health, and employment; 2) to measure the relevance, accuracy, and sustainability of mobile cash transfer in the 4 surveyed districts; 3) to provide DFID with a detailed cost-effectiveness analysis of the M-PAISA project through a representative comparison of M-PAISA beneficiaries, other forms of cash transfer beneficiaries, and non-beneficiaries.

Each participant's answer and profile will be mapped with data-mining data against its 1) Historical mobile usage 2) m-Paisa usage allowing a detailed participants' segmentation.

### Sampling size

The final sample size will be determined in collaboration with DFID. However, we suggest the following sampling: given the geographically reduced scope of the study proposed by DFID and the organisations and economic actors to be surveyed, a number of 360 respondents (out of approximately 4,000 to 6,000 beneficiaries) will be necessary to allow geographical comparisons and draw sound conclusions. To draw better conclusions and fine-tune our recommendations to the DFID counterparts, two groups of 360 beneficiaries of other cash transfer programmes (USAID, WFP, and other NGOs) as well as 360 non-beneficiaries (of any type of cash transfer programme) will also be surveyed for both the baseline and the endline assessments. A total of 1,080 households will be surveyed at each phase (baseline and endline) of the study, for a total of 1,080 households.

Surveyed Provinces	Number of Surveyed M'Paisa Beneficiaries		Number of other cash transfer beneficiaries (test)		Number of other cash beneficiaries (test)	
	Base	End	Base	End	Base	End
Survey Periods						
AYBAK (Samangan)	90	90	90	90	90	90
ALMAR (Faryab)	90	90	90	90	90	90
KHWAJADOKOH (Jawzj.)	90	90	90	90	90	90
MARDYAN (Jawzjan)	90	90	90	90	90	90
<b>TOTAL</b>	<b>360</b>	<b>360</b>	<b>360</b>	<b>360</b>	<b>360</b>	<b>360</b>

*Total interviews for the first phase (baseline): 1,080 respondents.*



*Total interviews for the first phase (endline): 1,080 respondents.*

### *Sampling Methodology*

The survey methodology will follow a stratified random sampling approach and be structured as follows:

1. In each targeted district, the survey team will start by collecting the list of beneficiaries from the partnering NGOs and DFID. A random selection of beneficiaries will then be defined in all the surveyed areas.
2. At the same time, PSUs (Primary Sampling Units) will be randomly selected in neighboring areas (same districts or neighboring districts) based on the existing CSO lists and *test* households (non-beneficiaries) will be randomly interviewed. The review team will make sure to define a specific *quota* of respondents to capture the actual cost-effectiveness of other programmes (for instance, WFP cash-for-work, food-for-training, etc. initiatives). It will allow the review team to draw some useful comparisons between: 1) the beneficiaries and non-beneficiaries of the DFID programme; 2) the beneficiaries of the DFID programme and the beneficiaries of other humanitarian interventions. Last but not least, it will provide DFID with the detailed and actual cost-effectiveness of the M-PAISA cash transfer vs other forms of aid assistance.

### *Pilot test*

Upon finalization of the draft questionnaires with DFID staff, a series of two pilot tests will be conducted in Dari in Kabul and will include both quantitative and qualitative questionnaires and interview guidelines. As survey standards require, the results of the pilot tests will be used to refine the research tools and produce final questionnaires. Based on similar previous assessments, conducted in urban centres and peri-urban districts, it can be estimated that the quantitative questionnaire should not include more than fifty (50) questions, for interviews lasting no more than 20 to 25 minutes.

### *Research tools and interviews*

Questionnaire-based interviews will be conducted face-to-face, using a countrywide network of interviewers, who will carry out the survey in their geographic areas, using the local language in the targeted province. Both female and male interviewers will be utilized to ensure participation of women-led groups and female community members. Depending on the security context (existence of informal checkpoints, criminal activity, etc.), interviewers may also use GPS to specify the exact locations of the interviewees.

