

Qualitative research and analyses of the economic impacts of cash transfer programmes in sub-Saharan Africa

Lesotho Country Case Study Report



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Oxford Policy Management

The From Protection to Production (PtoP) project is financed principally by the UK Department for International Development (DFID) and the Food and Agriculture Organization of the UN (FAO), with additional support from the European Union.

The PtoP project is part of the Transfer Project, a larger joint effort with UNICEF, Save the Children and the University of North Carolina, to support the implementation of impact evaluations of cash transfer programmes in sub-Saharan Africa.



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Acknowledgments

This report was prepared by Andrew Kardan, from OPM, with research support from Sechaba Consultants and Moeketsi Ratikane. The report also benefited from peer review by Jeremy Holland and Simon Brook internally and externally by Pamela Pozarny (FAO) and Terry Roopnaraine.

We are grateful to the individuals and organisations in Lesotho who supported our research. Our particular thanks go to Ntate Ramoe, CGP Programme Manager, who supported the research throughout and provided us with contacts in all research sites. Our thanks also go to other colleagues in the Ministry of Social Development who helped us with questions we had and to other stakeholders, including UNICEF and the EU, for their comments during the debriefing presentation.

Last but not least, we are grateful to the villagers in our research sites, for their time and patience, which made this research possible. We hope we have managed to represent their views and suggestions adequately in the report.

This assessment was conducted by Oxford Policy Management and Sechaba Consultants. The project manager is Simon Brook. The OPM team leader was Andrew Kardan. The national team comprised of Moeketsi Ratikane, Mathabo Liphoto, Limpho, Itumeleng Baidoo, Moshokane Mofombe, Tsepiso, Leshoboro and Pamela Pozarny (FAO), joined the team during one week of the in-country field research to provide technical support.

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Executive summary

Background

This report presents analysis and findings from a qualitative research case study conducted in April and May 2013 in Lesotho, the fourth of a six-country study of the economic impact of cash transfer programmes in Sub Saharan Africa. The Child Grants Programme (CGP) is an unconditional cash transfer programme targeting poor and vulnerable households in Lesotho and is run by the Ministry of Social Development (MSD) with financial support from the European Commission and technical support from UNICEF-Lesotho. It began in April 2009 and provides a regular transfer of M360¹ (USD 36) every quarter to poor households with children. The households are selected through a combination of a Proxy Means Test (PMT) and community validation.

Research areas and key findings

The research study examined the impact of the cash transfer in three interrelated areas: household economy, local economy and social networks.

Household economy impacts: Household economic impacts: the CGP is mainly used as a safety net and, more specifically, for households' food requirements and children's educational needs. Beneficiary households were able to buy larger quantities of more varied food and better quality food. Beneficiaries were also able to consume more protein, particularly around payment dates. The transfer also covered the costs of schooling for children in beneficiary households, particularly school uniforms, school trips and, in some cases, examination fees and fees for pre-school education.

The transfer had little impact on beneficiaries' livelihoods strategies: they continued to do what they were doing before. This was because the transfer amount was small, meant for a specific purpose and did not come very frequently.

Some beneficiaries did, however, reduce the amount of piecework/casual labour they undertook, but only marginally and only around pay dates. There was some indication that in some instances remittances – an important source of livelihood in Lesotho – were being reduced during the payment month. For others, however, this remained unchanged. Some beneficiaries were afraid of telling their non-resident family members and relatives that they were receiving the transfer for fear of having their remittance cut or reduced.

Local economy impacts: The CGP contributes to the local economy in villages through increased consumption rather than increased production. Most of the beneficiaries' income was spent locally, although this was moderated by context, depending on factors such as proximity to larger towns, payment size and payment location. The CGP payment was made in larger lump sums on a couple of occasions due to missed payment dates. During these times households were more likely to purchase more of their needs from the main towns since the proportional cost of transport was

¹ As of April 2013 the payment has been indexed to the size of family as follows: 1-2 household members (M360), 3-4 members (M600) and 5 & above members (M750) per quarter.

reduced significantly. Beneficiaries, nevertheless, always purchased a proportion of their (more immediate) needs from within their local communities, often because they were able to buy items on credit. Shopkeepers noted increased sales on payment dates, which were often higher than some month-end totals. The research generally found no opportunistic price increases in the research communities.

Social networks: The CGP created a great deal of tensions in the communities between beneficiaries and non-beneficiaries due to people's limited knowledge of the selection criteria, their own sense of entitlement and the perceived exclusion of many deserving households. These tensions were exacerbated by the limited information provided by programme officers and Village Assistance Committees (VAC) at the community level. In many communities non-beneficiaries were still not clear on why and how some in their villages were selected and others were not. The resentment and tensions had settled down somewhat, but had never been completely resolved. They resurfaced during each payment period when relations became strained and some beneficiaries and non-beneficiaries would not talk to each other for a few days, and non-beneficiaries mocked beneficiaries, labelling them as 'those receiving the money from the sky'.

The CGP had no impact on the creation of new networks or on the membership of existing ones. This was because many beneficiaries were already members of those networks, such as funeral societies; they were able to contribute to these in small amounts, but remained excluded from those requiring greater entry fees.

The CGP seems to be altering risk-sharing dynamics in the communities, reducing beneficiaries' reliance on their friends and neighbours. Beneficiaries stated they were now able to "borrow" (and not "ask" – indicating no expected repayment) both informally and through the shops – and were deemed more creditworthy. This change in the nature of reliance has potential over time to provide beneficiaries with more self-esteem and sense of self-worth.

Finally, in relation to gender dynamics, the programme had no discernible impact. Gender dynamics were shaped by deeper historical and cultural norms that are evident to this day. The research corroborated this where women were often the main decision-makers within the household.

Operational recommendations

The study also explored how and why various CGP operational arrangements affected impacts and raised a number of important operational recommendations in support of the future expansion of the CGP:

Improve the timeliness of the transfers for beneficiaries: The timely payment of CGP has proved a challenge for programme officials, with entire payments having been missed and community members not being notified. We recommend a review of the payment process to identify the major bottlenecks in releasing the payments on time, and to improve the process for notifying beneficiaries of payment dates or any delays in payments in order to enable them to plan and minimise potential negative ramifications.

Provide support to the VACs and link them with formal community structures: The VACs are currently not fully linked to any process or decentralized system and are, in effect, isolated from the rest of the CGP programme. In the first instance we recommend more regular and continuous contact between the district officials and the VAC members, including periodic capacity

strengthening. In the longer term we also recommend linking the VAC to other existing local government or community structures to ensure a more sustainable community-based approach. Although limited, evidence on the sustainability of community structures established through projects and at the behest of donors is not promising.

Review the regularity and distance to pay points: Most beneficiaries preferred a more regular payment as their needs were more immediate and regular. The research recommends the review of the payment frequency. Additionally, some beneficiaries noted covering long distances and sometimes incurring expenditures equivalent to 2-3 percent of the total transfer value. We recommend a review of payment points to ensure that they are within a reasonably reachable distance for the majority of beneficiaries and also to ensure that the pay points are not located in the control communities of the impact evaluation study.

Improve communication and awareness raising: CGP programme officials provide regular and consistent messages to beneficiaries on the purpose and use of the CGP at pay points. However there is little communication at the wider village level resulting in community relations becoming strained, particularly during pay days, and remaining unresolved. Therefore, it is recommended that the information campaign be reviewed and implemented more systematically and regularly, especially at the broader community level, to ensure the general public has a clear understanding of the key parameters of the programme, including opportunities to voice views and even complaints, and by doing so diffuse any unnecessary tension and resentment within the communities.

Ensure complementarities between programme initiatives: Underpinning the CGP is a National Information System that is envisaged to be used for all future social programmes. Whilst providing an important tool in implementing such programmes, more important questions need to be answered at the policy level, including what programmes to introduce, with which objectives and to whom. A harmonised programme is envisaged, which means providing different types of support to the same households. However, this may be viewed as non-egalitarian by policy makers, thus reducing potential synergies. These issues merit further discussion.

Abbreviations

CC	Community Council
CGP	Child Grant Programme
CGP-OU	CGP Operations Unit
CHAL	Christian Health Association of Lesotho
CM	Case Management
CT	Cash Transfer
FAO	Food and Agriculture Organization
FGD	Focus Group Discussion
HBS	Household Budget Survey
KII	Key Informant Interview
M	Maloti (Lesotho's currency)
MSD	Ministry of Social Development
NISSA	National Information System for Social Assistance
OPM	Oxford Policy Management
OVC	Orphans and Vulnerable Children
PtoP	From Protection to Production
PMT	Proxy Means Testing
PO	Partner Organization
TOR	Terms of Reference
UNICEF	United Nations International Children's Emergency Fund
USD	United States Dollars
VAC	Village Assistance Committee

1. Introduction

This report presents analysis and findings from a qualitative research study conducted during the period from 15 April to 3 May 2013 in Lesotho as part of the six country, DFID-funded ‘Qualitative research and analyses of the economic impacts of cash transfer programmes in Sub Saharan Africa’ project. The Lesotho case study is the fourth of the six case studies to be undertaken.

Together, the six country case studies are designed to contribute to the From Protection to Production (PtoP) project, a collaboration between DFID, UNICEF and FAO. The PtoP project aims to provide evidence on the economic and social impacts of cash transfers, focusing on household decision making, risk coping and adaptation strategies, and local economy effects. In addition, it aims to strengthen data collection processes and build capacity around on-going evaluations. The PtoP project promotes a mixed method approach to researching the economic and social impacts of cash transfers. This introduction provides a brief background to the Child Grants Programme in Lesotho, introduces the key evaluation questions for the study, and details the research methodology.

1.1 Background: the CT-OVC Programme

1.1.1 Introduction

The Child Grants Programme (CGP) is an unconditional cash transfer targeted to poor and vulnerable households in Lesotho, providing a regular transfer of M360² (USD 36) every quarter to poor households with children. The households are selected through a combination of Proxy Means Testing (PMT) and community validation.

The primary objective of the CGP “is to improve the living standards of Orphans and Vulnerable Children (OVC) so as to reduce malnutrition, improve health status, and increase school enrolment among OVCs”.^{3 4}

The program is run by the Ministry of Social Development (MSD), with financial support from the European Commission and technical support from UNICEF-Lesotho. In the pilot stage technical assistance to the implementation was provided by Ayala Consulting and World Vision (WV).

The pilot programme was designed and implemented in three phases: Phase 1A, Phase 1B and Phase 2. Phase 1A of the CGP pilot began in October 2009/April 2010 in three Community Councils (Thaba-Khubelu, Mathula and Semonkong), reaching about 1,250 households. The pilot was expanded in early 2010 under Phase 1A to include three additional

² As of April 2013 the payment has been indexed to the size of family as follows: 1-2 household members (M360), 3-4 members (M600) and 5 & above members (M750) per quarter.

³ Ayala Consulting (2011) ‘Annex E – The Case Management Manual’, prepared for UNICEF & Government of Lesotho, October.

⁴ Due to operational issues around identifying OVCs, the programme decided on targeting poor households who have at least one child as a more appropriate targeting criterion.

councils (Mazenod, Qibing and Ramatseliso) and then again under Phase 1B, covering an additional 3,400 households.

The Lesotho country case study covers Phase 2 of the CGP pilot that was launched in the last quarter of 2011 and implemented in 10 Community Councils (CCs) spread across five districts (Table 1.1).

Table 1.1 Research framework: CGP Phase 2 coverage

District	Community Councils	
Berea	Kanana	Tebe-Tebe
Leribe	Litjojela	Malaoaneng
Mafeteng	Metsi-Maholo	Malakeng
Maseru	Qiloane	Makheka/Rapoleboea
Qacha's Nek	Mosenekeng	White Hills

1.1.2 Coverage and targeting

Targeting and enrolment

A description of how the CGP's Proxy Means Testing (PMT) and community validation process worked follows here. First, a community mobilisation event was held during which community members were provided information about a planned census. Following this, household level information was collected through a community census and used to create the National Information System for Social Assistance (NISSA), a repository of household socio-economic information to be used as an integrated system for any future social assistance programmes introduced in Lesotho by both government and non-governmental organizations (NGOs).

The PMT predicts the likelihood of a household having a certain level of consumption expenditure (used as an indicator of poverty) based on a number of proximate indicators of wealth such as dwelling conditions, household asset base and other household socio-economic characteristics. This was done using the Household Budget Survey (HBS), from 2002, to determine the appropriate correlates of poverty. Once the PMT was applied households were categorised into five distinct groups: ultra-poor (NISSA 1), very poor (NISSA 2), poor (NISSA 3), less poor (NISSA 4) and better off (NISSA 5).

Prior to the census in each community a Village Assistance Committee (VAC) was set up to support implementation of the programme (see Box 1.1). Village Assistance Committees were formed through a community mobilisation process in which attending individuals were asked to nominate two members from within their community based on a set of stated criteria (trustworthy, good understanding of village boundaries and households living in the community, ability to read and write, etc.). The public were asked to vote for members from their support group⁵ and one ordinary citizen from among themselves. The VACs were trained by World Vision on their general roles and responsibilities and the criteria for the selection of beneficiaries. They received one round of training by World Vision before the

⁵ Support group members provide support to orphans and other vulnerable individuals and were set up by the former Prime Minister's wife over a decade ago, as an initiative also supported by donors.

validation process. There is no evidence of subsequent operational backstopping and little evidence of district-level support for the VACs. We address the implications of this process in the operations discussion below.

Following the NISSA categorisation, a community validation process was carried out by the appointed VAC in each community. This was done in secret, without the knowledge of the wider community, as a deliberate measure to reduce community conflict and tension especially directed at VACs. The VACs were given the household list collected through the census (without the PMT ranking) and asked to verify those who were the poorest in their communities based on set of criteria provided by the programme implementers (see Box 1.2).

BOX 1.1 Roles and functions of Village Assistance Committees

The VACs were set up with the objective of supporting the overall implementation of the NISSA and CGP at the village level. They consist of a village chief, a community councillor, two respected members of the community and an auxiliary CGP operations assistant. Their main roles according to the CGP beneficiary selection manual are to:

- Support data collection teams in preparing maps of corresponding villages;
- assist enumerators in community visits;
- assist community mobilisation by raising awareness and making information available to communities;
- conduct the validation process for both the eligible household and the enrolment list;
- support the enrolment event payment processes; and,
- support communities with filing updates, appeals and complaints.

The responsibilities of the VAC in relation to appeals and complaints are to:

- Fill in case management forms with HHs and turn in all completed forms on a bi-weekly basis to the operations assistant in their community council;
- if necessary, accompany the programme partners and/or operations assistant on interviews with households that have appealed; and,
- provide the case management officer with useful information upon request.

Source: Village Assistance Committee Guidelines, Child Grant Programme (CGP) Beneficiary Selection Manual. Adopted from the baseline evaluation report OPM (2012) & Ayala Consulting (2011) op cit, pp.38-39.

Following the validation process, those households that were categorised as NISSA 1 or NISSA 2 and were also selected by members of their community as being the ‘poorest of the poor’ and had at least one child, were selected as eligible households. Once targeted, households were notified through printed certificates and notified of the enrolment date. Households were enrolled for the programme in July and August 2011 and the first payments started in September 2011, nine months later than initially envisaged.

BOX 1.2 Community validation – Criteria for identifying the 'poorest of the poor'

- A household **IS** among the poorest if their house needs serious repairs or has not been renovated for a long time (i.e. poor conditions of roof/walls/floor, considerable damage, etc.).
- A household is **NOT** among the poorest if the house has recently been renovated, is new, or is in good condition (i.e. has recently been painted, has strong windows/doors/floors, a sturdy roof, etc.).
- A household **IS** among the poorest if it does not have a regular source of income or support.
- A household is **NOT** among the poorest if it is receiving a constant and significant amount of money from relatives, pensions, or other organizations.
- A household **IS** among the poorest if it cannot afford to buy furnishings, tools or appliances which are in good condition.
- A household is **NOT** among the poorest if it has tools and appliances which are in new or good condition (i.e. TVs, DVD players, microwaves, etc.).
- A household **IS** among the poorest if it is among the poorest now and has been for a while.
- A household is **NOT** among the poorest if it has experienced a recent change in situation (i.e. recent unemployment, death of a family member, etc.) causing it to be in financial difficulty as of late.
- A household **IS** among the poorest if it has no assets or livestock to sell.
- A household is **NOT** among the poorest if it could sell assets (e.g. a refrigerator) or livestock to afford necessities.
- A household **IS** among the poorest if it normally does not have enough to eat.
- A household is **NOT** among the poorest if it only sometimes does not have enough to eat.

Source: Community Validation Guidelines – The Lesotho Child Grant Programme adopted from the baseline evaluation report OPM (2011).

Transfer value and payment delivery mechanism

The transfer value for the CGP was set at a flat rate of M120 (USD 12) per month per household and was disbursed every quarter. This was based on an assumption of M40 (USD 4) per child, with an average household size of three.⁶ Effective from April 2013, the cash transfer has been indexed to household size as follows:

- Households with 1-2 members M360 (USD 36) quarterly;
- Households with 3-4 members M600 (USD 60) quarterly; and,
- Households with 5 and more members M750 (USD 75) quarterly.

Payments are made through a cash-in-transit firm at one or two pay points per Community Council on a quarterly basis. Specific payment dates are determined by the MSD and announced a few weeks in advance to the district offices who in turn inform the community through the councillors and community chiefs. They in turn notify the rest of the community between two days to two weeks in advance of the pay date. In Litjotjela, since April payments have been made through the banks (with households collecting money in cash from the bank).

⁶ Originally the programme aimed to provide M80-M100 per child, however analysis of likely costs resulted in revising this amount downwards based on knowledge of the total resource envelope and likely population of beneficiaries (See UNICEF/EC (2008). 'Support to Lesotho HIV and AIDS response: empowerment of Orphans and Vulnerable Children', Interim Progress Report, May).

While the cash transfer is ‘unconditional’, households are informed that the transfer is strictly for the nutritional and educational needs of their children.⁷

Case management⁸

The CGP provides an elaborate process for Case Management (CM) that is meant to be undertaken by the CGP Operations Unit (CGP-OU), with the aid of the VACs and a Partner Organization (PO). It is meant to enable beneficiaries to file appeals and complaints about CGP processes and services, and allow beneficiaries to update their information. CM is grouped into demand- and supply-side categories that deal with the following specific issues.

A. Demand-side: Cases initiated by households, including:

1. Information updates.
2. Payment complaints – in relation to incorrect payments or non-payments.
3. Quality complaints – relating to the quality of service and treatment of beneficiaries.
4. Appeals – targeted mainly at non-beneficiaries in case they were not interviewed for NISSA, interviewed but not selected, are very poor but not validated by the VAC, or their conditions have changed. Also aimed at beneficiaries who may have been suspended by the programme.
5. Denouncements – notifying the CGP programme of the misuse of funds or of inclusion errors.
6. Request for replacement of an identification document or payment book.

B. Supply-side: Cases that arise as alerts generated by the CM staff, including:

1. Restriction of households from the programme – suspending them from the programme if they are misusing funds, have moved away from target area, no longer have children, fail to present birth certificates within six months of the first payment or miss three consecutive payments.
2. Activation of households that have been restricted or rejected.
3. Alerts – reacting to regular monitoring information to reduce incidence of errors, fraud, complaints, delays or non-response.
4. The programme has a detailed set of protocols on the roles and responsibilities of all stakeholders involved and how each specific complaint should be dealt with. Implementation challenges of the CM system and how it impacts on communities and stakeholders is further discussed in the operations section below.

1.2 Research objective

The objective of this country research is to consider the potential economic development impacts of social cash transfers on the rural poor in Lesotho. It seeks to understand the impact

⁷ One Social Welfare Officer at District level referred to this as “soft” conditionality.

⁸ This section is directly sourced from: Ayala Consulting, (2011), ‘Annex E – The Case Management Manual’, prepared for UNICEF & Government of Lesotho, October.

of social cash transfers in three interrelated areas: household economy⁹, local economy¹⁰ and social networks.¹¹ The study also aims to uncover how and why various operational arrangements affect decisions and social and economic impacts at household and community levels.

Below, we present the evaluation questions developed to guide the case study research. These are arranged under broad hypotheses which were tested in the field, along with a set of research questions under each hypothesis. This is the hypothesis set that is being applied across all six country case studies. The hypothesis set has been informed by recent empirical research that has looked at cash transfer impacts beyond poverty alleviation and access to human development services. This recent evidence shows that cash transfers can foster broader economic development impacts.¹² These impacts can come through changes in household decision-making processes, priority setting and behaviour, and through changes in the dynamics of the local economy of the communities where the transfers operate. The household-level impacts follow three main documented channels: (1) changes in labour supply of different household members; (2) investments of some part of the funds into productive activities that increase the beneficiary household's revenue generation capacity; and (3) changes in risk-coping practices by either prevention of detrimental risk-coping strategies such as distress sales of productive assets and child school drop-out, or increased risky income-generation activities such as commercial sex, begging and theft. Research has additionally documented three types of local economy impacts: (1) transfers between beneficiary and ineligible households, including also risk-sharing mechanisms such as engaging in reciprocal relationships and social networks; (2) effects on local goods and labour markets; and (3) multiplier effects.

With this emerging evidence in mind, discussions during the inception phase of this research project generated the following set of hypotheses and attendant evaluation questions. Each hypothesis has an accompanying theory of change, with transparent underlying assumptions, that is tested during research fieldwork. The hypotheses, research questions and underlying assumptions are presented as a Research Framework in Table 1.2.

⁹ By 'household economy' we refer to the economic activity involved in accumulating and decision-making processes in distributing resources within a beneficiary household.

¹⁰ By 'local economy' we refer to economic activity beyond the beneficiary household which is impacted through the production and exchange of goods and services.

¹¹ 'Social networks' in the context of this study refer to risk-sharing arrangements and economic collaboration underpinned by social capital (trust-based reciprocity).

¹² See for example: FAO (2011) 'From Protection to Production: The Role of Social Cash Transfers in Fostering Broad-Based Economic Development', Rome, FAO; Arnold, C *et al.* (2011) Cash Transfers Evidence Paper, Policy Division, London, DFID; Creti, P. (2010) 'The Impact of Cash Transfers on Local markets: A Case Study of Unstructured Markets in Northern Uganda', In-house paper, Cash Learning Partnership (CaLP); Asfaw *et al.* (2012) 'The impact of the Kenya CT-OVC programme on productive activities and labour allocation', unpublished draft paper, FAO, University of North Carolina at Chapel Hill and American University.

