FAMILY RESILIENCE

Reflection Note #2: Cash Transfer
This Reflection Note is intended as a means for AVSI staff and implementing partners on the FARE project to capture emerging learning as relates to the theory of change elaborated during project design. The methodology used was semi-structured interviews with FARE staff, including those from AVSI as well as from implementing partners Retrak, COWA and Fruits of Charity Foundation.

QUICK PROJECT FACTS:

**Program Name:** Family Resilience  
**Country:** Uganda  
**Time Frame:** 2015-2018  
**Budget:** US$1.35 million  
**Donors:** ASPIRES funded by FHI 360, USAID  
**Beneficiaries:** 2,400 children, 650 HH  
**Districts:** Wakiso and Kampala
**Introduction - The Burning Question**

Significant evidence has accumulated to fortify the argument that strengthening the family environment is essential to addressing child well-being outcomes over the long run. Within the conceptual framework of “family resilience”, individual coping capacities are complemented by family dynamics that enable members to deal with stressful situations or shocks. Economic capacity is a part of the framework. Important elements of economic resilience at the family level are assets, means of protecting assets and mitigating risk, sustainable livelihoods, investments in skills for livelihoods, and access to informal and formal financial services. Family communication and relationships, as well as traditions, spirituality and the ability to maintain a positive outlook are also integral components of a resilient family. Positive social networks, informal safety nets, social capital and access to information are also essential. (Béné, C. 2013)

The Burning Question addressed in this reflection piece is:

*How necessary and effective are cash transfers as a component of the economic strengthening pathway, hypothesized as crucial for the project goals of building family resilience as a means of preventing child-family separation or ensuring successful reintegration of children into family care?*

This Reflection Note is intended as a means for AVSI staff and implementing partners on the FARE project to capture emerging learning as relates to the theory of change elaborated during project design. The methodology used for this background note was desk review of project proposal documents and reference materials, complemented by semi-structured interviews with AVSI and FARE staff.
The economic strengthening pathway incorporated into the FARE project design borrowed from AVSI’s SCORE graduation model also implemented in Uganda as well as from other studies on economic strengthening for highly vulnerable households. FARE incorporated consumption support through regular, time-bound cash transfers at the household level to be used in a limited number of cases where households were facing severe levels of destitution that would jeopardize the household’s ability to participate in project activities. More information about SCORE can be found at: http://www.avsi-usa.org/score.html

The primary justification for consumption support as the first step of an economic strengthening pathway is to alleviate the basic needs of all members, including food, shelter, clothing and protection, so that the household can build assets and spend energy on longer term needs and goals via savings groups and investments in business activities.

In the specific case of FARE, in which the ultimate goal is that children and youth are living in stable and resilient households with community support, targeted initial consumption support took on two hypothesized functionalities. In reintegration cases, the function of the cash transfer would be to provide the conditions for reintegration to be possible and to take hold. In prevention cases, the function of the cash transfer would be to reduce or alleviate the conditions which lead to separation.

AVSI selected this question as the first Burning Question to unpack during this reflective learning exercise because of the recent and powerful experience with AVSI’s SCORE project in Uganda. In the case of SCORE, multiple vulnerabilities of households were addressed through an integrated package of support which included savings, business skills training, and specific youth interventions, together with family strengthening and social interventions, but no consumption support. The most destitute households demonstrated significant progress and levels of graduation (according to project measures) similar to households who started with less severe levels of vulnerability. The SCORE results seem to challenge the emergent evidence base that consumption support is a necessary starting point for economic strengthening of highly vulnerable households in contexts such as Uganda.

FARE presented AVSI the opportunity to test out a similar model, this time including consumption support as delivered through cash transfers, with a more specific population and context within Uganda. The population was households where unnecessary child separation has already occurred or where the risk of such separation is high compared to the context.
Implementation Report – What happened in practice?

A monthly cash transfer of UGX 70,000 was determined to be an appropriate amount for households at the lowest 10% of overall income levels, taking into consideration an assessment of available income verses the expenditure. The initial assessment of a sample of households enrolled in the project led to the estimate that UGX 90,000 would be needed to close the gap between household income and spending. The original intention was to vary the actual amount per household according to the number of members, age and working status, while in the end a flat amount per household was delivered.

Budget constraints required the household monthly transfer amount to be pegged at UGX 70,000, equivalent to 21 USD. This final amount was given to 80 participating households every month from February 2017 until July 2017. A small number of households refused to participate or had moved, and these were replaced using pre-established guidelines for such cases. Stanbic Bank delivered the cash through mobile money services, Airtel and MTN, using the payment system already developed by AVSI for financial transactions.
Household selection was conducted through a multi-stage process.