### *Monitoring and Evaluation*

1. **Fieldwork:** After completion of the quantitative fieldwork, an independent M&E team will monitor 20% of the questionnaires, through phone interviews.
2. **Data Entry:** The same team will also monitor 20% of the questionnaires (after the data entry phase) to check that the questionnaires were correctly entered.

## C. Timeline and Deliverables

As defined in the original TOR, the review team will:

1. Develop an evaluation plan detailing the methodological approach to address the questions outlined in section 2. March 26, 2012
2. Produce an inception report detailing progress in the early phases of the evaluation. April 15, 2012
3. Report on piloting of research instruments detailing modifications to be made in process of implementation. May 1, 2012
4. Produce (in word and powerpoint) baseline reports detailing the results of all baselining exercises undertaken.
5. Prepare and present reports (in word and powerpoint) associated with each stage of research, to DFID Afghanistan and the wider humanitarian community, which will: include a detailed description of the processes followed during the fieldwork; analyse data in line with evaluation questions identified in section 2 and in consultation with DFID; and lay out a set of actionable recommendations. July 29, 2012

Timeline	APRIL		MAY		JUNE		JULY	
Desk Review								
Datamining 1								
Qualitative								
Baseline Survey								
Analysis 1								
First Report								
Qualitative								
Datamining 2								
Endline Survey								
Analysis 2								
Draft Report								

## D. Institutional Capacity

### 1. Name of the Entity

*Samuel Hall Consulting*

### 2. Legal Status

*Samuel Hall Consulting* is registered with AISA (license number: D-34042).

### 3. Number of years working in Afghanistan

*Samuel Hall Consulting* was created in February 2010 by international researchers with a solid field and research experience in Afghanistan. All the international consultants who work for *Samuel Hall* have at least worked for two years in Afghanistan; all the national consultants who work for *Samuel Hall* have worked in Afghanistan between 3 and 5 years on M&E assessments on research market surveys.

### 4. Current Areas of Operation

*Samuel Hall's* main countries of operation are Afghanistan, Tajikistan, and Kyrgyzstan. In Afghanistan, *Samuel Hall* has developed a reliable provincial network in all the 34 Afghan provinces, which allows its teams to have first-hand, accurate, and updated information throughout all the steps of a fieldwork mission.

### 5. Statement of Mission and Objectives of the Entity

*Samuel Hall Consulting* was created by international researchers with a solid field and research experience in Afghanistan (over 4 years implementing surveys in Afghanistan). With cross-sectoral expertise in economic, social, and technical research skills, *Samuel Hall* covers the key elements to sustainable development. Our teams have operated in demanding and challenging environments, where a large number of interrelated socio-economic and financial factors co-exist and shape development outcomes. *Samuel Hall Consulting* is registered with AISA (license number: D-34042).

*Samuel Hall* aims at providing public and private actors with reliable analysis, recommendations and strategies. Based on the most modern socio-economic and political research tools, our teams of “generalist” and “specialist” practitioners:

1. Design data collection methods for field-based quantitative household and beneficiary surveys;
2. Administer complementary qualitative research with key stakeholders;
3. Acquire a firm grasp of the political and socio-cultural context of development;
4. Analyze all of the above information for planning, monitoring, and evaluating programmes;
5. Apply cross-disciplinary knowledge in providing integrated solutions for the development of sustainable politics and interventions; and
6. Develop effective strategies to communicate effectively with development practitioners.

### 7. Statement on Activities undertaken by the Entity

The *Public Sector Practice* aspires to build enduring client service relationships with leading public sector

organizations and to help them address their most pressing managerial and strategic challenges: change management, organizational streamlining, strategy and planning, monitoring and evaluation. By drawing on its private sector experience, *Samuel Hall* works to enhance the effectiveness and efficiency of Afghan government institutions, at both national and provincial levels, enabling them to better fulfill their mission to the public. To this end, *Samuel Hall* assists its clients at every level of the decision-making process, enabling rational systems development and support to the implementation of financial and socio-economic policies. Our main sectors of expertise cover the following areas:

1. **Sector Analysis**, including internal and multi-stakeholder mappings;
2. **Monitoring and Evaluation**, including professional and network analysis;
3. **Strategic and Technical Support**, including consulting and advisory services;
4. **Training Needs Assessment**, including self-assessment and objective evaluations; and
5. **Capacity Building**, including mentoring and on-the-job coaching.