Table 1.2 Research framework: hypotheses, research questions and underlying assumptions

Hypotheses	Research Questions	Underlying Assumptions
<p>Household economy, hypothesis 1: The introduction of a small but predictable flow of cash income improves livelihood choices and productive investments, although vulnerable households will be more highly constrained in their decision making on how to use the additional cash.</p>	<ul style="list-style-type: none"> • How and why do beneficiaries make decisions regarding the allocation of additional funds (consume/invest/save)? • How does the additional cash affect beneficiaries' choices of livelihood activities and production strategies? For example, what favours beneficiaries' choices to invest? And their choices to engage or not in labour markets? • What is the effect on detrimental risk-coping strategies, such as distress sales of productive assets, dropping out of school and child labour? Or on other strategies such as migration? • How do beneficiaries' attitudes to risk change as a consequence of a cash transfer? • Do different types of beneficiaries make decisions on how to spend the additional cash in different ways (e.g. male vs female; old vs young)? Why and how? • What are the main constraints (whether linked to networks, physical access, etc.) faced by households in engaging in income-generating activities and how do these influence behaviour and choices? 	<ul style="list-style-type: none"> • Beneficiaries (or caretakers of beneficiaries) are physically and mentally able to use additional funds as working capital. • Beneficiary household demands on the cash transfer for coping and human capital investment (e.g. food, health and education spending) do not completely override livelihood and productive investments. • Beneficiary households have access to and control over sufficient capital (land, labour, credit, social networks, productive assets) with which to make productive use of their cash transfers. • Beneficiary households are not intrinsically risk averse – i.e. they are open to taking greater risks with cash transfers given the opportunity. • Beneficiaries have access to and control over the cash transfer.
<p>Local economy, hypothesis 1: The whole community, including non-beneficiaries, will benefit economically from the injection of cash through multiplier effects on local goods, services and labour markets, although this will be mediated by the political, economic and social context.</p>	<ul style="list-style-type: none"> • What is the perception of community members (including non-beneficiaries), local traders and businesses in terms of: increased opportunities for trade (higher purchases from beneficiary households and opportunities for business creation and/or expansion); increased labour market opportunities; increased demand for a variety of goods and services offered; increased credit worthiness of customers; changing habits; increased competition; and inflation? • How do these changes affect traders in terms of their 	<ul style="list-style-type: none"> • The aggregate injection of cash transfer capital into the local economy is sufficiently high as to make a significant impact on the labour market and economic transactions (determined by aggregate size of transfer as a proportion of the total level of capital circulating in the local economy) • The local economy is sufficiently well connected to external markets for there to be a significant expansion and diversification of production and

	<p>strategies and profits?</p> <ul style="list-style-type: none"> • What local circumstances favour or deter ripple¹³ effects in the community? What effects are triggered by which circumstances and how can positive effects be enhanced? 	exchange activity.
<p>Social networks and economic impacts, hypothesis 1: Cash transfers increase beneficial risk-sharing arrangements and economic collaboration underpinned by social capital (trust-based reciprocity)</p>	<ul style="list-style-type: none"> • What were social networks like before the cash transfer implementation and how did they relate to livelihoods? • How are existing social and support networks affected by the introduction of a targeted cash transfer (including effects on sharing arrangements and disposition of existing networks)? • What is the importance placed upon changing social networks by community members (i.e. is the fact that networks are being affected by the cash transfer considered ‘important’ by people in the community)? How is this traded off against other programme impacts (i.e. do the overall benefits from the injection of cash make up for any negative social effects that may arise)? • Which networks are most affected and why? Which are the strongest¹⁴ networks and why? Are these mostly kin-based? • Does the introduction of cash trigger the creation of new networks? If so, how? Which ones? Is there an increase in networks that extend beyond the reference community? What effect does this have? • What role does jealousy towards programme beneficiaries play? Was there any conflict within the community as a consequence of the programme? 	<ul style="list-style-type: none"> • Existing social networks linked to risk sharing and economic collaboration are sufficiently well established and sustained for there to be an observable positive impact as a result of the cash transfer. • The cash transfer is sufficiently large and predictable to make a substantive difference to existing social networks.
<p>Social networks and economic impacts, hypothesis 2: Changes in social networks linked to cash transfers positively affect the most vulnerable and least powerful people in a community through greater inclusion in decision-making processes (including</p>	<ul style="list-style-type: none"> • How do a beneficiary’s social and economic identity (e.g. age and gender) or status affect their inclusion in community networks and decision-making processes? What about their changing networks after the introduction of a transfer? • What social, economic and political factors influence social dynamics across households when cash transfers are 	<ul style="list-style-type: none"> • Beneficiary households were sufficiently well targeted so as to be among the poorest and most vulnerable in their community. • The poorest/most vulnerable households are more likely to be excluded from (both contribution and non-contribution based) social networks.

¹³ ‘Ripple effects’ is a term used to describe a situation where an effect from an initial state can be followed outwards incrementally. In this case, it refers to how beneficiary behaviour may affect others in the community.

¹⁴ Note here that we refer to resilient networks, i.e. networks that are not eroded by the introduction of cash. This is not necessarily synonymous with the most ‘useful’ or ‘positive’ networks.

<p>through an increased ability to make ‘social contributions’) and increasing their ‘entitlement set’ and livelihood choices</p>	<p>introduced?</p> <ul style="list-style-type: none"> • Are communities with high prevalence of HIV/AIDS and orphans affected differently by the introduction of cash? • What are the community changes in terms of power dynamics?¹⁵ What are the effects on local elites? And on gender relations and bargaining power, within and across households? How does this affect the community as a whole? 	<ul style="list-style-type: none"> • The cash transfer is sufficiently large and predictable to change perceptions/behaviour towards beneficiaries by members of existing social networks. • Beneficiary households are willing and able to change their behaviour in order to ‘enter’ or ‘re-enter’ social networks.
<p>Operational issues, hypothesis 1: Cash transfers can be improved through a better understanding of likely household and local economic impacts.</p>	<ul style="list-style-type: none"> • What is the dynamic between social networks and the programme’s processes (social mobilisation, targeting, registration, payment, communications and grievance mechanisms)? How does this affect the impact and sustainability of different cash and in-kind transfer systems?¹⁶ • How do cash transfers differ from vouchers or food aid in terms of household and local economy effects? • How do programme design and objectives (e.g. OVC, labour-constrained households) affect household level decisions regarding the allocation of additional funds?¹⁷ • How do the amount, frequency, predictability and mode of distribution of payments affect decisions regarding the allocation of additional funds? • How can cash transfer systems be designed to complement and improve/make more inclusive local economic impacts? 	<ul style="list-style-type: none"> • The degree and sustainability of cash transfer impact on households and local economies are mediated by the quality of the design and delivery of the cash transfer programme. • The cash benefit institutional arrangements for delivering and supporting ‘transformative’ change are sufficiently well developed and resourced to be built upon and improved.

¹⁵ “Power dynamics” are defined here as relationships that are characterised by inequalities in access to and control over social, economic and political resources.

¹⁶ To be more sustainable, cash transfers need to be accepted by the community. While not all cash transfers are designed to be sustainable in the long term (see for example emergency cash transfers), some are designed to be or become part of an overall social protection strategy to provide a safety net for the poorest and most vulnerable population groups. In these cases longer term sustainability is an important goal to be achieved.

¹⁷ Evidence shows that cash transfers aimed at specific population groups and declaring this in their title (for example an OVC grant) – even when not accompanied by explicit conditionalities– still achieves hoped-for behavioural change (for example spending money on education rather than business investment).

1.3 Methodology

In this section we summarise the research methodology, including the methods and tools used and the sampling strategy for site selection. For a full description of the research methodology please see the Qualitative Research Guide.¹⁸

1.3.1 Qualitative research methods and participatory tools

The research used two principal qualitative methods of Focus Group Discussions (FGD) and Key Informant Interviews (KII), and also utilised a number of participatory tools that are widely used for group analysis. These tools included social mapping, well-being analysis, livelihood scoring, institutional mapping and proportional piling for income and expenditure analysis. Although each tool was used to explore questions under all four thematic areas, they were prioritised and sequenced to explore certain thematic areas in more depth to take advantage of the purpose for which the tools were designed. For example the income and expenditure analysis was most useful for exploring the household economy questions, and the institutional analysis for the social network questions. In summary:

Social mapping and community well-being analysis were used as a combined option for community poverty profiling, with the following objectives: (i) to understand the characteristics of well-being in the community and perceptions of differences in well-being among the population; (ii) to elicit estimates of the distribution of well-being; (iii) to understand perceptions of the characteristics of the most vulnerable, and CGP beneficiaries, in the community; (iv) to understand perceptions of the targeting effectiveness of the cash transfer; (v) to explore the impact of the CGP on different categories of population; and (vi) to prompt a broader discussion on the four research themes (household economy, local economy, social/economic networks and operational issues). The well-being analysis was also conducted as a standalone tool in other FGDs when appropriate.

Household income and expenditure analysis was used with focus groups of male and female beneficiaries, generating individual data and prompt group analysis with the following objectives: (i) to analyse the sources, size and frequency of household income for individual beneficiaries; (ii) to analyse the distribution of household expenditures for individual beneficiaries; (iii) to probe intra-household economic-based decision-making processes, particularly concerning dimensions of gender; and (iv) to understand the contribution of the CGP to changing income and expenditure distributions and behaviour among beneficiaries.

Institutional mapping (Venn diagramming) was used with beneficiary and non-beneficiary groups with the following objectives: (i) to understand the importance and value attached by CGP beneficiaries and non-beneficiaries to key institutions in their community; (ii) to understand the nature and significance of social connectedness/exclusion among beneficiaries and non-beneficiaries in their communities; and (iii) to understand the impact of CGP on beneficiaries' perceptions of access and connectedness to these institutions.

¹⁸ OPM-FAO (2012) *Qualitative research and analyses of the economic impacts of cash transfer programmes in Sub Saharan Africa: A research guide prepared for the From Protection to Production project*, Oxford, Oxford Policy Management, October

Livelihood analysis was conducted primarily with non-beneficiaries: (i) to understand the range and value of different livelihoods within the community; and (ii) to analyse the effects of the CGP on the local economy (including changes in markets, prices and employment). In addition, several in-depth household case studies and KIIs were undertaken by the research team and incorporated in the report.

1.3.2 Application of participatory tools in field

The decision on which participatory tools to use and with whom were based on (i) ensuring that the analysis of (directly and indirectly) impacted community members were represented in the research study, including male and female beneficiaries and non-beneficiaries, and (ii) ensuring that all research hypotheses and questions were addressed during the period of research in any given community.

In general, the social mapping and well-being analysis tools were used with key informants, including community leaders and representatives from the VACs, village health workers, teachers and sometimes businessmen when available.

The household income and expenditure analysis tool was used with groups of female and male beneficiaries in order to assess patterns and trends of income and expenditure decision-making and to analyse the impact of the cash transfer on these decisions. The institutional mapping (Venn diagramming) was also generally conducted with groups of beneficiaries in order to elicit their perception of their relationship with community institutions and how this had been impacted. Given the time constraints this tool was generally utilised with female beneficiaries as they represented the majority of beneficiaries in each village.

Livelihoods matrix analysis was mainly conducted with non-beneficiaries (male and female) in order to understand the indirect impacts of the cash transfer on livelihoods behaviour and to elicit their perceptions regarding the impact of the cash transfer on local economic activity.

Although these tools were implemented in a relatively standardised format, there was a necessary degree of flexibility built in to the daily schedule. Hence the decision on which tool to use was determined by the information was captured at the end of each day and where further research was required to test the research hypotheses. For example, if there were issues around targeting that had not been explained with sufficient clarity through key informant interviewing, then the community well-being analysis was deliberately used as a means of exploring this issue in more detail.

In addition to the abovementioned factors, selection of male and female beneficiaries and non-beneficiary groups were also determined by the number of male and female beneficiaries actually available. There were generally fewer male beneficiaries in each village.

1.3.3 Sampling strategy

The sampling strategy for this study follows the methodology established for all country case studies to strengthen potential for comparative analysis and validity and reduce biases across countries. The sampling strategy involves a three-staged hierarchical approach (summarised in Table 1.3) of selecting districts, followed by sampling CCs and then selecting villages within it. Additionally, the sampling strategy involved stratifying and sampling focus group participants within selected villages.

TABLE 1.3 Field work sampling hierarchy

Districts	Community Councils	Villages
Mafeteng Relatively high poverty; located in south of country. Main livelihoods include mining, construction and domestic work in South Africa, agriculture (mostly subsistence), livestock rearing and sale of wool and mohair, petty trading and casual work (known as “piecemeal” or <i>scoropo</i>), and public works programmes.	Metsi-Maholo – Lowlands close to South African border and closer to the district capital (approximately 30-35 km).	Selection based on number of available (those not sampled under the quantitative survey) beneficiaries in each village. Comparison community – Ha Fako.
	Malakeng – Foothills and further away from the district capital (approximately 55-60 km)	Selection based on number of available beneficiaries in each village. Comparison community – Ha Tebelo.
Leribe Marginally lower proxy indicators of poverty; located in northeast of the country. Main livelihoods include mining, construction and domestic work in South Africa, jobs in the factories in Mapotsoe (the second-biggest industrial site in Lesotho), agriculture (mostly subsistence), livestock rearing and sale of wool and mohair, petty trading and casual work (known as “piece-meal” or <i>scoropo</i>), and public works programmes.	Litjotjela – Close to the district capital (within 10 km radius) and accessible.	Selection based on number of beneficiaries in each village. Comparison community – Boshuela.
	Malaoaneng – Foothills and further away from the district capital (approximately 35-40 km).	Selection based on number of beneficiaries in each village. Comparison community – Ha Ratulo.

Phase 2 of the CGP programme operates in five of the 10 districts of Lesotho. All Phase 2 districts are being tracked by a longitudinal quantitative survey. Within each district two CCs were targeted by the programme and within each CC, villages were grouped into clusters that were subsequently divided into treatment and comparison clusters, to enable a statistically rigorous impact evaluation of the programme. The first level of selection for this study was the districts. The study initially aimed to undertake research in the two districts of Berea and Qacha’s Nek. This was based on the 2009 living conditions survey that found Qacha’s Nek to have the highest ratio of food consumption to total expenditure and Berea the lowest – with the exception of Maseru (the country capital district). However, low levels of available beneficiaries¹⁹ per CC, and the operational challenges of conducting parallel research in each of the CCs, rendered these districts unfeasible to operate in. To maintain as much variety as possible, and following consultations with the Ministry of Social Development, the two districts of Mafeteng and Leribe were selected. Mafeteng district is located in the south of the country and Leribe district in the far north (see sections 2.2 and 2.3 for livelihoods and poverty characteristics).

The second level of sampling for this research was at the CC level. The general sampling strategy applied to all countries thus far dictates the selection of two CCs (or equivalent), one with a more integrated market base and the other further away from the main markets. However, as per design of the programme in Lesotho, only two CCs were selected for the CGP intervention and this study therefore undertook research in both of these councils.

¹⁹ A number of beneficiaries in most of the communities are respondents in the quantitative survey looking at programme impact. This study was requested not to interview these individuals in order to avoid potentially affecting their responses in the follow-up survey in June and July 2013.

Within each CC the team selected those villages with a sufficient number of available beneficiaries to conduct research.

In addition to the above, the sampling strategy in Lesotho differs from the strategy outlined in the methodological research guide in the following notable ways:

1. The sampling strategy requires one of the sample regions (districts, in the case of Lesotho) to be “covered by the longitudinal quantitative survey of the programme so that the research team can test and deepen analysis of the trends emerging from the longitudinal quantitative data”. However, in Lesotho, all the districts and CCs in Phase 2 of the programme are under the longitudinal quantitative survey, thus making this consideration irrelevant to this country case study. Moreover, in order not to ‘contaminate’ the quantitative follow-up survey, this research excluded all beneficiaries who were meant to be interviewed as part of the quantitative survey. The remaining beneficiaries provided the sample frame from which communities and beneficiaries within it were randomly sampled for the FGDs and KIIs.
2. Within each of the two CCs, villages were grouped into a number of clusters that were divided into treatment and control groups for the longitudinal quantitative study and this was built into the design of the programme. This study selected one control village within each of the CCs as a comparison group. This is different from the other countries where only one comparison community was selected (and where both research sub-teams conducted research simultaneously). The available NISSA which collected information for all the households in the entire CC provided an excellent opportunity to identify a more meaningful comparison village and comparison group of beneficiaries than has been possible so far in other countries.
3. The low number of beneficiaries per village dictated the need to conduct research in different villages within the CC. This led to the selection of two to three villages with a sufficient number of beneficiaries for each CC. The villages within these ‘clusters, were not located sufficiently close to each other to enable a community debriefing at the end of the research in each CC. As a result community debriefings were only conducted in one of the four CCs.

The remainder of this section describes the entire sampling process.

Sampling of Districts

The study aimed to select two contrasting districts for the purpose of this research. One research site was selected to represent a food secure site with lower poverty levels as a proxy based on lower percentages of food consumption expenditure as a percentage of total household expenditure. The other site aimed to select a more food-insecure district with higher poverty levels. As per the research protocol in other countries, the District of Maseru was excluded from this study due to its urbanised nature.²⁰

²⁰ Note: one of the two community councils receiving the CGP in Maseru is Makheka/Rapoleboea, which is in the highlands but with a small number of beneficiaries.

Of the remaining four districts, Mafeteng and Leribe were selected for this research. In Leribe consumables accounted for 57 percent of total household expenditure and in Mafeteng this stood at 66 percent (Continuous Multipurpose Survey 2009).^{21 22}

Sampling of Community Councils

As noted above under Phase 2, CGP only operates in two CCs in each of its five targeted districts. Therefore the selection of two CCs was automatically done through the design of the programme, rendering the general sampling strategy redundant in this case.

Nevertheless one of each of the CCs is further away from the district capital than the other, making one CC less integrated with the major hub in the district than the other, thus aligning with the intended sampling methodology (see Table 1.3 above).

Stratifying and sampling within Community Councils and villages

Within each CC, the research team selected a number of villages. The villages were first stratified based on the number of the beneficiaries and the villages with fewer than 10 available beneficiaries excluded. Following on from this, two to three villages with sufficient numbers of beneficiaries were selected for the purpose of this research. Within each CC the agreed sampling methodology specified a minimum of four standardised categories of focus group respondents with whom to hold discussions: these were male and female beneficiaries and male and female non-beneficiaries. Focus group discussions were held with between five to eight participants. Additional respondents for focus group discussions and key informant interviews were identified through community poverty profile analysis (comprising social mapping and/or community well-being analysis participatory tools), random sampling through the NISSA and by 'snowball sampling' through referral from focus group discussions and key informant interviews. In addition, a number of purposive in-depth interviews were conducted with key resource persons and informants, including individuals from beneficiary households, school teachers, Chiefs and shopkeepers.

The beneficiaries and non-beneficiaries participating in the research within each CC and the villages were randomly selected from the NISSA list provided by the Department of Social Welfare (DSW). This is meant to be a complete list of households registered in the each of the villages.

Comparison (control) communities

As noted earlier, the CC villages were grouped into a number of clusters and divided into treatment and control groups for the longitudinal quantitative study design. This study selected one control village within each of the CCs as a comparison group. This village was selected based on proximity to other treatment villages and where sufficient beneficiaries were available.

²¹ Note that Qacha's Nek, the district with the highest expenditure on consumables as a percentage of total expenditure (77 percent), had to be excluded due to insufficient number of beneficiaries for the purpose of this study and impracticable logistics. The study design entails parallel research in two separate community councils; this would not have been possible in this district due to distance between councils and the terrain.

²² Note that subsequent to this research more updated information on this indicator has become available and is reported in the section under 'District Context'.

In the control communities the programme went through the same process of selection and enrolment as with the treatment communities. The only difference was that the control communities were not receiving any payments. This enabled the research team to select 'control' (pseudo) beneficiaries randomly through the NISSA. As above, a number of in-depth interviews were also conducted in the control areas. In these areas the research team applied the household income and expenditure and livelihoods matrix analysis to a group of female and male participants.

Research team training, piloting and deployment

A six-day training workshop was held at the offices of Sechaba Consultants in Maseru from 15 to 20 May.²³ The workshop delivered training on the CGP programme, principles and concepts of participatory qualitative research, the research methodology, the guide and tools. The research roadmap was introduced and discussed. The research team was briefed on the programme design and implementation by the CGP programme manager.

The team was then introduced to data collection and organisation approaches and templates, geared to help systematic recording and analysis of qualitative data. Researchers were encouraged to organise the data collected in the field according to the four research themes. This facilitated an efficient daily debriefing process. The structured way of organising the data both kept researchers focused on answering the key research questions while also revealing research gaps to follow up on in the field.

The researchers were also briefed on the procedure for negotiating community entry, obtaining consent, and eliciting beneficiary lists, respect and confidentiality. The importance of stressing the research team's independence was also emphasised.

A pilot session was held in Qiloane CC of Maseru District, a nearby CGP beneficiary district, to practice tools and initiate implementation of the research process and methodology, including FGD facilitation, best use of tools and to get a hands-on understanding of the research. The pilot also gave the team first-hand experience of some of the logistical challenges expected in the field. Qiloane CC was selected based on its proximity to Maseru.

Five days of fieldwork time were allocated per district. In each district, the team split into two sub-teams to each cover one CC where the CGP was implemented for four days. On the fifth and final day of fieldwork, each sub-team went to a selected comparison community within the Community Council. At the end of each day of fieldwork, the whole research team participated in a debriefing session to reflect collectively and discuss their findings, analyses and working hypotheses from the day's fieldwork. At the end of fieldwork, each team had an additional day to document all the findings from the tools to ensure no information was lost.

Qualifications

This study was not a formal quantitative impact evaluation of the CGP on money-metric poverty indicators but, rather, a qualitative analysis undertaken with the aim of better

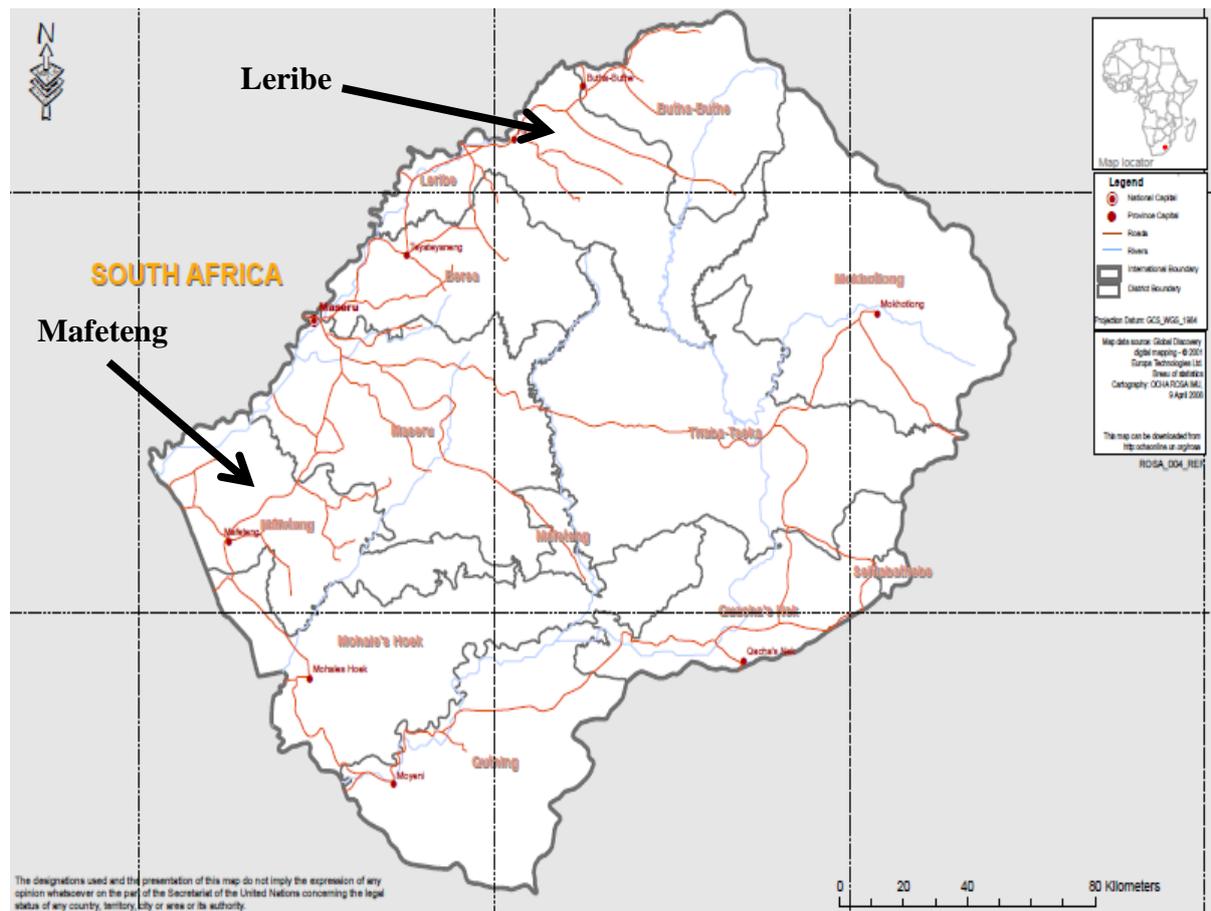
²³ One additional day was added to the normal five-day training period to further deepen understanding of the research themes and gain confidence among the researchers.

understanding the impact of the CGP transfers in three interrelated areas: household economy, local economy and social networks.