- Out of 605 households in the FARE project, the HVAT Economic Strengthening tool was applied to organize households according to level of income and ability to cover basic needs of the household. From this list, the lowest quintile was extracted and a second analysis using the PPI Scoring tool was applied to rank households by poverty level.

- To give a fair and equal chance to all participants across the project coverage areas and among the implementing partners, targets were agreed upon which allowed for the selection of the lowest ranking households by IP and across both reintegration and prevention caseloads.

- A final stage consisted of verification through home visits of all selected households, carried out by FARE social workers with the objective of verifying that household conditions match the information used in the PPI scoring tool. A small number of households were found to be ineligible for the cash transfer and were replaced.

The cash was successfully delivered in 100% of the cases. AVSI and implementing partners followed the guidance included in AVSI Uganda’s Cash Transfer Policy.
Project Staff Observations – *What evidence is emerging?*

Qualitative information collected from AVSI and implementing partner staff working on FARE for nearly 2 years has been synthesized into the following points of reflection.

1. **Targeting tools and methods succeeded in identifying a sub-population of the most destitute households, described as “destitute and desperate.”**

Staff widely hold the opinion that the targeting tools and methodology for selection of the most destitute households were effective, and that as they got to know the households and the communities where they lived staff observed differences in capacities to provide for household needs when compared to households not selected for CT. While the staff felt it was appropriate to describe all participant households as destitute, they recognized a sub-group, which they felt, could be well described as “destitute and desperate.”

The FARE social workers had a lively dialogue around the description of this sub-group as “desperate”. Their conclusion was that all the households encountered in the project were destitute, which they described as living at the “edge of life” and focused on survival. Some of those households showed other symptoms of vulnerability (idleness, resignation to a marginalized position in the community, neglect of self and others), which they found participants express as the feeling like you can’t do anything. While staff members didn’t use the word, they seemed to be describing a powerlessness that takes over when the anxiety of living in destitution, coupled with an intense experience of marginalization and being excluded take hold of a person, and it seems, much of the household.

Two critical reflections on the CT method emerged. First, the staff recognized the importance of a two-stage identification process. The staff acknowledged that all respondents at the beginning gave not all information about the household situation. This made the second round of assessment, at the household level, very important. They affirmed that it was important to go back to the households after identification for verification. In addition, the program design decision to give a fixed amount of cash per household, did not allow for differences based on number of household members. In the words of one staff person, “something was not right with the amount, some households were so big!”
2. The psycho-social function of cash transfers rivals in importance with the access to liquid capital in appropriate amounts to enable targeted households to step onto the economic strengthening pathway central to the program design.

On one level, staff observed that for these households the improved ability to provide for the basic consumption needs of the household with the CT helped to change how the households felt they were observed by neighbors and members of community, contributing to a breakdown of marginalization and stigmatization. The stabilizing effect of the CT was perceived as both an economic one (reduction in debt for example freed up money for food and school fees) as well as a psychological one. The CT reduced the anxiety caused by “worries at home” which apparently were having a destructive impact on relationships in the household and presumably with the children and youth in the household. Staff further described this stabilization effect as providing the opportunity to “re-organize”.

From these reflections shared by the project staff, it is difficult to tease out the value and impact of the cash from the social support provided by the case workers (home visits, guidance), training and community level activities. There is the widespread perception that cash transfers enabled recipients to move beyond desperation and begin hoping in and planning for the future.

3. Cash transfers were seen as necessary for this sub-group to take advantage of the other interventions offered in the project, particularly VSLA.

Immediate consumption needs and indebtedness would have, in the general opinion of the project staff, prevented this sub-group from engaging fully in savings groups. The staff noticed a difference in the ability of other project participants (non CT recipients) to participate in VSLA groups and get into the “habit of saving” even with small amounts of money, which amounts the CT recepients couldn’t raise then.
4. Monitoring of the use of the cash transfers suggests that in general recipients were able to use the money well and with a future orientation.

Cash transfers went to the member of the household responsible for taking care of the children. In reintegration cases, it was the main point of contact for the social workers following reunification and reintegration. The FARE implementing partners each had slightly different methods of monitoring CT households during and after the transfers started. Staff described the processes used to:

- Discuss with households how to use the money. In some cases, this required specific advice to women on how to avoid capture of the money by a man in the household. In other cases, it required the staff to help the participant be more realistic and feasible with the amounts and competing household needs, “some people were planning to do so many things!”

- Monitoring changes at the household level through both information and observation, and record keeping.

- Tracking use of cash.

Staff acknowledged that there are some households which have not invested any part of the cash in business related activities. Most staff indicated optimism that a majority of those who have not yet invested in IGAs have been using the cash strategically to take care of important needs and investing in other assets (like transportation for a youth to participate in an apprenticeship). There are those who are waiting for the VSLA share out to make an investment related to their business. On the issue of debt, staff described cases in which households used the first cash installments to pay off debt and reduce the risk of moneylenders interfering with their business investments and laying claim to property and assets due to the debt.