*Aid and Development Practice's* approach is based on a solid understanding of a range of areas including: the political and socio-cultural context of the Afghan development; data collection methods and statistical analysis used for the planning, monitoring, and evaluation of development interventions. Within the Afghan context, at both national and provincial field levels, a substantive expertise in cross-disciplinary problem solving and the study of policy and management are thus the most necessary assets we value in our approach and teams. Our main sectors of expertise cover the following areas:

1. **Private sector development**, job creation, small and medium enterprise development;
2. **Agriculture**, livestock and alternative livelihoods;
3. **Energy**, from exploration to distribution and services;
4. **Education**, capacity building, vocational and qualification training; and
5. **Migration**, population movements and local integration.

#### **h. Resource Plan**

*Samuel Hall Consulting* is headquartered in Kabul, Afghanistan, with a full-fledged office space and permanent staff members, operational and administrative personnel. The company also has field personnel based in all the regions of Afghanistan (North / North East / West / South / Central Regions) with coverage and networks extending to all 34 provinces of Afghanistan. The current plan is to expand the office capacities by recruiting additional full-time and permanent international staff, and continuing hiring project-basis technical experts.

#### **i. Quality Assurance Mechanism**

Different levels of data and quality checks have been established in the operational plan and activities of *Samuel Hall Consulting* in order to provide a rigorous Quality Assurance Mechanism. The different levels of checks and controls are the following:

1. A hierarchy of responsibilities and supervision from the project director, to project manager and field coordinator / national consultants, which provides a three-leveled supervision of the overall project throughout its duration,
2. An involvement of technical and academic experts who provide the final 'OK' on all the research methodology and tools, hence providing the legitimacy and credibility needed to our work, as well as the quality control that only academics are known to provide,
3. A systematic monitoring of all the data collected, with a 20% review of all data and responses given by respondents in the field. Our national staff is required to record the phone numbers of all interviewees in order for the *Quality Control Unit of Samuel Hall Consulting* to thoroughly check all the responses

provided in the post-fieldwork stage. Both for quantitative and qualitative surveys and interviews, 20% of all questionnaires are as such monitored.

## E. Past experience in Afghanistan

The proposed research team has worked extensively on research areas relevant to this project. We consider that each of these projects provides an added value to the work requested by DFID. A short list of these research projects is provided below; a more comprehensive list of all our past and current projects is available upon request.

### a) Experience in quantitative evaluations

#### 1. USAID/ASMED – Agribusiness Feasibility Study – June to December 2011

ASMED – USAID’s Afghanistan Small and Medium Enterprise Development –contracted *Samuel Hall Consulting* to provide market research and logistical support to Crescent Trade, a Dubai and New York based firm seeking to establish a processing facility for the sorting, grading, roasting, and packaging of dry fruits and nuts. The firm worked directly with Crescent Trade to provide in-country assistance to help them gather the information required for further investment, and assisted Crescent Trade, as relevant and needed, with logistical support, hiring of qualified researchers, engagement and due diligence with potential local business partners, and recruitment. The objective of this activity was to conduct a detailed study of the viability of establishing a value-added production line in Afghanistan to sort, grade, shell, roast, and package dried fruits and nuts. Once completed, this activity facilitated further investment in the fruit and nut industry.