The qualitative research carried out captures the views and perceptions of community members on the impact of the CGP in these interrelated areas in four Community Councils across two districts. Whilst the information gained from the fieldwork has been triangulated, including through a review of programme documentation and KIIs with staff at the district level and findings from the baseline quantitative survey, it is not statistically representative of the entire CGP programme. These findings provide: (i) detailed and internally valid cause-effect insights into how the CGP is operating and impacting in these sampled research communities; (ii) strong indications as to how the programme is operating and impacting in the targeted Community Councils within which the sampled wards are based; and (iii) indications as to the more general impact of the programme at a national level.

Finally, some of the potential impacts of the CGP alone will have been affected by many beneficiaries receiving four bi-monthly (October 2012–April 2013) top-up payments of M400 that were specifically intended for food security and the purchase of agricultural inputs provided with support from other donors. Moreover, the CGP has, since April 2013, indexed linked payments to household size which, whilst still recent, is likely to affect the impacts of the transfer and most likely the findings of research that was conducted soon after payments made under this new structure.

2. District and Community Profiles



2.1 Food security and livelihoods in Lesotho

Livelihoods/ecological zones in Lesotho

Lesotho consists of five main ecological zones comprising mountains, foothills (northern and southern), lowlands and the Senqu River Valley and characterised as follows:²⁴

Lowlands (northern and southern regions) cover 17 percent of the country's total land area. The topography is flat to gently rolling hills; the climate in the north is moist and soils sandy-textured and red to brown. The soil is clayey in the south where the climate is also moderately dry. The main crops are maize, wheat, beans and vegetables. The major risks include parching sun, harsh winters, winds, hail, periodic droughts and high soil erosion.

Foothills cover 15 percent of the country's total land area. This is the area between the lowlands and the mountains. Here there is rich alluvial soil along the valleys and thick rock on the slopes. The climate is moist and sheltered and the main crops include maize, wheat, peas, fodder crops and potatoes. The main risks in this area are floods and high soil erosion.

²⁴ *Local Governance & Non-state Actors Support Programme* (2009), *Leribe Information Book* (p. 22), and Lesotho Meteorological Services: <http://www.lesmet.org.ls/cimatology/climate-lesotho>.

Mountains cover 59 percent of the entire land area of the country. The topography is very steep with bare rock outcrops and gently rolling valleys. The soil is characterised as fragile, and has thin horizons of black loam except in valley bottoms. The climate is cold and with high risk of frost, snow, hail and high soil erosion. The main crops include maize, wheat, peas and potatoes. Livestock rearing is particularly prominent in this mountain zone.

The Senqu River Valley covers 9 percent of the total surface area and forms a narrow strip of land that flanks the banks of the Senqu River through to the river's tributaries in the highlands. The climate is dry and the soil quality varies from rich to very poor and is noted as one of the most unproductive regions of the country. The main risks in this area are severe drought and moderate soil erosion.

Opportunities for sustainable agriculture are limited across all of the agro-ecological zones. Overall, only 9 percent of total area in Lesotho is deemed suitable for arable cultivation, having fallen by more than 10 percent between 1996 and 2006.²⁵

Remittances, combined with subsistence agriculture, provide the backbone of livelihoods across the five major livelihood zones mentioned above, although with variation in type and level of crop production and livestock rearing. Conventionally the mountainous areas in Lesotho are meant to be the poorest in the country; however, the preliminary findings from the 2010 Household Income and Expenditure Survey suggest headcount poverty to be most prevalent in rural foothills²⁶ (Table 2.1).

TABLE 2.1 Poverty Indicators by Geographical Zone

Geographic Zone	Headcount Poverty (2010/11)	Estimated Number of Extreme Poor ^{a/}	Estimated "Very Poor" Population (2011 LVAC) ^{b/}	Mean Annual 2009 HH Expenditure ^{c/}
Urban	0.18	76,300	n.a.	20,131
Rural Lowland	0.38	278,300	122,414	13,964
Rural Foothills	0.42	105,500	46,011	7,210
Rural Mountain	0.35	147,500	36,365	11,167
Senqu River Valley	0.32	30,100	25,467	10,815

Notes: a/ Author's calculations based on rough approximation of current population of 1.9 million, and preliminary estimates of the 2010/11 HIES food poverty headcount ratios and population distribution as given in World Bank 2010b, Table A2.5 p.206. b/ LVAC/DMA (2011), p.7-8; c/ Data from 2009 CWMS in BoS (2010b), Table p.5.4, p.34. d/ 0.17 in Maseru; 0.25 in other urban areas.

Source: World Bank (2013)

In general, evidence does not suggest significant variation in poverty level across administrative boundaries that are the geographical basis for selection of research sites for this study. Moreover, both research districts contain lowlands, foothills and mountain livelihood zones.

²⁵ Government of Lesotho (2012), *National Strategic Development Plan 2012/13-2016/17: Growth and Development Strategic Framework*, March.

²⁶ World Bank (2013), *Lesotho: A Safety Net to End Extreme Poverty*, Washington D.C., (No date).

Food security in Lesotho

To understand food security in Lesotho it is imperative to understand Lesotho's historical ability to produce grain and provide for itself. During the 1870s, and despite reductions in its territories, Lesotho was a wealthy net exporter of grain to the diamond mines in Kimberly (in South Africa) and later on to the gold mines in Witwatersrand (near Pretoria). This was to a large extent because of the introduction of steel ploughs drawn by oxen and overseen by men instead of traditional small-scale farming by hand and hoe. However, from this period onwards agricultural prosperity in Lesotho declined and since the 1920s Lesotho has been a net importer of food. This decline is attributed to a number of reasons, including a reduction in demand for grain from Lesotho due to cheap imports from North America and Australia, a restricted territorial base of the country resulting in severe soil erosion and overgrazing due to increased population density, combined with unfavourable policies by the South African Government. During the 1930s there was a mass exodus to South Africa, with Lesotho thus becoming a labour reserve for that country from then onwards.²⁷

Since the early 20th century the mainstay of the rural economy and its main sources of livelihoods have been outside of the agricultural sector and largely based on remittances from mine workers and labourers both outside and within the country. Gross National Income (GNI) in Lesotho – that is, the sum of what has been produced domestically (Gross Domestic Product or GDP) and primary income from the rest of the world, which are largely remittances from outside Lesotho – is on average 25 percent higher than the GDP, thus reflecting the significance of remittances for the country's economy. In 2010 the GDP at current prices stood at M15.9 billion as compared to a GNI of M19.8 billion.²⁸

Agriculture is not deemed a sustainable solution to development challenges owing to unfavourable natural conditions (soil erosion) and poor economic returns.²⁹ Therefore likely solutions to food security are expected to lie largely outside the domain of agriculture.³⁰ Correspondingly the contribution of agriculture to the country's GDP has declined significantly during the second half of the century, contributing to only 7.7 percent of total GDP in 2010. Moreover, only 2.3 percent of GDP is derived from growing of crops and horticulture.³¹

The 2013 food security and vulnerability monitoring report estimated that 40 percent of the population needed humanitarian assistance, with poor and very poor households being unable to meet between 17 and 55 percent of their total food requirements and minimum non-staple requirements such as salt, soap, kerosene, etc. This situation was deemed worst in the mountains but significantly better in the southern lowlands³². The latest monitoring reports suggest that the harvests in 2013 will be lower than average for a third year in a row with reductions in the area cultivated because of the late arrival of rains.³³

²⁷ Gill, S (1993) *A Short History of Lesotho: From the Late Stone Age until the 1993 Elections*. Morija Museum & Archives.

²⁸ Bureau of Statistics (2011), *Statistical reports: national accounts of Lesotho 2001-2010*.

²⁹ As stated in the *Poverty Reduction Strategy Paper* in 2005 "agriculture is often uneconomical while production is inadequate".

³⁰ Turner, S. D (2009) *Promoting food security in Lesotho: issues and options*. April.

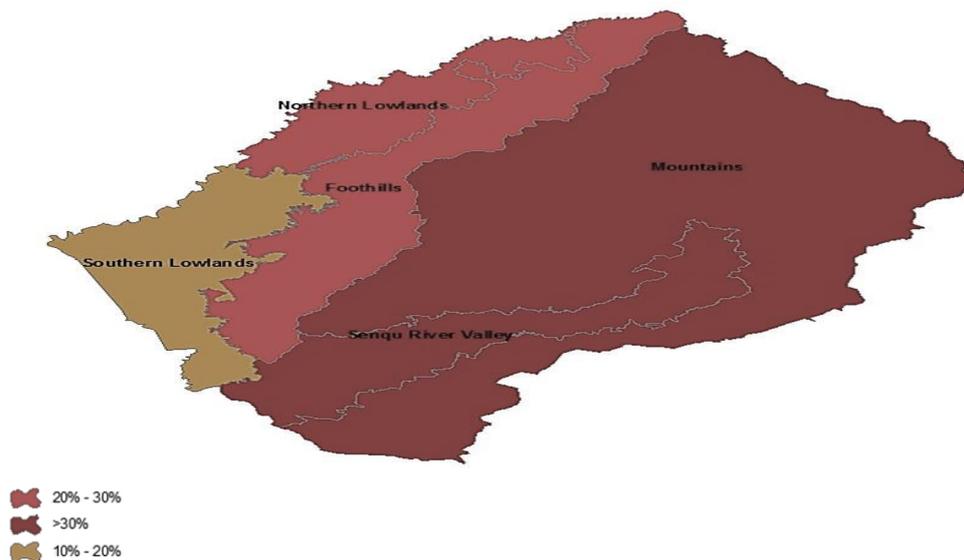
³¹ Bureau of Statistics (2011), *Statistical reports: national accounts of Lesotho 2001-2010*.

³² Disaster Management Authority (2012) *Lesotho Food Security and Vulnerability Monitoring Report*. September.

³³ Famine Early Warning Systems Network (2013) *Lesotho remote monitoring update*. January.

The increase in fallow land due to less cultivation is likely to reduce casual labour activities related to the intense periods of agricultural seasons such as weeding and harvesting, thus affecting household livelihood opportunities.

Figure 2.1 Vulnerability in the five livelihood zones of Lesotho measured by percentage of entitlement deficit among very poor and poorest



Source: Lesotho Vulnerability Assessment (2012).

Below, we provide summary profile tables of the districts (Table 2.2) and community councils (Table 2.3) where the research was conducted, followed by more detailed narrative on each of the locations.

TABLE 2.2 District profile summary

Dist rict	Mafeteng	Leribe
Population*	192,977	298,352
Language	Sesotho and English	Sesotho and English
Dominant religion	Christianity	Christianity
Mean food consumption as percentage of total household consumption[^]	67.3	65.3
Percentage of economic active population employed[^]	85.1	73.2
CGP beneficiaries**	700	391

Basic agro-physical context	<p>Contains the three ecological zones of lowlands, foothills and mountains.</p> <p>Quality of soil higher in lowlands and lowest in the mountains with shallow soil depth.</p>	<p>Contains the three ecological zones of lowlands, foothills and mountains.</p> <p>Only 17 percent of total land area is deemed arable, but is declining further because of soil erosion and land degradation.</p> <p>Some regions of Leribe have deep permeable soils with good potential for agriculture, but only 30 percent of food requirement is produced by the district.</p>
Main livelihood activity	<p>Mining, construction and domestic work in South Africa, agriculture (mostly subsistence), livestock rearing and sale of wool and mohair, petty trading and casual work (known as “piecemeal” or “<i>scoropo</i>”), and public works programmes.</p> <p>Domestic work done mainly by women</p>	<p>Mining, construction and domestic work in South Africa, jobs in factories in Mapotsoe (the second-biggest industrial site in Lesotho), agriculture (mostly subsistence), livestock rearing and sale of wool and mohair, petty trading and casual work (known as “piecemeal” or “<i>scoropo</i>”), and public works programmes.</p> <p>Domestic work and factory work done mainly by women</p>
Infrastructure, public services and institutions	<p>One hospital and 23 health centres.</p> <p>16 primary schools, 22 secondary schools and 96 high schools.</p> <p>Additionally there are 11 other training schools. There are also 122 initiation schools (traditional schools attended mostly by men during adolescence and where entrants are circumcised).</p>	<p>Two hospitals and 34 primary health centres.</p> <p>196 primary schools, 33 secondary and 39 high schools. Additionally there are four vocational schools.</p> <p>Two tarred roads, 355.3 km of gravel road and 329 km of earth road. Other travel networks include bridleways and footpaths.</p>
Basic governance-leadership structure	<p>The district operates under local government administration and traditional chieftainship. The traditional chieftainship includes principle chiefs, gazette chiefs (those recognised by the statute and salaried) and other customary chiefs and headmen.</p> <p>The district is headed by the District Council formed by government officials and two members nominated by each community council and two gazette chiefs from the district.</p> <p>The district contains seven community councils and one urban council.</p> <p>Each community council consists of a minimum of nine and a maximum of 15 members, including two gazette chiefs nominated by community council area chiefs.</p> <p>One-third of the seats are meant to be reserved for women.</p>	<p>The district operates under local government administration and traditional chieftainship. The traditional chieftainship includes principle chiefs, gazette chief (those recognised by the statute and salaried) and other customary chiefs and headmen.</p> <p>The district is headed by the District Council formed by government officials and two members nominated by each community council and two gazette chiefs from the district.</p> <p>The district contains 11 community councils and two urban councils.</p> <p>Each community council consists of a minimum of nine and a maximum of 15 members, including two gazette chiefs nominated by the community council area chiefs.</p> <p>During the first community council office (2005-2010), 54 percent of the councillors were women.</p> <p>One-third of the seats are meant to be reserved for women.</p>
Socio-cultural characteristics***	<p>The Basotho society is patriarchal. However, women are increasingly taking roles in public decision making as noted in the representation in District and Community Council membership in Leribe.</p> <p>Moreover, women have become the main <i>de facto</i> decision makers in their households whether as heads of households (widowed) or owing to the absence of husbands who often seek employment in South Africa.</p> <p>Inheritance is patrilineal and, once married, the woman moves to her husband’s</p>	

	<p>household and community.</p> <p>HIV prevalence is high among the entire population but higher among women as compared to men.</p> <p>Customary traditions of reciprocal practices remain but are weakening. These include:</p> <ul style="list-style-type: none"> • Assistance from neighbours and relatives (<i>ho sobelana</i>) • Sharing and borrowing animals (<i>mafisa</i>) • Communal work parties, especially those organised by the chief (<i>matsema</i>) <p>Other cultural characteristics include payment by the family of the bridegroom to the bride's family in the form of cattle (bride wealth, <i>bohali</i>), initiation ceremonies for men and woman that mark the transition from youth to adulthood, including circumcision (<i>lebollo</i>) and contributions by community members towards funerals of individuals.</p>
<p>*2006 Population and Housing Report</p> <p>^ Bureau of Statistics (2013), <i>Continuous Multi-Purpose Survey: 3rd Quarter 2011/2012 Statistics Report</i>.</p> <p>**based on NISSA List</p> <p>*** Gill, S (1993), <i>A short History of Lesotho: From the Late Stone Age until the 1993 Elections</i>, Morija Museum & Archives.</p>	

Table 2.3 Community Council profile summary

Research communities	Mafeteng District		Leribe District	
	Metsi-Maholo	Malakeng	Litjotjela	Malaoaneng
Market access	Lowlands close to South African border and closer to district capital (approximately 30-35 km). Low concentration of shops in community council but closer to district capital.	Foothills and further away from district capital (approximately 55-60 km). Higher concentration of shops in Malealea due to tourism but still rural.	Close to the district capital (within 10 km radius) and accessible. Very close to district capital and big markets.	Foothills and further away from the district capital (approximately 35-40 km). Small number of grocery shops concentrated in same area.
Total Population	21,480	8,372	21,283	15,943
CGP beneficiary households*	407	293	248	143
Main livelihoods	Farming and horticulture either in own farm or as casual labour.		Farming and horticulture either in own farm or as casual labour; livestock rearing.	
Infra-structure, public services and institutions	Three Government clinics and one private clinic. 17 primary schools, and four high schools and one other training school. There are no secondary schools. 22 villages have no access to roads.	One private clinic. Eight primary schools. Two secondary schools and one other school. There are no high schools.	One Government health centre and one operated by the private sector. 10 primary schools, three secondary schools and one high school. 34 villages have no access to roads.	Only one health centre operated by the Government. Four primary schools and one secondary school.
* Based on NISSA List				

2.2 Leribe District

District context³⁴

Leribe is second-largest district in the country, situated in the north. It has a population of 298,352 and a population density of 106 people per square kilometres. The population of the district has declined by 1.4 percent over a 10-year period. Over 42,000 people worked outside of the district, of which 54 percent were residing and working in South Africa.

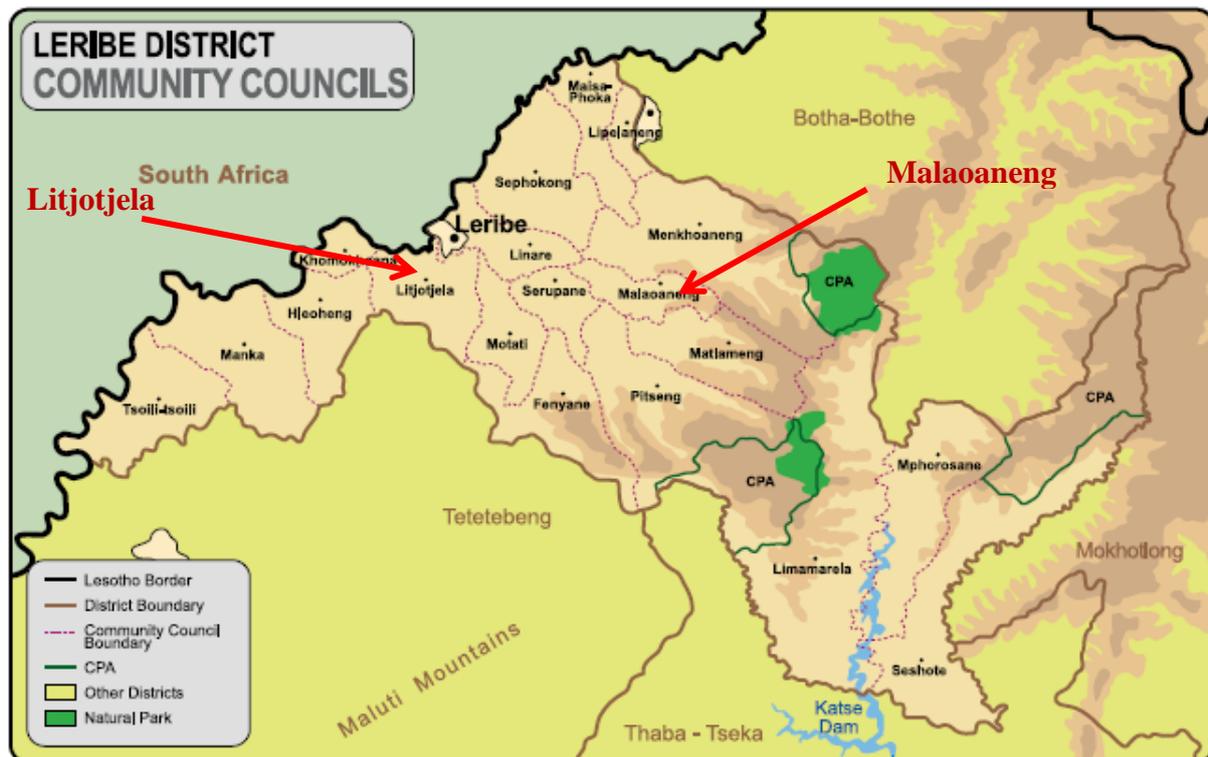
The district operates under local government administration and traditional chieftainship. The traditional chieftainship includes principle chiefs, gazette chiefs (those recognised by the statute and provided with salaries) and other customary chiefs and headmen. The district is headed by the District Council formed by government officials and two members nominated by each Community Council and two gazette chiefs from the district. The district contains 11 CCs and two urban councils. Each CC consists of a minimum of nine and a maximum of 15 members, including two gazette chiefs nominated by the CC area chiefs.

The main livelihoods in the district include remittances from work in South Africa (mainly mining, construction, seasonal agriculture and domestic work), factory work (mainly female), agriculture (mostly subsistence), livestock rearing (including sale of wool and mohair), petty trading and piecemeal jobs. Some members of the community are also engaged in public works programmes “*fato fato*”. Previously, a large number of people were engaged in activities associated with the Lesotho Highlands Water Project (LHWP) that included the construction of dams and road infrastructure in the district. A second phase of the project is currently under negotiation with South Africa.

The district covers the three ecological zones of lowlands, foothills and mountains. The possibilities for agriculture are deemed limited, with only around 17 percent of the total land area being arable. The lowlands are situated in the western part of the district and form part of the South African Highveld. The mountain zones are mainly in the east of the district and the foothills in between these two zones. The average rainfall in the district ranges between 500 mm and 800 mm per year.

³⁴ This section draws extensively from: *Local Governance & Non-state Actors Support Programme* (2009), Leribe Information Book.

Figure 2.2 Leribe District and Community Council Map



Source: *Local Governance & Non-state Actors Support Programme* (2009), *Leribe Information Book*.

Although Leribe is considered one of the main agricultural production zones of the country, it produces only around 30 percent of its total food requirements, with the remainder imported from regional markets (i.e. South Africa). Agriculture is not financially viable in most parts of Lesotho and traditionally households subsidised their agricultural activities through income from remittances with little attention to costs of production. Within this district 61 percent of total expenditures were allocated to consumables including food and non-food essentials. This is significantly higher than the ratios in the adjoining districts, especially Berea, suggesting lower levels of welfare.³⁵ The average size of agricultural plots in the district is 5.6 hectares.

Most of the agriculture is subsistence in nature with saved seeds, animal traction and manure forming the main inputs for production. The main crops produced are maize, sorghum and beans. Some households in the highlands and foothills also grow potatoes. The majority of households in Leribe own livestock, with the highest percentage of cattle, sheep and goats situated in the highlands.

Leribe has the highest rate of HIV/AIDS prevalence in Lesotho with 25.5 percent but this disproportionately affects young people (20-45 years of age) in urban areas. There are two district hospitals and 34 health centres in Leribe, of which 24 are privately owned by the Christian Health Association of Lesotho (CHAL). Primary health care in Lesotho is free.