Overall, staff seemed satisfied that recipients of cash transfer demonstrated capacities for reasonable, calculated, and forward-looking decision making regarding the use of the cash.
5. Introduction of cash transfers to a small sub-group created some degree tension which did not disrupt the project or relationships in a serious way. In some cases, the resulting tension demanded the project staff to be clearer about the value of other program components.

In general, the feeling from the staff was that the delivery of CT to a small, well targeted sub-group of households did not create major problems for the recipients nor for the non-recipients. According to the staff, they saw indications that participants appreciated that the cash was given to worse off households.

Among the negative repercussions among other non-CT recipients the staff mentioned:
Loss of interest in the project
Suspicions about source of cash held by neighbors
Discontent over receiving less attention from staff (fewer visits)

The staff came to the consensus that direct, open and clear communication regarding the targeting criteria and intended purpose of the cash transfers would be important in the future to mitigate some of the tensions observed between CT recipients and non-recipients. In some cases, staff observed an unintended and largely positive side-effect of this tension regarding CT. Given the need to explain to some project recipients why they didn’t receive the CT and others did, project staff had to give compelling arguments of the value of other project components (VSLA, training, social support, etc) and convey their belief in the capacity of the participant to take advantage of these inputs to progress and achieve his/her goals. In one case cited, this discussion opened up space for more honest dialogue between the participant and the social worker about the family situation, fears and aspirations.
6. While not formally conditional on behaviors, the cash transfers increased participant commitment to the goals of the project (around reintegration and prevention) and in some cases allowed participants unwilling to assume the commitment to opt out.

CT recipients were informed about the intended purpose of the cash and received guidance on its use, but were at the same time left free to spend the money as they wished. In most cases, staff observed increased levels of interest and participation in project activities after they began receiving the CT. This could have been due in part to the perception of pressure or obligation to participate since receiving a direct benefit, or due to the other factors such as hopefulness, willingness to plan, willingness to engage with others, and greater sense of control over household needs. A few interesting cases emerged from the reflection in which participants opted not to receive the CT because of an unwillingness to accept the responsibility of caring for a child or youth; in one case to reintegrate a youth back home and in another case to continue caring for children in the household. In the perception of the staff, even the cash was not enough “to save the family situation”.

7. Despite observed low levels of financial literacy, CT recipients seem to have benefited from the basic business skills training and generally made sound decisions regarding the use of the cash.

The staff was pleased overall with the relevance of the Selection, Planning and Management (SPM) of income generating activities training, the initial training of trainers given by AVSI, and the teams’ ability to figure out and adapt delivery methods that worked for the population. Initially, staff encountered some low turn out and low interest but this changed gradually. Staff noted that participants “did not know why they should make the effort.” Some participants never came to the SPM training. Training materials were in English and the facilitators translated into local languages as needed, but reference or resource materials were not left behind with participants due to the fact that they were in English and to the high levels of illiteracy among participants. Role plays and interactive teaching methods were appreciated and deemed more effective than other lessons.
Staff offered examples of the skills they observed CT recipients using following the SPM training. These include:

1. Market research to understand local demand and what products would be more competitive/lucrative
2. Knowing expenses and finding ways to limit business expenses (example: source charcoal from other places where prices were lower)
3. Control of expenses versus income to make decisions
4. Separate household expenses from business expenses
5. Reinvestment of income into business activities
6. Planning and envisioning later phases of business activity and growth

One of the main messages of the SPM training for CR recipients was that the cash support was temporary and the focus on the IGA was necessary for the household to provide for their needs over the long-term. Staff felt that this message was well understood and most if not all households were planning for the end of the CT by the time it came.

**Conclusion**

The emerging conclusion is a positive response to the initial question. For this well targeted sub-group, the cash transfer seems to have been necessary for economic reasons, to help households deal with debts and a range of household needs before they were prepared to save and invest. The psycho-social benefits of the cash transfer showed to be important for many reasons as well, including for enabling the recipient household to step onto an economic strengthening pathway which also implied greater social interaction with peers. This set of reflections can only suggest that the most vulnerable of FARE targeted households were effectively brought into the mainstream of the sequence of project activities, with only a few cases who opted out. This shows that there will be some cases of both reintegration and prevention for whom this approach will not be sufficient to ensure family care for all children.

It was not possible to draw many distinctions between the two sub-groups of prevention and reintegration households and their interaction with cash transfers. Furthermore, the results of the project in terms of financial returns will need to be analyzed and eventually compared with these qualitative findings.
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