2. GTZ Rule of Law Project – Needs Assessment for Commercial Law Support – February to May 2011 The survey aimed at understanding the relationship between the formal/informal legal framework in Afghanistan and the actual business practices in Northern Afghanistan to define the extent of the need of Afghan businesses for legal advice and assistance with business planning, decision-making, and risk mitigation strategies. The objectives were: 1) to determine if the lack of legal knowledge and access to legal advice by Afghan businesses frustrates economic growth in Northern Afghanistan; 2) to know if a better access to legal advice would bring increased certainty to the marketplace, decrease business risk, and stimulate more informed business decision-making and domestic investment in the North; 3) to study the interaction between Afghan businesses and both formal and informal legal systems, which would help define if legal advice from lawyers or rules system-experts are needed on their parts. The survey was based on a combination of secondary research, as well as quantitative and qualitative data collected at the field level by a team of 24 consultants and interviewers (through 10 case-studies, 24 focus group discussions, and 900 interviews). This research provided GTZ-RoL with: 1) an analysis of the general and legal framework in which Afghan businesses currently operate in the North; 2) an assessment of the relevance of the existing formal (governmental) legal framework for doing business in the North; 3) data regarding business awareness of their obligations and business problems arising from both formal and informal rule-based systems in which they operate; 4) an evaluation of the impact of legal and quasi-legal problems on business practices and business insecurity in the region to help GTZ-RoL identify companies’ willingness to pay for legal service providers; 5) an identification of the best institutional vehicle through which the project should be established to address these concerns and needs of businesses.

#### 3. Aga Khan Development Network / University of Central Asia: Labour Market Survey of Faizabad and its surroundings and Evaluation of the SPCE programme – April to May 2010

This survey was commissioned by the University of Central Asia (Vocational Training) to (i) provide an assessment of the Faizabad labour market and 8 of its surrounding districts; (ii) evaluate the adequacy of the School of Professional and Continuing Education (SPCE) in both Tajikistan (Qorogh) and Kyrgyzstan (Bishkek). The survey was based on a combination of secondary research, as well as quantitative and qualitative data collected at the field level by a team of 16 consultants and interviewers. This research provided insights into the profiles of employers and employees in the main sectors of economic activity, assessing their levels of capacity and needs, and providing UCA with actionable recommendations in view

of the establishment of a training center that would aim to support the overall economic development of the province. In a second phase of this project, Samuel Hall will help AKDN/UCA implement its training strategy (business plan, content and design of the training curriculum, development of a social and economic network in Badakhshan, monitoring and evaluation tools). This programme was duplicated in Takhar in 2011.

#### **4. USAID / Deloitte: Capacity Building Needs Assessment in 8 Ministries – April to October 2009**

The USAID-funded Capacity Development Programme (CDP) commissioned a 6-month assessment of 8 line Ministries (MoE, MoHE, MRRD, MoLSA, MoF, MEW, MPW, MoPH) to (i) initiate on the process of reviewing overall national and ministry-specific strategies and related policy and planning programs; (ii) contribute to the selected government institutions policy and planning in broader capacity development areas and recommend alignments and quality assurance in order to bring coherence and consistency to Capacity Development activities; (iii) work closely with, and provide support to selected ministries and the umbrella agencies (IARCSC, IDLG) in developing their strategic planning and policy units, and (iv) develop training programs and on-the-job support to counterpart government Planning/Policy Departments upon assessing and defining needs and existing capabilities. During the first two months of the Program, 12 enumerators were recruited to assess the actual capacity of local and international training centers (on-the-site observations, qualitative semi-structured interviews, focus groups).

#### **5. The World Bank: Afghan Investment Climate Survey – August 2008 to March 2009**

Our international researchers have collaborated on a wider Afghan Investment Climate Survey (AICS) for the World Bank in Afghanistan in 2008/2009 with 1,000 companies interviewed in 10 provinces of the country. The ICS is helping the World Bank and other stakeholders involved in private sector development to identify obstacles to the development of the private sector in the country and design relevant support programs.

#### **6. ILO: A Research Study on Child Labor in Kabul – November 2007 to February 2008**

The International Labour Organization's International Programme on the Elimination of Child Labor (ILO-IPEC) had collected information on child labor in various countries of the Asia Pacific region but had not yet engaged in a survey of the situation of child labor in Afghanistan. As a first step, our international researchers conducted a rapid assessment of the situation of child labor in hazardous forms of labor in Kabul. The quantitative and qualitative surveys were led in November and December 2007 in the following 5 sectors of activity: brick factories, metal workshops, street work, carpet weaving and tailoring.