³⁵ CMS (2011), *Living conditions in Lesotho 2011, Results from the first round of the new Continuous Multipurpose Survey*, Bureau of Statistics, Maseru.

Schooling infrastructure in the district includes 196 primary schools, 33 secondary and 39 high schools. Additionally there are four vocational schools. Some 22 percent of the country's total secondary schools are located within this district.³⁶

The road network in the district is limited. It is served by two tarred roads, one being the country's main artery road connecting the south to the northeast and the other linking the district capital to Katse dam. There are two stretches of all-weather road and the remaining roads in the district consist of single- or double-lane gravel roads, tracks and bridleways. In total there is 355.3 km of gravel roads and 329 km of earth roads.

Community Council context

The research was conducted in the two CCs of Malaoaneng³⁷ and Litjjetjela.

Malaoaneng Community Council

Malaoaneng CC consists of nine electoral divisions and 55 villages. Forty-two of these villages have no access to roads and the longest distance to a good road is approximately 6.8 km. The longest time needed to reach potable water in this council is 90 minutes; however, it is not clear what proportion of villages lie within this radius.

The council is situated in the foothills and approximately 35-40 km away from the district capital. The council has one government health centre, four primary schools, one lower secondary school but no high schools.

The council has a total population of 15,943 people. Twenty-nine percent of the households are reportedly headed by females and 5 percent by children. The average number of people per household stands at five and the average size of an agricultural plot is 10 hectares.

According to the district council profile in 2009, 22 percent of the population of this Community Council lived on less than M10 (USD 1) a day (M300 or USD 30 monthly). A well-being analysis carried out with community leaders³⁸ indicated that half of the population was very poor and often supported by others in the community for food and clothes. This population group was further characterised as having few or no animals, eating two meals a day, not working or sometimes engaged in casual work and having large households and/or double orphans. The better off in the community were perceived to be those working in the mines, with large flocks/herds of animals and big houses, whose children were educated in the district capital, and who were able to eat three meals a day. The middle class in the communities were characterised as those working as farmers, domestic workers, construction workers, factory workers and those engaged in casual work, particularly weeding and harvesting. They were also perceived as living in mixed types of houses (big and small), those who sent their children to the local primary school and had three meals a day (see Table

³⁶ Primary school attendance is mandatory by law and free and thus the net enrolment rates were around 72 percent for males and 75 percent for females for period 2008-2011. Secondary school enrolment rates are significantly lower at around 23 percent for males and 37 percent for females (http://www.unicef.org/infobycountry/lesotho_statistics.html).

³⁷ The Community Council of Malaoaneng has now changed to Maoa mafubelu Lipetu. For the purposes of this study, and given the availability of existing information, we use information for the old Malaoaneng Community Council.

³⁸ The well-being analysis was undertaken at village level and is only indicative of CC level well-being.

2.4.)

Table 2.4 Community wellbeing analysis, conducted by a group of key informants, Malaoaneng Community Council, Leribe District

Wealth category	Slightly better off	Middle class (farmers)	The poorest of the poor	Beneficiaries
Percentage of population (percent)*	15	35	50	46
Within CGP Programme	None	One-third	Two-thirds	
Characteristics	All of them are miners. They have big houses and they have animals (one has up to 30 goats). Their children go to school in Hlotse. They still go to the local clinic. They have fields (covering a maximum of 0.8 hectares). Some of them run convenience shops. They have fewer children (up to 4) and have three meals a day.	Some have animals but less than those in the slightly better-off category. But they do not have money because they are not working. Mixed types of houses (big and small). Their fields are 2-6 0.8-2.4 hectares. They go to the local clinic for medical attention. They have more children (up to 8). They work as domestic workers, contractors and farmers, and also in public works (<i>fato fato</i>) projects and factories. They do harvesting and weeding. They still have three meals a day. Children attend local schools.	Supported by others in the community for food and clothes. They are not working. Their fields are small (0.4-0.8 hectares). They engage in sharecropping and have no animals. They have double orphans, and up to 6 children. They do public works (<i>fato fato</i>). They do harvesting and weeding as piecemeal jobs. They have two meals a day. Sometimes they sell <i>morobei</i> (wild fruit) which costs M20 for 20 litres.	They have the same characteristics as the poorest of the poor.

Notes: *The percentage of population in each wealth category is based on a proportional pilling exercise where key informants were asked to allocate 100 stones representing the entire ward across the different wealth categories.

The main livelihoods in the council are similar to those in the rest of the district: subsistence agriculture, vegetable gardening, casual labour and local brewing. A small proportion of the population are also engaged in mining and domestic work in South Africa and a very few in formal employment. Livelihoods analysis with a group of male non-beneficiaries in the councils also typifies the division of livelihoods by gender, with over three-quarters of those engaged in agriculture-related casual work (e.g. weeding and harvesting) being female. Domestic work and homebrewing were entirely the prerogative of women, while mining was the domain of men who also dominated subsistence agriculture (see Table 2.5).

TABLE 2.5 Livelihoods analysis conducted with a group of male non-beneficiaries, Malaoaneng Community Council, Leribe District

Livelihoods	percent employed in whole community (of which female)	Income/sales (e.g. per year/month/day)	Reliability (Score 1-4; 1=high)	Overall Preference (Score 1-4; 1=high)
Farmers	21 (4)	M200 monthly	3 – Owing to weather conditions they do not harvest as much food and do not have funds for ploughing.	1 – It is something that they cannot live without even though the harvest may not always come; it is a hit-and-miss livelihood.
Gardening	14 (6)	M300 monthly	1 – They do not buy seeds all the time but can reuse the seeds they already have.	1 – They sell the vegetables; they can manage for a year without buying seeds.
Mining	5	M10 000 monthly	1 – They are paid a monthly salary, receive compensation if they are injuries, pension funds and a provident fund.	1 – They can provide their family with food, and can even help the community at large.
Weeding (piecemeal)	10 (7)	M300 monthly, but it depends on the number of days (M25 per day).	4 – It occurs once or twice a year, depending on the product.	4 – Income is low.
Harvesting (piecemeal)	14 (10)	M100	4 – They harvest for a few days, but cannot rely on then being hires for the job.	4 – They are not paid in cash; they just receive the produce, 10 litres per day for maize.
Teacher	3	M5 000	1 – They are paid a monthly salary; the job is a guaranteed.	1 – A monthly salary that can provide family with food.
Domestic work (SA)	4 (4)	M800	4 – They spend a long time in South Africa and only come home once a year; children receive food and clothing once a year.	4 – They can be retrenched at any time because “we don’t have any legal documents”.
Other piecemeal work	5 (5)	M120	4 – It is infrequent with no guarantee.	4 – Money earned insufficient to assist the family.
Brewing	18 (18)	M400	3 – A substantial amount of money is spent on ingredients and profits are low.	4 – People fight after they have been drinking because food is lacking and they may become thieves.
Business people	2 (1)	M100	4 – Since they are not well-known, not many will know about the shops and sometimes goods will have expired.	4 – They lose money because they end up having to sell expired goods.
Construction (SA)	4	M1 500	2 – People working in construction in SA. Once paid, police pursue them because they are illegal and their jobs are not guaranteed.	4 – Since there are no guarantees, police go after them and they end up spending a lot of time not working.

2.2 Litjotjela Community Council

Litjotjela is a CC situated less than 10 kilometres from the district capital. It contains 11 electoral divisions, 55 villages, and has a total population of 21 283. A quarter of the households in this council is female-headed and close to 15 percent is headed by children – the second-highest in the district. The average household size in the community is four and the average plot of land is only four hectares, because of higher population density and proximity to the district capital. The council contains one government health centre and one that is privately owned. It also has ten primary schools, three secondary schools and one high school.

In terms of poverty levels, 20 percent of the population earned less than M10 (USD 1) per day (M300 or USD 30 monthly) and 37 percent were reportedly below the minimum level of dietary energy consumption in 2009.³⁹ Well-being analysis with a group of female non-beneficiaries suggested a quarter of the population to be very poor and vulnerable and another 30 percent as poor (see Table 2.6).

The most vulnerable were characterised as those having large families, poor clothing, as at times eating one meal a day, having poor housing without proper roofing and those who had to go to sleep early due to lack of fuel and lighting. The poor were similarly characterised as those having no fields or being unable to work on them, those reliant on piecemeal jobs, on clothing and other material support given to them by others and as those who were unable to pay school fees on a regular basis. The better-off and rich accounted for almost half the population and were identified as those with more assets and more permanent jobs.

The main livelihoods in the Community Council consist of factory work (in Mapotsoe industrial site around 10 km away), farming, domestic work, casual labour – mainly weeding, harvesting, carrying water and the sale of wood – and public works.

The comparison community falls within the same Community Council and shares the same general characteristics.

³⁹ *Local Governance & Non-state Actors Support Programme* (2009), Leribe Information Book.

TABLE 2.6 Community well-being analysis, conducted by a group of female non-beneficiaries, Litjotjela Community Council, Leribe District

Wealth Category	Rich	Better off	Poor	Very vulnerable	Beneficiaries
Percentage of population (percent)*	13	32	31	24	24
Within CGP Programme	None	Around 10 percent	Less than a quarter	Close to 70 percent	Most come from the very vulnerable group.
Characteristics	They have cars, at least ten cattle or ten sheep, wear expensive clothes. They have large fields and good harvests as they can afford improved seed and other equipment. They eat different types of food, their children are healthy. They have big houses with tile roofing and can afford to hire other people.	They have at least two cattle or sheep, and chickens. Most have permanent jobs; they dress well though not expensively and they can also afford to hire others.	Even if they have fields they cannot afford to work on them. Most do not have fields, and do piecemeal jobs to make ends meet. Their clothing is poor and they must depend on clothing given by others. They fail to pay school fees on a regular basis.	They have large families, wear shabby clothes, sometimes have one meal a day and sleep early as a result of lack of lighting. They are often ill, live in poorly constructed houses without proper roofing, with cracked doors and broken windows.	Mostly the same as those given for the very vulnerable.

Notes: *The percentage of population in each wealth category is based on a proportional pilling exercise where key informants were asked to allocate 100 stones representing the entire ward across the different wealth categories.

This FDG was done with a group of female non-beneficiaries and findings should be viewed as illustrative only.

2.3 Mafeteng District

District context⁴⁰

Mafeteng District is the next district south of Maseru District. It has a population of 192 977 with an average household size of 7.6 people. The district borders South Africa on the west and north. The district currently contains seven CCs and one urban council. Household vulnerability as proxied by percentage of food consumption to total consumption in Mafeteng stood at 58 percent (Continuous Multipurpose Survey 2011).

⁴⁰ This section draws heavily from: Ministry of Local Government and Chieftainship (2008), *Mafeteng District Council Information Handbook*; June.

The district is mostly situated in the lowlands, with a small part of the eastern corner situated in the foothills⁴¹. In general, as noted earlier, the ‘lowlands’ of the country contain better quality soil due to the run-off of topsoil from the highlands into the lowlands.⁴² Nevertheless the quality of the soil in the southern lowlands is worse than the soil quality in the north as the climate is drier and soil more clay-based. Despite this, in 2012 the district contained 10–20 percent food entitlement deficit among the poorest households – the lowest level of deficit within the country.⁴³ This was the result of excessive flooding in the country. The main crops produced in the district are maize, sorghum and beans. The average size of an agricultural plot is 1.4 hectares.

The main livelihood activities in the district include mining, construction and domestic work in South Africa, agriculture (mostly subsistence), livestock rearing and the sale of wool and mohair, petty trading and casual work (known as “piecemeal” or “*scoropo*”). Households also rely on social assistance programmes including the old age pension and public works programmes known as ‘*fato fato*’.

The district has one hospital and 23 health centres. Moreover, there are 16 primary schools, 22 secondary schools and 96 high schools. In addition, there are 11 other training schools. There are also 122 initiation schools located within the district.

Community Council context

The CGP operates in the two Community Councils of Metsi-Maholo and Malakeng⁴⁴. Research was undertaken in both of these councils.

Metsi-Maholo Community Council

Metsi-Maholo is the largest CC in the district with a population of 21 480; it is 30-35 km from the capital and situated in the country’s lowlands. The CC contains 11 electoral divisions and 110 villages with an average population of 195. Close to 65 percent of the households in the community are reportedly headed by females (the highest in the district) and child-headed households account for close to 6 percent of all households. The average agricultural plot size is 1.2 hectares. The CC has three government health centres and a private one. There are 17 primary schools and four high schools in this council but no secondary schools. Additionally, there are 46 initiation schools situated in the district. Access to potable water is constrained with the shortest distance to potable water taking 30 minutes and the longest distance taking two hours.

Poverty levels in the council are perceived as high as findings from the community well-being analysis⁴⁵ with a group of key informants including support group members, business

⁴¹ In total there are four ecological zones in Lesotho: lowlands, foothills, mountains, and the Senqu River valley. The main factors differentiating one zone from another are altitude, temperature (and its impact) and soil depth.

⁴² Emergency Capacity Building Project (2012), *Disaster Needs Analysis: Lesotho Food Insecurity*, September.

⁴³ Ibid.

⁴⁴ The CC of Malakeng has since changed and been renamed Lehlakaneng & Ramaetsana CC. This study uses the old CC because of limited information on the new council and also because the programme’s targeting was based on the old CC boundaries.

⁴⁵ This was done at the village level and is only indicative of poverty level at the CC level.

people and community elders suggest. According to this group of analysts half the population is very poor. The very poor are characterised as those who wear torn clothes, have sold their assets because of death or retrenchment, are orphans without relatives or are disabled. Wealthy members of the community are those with their own businesses, mine workers or salaried persons, commercial farmers and those having substantial numbers of livestock. There are not many people who belong to this group. Those working as domestic workers, or hawkers, engaged in petty trading are viewed as those “who are struggling and not able to move up the ladder”.

A large proportion of the households in this community rely on subsistence farming, domestic work (only women) and casual labour as their main livelihoods strategies. Public works programmes (*fato fato*) and remittances from men working in mines in South Africa also play an important role in the livelihoods of community members (Table 2.7).

TABLE 2.7 Community well-being analysis, conducted by community leaders, Metsi-Maholo Community Council, Mafeteng District

Wealth Category	Wealthy but not rich	They are struggling and are not able to move up the ladder	The poorest of the poor	Beneficiaries
Percentage of population (percent)*	10	24	52	14
Within CGP Programme	None	A very few	Most	
Characteristics	They are healthy-looking. They own businesses. Some are minors. Some work in the government in high positions. They are farmers (commercial). They have many animals that provide livelihoods (selling wool and mohair, etc.).	They have animals but just a few. They work but do not receive large salaries. They are domestic workers and hawkers.	They do public works (<i>fato fato</i>). They are lazy. They wear shabby clothes. Most of the houses are dilapidated. Some of their houses are big but they have sold all their assets because of retrenchment or deaths of family members. Some are disabled and some are drunkards or drug users. Some are orphans without relatives, or with relatives who have been taking their money or even their assets.	Same as the poorest of the poor.

Notes: *The percentage of population in each wealth category is based on a proportional pilling exercise where key informants were asked to allocate 100 stones representing the entire ward across the different wealth categories.

Malakeng Community Council

Malakeng is situated in the foothills of the district some 60 kilometres away from the district capital. The council has a total population of 8 372. It consists of nine electoral divisions and 71 villages with an average population of 118. The average household size in the council is six and the average plot size 1.6 hectares. Just over a quarter of the population is headed by females and 5 percent is headed by children. There is only one private clinic in the council. There are eight primary, two secondary and 12 initiation schools situated in this district. Potable water is available within a 5-10 minute walk from villages across the entire council.

As illustrated by a well-being analysis with a group of female non-beneficiaries (see Table 2.8), poverty is prevalent in the council with half of the population perceived by the analysts as being poor or very poor. The very poor were characterised as those living in poor housing conditions, having no animals, being unable to work their fields due to lack of inputs, are in widow- or child-headed households and are often ill. The poor were characterised as those having a family member, particularly husbands, undertaking casual work, having slightly more household assets and being better clothed. The better-off in the community were seen as those having larger houses with lots of livestock and those able to provide piecemeal jobs to the rest of the community.

TABLE 2.8 Community wellbeing analysis, female non-beneficiaries, Malakeng Community Council, Mafeteng District

Wealth Category	Better	Poor	Very poor	Beneficiaries
Percentage of population (percent)*	59	28	23	28
Within CGP Programme				Almost equally from all three groups
Characteristics	<p>Look well fed.</p> <p>Have houses with several rooms.</p> <p>Have many animals (up to 200 sheep or around 12 head of cattle).</p> <p>Have large stocks of food in their homes.</p> <p>Can afford to hire others.</p> <p>Feed their animals grain.</p> <p>Give out help in exchange for work.</p> <p>Use gas as fuel.</p> <p>Segregated to privileged corners during feasts.</p>	<p>Always well dressed.</p> <p>Children have winter clothes.</p> <p>Offer visitors tea in their homes.</p> <p>Eat meat at least twice a week.</p> <p>Buy more groceries (seen with a few plastic bags).</p> <p>Houses have iron roofing.</p> <p>Have at least four head of cattle.</p> <p>Cultivate their fields.</p> <p>Plant enhanced seeds and use manure.</p> <p>Houses appear fine.</p> <p>Have husbands who work piecemeal jobs.</p>	<p>Do not have fancy meals on Christmas.</p> <p>Live in shabby houses.</p> <p>Do not have enough kitchen utensils.</p> <p>Children are not well dressed.</p> <p>Do not own animals.</p> <p>Do not work their fields (due to lack of seeds, animals and tools).</p> <p>Dress dull.</p> <p>Have no husband or male child.</p> <p>Eat inferior types of food.</p> <p>Work for others.</p> <p>Suffer from unknown illnesses.</p>	Same as the poor.

Notes: *The percentage of population in each wealth category is based on a proportional pilling exercise where key informants were asked to allocate 100 stones representing the entire ward across the different wealth categories.

The livelihoods profile of the council mirrors that found in the wider district, namely subsistence farming, public works programmes, casual labour and homebrewing. There are also a few individuals engaged in the tourism sector, especially around Malealea village (see Table 2.9). Remittances from South Africa, as is the case with the rest of the country, also play an important role in this CC.

TABLE 2.9 Livelihoods analysis conducted by group of male non beneficiaries, Malakeng Community Council, Mafeteng District

Occupation	percent employed in whole community (of which female)	Reliability (Score 1-4; 1=high)	Overall Preference (Score 1-4; 1=high)
Public works programmes	22 (13)	1 – If you worked you will definitely be paid in full.	1 – They work for a few days but the pay is very good for their standards, and it is not too taxing as labour, and it is reliable.
Field farming	38 (11)	2 – Dependent on unpredictable weather conditions. When the weather is favourable they can count on it.	2 – If they had field equipment and resources they would definitely undertake it.
Piece jobs	8 (4)	3 – These are rare, and many of us are looking for them.	3 – They earn little money from this and sometimes they are paid in kind and sometimes with delays.
Selling firewood	11 (6)	3 – Reliable but the distance to where it can be sold is far.	2 – They prefer it because if available they will be paid immediately when they sell; it is for the villages around that area.
Homebrewing	20 (20)	1	1 – They can make a good amount of money and most people in that area drink.
Livestock rearing	1 (0)	3 – The wool weighed and graded, so you never know how much you will get but if you have high grade then you will get something. The price difference between grades is huge.	1 – They would prefer working with the animals because they are helpful at funerals. They can use them to help others; the animals can help in so many ways.

3. Research Findings

This section presents synthesised findings from the qualitative research in Leribe and Mafeteng districts. The narrative is organised according to the four research themes, with findings presented under a series of sub-headings linked to the research hypotheses introduced above.

3.1 Household Economy

This sub-section explores the impact of the CGP on beneficiary household welfare and (risk-averse) coping strategies. Beyond this, it focuses on the hypothesis:

The introduction of a small but predictable flow of cash income improves livelihood choices and productive investments, although vulnerable households will be more highly constrained in their decision making on how to use the additional cash.

3.1.1 Household coping and welfare

Beneficiary households were those selected by the PMT as the poorest 30 percent (based on the PMT) and were ratified by representatives from their village as being the poorest of the poor with limited assets, poor housing and no regular stream of income. For these households livelihood options were very limited. They often asked for support from their friends, neighbours and relatives and also engaged in piecemeal jobs and casual labour when available. Harvest from their fields was often limited and not sufficient to sustain them beyond three to four months. Prior to the CGP these households had less food to consume, no money to buy basic groceries or toiletries, and were unable to meet the many needs of their children, particularly in relation to schooling.

For many of the beneficiaries under this research, the CGP functioned as a top-up to their existing but limited sources of livelihoods, assisting them in meeting the food and educational needs of their children. But for a smaller proportion the CGP provided their main source of livelihood upon which they were fully dependent. These individuals were heavily reliant on the generosity of neighbours, friends and relatives, often ‘asking’ for food rather than ‘borrowing’; which decreased marginally with the cash transfer as they became slightly less reliant.

Interestingly however, in the household income and expenditure analysis, beneficiaries in all four CCs in both districts reported income from the CGP to be on average close to 40 percent of their total income, by far one of the largest stated sources of income (see Figure 3.1 and 3.2). However the stated significance of the CGP was diluted and perhaps overstated by the two additional top-ups provided by other donors to all beneficiaries during the September to December period (M400 bi-monthly, an amount higher than the grant itself) and two additional top-up payments from other donor agencies to over 60 percent of beneficiaries during January to April. On top of this all households received a double payment in April (the time the research was conducted), combined with a new index-linked payment that provided up to twice as much grant support to some households depending on their size.

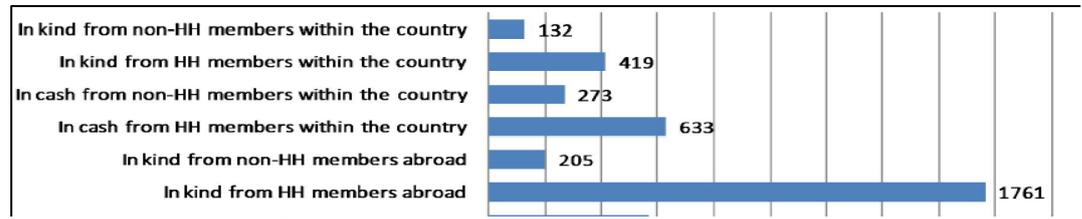
Beneficiaries also relied on homebrewing (for sale), petty trading (including the sale of vegetables and eggs), casual labour (mostly agriculture-related), and remittances as their other main sources of livelihood. Food and education constituted a large proportion of these beneficiaries’ quarterly household expenditures, which the CGP significantly contributed towards. Beneficiaries explained in both group discussions and individually that the CGP was intended for the children, making sure they were well-fed and able to go to school and used the money correspondingly (see sections below on food security and access to education). Beneficiaries also diverted some of their expenditures towards the purchase of basic non-food items including candles, matches, soap and paraffin. For some, a small proportion was also spent on membership of funeral societies. Beneficiaries explained, however, that they had always been members of these societies and that the CGP had had very little impact on their membership.

BOX 3.1 Significance of remittances in Lesotho

Remittances from within and outside of Lesotho play an important role in the livelihoods of the Basotho. Historically Lesotho has been a labour reserve for Republic of South Africa with 120 000 Basotho working in South African mines at its peak.