### **b) Strategic research and Project evaluation**

#### **7. WFP: Food For Training (FFT) Programme – Strategic Review – June to August 2010**

The WFP commissioned a 3-month strategic review of its (Food-for-Training) FFT activities in 48 training sites (32 vocational training, 10 functional literacy and 6 teacher training sites/beneficiaries) selected in 6 provinces (Nangarhar, Bamyán, Kandahar, Herat, Faizabad, Balkh) . The consultants focused not only on quantitative outputs (1200 interviews) but also on the actual social and economic outcomes of the program, to capture the sustainability and efficiency of the training provided through the FFT program. The review team took into account the different stakeholders – on both supply and demand sides of the training issue: interviewing both practitioners and beneficiaries supported by WFP on one side, and recording in-depth case studies, as well as challenges and difficulties of the current FFT program, by directly interviewing WFP counterparts and FFT beneficiaries, on the other. Finally, the review team critically provided WFP with: (i) Actionable recommendations to tailor its strategy and implementing projects to the actual needs of its beneficiaries as recorded in the 6 targeted provinces; (ii) Potential sustainable partnerships between FFT programme and other partners (governmental actors, local or international NGOs, etc.); (iii) Relevant quantitative and qualitative indicators to monitor the effectiveness and sustainability of the vocational, literacy and ToT training programs.

#### **8. NRC Programme Strategy for Returned Refugees in Urban Settings – January to March 2010**

The Norwegian Refugee Council commissioned a 3-month research study to (i) gain a better



understanding of the coping strategies demonstrated by returnees who gravitate towards urban settings, (ii) identify gaps in their coping mechanisms that constitute obstacles to durable return and (iii) tailor more relevant and appropriate programme responses to increase the likelihood of durable return. Data was collected on the living conditions of 600 urban returnees from Iran and Pakistan in 4 main urban areas – Kabul, Jalalabad, Herat and Mazar-e-Sharif – by a team of 10 staff members: 2 international consultants, 2 national consultants and 6 interviewers. The fieldwork was carried out in October 2009, and the final report, with strategic recommendations to be fit in the NRC strategic review, delivered in March 2010.

**9. The World Bank – Paper on Migration Issues for the Poverty Assessment – February to April 2010** The assignment was to provide a desk review of the existing research on migration trends in Afghanistan, which constituted a background material to the World Bank Poverty Assessment. The review provided taxonomy of migration types, providing data on the scale and geographical relevance of migration in its different manifestations in terms of boundaries (i.e. internal, cross border, international), motives to migrate (e.g. economic, displacement), and duration (i.e. seasonal, temporary, permanent). Besides focusing on trends, relevance, and geographical migration patterns, the paper helped profiling migrants and understanding – using findings of quantitative and qualitative surveys – how migration affects wellbeing and livelihood strategies of Afghan individuals and households.

**10. IOM RARIP Programme Evaluation (Socio-Economic Reintegration of Afghan Returnees from Iran and Pakistan) – July to September 2009**

The evaluation aimed at assessing the effectiveness of IOM in strengthening the socio-economic reintegration of Afghan returnees from Iran and Pakistan. The internal version of the evaluation provides information that is targeted to helping IOM improve its strategy by providing social, economic and labor expertise required for the creating of a nationwide programme on refugee return. The survey was based on a combination of secondary research, as well as quantitative and qualitative data collected at the field level by a team of consultants and interviewers. The fieldwork for this evaluation covered both individual (vocational training and capacity-building) and/or community based assistance programmes in Herat, Bamiyan, Nangarhar, Kandahar, and Kabul. A final report presents the findings of the evaluation along with information on beneficiary needs and profiles.