While many mine workers have now been retrenched, those still working are earning higher amounts of income. Additionally the Basotho also work as farm labourers, construction workers and domestic workers in South Africa that, although widely known, is less understood in terms of magnitude.

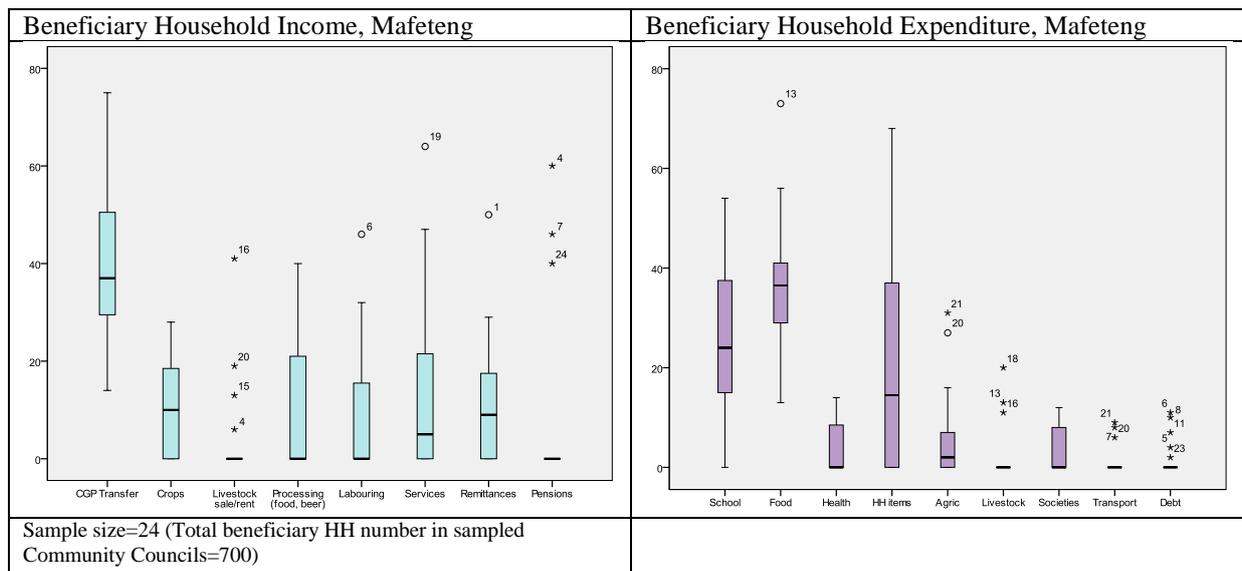
According to the Continuous Multi-Purpose Survey (CMS) in 2011, the average cash remittances from household members outside the country in the preceding month of the survey stood at M1166 and cash remittances from household members from within the country stood at around M633 (see table below).



In Mafeteng the median CGP contribution to household income was close to 40 percent and by far the single largest source of income. Remittances still played an important role but there were indications the eligible beneficiaries in the comparison communities in Mafeteng relied more heavily on this.⁴⁶ Casual labour, together with crops sales were important for beneficiary households to top up their income and were the most prevalent source of monetary income. Beneficiaries also continued to rely on beer/food processing and other services. The services provided by the beneficiaries were dominated by petty trading and sales of eggs and other basic produce. A small number of beneficiaries received pensions and for those that did, the pension represented a large proportion of their income. State pensions are for those over the age of 70 and consist of a monthly payment of M450 (USD 45). Only a few of the beneficiaries were aged over 70 and received this pension; the average age of beneficiary households is much younger.

⁴⁶ This is either because remittances are understated or because those receiving the transfer are receiving lower remittances.

Figure 3.1 Distribution (percent) of beneficiary household income and expenditure, Mafeteng District

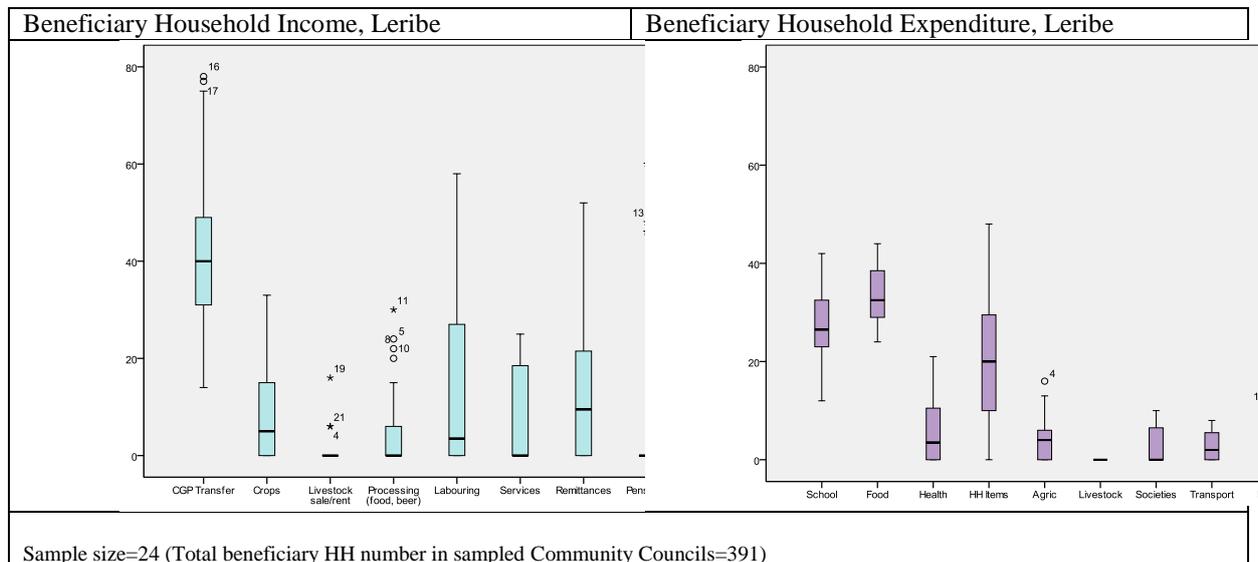


The median CGP contribution to household income for beneficiaries in Leribe was broadly at similar levels as that in Mafeteng (Figure 3.1) and, again, was by far the single largest reported source of income. The study found no major differences in income when compared to Mafeteng, despite different poverty levels at the district level. The study did not observe any discernible differences in the livelihoods and poverty profiles between the two districts. However there was more variation between the two CCs within the district. The community members in the foothills on average had larger parcels of land but the size of land tracts was not always correlated with poverty since many did not work their land and it would remain fallow. Moreover, the very unfavourable weather conditions and soil quality are the most binding constraints for agriculture productivity. Litjotjela CC also had its own unique characteristics: it was more densely populated, there were more labour opportunities and it was much closer to urban centres and economic activity in general. However, the poor in these areas had less land than those in Malaoaneng and were severely constrained if they lacked economic opportunities.

Use of the CGP for investments was minimal both because of the immediate basic needs of the households but also because the CGP was not perceived as being ‘meant’ for investment and especially not for household items, according to both beneficiaries and wider community members. As illustrated above and confirmed through key informant interviews, food was mentioned continuously as a priority expenditure, followed by school support (uniforms, materials, school trips). Increased quantities (e.g. more maize meal) and variety of diet, such as consumption of meat, were mentioned as additions to the diet by informants during the pay day period (further discussed below). The beneficiaries in the areas of our research had received additional money in a separate envelope to purchase seeds and other agriculture inputs during four rounds of payments.⁴⁷ Some beneficiaries said that they used the money to purchase seeds but others reported using it to buy additional food in bulk.

⁴⁷ A bi-monthly cash grant top-up of M400 was given to households as response to the food crisis in 2012. This was given to all the CGP households on September and December payment dates and in January and April this was given to 6 150 of the 10 000 CGP beneficiaries.

TABLE 3.2 Distribution (percent) of beneficiary household income and expenditure, Mafeteng District



Household expenditure analysis in Mafeteng (Figure 3.2) confirms that beneficiaries prioritised food and schooling costs as well as other household items. These were their priorities and they were reinforced by messages from the authorities on how to spend the transfer and oversight of community members to make sure they did not ‘misspend’ it. Interestingly the oversight provided by fellow community members arose from dissatisfaction with not being selected and wanting to make sure that at least those receiving the money would use it in the way it ‘should’ be spent.

Furthermore, the analysis showed that beneficiary households had not increased their spending on productive investments (agriculture and livestock), with the exception of a handful of outliers and confirms that the transfer enabled beneficiaries to continue to pay their society memberships especially in relation to the funeral societies.

Household expenditure analysis confirms a similar range of spending in Leribe when compared with Mafeteng. As with Mafeteng, the analysis in Leribe confirms that beneficiary households had not increased their spending on productive investments (agriculture and livestock) with the exception of a handful of outliers and prioritised educational expenses, food and some essential household items. It also confirms that, as with Mafeteng, the transfer enabled beneficiaries to continue to pay their society memberships (e.g. the funeral society, in particular).

There is some evidence of beneficiary households paying off debts in both Leribe and Mafeteng. Most beneficiary households noted being more credit worthy due to the CGP and able to purchase items on credit. These purchases on credit were often repaid immediately after the CGP payment.

Most beneficiary households continued with the same livelihoods as before the transfer but a small proportion reduced the amount of piecemeal jobs they did, mostly around the pay days. Given the size of the transfer and its very specific intended purpose, this is not surprising. Nevertheless the significance of piecemeal jobs among the poorest (eligible) households was

more pronounced in the four comparison communities visited in each of the Community Councils than among the CGP communities, suggesting perhaps some further substitution was taking place. Poor householders in the comparison communities explained how they relied on piecemeal work to make ends meet and how important this source of livelihood was. In contrast among the beneficiaries, statements and comments in relation to piecemeal jobs were less explicit and less frequent. Piecemeal jobs were not, however, the income-earning option of the poor only and it was also mentioned (including in a comparison community) that in general, even less poor households engaged in piecemeal work, as there was always need for more money to meet needs. Nevertheless evidence from the baseline survey suggests that eligible beneficiary households were less likely to be engaged in formal employment and more likely to undertake casual work compared to non-eligible households. Also prominent in the livelihoods of eligible households in the comparison communities was a reliance on remittances as an income source. This source was less pronounced in the sources of income and livelihoods of beneficiaries. Indeed, some beneficiaries noted a reduction in remittances received from their family and relatives once they started to receive the cash transfer. As one female beneficiary from Litjotjela mentioned, if she informed her family relation of the grant, they would categorically stop sending money for her child.

To summarise, the CGP was understood by all community members, beneficiaries and non-beneficiaries alike as having a very specific purpose for beneficiary households and was used accordingly. The transfer contributed to the households' food security and enabled them to cover their children's educational costs including that of uniforms, school trips and general clothing. Further, as reported, many households tended to "ring fence" this money to use it for its intended purpose only, rather than pooling it together with general household resources. These findings are discussed further below.

The CGP was aimed at meeting the needs of children

The CGP was introduced with the objective of improving the living standards of orphans and vulnerable children by reducing malnutrition, making improvements in health status, and increasing their school enrolment. As a result, beneficiary households were reminded at every payment date that the money was meant for the welfare of their children and to ensure they had enough food, adequate clothing and shoes. They were also reminded that the money was not for meeting their own needs or for purchasing household items and furniture.

"We are told by the social workers that we must buy food, clothes and school needs for our children, not to buy household furniture. We are also told that there are people who monitor how the money is being spent"⁴⁸.

"[We are told that] the children should look in a manner that shows they are taken care of"⁴⁹.

This message was being reinforced by the watchful social development officers, the VAC members, chiefs and the wider community who, although not receiving the transfer, felt strongly that the money was to be used appropriately by the beneficiaries. Moreover, it was

⁴⁸ Male beneficiary, FGD, Metsi-Maholo CC, Mafeteng District.

⁴⁹ Male beneficiary, IDI, Malaoaneng CC, Leribe District.

reported by a Social Welfare Officer that efforts were made to encourage families to inform the children of the CGP's purpose, to increase children's awareness of their entitlement and right. This information was triangulated during an interview with one schoolboy receiving the CGP⁵⁰ who was relatively well informed of the CGP's purpose and objectives (see Box 3.2 below).

Not surprisingly then, the transfer was being largely directed towards meeting the food requirements of the beneficiary households and their educational needs. The research found very few examples of investments, with the exception of some seeds and fertiliser that were purchased from additional top-ups provided by other donors.

However even in the absence of these instructions, a large proportion of the CGP would most likely have been used for food requirements of households given the significant insecurity they faced. This was clear from the unanimous recommendations made by beneficiaries to make the payments more regular, since the quarterly payments would be more appropriate and sufficient if the main priority of the households was the educational needs and expenses of their children with the major costs only occurring quarterly (school fees) or annually (school uniforms) or, in general, less regularly.

Food security and diversified diet

The baseline CGP impact evaluation report found food insecurity to be prevalent across the entire population, with food insecure households (70 percent of population) having sufficient food for only two-three months in the previous year and extreme shortages for four to five months. The report also noted that the eligible households were significantly more food insecure than the non-eligible households. Additionally the CGP transfer alone only provided less than one-quarter of per adult equivalent consumption expenditures of beneficiary households at the baseline level,⁵¹ thus not being enough beyond meeting the immediate needs of the households.

“From the beneficiaries I know it [CGP] is helping them. They are able to put something on the tables for a few days, but it doesn't last a month. One of the beneficiaries told me that once she paid off her debt and bought a pair of shoes her money was finished.”⁵²

Not surprisingly, beneficiaries in all four Community Councils spent a large proportion of their income on food. As a major source of income for most beneficiaries, the transfer enabled beneficiaries to increase the quantity, quality and variety of food they consumed.

“The cash transfer is not much but we can say some of these families are benefiting because they can have three meals a day.”⁵³

⁵⁰ Litjotjela CC, Leribe District.

⁵¹ OPM (2012), *CGP Impact Evaluation: Targeting and baseline evaluation report*, January.

⁵² Shopkeeper, KII, Malaoaneng CC, Leribe District.

⁵³ VAC, FGD, Malaoaneng CC, Leribe District.

“The lives of beneficiaries who sincerely deserve the grant have changed a lot since the introduction of CGP, because one can easily see that the families can now afford to have three meals a day which they could not manage before receiving the grant.”⁵⁴

For most beneficiaries this meant purchasing more maize meal and other basic food items such as cooking oil, salt and sugar. They were able to purchase these in larger bulk, thus making additional savings.

The transfer also enabled beneficiaries to increase their protein intake during the payment day. One of the beneficiaries in a group discussion explained that when he received the transfer he would exclaim to his children: “you will be eating meat ‘*lecholinyana*’” – an expression used to announce the bringing of a treat. During the pay period many beneficiaries purchased chicken or beef rations for their families, as observed by shopkeepers and acknowledged by beneficiaries. While the transfer significantly increased and introduced some diversity into beneficiary households’ staple diets, its impact on diversifying this diet throughout the payment period was minimal. This was largely due to the amount of transfer given to the households and the very long period in between payments.

To contextualise this it is important to note the cost of basic food items purchased by beneficiary households. They often purchased 25-50 kg of maize meal at a cost of M125-M240 (USD 12-24). For a household with an average size of four individuals, 50 kg of maize would last approximately one month. Other items such as 5 litres of cooking oil – sufficient for around two months – cost M90 (USD 9) and a 2 kg meat ration cost around M48 (USD 48). However since most households had been receiving four additional bi-monthly top-ups of M400 (USD 40) since October they had been purchasing larger amounts of food, perhaps even more diverse with beneficiaries commonly affording bread flour, something they previously could not afford.

Nevertheless, most participants explained that the beneficiary households were now better able to meet their food needs and that their children were better fed and were looking healthier. As the story in Box 3.2 illustrates, the transfer has translated into higher food consumption and less need to ask for help from neighbours.

⁵⁴ Business person, KII, Malakeng CC, Mafeteng District.

Box 3.2 **Rethabile: A female beneficiary's story, Metsi-Maholo Community Council, Mafeteng District**

Rethabile is 20 years old. She receives the grant on behalf of her mother who works as a domestic worker in Pretoria. She lives in her grandmother's house with her younger brother, her sister's child and her own newborn child. Her grandmother lives in Maseru. Her mother and sister visit the household twice yearly during winter and Christmastime. Rethabile explained that her mother is the main breadwinner in the household, although she is now ill and does not work all the time. When she does, she often sends money back every few months and on average an equivalent of M100 (USD 10) monthly. She supplements this income by brewing and selling beer and selling some vegetables. As her mother is away she effectively manages the household and makes decisions on where to spend the money, although she also consults with her mother.

They have one field but they do not plough it as they do not have the means to hire a tractor and do not have animals. Sometimes they do ask others to plough their fields but this year they did not. When they do plant, their harvest is usually around 160 kg of maize which lasts her family for six months. Rethabile also grows and sells some vegetables from her garden and is able to earn around M300 (USD 30) in two months.

In order to meet her household needs Rethabile thinks she needs around M1200 (USD 120). Of this, she believes M700 would be needed for food alone. In order to meet her food requirements and fill the gaps she often borrows maize from her neighbours and also gets credit from the shop. She pays M230 (USD 23) for 50 kg of maize and M110 (USD 1.10) for paraffin. She thinks that around M500 would be needed to cover schooling costs.

She says that she sometimes gets M1200 as transfer and sometimes M720 (USD 72) but she does not know exactly how much as the amount varies. She thinks the transfer has improved her life as she no longer needs to ask her neighbours for food as often and she gets less credit from the shops. Before the cash transfer she bought less food, but now she is able to buy a sufficient amount to last them longer. She is now also able to buy shoes for the family and pay for school trips which she was not able to do before. She does not see the cash transfer as a top-up but rather as part of her main sources of income. She is a member of a grocery scheme and a funeral society, for both of which she makes monthly contributions of M100. She joined both in 2011 and explains that if she had not received the transfer she would not have been able to become a member. She decided to join the funeral scheme because her mother is ill and she thought it was a good idea so that she would be able to afford the costs of her burial when she passes away.

She noted that the relationships in the community had changed, with tensions between beneficiaries and non-beneficiaries, some of whom are also ultra-poor yet not receiving the transfer. She thinks that the prices do increase during pay days since the shopowners say they have more money. Sometimes people go to Mafeteng to shop because they do not raise prices and she thinks it is still cheaper than buying from her village, despite the M40 transport cost.

Improved access to education

After food, education-related costs absorbed the largest part of the beneficiary's household budget. These costs related to fees for pre-school for some but for many it related to the cost of uniforms, shoes, toiletries, examination fees and, in some instances, of school trips. And on rare occasions it contributed towards the fees for secondary school children.

“The grant has brought change because the children are clean and have clothes and manage to eat three meals a day.”⁵⁵

Institutional analysis in all research areas found education to be very highly valued and viewed as very important by most beneficiaries.

“Education is the foundation of life and everyone would like to see their children go through some schooling.”⁵⁶

However, for those who were poorest, without the CGP, education was viewed as socially distant and inaccessible. A number of beneficiaries had previously been unable to pay the M600 (USD 60) per annum school fees for nursery school (pre-school) or indeed even the uniform and other essential costs. However since receiving the CGP they noted that they were able to afford all these expenses. Beneficiaries often mentioned the CGP as enabling them to afford uniforms and shoes for their children and also pay for their school trips. This was confirmed by non-beneficiaries.

“Before CGP life was worse but now we are able to buy food, school uniforms and clothes for our children. And before, children were not able to go to school because they didn't have proper clothes or uniforms.”⁵⁷

Research participants noted that before the transfer beneficiary children were more likely to be without appropriate clothing, uniforms or shoes and unable to go on school trips that were deemed unaffordable. The quantitative impact evaluation baseline survey report confirmed this, showing a significantly higher proportion of learners lacking either uniform or shoes among the eligible households (over 50 percent), compared to the entire sample population (around 28 percent). It was also mentioned that children from the poor households had less concentration, were often ill and were sometimes sleeping in class, having had no breakfast in the mornings.⁵⁸

⁵⁵ Female beneficiary, FGD, Malaoaneng CC, Leribe District.

⁵⁶ Female beneficiary, FGD, Litjotjela, CC Leribe District.

⁵⁷ Male beneficiary, FGD, Metsi-Maholo CC, Mafeteng District.

⁵⁸ Linareng Primary School teachers, Litjotjela CC, Leribe District.

Box 3.3 **Thabo: a child in a beneficiary household, Litjotjela Community Council, Leribe District**

Thabo is 13 years old and in grade 4 at primary school. He lives with both his parents and three brothers and sisters. Three of the four children in the family attend primary school, but the fourth, baby girl is still too young. He seems well informed about the GCP his family is receiving, as his mother told him about the grant and its purpose. He explained that the money is to be used for school uniforms, clothes, food and maybe some “toys”.

Thabo’s parents sell snacks (fat cakes) at school to make a living. He sometimes works to help his parents with this, but only after school or on weekends. He also helps to fetch water and does chores when not in school, such as washing dishes. Thabo says his family has received the grant for a “long time”. He explained things have changed since they started to receive the payment: “before we sometimes did not wear shoes, we had very old torn uniforms. Now we have clean uniforms, we can change shoes (the school shoes he was wearing were indeed sturdy and in good condition), we eat meat and vegetables with pap”. Now he has breakfast before school. Thabo also explained he has a new ball to play with. He says, “*Kese ke khona ho ja ke khore. Bopheto bo hantle*” [my life is fine because I can now afford to eat and my stomach is full]. Before, some children at school would talk about him, saying bad things about his torn uniform. He feels better now and, for example, he never sleeps in class, and has improved to being in the 2nd position in his class from previously being only 10th. He is also going to be able to attend the school field trip to South Africa this year. Thabo confirms that now friends have also started to come home with him after school also because they can get something to eat at his house – but before, he said, “my mother would sometimes have to ask neighbours to borrow maize meal”.

Many households stated that they were using the transfer for their children’s educational needs, although this research was not designed to investigate its impact on improved attendance, school performance or indeed enrolment. The quantitative impact evaluation baseline survey report found lack of money for fees, uniforms and supplies as one of the main reasons for “children aged 6-19 having never been enrolled in school”, so there is a strong indication from this research that the transfer was reducing some of the financial barriers to access and potentially attendance. This was also mentioned in interviews with school teachers, confirming that children from poor families often drop out and most often do not return – being commonly pulled out of school to engage in forms of work (washing and child care for girls and herding and farm work for boys).⁵⁹ While primary school is free and having a uniform is not an official prerequisite for attending school, nevertheless having a new uniform and being able to go on school trips is likely to increase self-esteem and improve their experience of schooling (see Box 3.3).

“We see a lot of changes in their [beneficiaries’] children because their children are now better dressed and have school uniforms and they look a lot brighter [more lively].”⁶⁰

“The beneficiaries’ families are happier and their children are glowing”.⁶¹

Moreover, being better fed and eating breakfast before school may help children to concentrate more in school. This was also confirmed during interviews conducted with

⁵⁹ Ibid.

⁶⁰ Female non-beneficiary, FGD, Litjotjela CC, Leribe District.

⁶¹ Female beneficiary, FGD, Malakeng CC, Mafeteng District.

teachers in Malakeng and Litjotjela who noticed a change in the appearance of the children who now look ‘clean’ and more ‘active’ in the class and are able to come on the school trips:

“There is change to the beneficiary because children have uniforms, they are clean and able to take school trips, and they even have food to eat and this leads to good performance in their studies.”⁶²

As for secondary education, the transfer was too small to have any likely or noticeable impact unless the households were already able to meet most of their food requirements. This did not seem to be the case with the beneficiary participants in our research. But even if it was, the transfer alone was not sufficient to cover the costs of higher education that are between M400-M600 (USD 40-60) per quarter.