**11. IRD – Rapid Assessment in draught-affected provinces – June to August 2008**

The survey was commissioned by the USAID-funded IRD programme to (i) provide a health and food assessment of the draught-affected provinces of Balkh, Jawzjan, Samangan, Faryab, and Herat; (ii) evaluate the adequacy of the emergency programs developed by international and local NGOs in the 5 targeted provinces. The quantitative data were collected at the field level by a team of 14 consultants and interviewers. This research provided insights into the humanitarian, social, and economic consequences of the 2007 draught on the most remote rural districts of the surveyed provinces. In a second phase of this project, the review team helped IRD implement its health and food strategy (content and design of the training curriculum, monitoring and evaluation tools).

**12. ILO – UNHCR: Research Study on Afghan Deportees from Iran – December 2008**

The overall goal of the study, commissioned by ILO and the UNHCR, was to improve the understanding of irregular movements and forced repatriation processes through data collected alongside the Iranian border, in the provinces of Herat, Farah and Nimroz, and in Kabul. Over 700 single adult males were interviewed among the population of 2007 and 2008 deportees. Since 2007, deportation figures of Afghan migrants have sharply increased along the Iranian border reaching 400,000 in 2008 and on a continued upward trend in 2009. Faced with an unregulated flow of irregular Afghans migrating to Iran, primarily for economic reasons, the government of Iran is resorting to the systematic deportation of irregular Afghans. What are their motivations, their experiences of exile, of arrest and deportation? What do they do upon their return to Afghanistan? These are the questions that the study responds to, analyzing the local, national and regional dynamics, problems and livelihood strategies adopted today, through data collected during a 2-month period alongside the Iranian border, in the provinces of Herat, Farah and Nimroz, and in Kabul. Over 700 single adult males, unaccompanied minors and families of deportees were interviewed through a random sampling method among the population of 2007 and 2008 deportees.

### c) Assessment of socio-political trends

#### 13. SAYARA: Measuring the impact of the Awareness Strategic Communications Campaign of the US Embassy – April to October 2011

In collaboration with Sayara, Afghanistan's leading social marketing agency specialized in supporting public sector initiatives through classic and innovative media outlets, Samuel Hall was commissioned by the US Embassy to ensure that all strategic communications were effectively contributing to the objective of highlighting the U.S. commitment to Afghanistan and demonstrating the impact of U.S. assistance. The purpose of the study was to assess the perception of political, social, economic, and cultural aspects, to help Sayara monitor and evaluate the actual achievement of its awareness campaign. The M&E plan used a participatory process to measure outcomes using a rigorous, multi-pronged methodology for data collection. The outputs -- radio and TV broadcasts, billboards, print materials, mobile theater/cinema activities, social functions, government capacity building activities, and social networks – were monitored using a Mixed-Method Testing Group, including a quantitative longitudinal survey (3,000 interviews with 6 phases of 500 interviews in 4 provinces) and a series of focus groups (72 over 6 months, with participants reacting to specific campaign outputs).

#### 14. DEMOCRACY INTERNATIONAL: Attitude changes towards elections, September – December 2011

*Samuel Hall* is currently leading an extensive qualitative research in three provinces of Afghanistan (Panjsher, Ghazni and Balkh) on the perceptions that Afghans hold of elections in Afghanistan, and of electoral reform. Specific questionnaires were designed to speak with community leaders, religious leaders, school teachers, men and women, youth, in rural and urban areas, as well as provincial and district officials, civil society and media groups, to gauge their level of knowledge and understanding of the electoral system and inquire about their recommendations for improved electoral systems. This information will serve to strengthen Democracy International's programs on electoral reform in Afghanistan, in the hope of improving the electoral system in the country and positively impacting the attitude of Afghans towards their government (local and national). The overall aim is therefore that of attitude changes towards elections in Afghanistan.