3.1.2 Household economic activity

Beneficiary livelihood strategies and little reduction in casual labour

Subsistence farming is one of the main livelihood options available to households in Lesotho but a number of key factors limit its contribution to household food security, including poor soil conditions, unpredictable weather and a lack of resources to purchase inputs.

“We lose because of drought or poor weather and this year we believe that the yields are going to be poor because we cultivated late in December and our seeds were not up to standard and there was not enough rain to help the crops grow.”⁶³

But households continue to revert to agriculture as there is “nothing else to do” and households need to find ways in which to “feed their families”. To complement this many households undertake casual labour referred to as “piecemeal jobs” as a source of livelihood. The quantitative impact evaluation baseline survey report found eligible households to be significantly more likely to engage in casual labour than a regular job and also more reliant on remittances and gifts as compared to non-eligible households.

Piecemeal jobs are most often related to agriculture and include weeding and harvesting. This is particularly the case in rural areas where livelihood opportunities are even more limited. Other piecemeal jobs include fetching water, wood or doing laundry for better-off neighbours.

“Some of us are able to weed and harvest even if we don’t own fields and from what we get we are able to support our families.”⁶⁴

Some of the livelihoods mentioned above are undertaken by both men and women. However there are some jobs that are traditionally undertaken by women only, such as fetching water, domestic work and washing laundry, whilst work in mines is almost exclusively the domain of the men.

⁶² Teacher, KII, Malakeng CC, Mafeteng District.

⁶³ Male non-beneficiary, FGD, Metsi-Maholo CC, Mafeteng District.

⁶⁴ Male non-beneficiary, FGD, Metsi-Maholo CC, Mafeteng District.

Beneficiaries in group discussions noted that piecemeal jobs were more available during the busy agricultural seasons but were harder to come by in other seasons. Even non-beneficiaries research participants expressed that they would like to do more piecemeal work, but that outside of high seasons, it was difficult to find. This was especially the case in rural areas where population density is lower and where there is less variation in wealth and status among villagers. Households usually find piecemeal jobs based on established client relationships, skills that they are known for in the community and also through seeking jobs from more wealthy individuals in the community or those they know they are likely to receive jobs from.

Beneficiaries in the study research areas generally did not reduce the amount of piecemeal jobs they did as the transfer was “for children”, “not enough” and only came “after a long time”. They talked about “continuing to do what they did before”, indicating that the transfer did not significantly affect their involvement in the labour market for piecemeal jobs.

“Beneficiaries still do the same piecemeal jobs and they believe they don’t see change in this regard because the money is for children.”⁶⁵

If the beneficiaries did reduce the amount of piecemeal jobs, this was slight. Nevertheless, as discussed above, this reduction was noticeable especially in comparison to the eligible households⁶⁶ in comparison communities, where half or more of their income came from piecemeal jobs and their experience of undertaking these was more pronounced.

“For piecemeal jobs we go to people we think may be able to give them to us and sometimes they pay us in kind. We decrease piecemeal jobs only around pay days, otherwise we do the same work as before”⁶⁷

“We survive on piecemeal jobs but now I’m no longer doing laundry for others”.⁶⁸

In addition to farming and piecemeal jobs, households relied on petty trading, sale of their own produce and homebrewing to generate some income. When available, public works programmes or *fato fato* were favoured by community members as the tasks were not deemed to be too demanding and the pay was relatively good. However there were very limited opportunities for this work with only a few being selected from each village and only for a limited time period.

Households also relied on remittances from family members not resident in the households. This accounted for about a quarter of the income of the beneficiaries who received it. As discussed above, the research found that for some beneficiaries receiving the CGP resulted in a reduction of the remittances they received, and some beneficiaries were afraid to tell their non-resident family members and relatives that they were receiving the transfer for fear of having their remittance cut off or reduced. For some, the remittance was reduced in the payment months, whereas for others it remained the same. Eligible households in comparison

⁶⁵ Female non-beneficiary, FGD, Litjotjela CC, Leribe District.

⁶⁶ Eligibility determined for the quantitative impact assessment.

⁶⁷ Female beneficiary, FGD, Litjotjela CC, Leribe District.

⁶⁸ Female beneficiary, FGD, Malakeng CC, Mafeteng District.

communities were found to rely much more on remittances than the beneficiary households in programme areas, but it is not clear whether this was due to reductions in remittances or underreporting of remittances for fear of being deemed ineligible for the CGP.

Increasing household consumption yet scarce promotion of productive investments

As noted earlier the CGP was mainly used for food consumption and meeting education-related costs (see for example Box 3.4). The research found very few examples of investment stemming from the CGP (see Box 3.5, for an atypical case involving a younger and better-off beneficiary). Beneficiary households reported not investing primarily because the money was not enough but also because they understood the CGP was meant for the children and that they were “not allowed” to invest the money. This was also raised through discussions with chiefs and VAC who noted that the investments were generally not permissible under the CGP.

“They don't see in any changes, they don't see us invest, we are mainly concentrating on children – we are the same people doing the same things and the only change is our children.”⁶⁹

“The money is intended for the poor and orphans and it is for them to improve their lives. It is not right to invest the money in agriculture, it is not allowed. CGP is intended for the children.”⁷⁰

⁶⁹ Female beneficiary, FGD, Litjotjela CC, Leribe District.

⁷⁰ Chief, KII, Mesti-Maholo CC, Mafeteng District.

Box 3.4 Emma: an elderly beneficiary's livelihoods, Metsi-Maholo Community Council, Mafeteng District

Emma is 63 years old. She was married when she was 12 and her husband passed away in 1992. Her household consists of six people: three children and three grandchildren. Her eldest son was born in 1965. His family passed away in 2004 and he helps the family with taking care of the animals and the fields. Her other two children are 36 and 40 years old and both work in factories in Maseru. They visit their children every weekend. The grandchildren are all at school: one in primary school, another in Form B and one in high school.

Emma has one plot of land that is 1.61 hectares. She grows maize and sorghum using retained seeds and cow dung as fertiliser. She harvests about 1.1 tonne. This is only enough to sustain her for half the year. Her other livelihoods include the sale of vegetables and eggs and remittances from her two children. She is also part of a *stockvel* where members brew and sell beer in rotation. She also interacts with the shopkeeper from whom she buys vegetables and sells to the community. The cash transfer accounts for around 14 percent of her annual income, with most of her income coming from sales of vegetables and eggs, followed by homebrewing. She also receives M800 (USD 80) every two months from her two daughters.

Her expenditures in the past quarter included food, schooling, health care costs, groceries, debt repayment and membership of societies. For health treatment she goes to a private clinic in Mafeteng where she pays M80 (USD 8) for a consultation and M30 (USD 3) for transport. She buys her groceries in town but when she needs something in between she buys it on credit from the local shop. She has around M100 (USD 10) available credit. The joining fee for the *stockvel* is M50 (USD 5). As a part of her food groceries she buys meat on transfer pay days; she buys 2 kg of chicken for M48 (USD 5). The CGP enables her to pay for school fees, trips and groceries. She spends M700 (USD 70) per quarter on school fees. For a school trip, for instance to somewhere nearby such as Thaba Morena, she pays M200 (USD 20) for two children including their food and other requirements.

Finally, she notes that relations with her community were at first sour but now people have come to terms with it and things are fine. But one of the effects of her being enrolled is that her customer base has changed and some of her customers no longer come to buy vegetables and eggs from her.

Box 3.5 Moeketsi: an atypical example of a male beneficiary's livelihood strategy in Malaoaneng Community Council, Leribe District

Moeketsi was born in 1986. He is married and has two children. The first one passed away at birth and the surviving one is one year old. He no longer has parents and he lives in their house. His mother passed away when he was five and his father in 2010. He has one sister in Johannesburg and two live in nearby villages but he does not receive any remittances from them.

When Moeketsi was younger some people would hire him to go to cattle camps in the mountains with the livestock. But now he is a farmer who grows maize, sorghum, beans and some vegetables. He has a small piece of land near his house (0.4 hectares) and another alongside the river bed (1.2 hectares). He recently harvested around 5 litres of beans, has kept 2 litres and sold the other 3 for M11 per bottle (1 litre). In an average year he harvests three 50 kg bags of sorghum and 12 50kg bags of maize. He sells potatoes that he grows and does piecemeal jobs from time to time, especially weeding. He also rents his animals to others.

At times the food is sufficient and at others not, especially if he cannot afford fertiliser. Last year he only produced six bags of maize which had finished by January. He never sells any of his harvest. He bought some sorghum seeds from Hlotse and maize from his friend. In general he cannot afford to buy improved seeds. He buys fertiliser ("the white ones") from Pitsing or Hlotse for M250 (USD 25) per bag. He buys only one bag which is sufficient for only one of his fields. Sometimes they are called to pick up some fertiliser provided by the government, which they last received in 2011.

In addition to his field Moeketsi has three cows and one pig. The cows are used for ploughing but one of them also produces milk that he sells. For the first time he is also keeping a pig and he wants to sell the piglets. He bought the piglet for M100 (USD 10). His wife also runs a small grocery now, selling a few basic items. This was only set up a couple of month ago with part of the lump sum money he received through the CGP. He expects the grocery business to contribute more to his income in the coming year.

The CT is not constant and changes. The last payment in March was M720 (USD 72). They were also given M400 and told to use it for seeds and food. They normally use the transfer to buy 25 kg maize flour but sometimes 50 kg (M240) and 25 kg bread flour (M135). Other food items they buy are soup, tinned fish and sometimes money goes to meet schooling needs. The shirt and trousers needed for schooling cost M150 and the jersey costs M85. He also uses M200 for investments. He does not find the money to be reliable and does not include it in their budget.

They used the CGP transfer differently when it was a lump sum. They bought more foodstuffs and invested some with the aim of helping his brother. When receiving the larger payment they also buy goods from Hlotse: “even with the transport costing M17 one way, it is still the same as buying from here. For the marketplace nearby you have to pay M15 for the wheel barrow to transport the 50 kg”. But when the sum is M360 they buy from nearby shops, as the amount is not sufficient and they would be using a substantial amount of the money for transport.

He acknowledged that some people are hurt by not being selected. These people sometimes blame them and say that the process is not fair. The relationships are however just the same as before and people just talk. He thinks that beneficiaries were selected when some came house to house: there was a device recording the information gathered which was put into a computer and that computer made a decision on whether someone was deserving or not. He doesn't think anyone from his community was involved.

3.1.3 Gender differences and the voice of children in access to and control over household resources

There is an extensive literature on cash transfers and gender relations. This builds a body of evidence demonstrating the impact of putting cash directly into the hands of women on their ability to reduce risky coping strategies⁷¹ and spend in ways that improve household welfare.⁷² Beyond practical welfare improvements, cash transfers can also have a more strategic or empowering effect on women. In Mexico's Progresa/Oportunidades programme cash transfers strengthened women's decision-making role in household expenditure, financial security, self-esteem and social status.⁷³ In Brazil's Bolsa Familia programme, the cash transfer increased women's labour market participation.⁷⁴ In Bangladesh a combined food and cash programme and a cash only programme appeared to have had a large, positive and significant impact on women's control over resources, access to credit and greater mobility.⁷⁵ In other contexts where women did not gain more influence over overall resource allocation decisions, their household bargaining position, along with their respect, at least strengthened more generally as a result of cash transfers.⁷⁶

Lesotho remains a patriarchal society where men are seen as being the heads of households. Some formal legal frameworks have changed recently, however, such as the passing of the

⁷¹ See Schubert, B. and Huijbregts, M. (2006). *The Malawi Social Cash Transfer Pilot Scheme: preliminary lessons learnt*. Paper presented at the conference *Social protection initiatives for children, women and families: an analysis of recent experiences*. UNICEF, New York, October 30-31.

⁷² See Arnold, C. with Conway T. and Greenslade M. (2011), op cit, p. 40.

⁷³ See World Bank, 2008. *For protection and promotion: the design and implementation of effective safety nets*. Washington DC.

⁷⁴ Veras, F., Ribas, R. and Osorio, R., 2007. *Evaluating the impact of Brazil's Bolsa Familia: cash transfer programmes in comparative perspective*. International Poverty Centre (IPC), Brasilia. <http://www.ipc-undp.org/pub/IPCEvaluationNote1.pdf> <http://www.ipc-undp.org/pub/IPCEvaluationNote1.pdf>

⁷⁵ Ahmed, Akhter U, Agnes R Quisumbing, Mahbuba Nasreen, John F Hoddinott, and Elizabeth Bryan. 2009. *Comparing Food and Cash Transfers to the Ultra Poor in Bangladesh*. <http://www.ifpri.org/sites/default/files/publications/rr163.pdf>.

⁷⁶ See Wallace T. and Chapman J. (2011) *Walking the Talk: Cash Transfers and Gender Dynamics*, Oxfam and Concern Worldwide.

“Legal Capacity of Married Persons Act” in 2006 that aimed to eliminate the inequality between married persons and gave women the same legal right to access productive resources, credit and land titling.⁷⁷ Moreover, Lesotho has one of the lowest rankings for gender-based barriers to accessing resources and opportunities, being ranked 14th in the world in 2012.⁷⁸ As noted in Section 2.1, in the early 20th century Lesotho also became a labour reserve for South Africa, with many men beginning to work there, leaving their wives and children behind. As a result women have had to manage their household affairs in the absence of their husbands and have become relatively autonomous over time, and de facto heads of households.

This study found the main decision-makers within the household were most often women. Even in mixed households the men would often provide resources to the women to plan budgets and use money on what they deem necessary for the family.

“Women are the ones responsible for the money [CGP] and we are happy with the way they are using it.”⁷⁹ “I just show my partner the money and he will just tell me to buy whatever is needed in the family.”⁸⁰

However, although women were often the day-to-day decision-makers, this does not mean that the influence of men was non-existent. Women’s decisions could still be subject to male approval, with patriarchal gender norms meaning that men could ‘overrule’ women if there was disagreement.

“In some families a man and a woman decide together what should be bought, but in most cases a woman is the one who decides on how the money should be spent. But in cases where the man and the woman do not agree upon what should be bought the man always wins, because culturally the man’s word is final”.⁸¹

Although the CGP appears to have had little discernible impact on underlying gender relations it has affected intra-household decision-making processes for some beneficiary households whose children want a larger say on how the CGP is spent. As mentioned above, the CGP promoted child awareness and rights, and this research confirms that children were well aware that the CGP was meant for them and wanted to influence how it was spent – exemplified by the comments below. Conversely, parents themselves included the children in the decision-making since their view, reinforced by the authorities and other community members, was that the money was intended for them.

“Children nowadays go to the legal guardian [or grandmother] and say I want one, two, three, etc.; and the legal guardians or grandmother make decisions along with the child”.⁸²

⁷⁷ <http://www.mcc.gov/documents/press/results-2012002131601-lesotho-gender-wpas.pdf>.

⁷⁸ Hausman. R, Tyson. D, Zahidi. S (2012), ‘The Global Gender Gap Report’, World Economic Forum.

⁷⁹ Male beneficiary, FGD, Malakeng CC, Mafeteng District.

⁸⁰ Female beneficiary, KII, Malakeng CC, Mafeteng District.

⁸¹ Principal teacher, KII, Litjotjela CC, Leribe District.

⁸² Female beneficiary, FGD, Malaoaneng CC, Leribe District.

“Sometimes he asks his son what he needs and after buying all his needs he uses the rest of the money to buy food stuffs for the family.”⁸³

3.2 Local Economy

Beyond the household level, the research explored the impacts of the CGP transfer on the local economy and the hypothesis:

The whole community, including non-beneficiaries, will benefit economically from the injection of cash through multiplier effects on local goods, services and labour markets, although this will be mediated by the political, economic and social context.

3.2.1 Economic exchanges

Impact of the CGP on the local economy was positive, but marginal at Community Council level

Beneficiaries constitute a very small percentage of the total population of the Community Councils. In Mafeteng beneficiaries account for 2-3.5 percent of the total population of the two Community Councils and in Leribe they only account for around 1 percent of the population of the two Councils. These proportions, which are typical (median value) of beneficiary presence in CCs across the country, minimise the potential for significant impact of spill-over effects at the CC level. This is especially the case here as the amounts of transfer are small and made only every quarter (and in reality even less regularly – see section 3.4).

Nevertheless the CGP provided opportunities for additional economic activity at the pay point where petty traders gather and at the village level where the small grocery shops confirmed a jump in sales. But this increase was typically only on the pay day itself and in some cases the subsequent day or two. It was generally not then sustained over longer periods of time. However for small grocery shops in the village this was an important source of income.

Beneficiaries in Mafeteng noted many petty traders gathering near the pay points during pay days to sell their goods, including cakes, clothing for children and other items. Some shop owners would try to benefit from the inflow of cash by taking their goods to the pay points. In one of the villages in Malakeng CC, one respondent noted that while he normally only sells one walking stick every one to two weeks, during the pay day he is able to sell four at the price of M20 (USD 2) each. He believes that business is good for all traders on this day.⁸⁴ A taxi owner in one of the villages in Metsi-Maholo CC shared similar sentiments. Prior to the cash transfer his business did best mostly at the end of the month or on seasonal holidays, but now he was earning money during pay days by taking the beneficiaries to the pay point at a fee of M14. This was now enabling him to buy meat for his family too.⁸⁵ Another business

⁸³ Male beneficiary, FGD, Metsi-Maholo CC, Mafeteng District.

⁸⁴ Male non-beneficiary, FGD, Malakeng CC, Mafeteng District.

⁸⁵ Taxi driver, FGD, Metsi-Maholo CC, Mafeteng District.

owner noted a slight change in her sales during pay days when she sold more Vaseline, milk and meat.⁸⁶

Box 3.6 Mathabo: A shopkeeper's story of the CGP's impact, Metsi-Maholo Community Council, Mafeteng District

Mathabo is a shopkeeper in one of the beneficiary villages in Metsi-Maholo. She started her shop in 2000 with her husband, who passed away in 2004. Since then she has been managing the shop on her own. She tries to buy almost everything needed to run her shop but is constrained by the money available to her. She buys stock from Mafeteng, 35-40 km away. She takes public transport that costs her M40 (USD 4) for the round trip and between M10-M15 (USD 1-1.5) for a wheel barrow boy to transport her goods to the bus stop from the shop. During each trip she can buy stock worth up to M2500 – M3 000 (USD 250-300). Her business has slowed down since the opening of a bigger foreign-owned shop in the village in 2005. Unlike the other shop in the village she provides credit to all her customers, whether a CGP beneficiary or not. She has a ceiling of M100 (USD 10) for customers and normally lends for one month only, although beneficiaries sometimes borrow for up two to three months. She is still willing to lend to these people because she feels pity for them and knows that otherwise these families will not have enough paraffin or gas to keep the children warm.

On a normal day Mathabo earns around M200-300 (USD 20-30) but at the end of the month this increases to M500-M600 (USD 50-60). The CGP also contributes to improvements in her business. During the two to three days around the pay day her income increases to M600-M700, higher than the month-end amounts she receives.

The CGP beneficiaries hire a vehicle to go to the pay point that costs them M14 for the return trip. She knows that the money arrives every three months and when she knows the next payment date she goes and stocks up. If she does not have the money she will borrow it. The chief notifies the community when the payment is coming, usually three to seven days in advance. She thinks this gives her sufficient time to be able to restock.

During the payment dates beneficiaries' main purchases are meat, sugar and paraffin that almost equally contribute to 60 percent of total sales during the pay day period. Other notable sales include soap (11 percent), oil (6 percent), tea (5 percent) and shoe polish (3 percent). All other groceries account for 10 percent of sales during this period. She does not stock any maize meal as the beneficiaries purchase this from the larger shop in the community. She notes that most people buy one 25 kg bag of maize at the cost of M140 (close to 40 percent of the value of the transfer). This is reportedly only sufficient for one month for a household size of four. The reason for the elevated purchase of sugar is that it is needed for income-generating activities around homebrewing that some of the beneficiaries engage in to earn a living. She has not introduced any new items and people continue to buy the same goods as before, although in larger quantities.

She believes that a more regular transfer (similar to the old age pension) of M200 would make a big difference to her business. She also believes that there are some additional deserving households that should be included in the programme, although those that have been selected are more or less the appropriate individuals. The programme does bring conflict, especially for those from the same group when one is receiving the transfer and the others are not. This has caused some bitterness and jealousy. She is a member of the support group in the community and is sometimes accused of having influenced the beneficiary selection.

In Mafeteng beneficiaries and non-beneficiaries noted improvements in business with more variety and quantity of goods on sale. Beneficiaries were able to buy in larger amounts and businesses responded to their demand by providing maize meal and oil in larger quantities and of different brands:

⁸⁶ Businessperson, KII, Malakeng CC, Mafeteng District.

“There is a positive change in the local economy because business people manage to buy their stock in larger quantities that are demanded by the beneficiaries, for example they used to buy 340/750 ml of cooking oil but now they even buy a 2 litre bottle. There is also diversity of goods that are available at the local shops, for instance the shopkeepers used to buy one type of maize meal but now we have plenty of alternative choices. But again, they are now able to buy in large quantities.”⁸⁷

In Malaoaneng CC, in Leribe, many of the local shops also noticed improvements in their businesses during the CGP pay day. One shopkeeper revealed increasing her sales more than twofold during pay days and being able to introduce new items and in larger quantities (see Box 3.6). Another shopkeeper in the same CC explained that his business was mainly driven by salaried people in South Africa. However the CGP also improved his sales slightly. He earned around M300-M400 (USD 30-40) during a normal day and between M700-M1000 (USD 70-100) at the month’s end. His sales during a normal CGP pay day was around M600 but during the last payment day he earned M1 990 (USD 199), since this payment included a previously missed payment and because the payment system was indexed to the size of the beneficiary households, thus increasing the purchasing power of beneficiary households. His major sales were school shoes, trousers and gum boots.⁸⁸

In Litjotjela CC most beneficiaries spent their money in the district capital and there was little evidence to suggest any changes to businesses in the villages.

⁸⁷ Teacher, KII, Malakeng CC, Mafeteng District.

⁸⁸ Shopkeeper, KII, Malaoaneng CC, Leribe District.

Box 3.7 **Maleshoane: A shopkeeper’s story of the CGP’s impact, Malaoaneng Community Council, Leribe District**

Maleshoane is a shop owner in one of the villages in Malaoaneng. She is well aware of the CGP and has made substantial sales because of it. She reveals that on a normal day her sales are around M600 (USD 60), increasing to M1 000 (USD 100) during the month’s end. On a CGP pay day her sales increase even further to M1 500 (USD 150) but only for one day. The main goods she sells during the pay day are:

- Maize (27 percent) – selling 50 kg bags for around M230-M270, this lasts a household for around one to one-and-a-half months
- Cooking oil (16 percent) – a 5 litre container is sold for M92, lasting a household around two months
- Meat (16 percent) – the old people buy intestines for M6.50 and 2 kg parts are sold for M40
- Rice (16 percent) – 10 kg that is sold for M95
- Vaseline (14 percent)
- Other (11 percent) – this includes wheat meal, radios, etc.

She believes that most people spend their money locally as the cost of taking a taxi to the town and back is very high (M42 return trip). She purchases more stock when she knows when the beneficiaries are getting paid. She hears about the pay day by asking the beneficiaries and also by them coming to her shop and informing her. Sometimes she is able to restock but at other times she is not able to do so and in those cases beneficiaries place orders with her and she goes and supplies the goods for them. Because of the transfer she has introduced larger items, such as 50 kg bags of maize meal (she only used to stock 25 kg and below), paraffin stoves and radios. She essentially stocks new items when customers request them.

She gives credit to all of those who are creditworthy but does not lend to those who are not. She does not put a cap on the credit she gives. She thinks the beneficiaries are more creditworthy as they are better able to pay back. She still gives credit to them even if it is two months before the next payment.

She is also aware of the old age pensioners, but they buy different items, mostly rice – because they do not have to cook it for long -- wheat meal and some vegetables. They do not buy radios and paraffin as much as the CGP beneficiaries do.

She says that she does not increase prices during the pay days. Finally, she thinks her business would improve if they were paid every two months as these people remain without food for long.

Households source most of their grocery needs locally

Most beneficiaries spent their transfer locally where they lived. This was particularly the case for beneficiaries in CCs that were farther away from main towns and for the purchase of food and other groceries. In all three CCs of Metsi-Maholo, Malakeng and Malaoaneng the cost of transport to the main town and back was more than 10 percent of the value of the transfer, making the trip to the main town uneconomical unless prices were substantially cheaper in the main town. In Metsi-Maholo some beneficiaries had to take public transport to the pay points, which automatically reduced their transfer value by around 3-4 percent.

“Even though the prices are slightly higher we still buy from the local shops instead of going to Hlotse [district capital]. We get almost everything we need apart from clothes.”⁸⁹

With this said, these beneficiaries also purchase from bigger towns at times. This usually happened when the beneficiaries received a lump sum for two missing quarterly payments or

⁸⁹ Female beneficiary, FGD, Malaoaneng CC, Leribe District.

when they had to buy clothes, a less frequent purchase. With a bigger transfer the proportional cost of transport is reduced and bulk purchases make this a more viable option.

“People buy from Hlotse [district capital] when they get the lump sum but otherwise they get groceries from the local shops. The reasons they go to Hlotse is because there is a lot of variety and they buy clothes there. But during the small payment transport is a problem as it is relatively high in proportion to the transfer amount. For small payments it is cheaper to buy from local shops.”⁹⁰

In contrast, beneficiaries closest to main towns purchase most of their household needs from the main towns. This was particularly true of beneficiaries in Litjotjela who made a significant part of their purchases in Hlotse – the district capital. In their case, transportation costs were less than 3 percent of the value of the transfer and the prices in district capital much cheaper.

But even in communities closest to towns some purchases were still made within the community. This was often for small items such as matches, candles or other items that had run out in between payments. One of the attractions of purchasing in local community shops is the ability to purchase goods on credit, a strategy used by some shop owners to keep their customers.

Overall the proportion of expenditure in local communities was found to depend on the following factors:

- Price differential between village prices and prices in town;
- Proximity (physical distance) and accessibility (terrain) to main town;
- Variety of goods and choices in the local community;
- Cost of transport to the main towns;
- Size of transfer; and,
- Date, location and time of payment.

With the latter, delays in payment increased households’ food needs and the likelihood of them purchasing items on credit from local shops. Moreover, if payments were made later in the afternoon, this increased the likelihood of more purchases in the vicinity of the community since travel to the main town was less feasible after the payment.

The CGP had no impact on prices

The CT had not resulted in opportunistic price increases in the communities under this research study. Prices were determined based on the cost of inputs and transportation and pre-determined mark-up which were not adjusted during pay day.

“Prices have not changed [due to the CGP], I just increase the price if the diesel price increases.”⁹¹

⁹⁰ VAC member, KII, Malaoaneng CC, Leribe District.

⁹¹ Businessman, KII, Malakeng CC, Mafeteng District.

The exception to this was one location within Metsi-Maholo where the road infrastructure made travelling even more difficult and where both beneficiaries and non-beneficiaries felt that one of the shops was increasing its prices during pay days but felt they had no option but to make purchases there given the distance and cost of going elsewhere.

Interestingly in Malakeng a group of beneficiaries noted that some shops introduce sales (i.e. decrease prices) rather than increasing prices to draw in more customers on pay days. The shops did not increase their prices as there is competition in the community and beneficiaries would not buy from them if they did.⁹²

Beneficiary credit worthiness increased

Shopkeepers' willingness to provide credit, and the criteria for doing so, varied from shop to shop and location to location. Some shopkeepers (especially foreign-owned) were completely averse to selling on credit whereas others, especially smaller shops, were more willing and saw this as an opportunity to maintain their business and keep their customers. Most shopkeepers had caps on the amount they were willing to lend which in general ranged from M10 to M100 (USD 1-10).

“We are only receiving credit since the introduction of the cash transfer. Before that the business people were not sure how we could pay them back since we were not working.”⁹³

Trustworthiness, regularity of purchases from the shop and the ability to pay back were the main considerations when deciding to give credit or not and, on average, the CGP beneficiaries were deemed more creditworthy than before.

Shopkeepers were in general only prepared to sell on credit if the repayment date was close (a few weeks away at most). However they sometimes reluctantly sold on credit for longer periods if they knew the households well, the clients lived close by and patronised the shop frequently.

3.3 Social Networks

In this section we examine the research hypotheses around social networks and economic impacts:

Cash transfers increase beneficial risk-sharing arrangements and economic collaboration underpinned by social capital (trust-based reciprocity).

Changes in social networks linked to CT positively affected the most vulnerable and least powerful people in a community through greater inclusion in decision-making processes (including through an increased ability to make ‘social contributions’) and increased their entitlement set and livelihood choices.

⁹² Female beneficiary, FGD, Malakeng CC, Mafeteng District.

⁹³ Male beneficiary, FGD, Maloaneng CC, Leribe District.

3.3.1 Risk sharing arrangements

Nuclear and extended family relations

Nuclear and extended family relations play an important role in the Basotho culture and their ability to deal with unforeseen shocks, functioning as traditional risk-sharing, safety-net mechanisms. Sons and daughters support their elderly parents through remittances and other in-kind support, elderly parents and siblings take care of orphaned grandchildren, nieces and nephews and in general they support each other by sharing fields, labour, drought power and resultant harvests. Not surprisingly, institutional analysis in all four Community Councils found families to be ranked as very important and socially close. Immediate families are those who people ‘share their problems with’ and are ‘always around’ and there to help should any problems arise:

“Family are always supportive regardless of what you do and very close to our hearts because they are always eager to help and for instance they buy us food when we go hungry.”⁹⁴

“These are the people [immediate family] who when I say I'm sick they are immediately here. They are our beloveds.”⁹⁵

In contrast other relatives were viewed less favourably. They were indeed acknowledged as important but were not always seen to be there for you or to support you:

“They are not people you would run to in times of need; it is only immediate family that helps you.”⁹⁶

“Relatives are less important as they are not really available in times of need. They are the same people who pull you down.”⁹⁷

Relatives were not only socially far but also physically far away often in other villages, towns or countries (see Figure 3.3 for example).

The institutional analysis of female beneficiaries presented below typifies some of the findings around social connectedness and accessibility to services. Not surprisingly agriculture, understood as land and harvest, was deemed highly important but while accessible in the sense of having a piece of land, it was not viewed as providing sufficient food. In addition to the social distance of relatives mentioned above, the primary school and nursery school were identified as being socially distant for these beneficiaries prior to the cash transfer but conversations that ensued suggested that since receiving the CGP they were better able to clothe their children and meet their educational needs (see discussions on education).

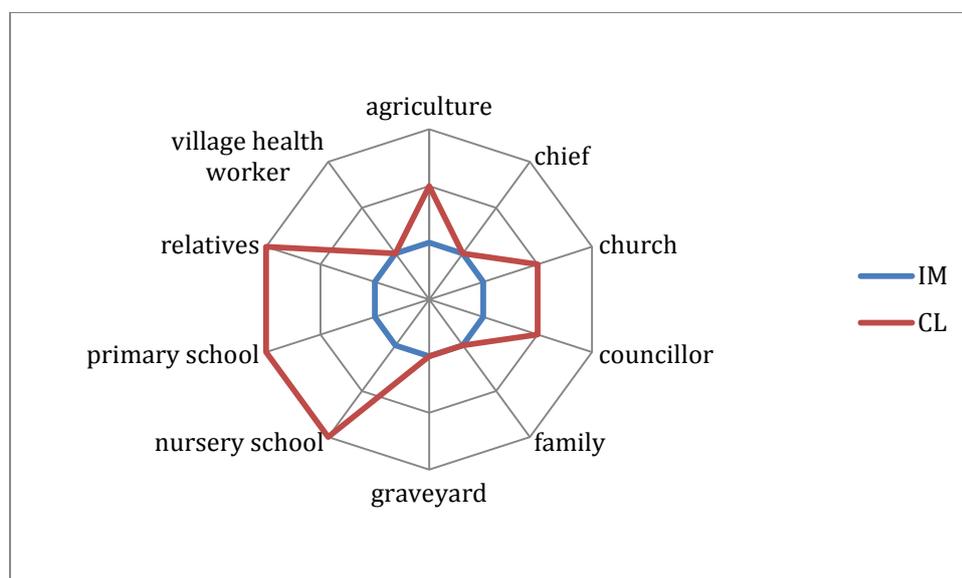
⁹⁴ Female beneficiary, Malaoaneng CC, Leribe District.

⁹⁵ Female beneficiary, Malakeng CC, Mafeteng District.

⁹⁶ Female beneficiary, Malakeng CC, Mafeteng District.

⁹⁷ Female beneficiary, Litjotjela CC, Leribe District.

Figure 3.3 Institutional analysis, Female beneficiary, Malaoaneng Community Council, Leribe District



Note: 1) Importance and social connectedness are signified by proximity to the centre of the diagram. The closer the institutions or actors are to the centre the more important they are to the respondents. IM: importance and CL: closeness/accessibility

Relationships with the wider community

Customary reciprocal traditions provide important informal safety nets in rural areas but are gradually declining; they include:⁹⁸

- Assistance from neighbours and relatives (*ho sobelana*);
- Sharing and borrowing animals (*mafisa*); and,
- Communal work parties, especially those organised by the chief (*matsema*).

The research found numerous examples of individuals and households receiving support from neighbours and relatives and there were many examples of households sharing and borrowing their animals with/from one another. However there were no examples of *matsema* in any of the areas visited.

Usually the ultra-poor people turn to their neighbours for help, and what they receive is usually the in-kind type of help because they do not expect anything in return. In addition, the form of assistance they receive from neighbours is mostly in the form of food and clothing. More often than not, the ultra-poor turn for assistance to their relatives as their second option mainly because they usually live far away or, at times, there may be conflicts between relatives.⁹⁹

⁹⁸ Gill, S (1993), *A short History of Lesotho: From the Late Stone Age until the 1993 elections*, Morija Museum & Archives.

⁹⁹ Principal teacher, KII, Litjotjela CC, Leribe District.

The poor and somewhat rich mix with each other and help one another with farming. For instance if a person has animals for ploughing then those who do not have are able to help out with labour and their fields will be cultivated.¹⁰⁰

Other cultural characteristics of the Basotho that shape how people interact and support one another include payment in the form of cattle by the family of bridegroom to the bride's family (*bohali*), initiation ceremonies for men and woman that mark the transition from youth to adulthood and include circumcision (*lebollo*) and contributions by community members towards funerals, helping especially with the purchase of food.

At the apex of these informal support networks is the traditional authority, which is hereditary. The chief governs his/her people by providing them with land and overseeing their conflicts and disputes. Institutional analysis with groups of beneficiaries found chiefs to be very important. The chief was seen as someone able to 'solve grievances' and who is always accessible:

“He [chief] plays a major role in the community because he always intervenes when we have problems such as fights and theft.”¹⁰¹

Neighbours were also noted as important by most respondents as they were “the first people who would know if anything happened to you” and were usually the first to offer help in times of need.

Lesotho is a country with a high prevalence of HIV and deaths occur regularly in the rural areas. Not surprisingly, therefore, funeral societies play an important role in most villages where the majority of the villagers are members. The funeral societies are contribution-based entities that provide support with the burial costs, including coffins and the community feast.

Another arrangement that is emerging in Lesotho is sharecropping between poor landowners and rich individuals from the village or other towns. The wealthy individual provides the financial capital for the purchase of inputs (including seeds, fertiliser and drought power) and in return take a proportion of the harvest. This arrangement is becoming more common in the rural areas and evident across all research CCs and within both districts:

“We can hire out our fields to wealthy people who are able to buy agricultural implements such as improved seeds and fertilisers so that they can give us a share at the end of harvesting season.”¹⁰²

“Most people have fields but cannot afford to farm them. Even if they do, there is no market for their produce. They cope with this by sharecropping with the Assistant Minister of Agriculture [in an individual capacity] who selects fields with healthy soil. He supplies all the inputs and they share the produce at a 30:70 ratio. The minister seems to have a good market for his produce.”¹⁰³

¹⁰⁰ VAC, FGD, Malaoaneng CC, Leribe District.

¹⁰¹ Female beneficiary, Malaoaneng CC, Leribe District.

¹⁰² Male non-beneficiary, FGD, Metsi-Maholo CC, Mafteteng District.

¹⁰³ Male beneficiary, FGD, Litjotjela CC, Leribe District.

The CGP had increased reciprocal lending and borrowing relationships

The CGP had resulted in some beneficiaries being able to borrow more from others, as the lenders knew that what they had lent would be returned to them. As mentioned above, it had even in rare cases enabled some beneficiaries to lend to others. This lending and borrowing generally took place through informal social relations, but sometimes more formally through shopkeepers as noted earlier:

“Nobody wants to lend money to the poor because they cannot afford to pay people back, what people usually do is help poor people without expecting anything in return, but they are only been helped in kind. When it is done in cash, people usually expect them to do piecemeal jobs for them such as doing the laundry.”¹⁰⁴

“Before the transfer the beneficiaries used to rely on others for things but now they are less reliant and also when they borrow things now they are expected to return them, whereas before there were no expectations for them to return the things that they had borrowed.”¹⁰⁵

“Neighbours are now able to lend to us because they know we are now able to pay them back.”¹⁰⁶

Despite the prevalent tensions (see next section), there were those in the community who were very happy to see the very vulnerable households in their community receiving support. This was because it reduced the burden on their shoulders to support these poorer households:

“I’m very happy as my father-in-law is now getting the grant which means I no longer have to support his family and am no longer burdened.”¹⁰⁷

At the same time, it provided beneficiaries a bit more financial independence, enabling them to depend less on others; as positively reported by one beneficiary:

“It is making a big difference because it is helping me to take care of my biggest needs.”¹⁰⁸

Of note, one important clarification raised during the research was the difference between “borrowing from others” and “asking” others for help. Borrowing implies expected payback, while asking implies giving freely with no expectation of return. In most cases, CGP beneficiaries are borrowing from others, with a clear expectation of eventual return on the loan. It is only the poorest, most destitute and desperate with no alternative resources or capability to repay, who are asking others for help. VAC members¹⁰⁹ described an episode

¹⁰⁴ Chief, KII, Litjotjela CC, Leribe District.

¹⁰⁵ VAC member, KII, Malaoaneng CC, Leribe District.

¹⁰⁶ Female beneficiary, FGD, Malakeng CC, Mafeteng District.

¹⁰⁷ Female non-beneficiary, KII, Malakeng CC, Mafeteng District.

¹⁰⁸ Female beneficiary, Litjotjela CC, Leribe District.

¹⁰⁹ Litjotjela CC, Leribe.

requiring their intervention when the fine line between borrowing and asking was blurred – resulting in one beneficiary household expecting their long-overdue repayment from a nearby household who “borrowed” the cash. This change from “asking” to “borrowing” provides some shift in power relations and the nature of relationships between beneficiaries and non-beneficiaries but in some instances is reversed by increased social tension and resentment mentioned above.

Informal social and economic networks and limited impact of the CGP

The main social networks in the research CCs included those formed around burial schemes, grocery schemes, *stockvels* (rotating brewery scheme among members) and community cattle theft associations. Other networks included support groups, church-based affiliations and political affiliations.

Most community members, including the poor, are part of funeral societies and some are members of grocery schemes and *stockvels*. Informants also noted the existence of revolving credit schemes. Grocery schemes and *stockvels* were related to livelihood strategies and a means of generating additional incomes. In the grocery scheme members make monthly contributions and lend to one of the members, who pays the amount back with interest in the following month. This activity is undertaken on a monthly basis until the end of the year when the cumulated funds are used to bulk purchase groceries which are then shared among the members. Owing to the high levels of cash contributions required, CGP beneficiaries were constrained in joining many of these types of associations. Funeral societies are highly valued by most community members, as an institutional mapping analysis with a group of female beneficiaries in Makakeng, in Mafteng District, illustrates:

“Community societies are very important as they help you in your greatest need such as funerals or when you are in dire need of food”.¹¹⁰

Given their importance and their perception as an insurance mechanism that enables members to afford funeral costs when they arise, many community households are members of some sort of burial scheme. The monthly contributions for funeral schemes on average ranged between M5 and M20.

In addition to the abovementioned social networks some communities have cattle theft associations aimed at protecting the community’s livestock. The membership cost for this association is minimal and only for the purpose of providing the expenses for the association’s operations and related travel costs.

The impact of the CGP on these institutions had been minimal. The programme had not resulted in any significant changes in membership or promoted inclusion into these networks. Beneficiaries explained that many of them were already members of those networks where they were able to contribute in small amounts, but remained excluded from those requiring greater entry fees.

¹¹⁰ Female beneficiary, FGD, Malakeng CC, Mafeteng District.

Moreover, the CGP had not resulted in any new schemes or societies. Most beneficiary households were already members of the burial societies and remained so.

“There are few schemes that we have in this village, but they have always been around and they did not start since the introduction of cash transfer”.¹¹¹

It is usually those who are relatively better off (for example, wives of mine workers) who are members of female-dominated grocery schemes. The poor are often not members because of high monthly contributions of between M100 and M200. Most CGP beneficiaries were not members of the grocery schemes, nor did the CGP enable their entry.

3.3.1 Beneficiary Social Inclusion

Impact of the CGP on community relations

The CGP had resulted in jealousy and tensions between beneficiaries and non-beneficiaries within the targeted communities. Non-beneficiaries were often resentful and upset at not being selected and felt that they were also in need of support. This tension had not however resulted in any conflict or significant change in the relationships between beneficiaries and non-beneficiaries.

“We are very sad. Our hearts are broken by our exclusion because we also care for orphans.”¹¹²

“Our relations with our neighbours are still the same but we become jealous when we see their children wearing new shoes or clothes because we believe that we are just as poor and we deserve the money.”¹¹³

These tensions were more pronounced initially after the grant was disbursed but have to some extent settled down, although never completely resolved, since many community members were still unclear about how programme beneficiaries were selected. As a result during each payment period these tensions resurfaced and the relationship between beneficiaries and non-beneficiaries was strained for a few days. Non-beneficiaries often mocked the beneficiaries during this period or stopped speaking to them. The non-beneficiaries had labelled the cash transfer “*seoa-holimo*” (the money that comes from the sky) and used it as an insult against the beneficiaries. These tensions were especially pronounced among women in the villages.

“Relationships are still the same but people ‘just talk’. It is the women who hold more grudges as they feel they also have children and should also be receiving it. It generally affects women’s relationships. Around pay day they just pass you without greeting you and a few days later they start talking to you and mockingly say ‘you have eaten well’.”¹¹⁴

¹¹¹ Businessmen, KII, Malakeng CC, Mafeteng District.

¹¹² Male non-beneficiary, FGD, Malakeng CC, Mafeteng District.

¹¹³ Female non-beneficiary, FGD, Metsi-Maholo CC, Mafeteng District.

¹¹⁴ Male beneficiary, In-Depth Interview, Malaoaneng CC, Leribe District.

“After the cash transfer there is tension and people don't say nice things to us, they don't want to see us buying groceries.”¹¹⁵

“Non-beneficiaries do not talk to us. They even mock us saying nice food, delicious food, when we cook something.”¹¹⁶

The transfer had affected how some beneficiaries and non-beneficiaries interacted – with some no longer lending or sharing things. Some non-beneficiaries noted that they no longer offered anything to the beneficiaries as they now had money. This was more likely in the cases of those beneficiaries who were seen as less ‘deserving’ or who were now able to borrow (see discussion above).

Part of the community tension was a direct result of limited information campaigns and sensitisation at the community level by the programme officials, where little action has been taken to deal with this situation (see 3.4.1). Some chiefs did speak to their subjects to provide explanations that could help diffuse the situation.

“People talk, they talk badly during the pay days. Sometimes tension gets so out of hand that they may stop talking to each other. During this time the chief normally calls them and speaks to them. They normally tell them they shouldn't blame the beneficiaries. They are told that the people who selected us don't know us and that they selected us through a raffle. They shouldn't be upset with them and one day it might be they who will be selected.”¹¹⁷

Nevertheless the community tensions remained unresolved.

The CGP's effects on beneficiary self-esteem and inclusion were largely indiscernible. However, there are indications that it may be resulting in positive impacts on children. For example, one beneficiary schoolchild met (Box 3.3) not only reported feeling better physically (improved consumption), but explained that others had spoken poorly of him because of his torn uniform but no longer do so. Now, he said, he can bring other school friends to his home because they can get a little something to eat [after school].

3.4 Operational Issues

This section looks at the operational issues related to the impact of the CGP and addresses the following hypothesis:

Cash and in-kind transfers can be improved through a better understanding of likely household and local economic impacts.

¹¹⁵ Female beneficiary, FGD, Litjotjela CC, Leribe District.

¹¹⁶ Female beneficiary, FGD, Malaoaneng CC, Leribe District.

¹¹⁷ Wife of chief, KII, Malaoaneng CC, Leribe District.

3.4.1 CGP targeting

Programme awareness

Beneficiaries and non-beneficiaries in both districts were not aware of how and why some community members were selected and others were not. This was to some extent driven by how the programme was designed and partly because of poor communication with community members subsequent to the beneficiary selection and enrolment. Social Welfare Officers at the Leribe District confirmed they were well aware of the need to carry out more mobilisation and communication/awareness-raising, however staff and resources were limited. In addition, they reported that even when they do go to the districts to communicate with the population attendance is often very poor. In the case of non-beneficiaries there was some confusion as to whether the transfer was only meant for orphans or vulnerable households or whether it was for households with children only. Moreover, there were questions on whether households receiving pensions or other social assistance were also eligible to be part of the programme. For example, one chief interviewed actually queried the research team about whether households are permitted to get two different grants/social assistances at once as he was not sure.¹¹⁸ These were some of the questions that community members raised among themselves and were seeking answers to.

Interviews with key informants at the community level showed varying degrees of knowledge and understanding, and mixed opinions, on the efficacy of the transfer programme. One chief in Litjotjela noted that he was aware that the programme was meant for the ‘poorest of the poor’ but in reality was seeing people benefiting that he personally believed should not be and that there were those who they as a ‘community’ believed should have been included but had not been. He thought perhaps this was a “matter of luck”. He went on further to say that the selection process was absolutely not clear and done unfairly, and that is why there was jealousy and resentment among non-beneficiaries and beneficiaries in his community.