#### 15. HEINRICH BOLL STIFTUNG (HBS) Foundation: Women's Perception of the Police, July - September 2011

Heinrich Böll Stiftung commissioned this study to examine the perceptions that active women in Kabul hold of the police. Active, urban women were targeted specifically as they are more likely to interact regularly with police than women that spend a majority of their time at home. The report seeks to: (i) Establish a gender-focused baseline for the evaluation of community trust building and police capacity building programs; (ii) Identify the major trends and evolutions in public perceptions of the ANP in Kabul, notably amongst women; and (iii) Propose pragmatic recommendations for improving the relationship between Afghan women and the police, and impact behavior change in both directions (change of behavior of the police towards women, and of women towards the police.)

#### 16. USAID / PEACE Program: Strategic Review of the Livestock Market Information System – October 2008-2009

In July 2006, the University of California-Davis and Texas A&M University (TAMU) began implementation of a USAID-funded project with the aim of improving livestock production and stabilizing the economy in Afghanistan. The Afghanistan PEACE (Pastoral Engagement, Adaptation and Capacity Enhancement) Project engaged in researching Afghanistan's livestock industry, to better direct policy and planning efforts; in addition to facilitating the collection and dissemination of current livestock market prices. The Livestock Market Information System (LMIS) relies on the Short Messaging System (SMS) platform to send and receive data (price information). The project consisted of a monitoring and evaluation component defined to help PEACE and its MAIL counterparts streamline and monitor the system. Deliverables included a nationwide survey of seven agricultural markets (Kabul, Jalalabad, Herat, Mazar, Kandahar, Faizabad, and Kunduz), synthesis reports, training to LMIS users, M&E tools to help PEACE and MAIL monitor, adapt, and update the system.

#### d) Experience working with local shuras, local communities, district and provincial governors' offices

#### 17. Ministry of Foreign Affairs, The Netherlands / University of Maastricht in partnership with CSO – Migration & Development Survey – March to June 2011

The research aims at providing an analysis of Migration and Development dynamics in Afghanistan through a profiling of 2,000 households in Afghanistan, with particular attention being paid to the sampling of different socio-economic status considered to be fairly representative of the country. As such, elements of ethnicity, literacy and income levels, professional activity, and experiences of migration will be taken into account in developing a random-then-purposive sampling methodology. The household survey includes information on labor participation, remittances, and household livelihood indicators. A specific attention had been paid to include local decision-makers (Wakil) and get their formal approval throughout the quantitative phase. For the purpose of this survey, *Samuel Hall Consulting* has signed a Memorandum of Understanding with the CSO (GIROA's Central Statistics Organization) whose staff assisted us in designing the sampling methodology. In addition, the MOLSAMD granted *Samuel Hall Consulting* with its approval and authorization of the research, which it deemed both timely and relevant. As such, this project is an illustration of our efforts to emphasize coordination and cooperation with Afghan stakeholders.

#### 18. Mission East – Evaluation of beneficiary perceptions – May to July 2010

Mission East (ME) is a Danish international relief and development organization, which has implemented activities in Afghanistan since 2001 in the fields of Health and Nutrition (emergency assistance programs). Mission East's work in the country (Takhar and Badakhshan) was looking to move to Early Recovery programming, with an eye to future development engagement, through 1) Humanitarian relief aid (essentially through Health, Nutrition, and Hygiene programs), 2) Support to increasing the capacity of communities to organize and assist themselves (empowering local communities). The consultancy was therefore meant to provide input to Mission East's upcoming Afghanistan strategy revision. This was to be done in two-ways: (i) by providing well-substantiated recommendations to shifts and adjustments in ME's country strategy and programming to make them more coherent and focused on Early Recovery (with a possible future shift to Development programming as the situation allows); (ii) by presenting a critical review of ME's current Health and Nutrition strategy, with guidelines on establishing baselines for Mission East Afghanistan's country programme between 2010 and 2012 and beyond. To this aim, the review team recruited 8 enumerators who surveyed 8 Mission East's offices and interviewed 400 beneficiaries (25% of women) of the Health and Nutrition programme in 15 villages in the districts of Baharak, Jurm, Farkhar, Banghi, and Chaal; (iii) by identifying key partnerships with local formal and informal bodies (*shuras*, militia, etc.) and design alternative negotiation models with local communities and provincial/district level key players.

## e) Conflict analysis and focus on disfavored populations

### 19. JICA: Research Study on Kuchi Populations and Movement in the Greater Kabul Development Project Area – September to December 2011

The objective was to provide consultancy research services by conducting a study on the Kuchi population and their movement through the Greater Kabul Development project area for several EIA (Environmental Impact Assessment). The review team applied a methodological mix of qualitative and quantitative instruments to reach the objectives of the assignment:

- Identify the general political state of the Kuchi tribal groups.
- Identify the political representatives of the project affected Kuchis.
- Detail the relations between the Kuchis and the local communities in the GKD target areas.
- Envisioned negative impact on the short range or long range Kuchis in the GKD target areas.
- Data and figures on the Kuchis, number of their population, direction of their migratory routes, moving season, length of stay in the GKD target areas and their final destinations.

As such, the review team not only gathered socio-economic data and information on the Kuchi (of the Charikar Highway area) but also developed a political and conflict analysis to understand the decision-making process of Kuchi communities and identify relevant Kuchi counterparts.

### 20. WFP: Context Analysis – Strategic Review of the Changing Humanitarian Context, May – July 2011

In 2011, the World Food Programme commissioned our team of researchers (both academics and practitioners) to write a policy paper that would (1) review the changing humanitarian context for United Nations agencies in Afghanistan, and (2) provide WFP with strategic recommendations on how to position itself in this context, fulfil a complex mandate and re-orient its programmes for increased technical and financial effectiveness. The ultimate goal of this research was to provide WFP with the tools to improve the perceptions that Afghans hold of the agency and, through its programmes, better aim at messaging and change in public behavior with regards to nutrition and food security.

### 21. UNICEF: Evaluation of the “Out of school” programme – September to December 2011

The UNICEF Afghanistan Basic Education and Gender Equality programme aims to reduce the (geographical, ethnic and gender) disparities in primary education, increase primary enrolment and retention, especially for girls, boost female literacy rates, provide quality education and ensure schooling during emergencies in Afghanistan. This study will focus on the children from Jogi and Chori Frosh communities of Northern Afghanistan who have faced generations of discrimination and disadvantage. The purpose of the study is to assess the situation of the poorest, marginalized and discriminated groups especially Jogi and Chori Frosh, to identify causes of the situation, and to evaluate, monitor and refocus UNICEF interventions with equity approach for ensuring access and retention of out of school children. The target user of this information will be the UNICEF Afghanistan Office, Ministry of Education, education development and implementing partners. The study will be conducted through a combination of quantitative and qualitative methods in the Northern provinces of Afghanistan.

### Samuel Hall Consulting’s Coordination and Cooperation with GIROA: A Priority

Unlike other research institutes, it is our goal to coordinate our research, on every project and at different stages of the project cycle, with representatives of the Government of Afghanistan. We systematically incorporate their expertise, feedback and support into our activities.

At the start of each project, we seek authorization and approval of our research, in the form of an official authorization letter, from the **Ministry of Labor and Social Affairs (MOLSAMD)** or other relevant line ministries, as applicable. In addition, we have recently set up a new collaboration with the **Central Statistics Organization (CSO)** in the form of a Memorandum of Understanding (MoU) aimed at delineating our respective responsibilities in the project cycle. In our latest project on *Migration & Development* for the Government of the Netherlands, CSO has provided us with its expertise on random

sampling methodologies as well as resources in obtaining maps and sampling units at the local level in each province.

This level of coordination with Afghan partners is very rare as other consulting and research institutes do not provide this level of engagement with Afghan counterparts.

## Contacts

**Samuel Hall Consulting** Qala-e-  
Fatullah, Street 5, #2Kabul,  
AFGHANISTAN

14, rue Duvivier, 75007Paris,  
FRANCE

Kabul: +93 796 60 60 28

Paris: +33 6 66 48 88 32

[development@samuelhall.org](mailto:development@samuelhall.org)

Visit our website at [www.samuelhall.org](http://www.samuelhall.org)