Beneficiaries were also not very clear on why they were “chosen” but suspected that it related to the “questions they were asked” and “decisions made by computers”:

“The transfer was targeted at the vulnerable but not everyone was selected. If you are lucky the computer does not leave your name out. It was only government officials that selected people and no one from the communities. We think that we passed the interview when questions were asked and we qualified.”¹¹⁹

“People were selected when they came house-to-house. There was a device recording the information which was put into the computer and that computer made a decision on whether deserving or not.”¹²⁰

While many were told that a computer had made decisions on who should be selected, some community members were sceptical of this and thought that “everyone was hiding behind the computers”:

¹¹⁸ Chief, Litjotjela CC, Leribe District.

¹¹⁹ Female beneficiary, FGD, Malakeng CC, Mafeteng District.

¹²⁰ Male beneficiary interview, Malaoaneng CC, Leribe District.

The chief informed us that the selection of the beneficiaries was done by the computers.

“But we doubt this as a community because for the computer to produce information a person needs to tell it. The computer excuses were lame although we had to accept whatever we were told.”¹²¹

The VACs were not perceived as being part of the selection process. This is consistent with the design of the programme which kept the validation process secret from the community. VACs were not always known by the community members and where they were known they were thought of only as those helping the enumerators during the census stage and not involved in the selection itself.

By contrast, beneficiaries, as well as the large majority of community members, had a very clear idea of what the money was meant for and were consistently reminded by staff from the Ministry of Social Development during the pay days. The majority of them noted that the money was for the welfare of the children and was meant for their educational requirements and for ensuring they had enough food and were well-clothed. As mentioned earlier, there were also indications of awareness of the CGP by beneficiaries’ children, an implementation feature integral to the CGP.

Moreover, beneficiaries were very clear on what the money was not intended for as the quote below illustrates:

“The money is meant for the children to make sure they have school uniforms, school shoes and food. But we are not meant to pay for funeral schemes or to buy airtime [with this money].”¹²²

Finally, beneficiaries were not sure who was providing the grant or for “how long the benefits will last”. Some beneficiaries thought the money was coming from donors and others thought from the Government.

“We don’t know where the CT comes from and when it will end because no one has told us.”¹²³

Perceived exclusion and inclusion errors

As stated in the previous section, beneficiaries and non-beneficiaries had limited understanding of the selection criteria and enrolment process used in the programme. Their perceptions of exclusion and inclusion errors were related to their experiences and observations in relation to who received or did not receive the transfer, and their understanding of different levels of social and economic well-being within their community.

¹²¹ Interview with businessperson, Malakeng CC, Mafeteng District.

¹²² Female beneficiary, FGD, Malaoaneng CC, Leribe District.

¹²³ Male beneficiary, KII, Malakeng CC, Mafeteng District.

In general many community members, including non-beneficiaries, considered the CGP beneficiaries to be deserving and in need of the support. Errors of inclusion were perceived to be low, although there were always some households that were deemed as not in need of the grant and this was a source of contention within the community.

“I personally know that there is a child grant programme in this village that is targeting orphans and vulnerable children (OVCs) and supports them financially. Again, what I discovered is that it has included people who are well off and excluded ultra-poor people who deserve to be assisted.”¹²⁴

More pronounced were errors of exclusion. In all research sites, community members noted many deserving households as being excluded from the programme. Perceived reasons for exclusion varied among respondents. Some thought that the reason why some people were excluded was their absence during the enumeration period, while others felt that they were not “chosen by the computer” or were “not lucky” or had not “won” this time. There were also those who thought it was due to “community politics” and “elements of favouritism”.

“Most of the people receiving the grant are eligible and some people were supposed to be part of the grant but were turned down at the council where they were told they will be included in the program at a later stage.”¹²⁵

“Some people closed their doors to enumerators deliberately because they mistook them as watchtower (church) people, which is the reason why they [non-beneficiaries] lost out,”¹²⁶

In Mesti-Maholo a group of female beneficiaries believed they were “deserving” but also believed that the selection process was biased “because other people who are eligible to get the transfer were not enrolled in the programme”. They attributed this to their “own carelessness” and absence during the listing stage.

These findings are consistent with the quantitative impact evaluation baseline survey targeting analysis that found the errors of inclusion to be within the acceptable international norms (26 percent) – but still high given the programme design – and the errors of exclusion to be very high (67 percent).

Some beneficiaries and non-beneficiaries recommended that the targeting process be revisited for wider coverage so that the deserving could be included in the programme.

“A lot of deserving and eligible [people] have been left out and if the capacity of the programme can be increased, you might even experience peace in this village.”¹²⁷

“The Government must revisit the village so as to register other people who are poor since they were not around during the first listing registration.”¹²⁸

¹²⁴ Businessman, KII, Malakeng CC, Mafeteng District.

¹²⁵ Female non-beneficiary, Malaoaneng CC, Leribe District.

¹²⁶ Male beneficiary, FGD, Litjotjela CC, Leribe District.

¹²⁷ Female beneficiary, KII, Metsi-Maholo CC, Mafeteng District.

As one non-beneficiary explained:

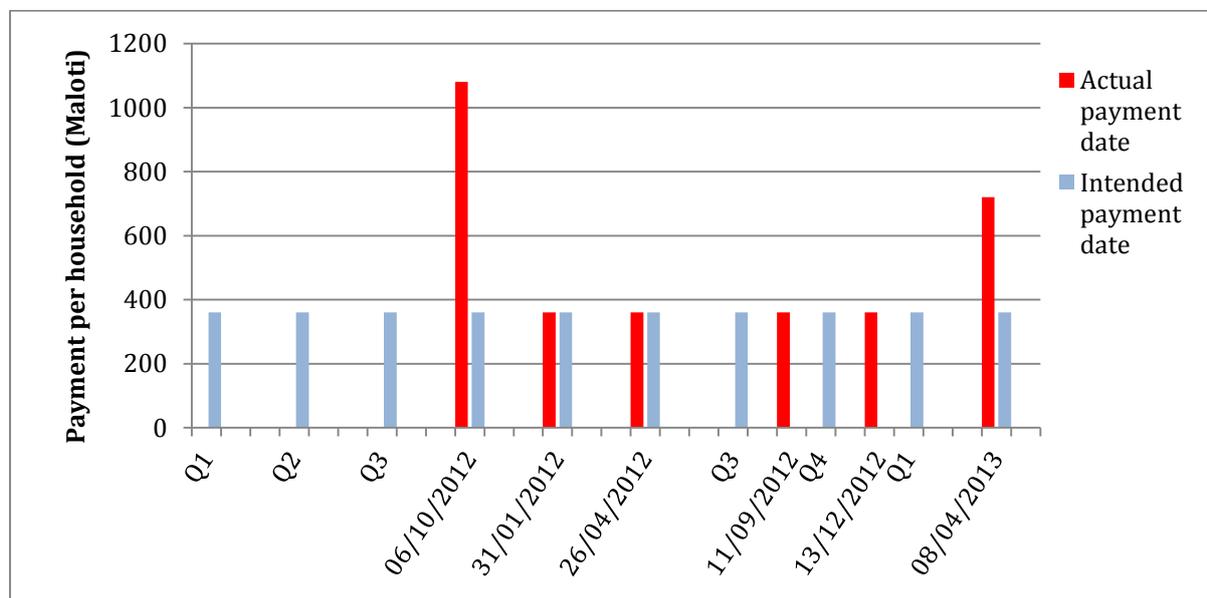
“I am deserving. I have made peace with it. I don’t want others to think I am jealous. I am not jealous, but I envy them.”¹²⁹

3.4.2 Payments

CGP payments are meant to be made every three months. However a review of the actual payment dates against the intended dates showed wide discrepancies. Although ten payments were expected, based on the operational design of the programme, only six have been made to date. In Mafeteng District the payment schedules and dates differed between Metsi-Maholo and Malakeng CCs. In Metsi-Maholo the first payment was planned for January 2011 but was only made nine months later in October 2011, when households received M1 080 each for that and the previous three quarters. Of the five subsequent payments only three were made every three months (see Figure 3.4). In Malakeng the delays were similar, however only one payment was made after the intended three-month period with the remainder always being delayed.

The two CCs in Leribe faced similar delays at the commencement of the programme and in subsequent payment schedules. The delays in both districts are clearly depicted in Figure 3.4 through Figure 3.7 below.

FIG 3.4 Actual and intended payment schedule in Mesti-Maholo Community Council, Mafteng District

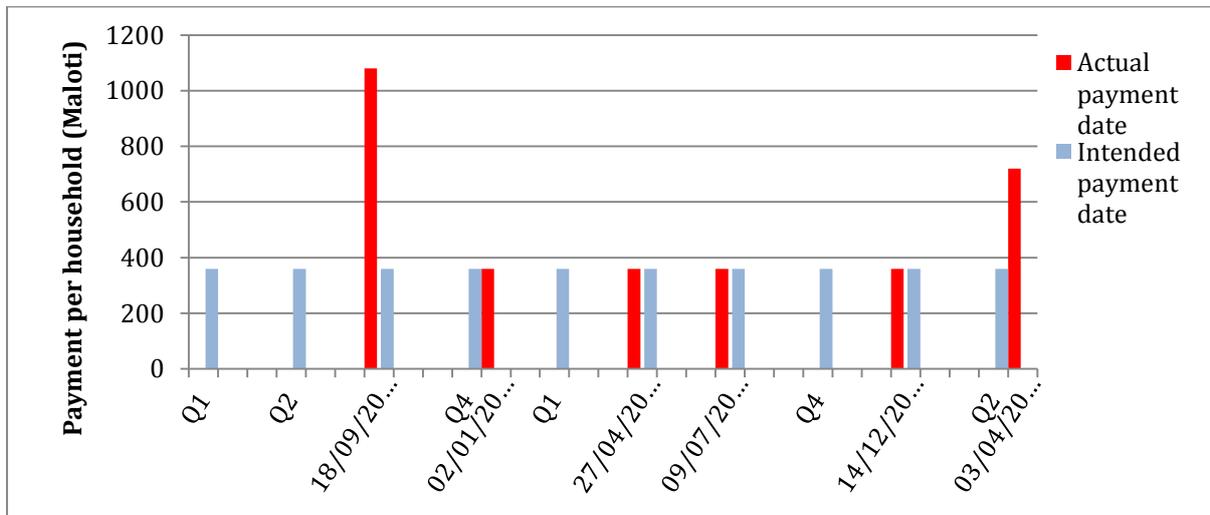


Source: data from Ministry of Social Development. Note that the last payment is indexed to the size of households but for ease of representation the lowest amount is shown.

¹²⁸ Teacher, KII, Malakeng CC, Mafeteng District.

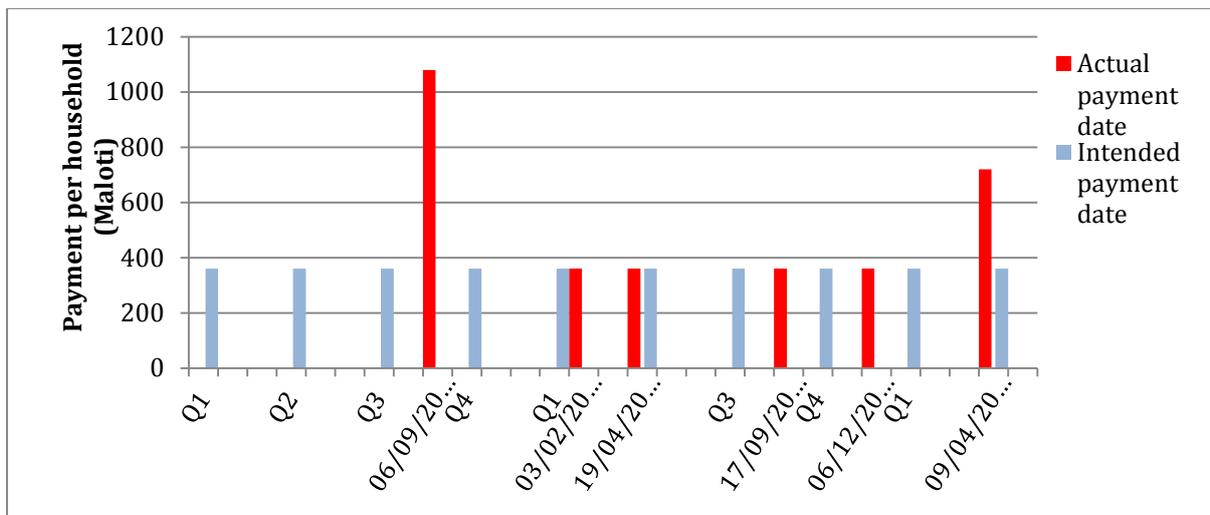
¹²⁹ Female-headed household, Litjotjela CC, Leribe District.

FIG 3.5 Actual and intended payment schedule in Malakeng Community Council, Mafteng District



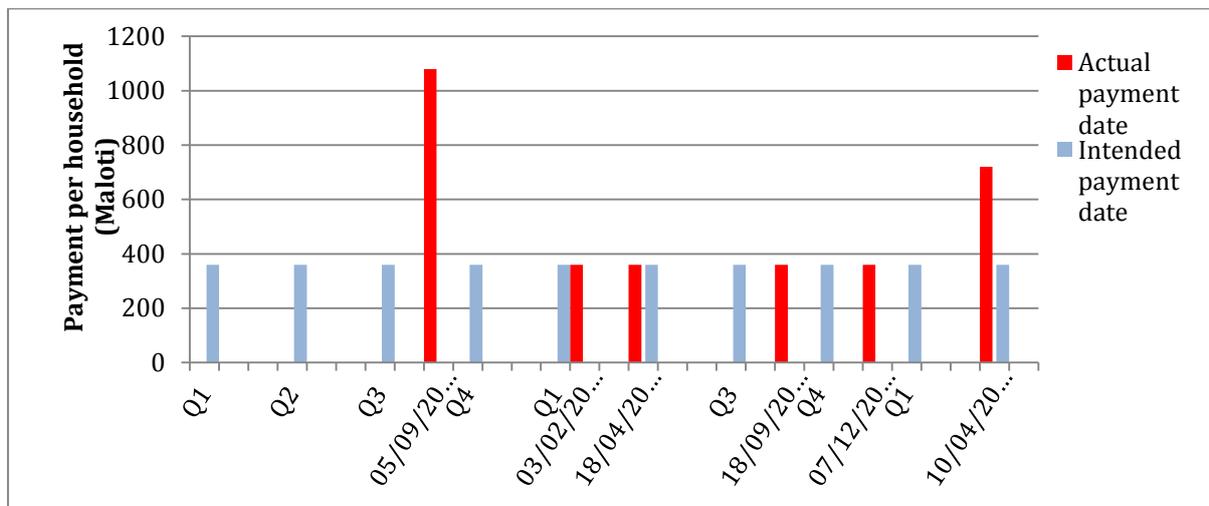
Source: data from Ministry of Social Development. Note that the last payment is indexed to the size of households but for ease of representation the lowest amount is shown.

FIG 3.6 Actual and intended payment schedule in Maloaneng Community Council, Leribe District



Source: data from Ministry of Social Development. Note that the last payment is indexed to the size of households but for ease of representation the lowest amount is shown.

FIG 3.7 Actual and intended payment schedule in Litjotjela Community Council, Leribe District



Source: data from Ministry of Social Development. Note that the last payment is indexed to the size of households but for ease of representation the lowest amount is shown.

Delays in payments had negative consequences for the beneficiary households, and especially those that are reliant on the CGP as their main source of livelihood. Households were unable to rely on this transfer as a regular source of income or to budget and plan ahead for their household needs. Moreover, households were likely to incur additional debt or default in repayment if payments were not made on time. This was especially the case if the households were not informed about such delays.

This research found households to be generally unaware of the next payment date. Moreover, households were only notified about the payment date two weeks to two days prior to the payment date and were never informed of missing payments, even if delayed by more than a month. This made many beneficiaries view the CGP as an ‘unreliable’ source of income that was welcomed as an additional income when it came but one that they could not necessarily budget for with certainty.

“The money is delayed in coming and when it arrives it is awaited by a lot of debts.”¹³⁰

“The transfer is not consistent because sometimes it comes after a few months and sometimes it skips payments, but then they double the payment.”¹³¹

“If they skip payments we are normally not told anything but they just inform us during the next payment that this is going to be the next payment. The money is not reliable and we don’t include it in our budget but we wouldn’t say it’s just a top-up as if the sales of potatoes, beans or milk are not going well then this does help us a lot but it’s just that it is unreliable.”¹³²

¹³⁰ Female beneficiary, KII, Metsi-Maholo CC, Mafteng District.

¹³¹ Teacher, KII, Malakeng CC, Mafeteng District.

¹³² Female beneficiary, KII, Malaoaneng CC, Leribe District.

Preference for more regular payments

Almost all beneficiaries interviewed wanted the payments to be made more regularly. They noted that money comes after a very long time and by then “problems have been accumulated”. Most beneficiaries preferred the transfers to come monthly or bi-monthly but not every quarter.

“We would like to get paid on a monthly basis because at times we get so broke and there is no food in the house and if money came on a monthly basis we wouldn’t be so broke.”¹³³

“I would like the money to come on a monthly basis as by the time the money comes people have got into debt, and some with interest, and much of the money goes to repayment of this loan with interest. And it doesn’t enable the money to be spent for the children as intended.”¹³⁴

The amount of money was generally thought to be “not enough” and needed to be increased for households to be able to meet their basic needs. Beneficiaries preferred the same amount that is given on a quarterly basis but on a monthly basis.

Moreover, cash was the preferred means of support as food aid did not allow for the purchase of other needs and was often thought to be rotten. Money was seen as flexible and it “does everything”.

3.4.3 Communication and information dissemination

Research during the quantitative impact evaluation baseline survey found that there were limited public information campaigns despite clearly articulated strategies and developed tools, with the exception of community mobilisation undertaken by World Vision (WV). Posters designed and printed for public offices at the Community Council and village level were never distributed prior to or during the data collection process, and brochures explaining the community validation process to the VACs were never printed or distributed prior to enrolment owing to delays in completion. Radio announcements were not even ever aired during the data collection and initial enrolment process because of the time needed to follow government procedure and protocol.¹³⁵

Whilst the CGP programme officials have since provided consistent messages to the beneficiaries on the purpose of the transfer and how it should be used during each payment date and at the payment points, there was no evidence to suggest much communication to the rest of the community, especially the non-beneficiaries. As mentioned above, Social Welfare officers at one of the two districts confirmed this was a weakness because of the challenges faced.

¹³³ Female beneficiary, KII, Malaoaneng CC, Leribe District.

¹³⁴ Chief, KII, Metsi-Maholo CC, Mafeteng District.

¹³⁵ OPM (2012), *CGP Impact Evaluation: Targeting and baseline evaluation report*, January.

“There has never been a time when people from social welfare have ever come and explained why those people who are benefiting do so and why others are not.”¹³⁶

In each CC there are only one or two pay points for the entire area and some beneficiaries travel a fair distance to reach these points. As a result, in many of the villages non-beneficiaries remain in the dark about the programme and its intended beneficiaries.

As highlighted above beneficiaries and non-beneficiaries had limited awareness of the selection process. The non-beneficiaries in particular were curious to know why some members in their communities were selected whilst others like themselves were not. As discussed in Section 3.4.1 this limited understanding of the selection criteria has created tensions within the community that although settling down, have not been fully dealt with. This has created some bitterness within the communities that resurfaces during the payment dates and strains relationships between the beneficiaries and non-beneficiaries.

The research found community members wanting further information and clarity about the programme and they deemed it useful and necessary for the CGP programme officials to make visits to their communities to explain the programme to them.

“Social development has never come to speak to us. They should come and explain because they only go to pay points and explain to the beneficiaries what the money is intended for and non-beneficiaries are still in the dark and don’t know why they are not selected.”¹³⁷

3.4.4 Role of VACs

While the roles of the VACs are clearly articulated in the programme’s operations manual they were less clear on the ground. VAC members were not always known by the community and beneficiaries and non-beneficiaries were generally not aware of their roles.

The VACs interviewed saw their role as ensuring appropriate use of CGP by beneficiaries but nothing more:¹³⁸ “We are the watchdogs” is how two VAC members put it in one of the villages in Malaoaneng. After the enrolment of beneficiaries, the VACs’ involvement was marginal and there was little evidence of them being active in the study’s research communities. Social Development Officers in one of the two districts noted that the VACs were not undertaking their role as they should be and it was very difficult to keep them informed, engaged and motivated. VAC members, for example, posed questions on CGP procedures based on the lack of information, e.g. if someone gains employment, does their CGP benefit terminate? Part of this seems to be stemming from the limited communication between the VACs and ministry officials, but it is also related to the structure of the VAC itself and the purpose for which it was set up.

¹³⁶ Chief, KII, Litjotjela CC, Leribe District.

¹³⁷ Wife of chief, KII, Malaoaneng CC, Leribe District.

¹³⁸ VAC members in Litjotjela were aware that they were supposed to, in theory, deal with households’ complaints. These VACs were however new ones who had recently received training. The researchers were not able to verify why this had happened.

The VAC was set up specifically to assist the operationalisation of the CGP as a pilot programme which is gradually being taken over and fully integrated into the government system. It currently does not feed into any wider community or local government processes or structures, and is thus being left in suspension. Some evidence suggests that the community participation processes set up by donors and NGOs for a specific programme or project may be unsustainable and cease to function once the resources and incentives provided to the volunteers have stopped.¹³⁹

Perhaps further thought is required on how to link the VAC with existing community structures and how the collaboration between the VAC and District Social Development offices could become more streamlined and effective. One group of VACs noted that more regular communication and further capacity building to be very helpful to them.

“If we could meet with the Ministry once a month so that we can tell them about our challenges and exchange views and get educated from time to time, that will be helpful.”¹⁴⁰

3.4.5 Case Management

The programme has developed an elaborate case management system to deal with grievances from the community as well as from implementing partners (see section **Error! Reference source not found.**). However in reality most beneficiaries and non-beneficiaries were not aware of the case management process. They did not know where to go if they had a complaint, and even if they did it would be quite rarely. Some were also wary of complaining in case it resulted in the programme stopping.

“I don’t know how it was done [beneficiary selection] because as I said it is meant to target the poorest of the poor yet there are people who are well-off who receive it while other deserving people who are not getting the grant. However, nobody is doing anything about that because as a community we do not know which office to approach for our complaints, because nobody knows where the money comes from, because nobody ever asks because they are afraid that if they ask too many questions then the grant will stop coming in.”¹⁴¹

The chiefs do mediate between beneficiaries and non-beneficiaries when conflicts arise but they too had insufficient information and did not know where to direct complaints. They often just tried to diffuse the situation.

“People do come to him to complain saying that they also deserve and ask why they are not included. He tells them that he doesn’t know why and how it was the computer that didn’t select them.”¹⁴²

¹³⁹ OPM (2013), *Local Perceptions, Participation and Accountability in Malawi’s Health Sector*, Norad Evaluation Department, May.

¹⁴⁰ VAC, KII, Malaoaneng CC, Leribe District.

¹⁴¹ Businessman, KII, Malakeng CC, Mafeteng District.

¹⁴² Chief, KII, Metsi-Maholo CC, Mafeteng District.

“[There is tension in the community] but it never got resolved as people didn’t know where to complain. I don’t feel there are any programme representatives that people can go to complain to. There were some ladies from the community helping the team going house-to-house but I’m not sure whether they were part of the programme or just helping out.”¹⁴³

Although VAC members in Litjotjela explained they were told and trained to receive and treat complaints, for example during pay days, in practice beneficiaries were not informed of this and they did not go to the VAC about problems. It was also reported that non-beneficiaries in particular, go to the councillors or chiefs to express grievances concerning the CGP.

3.4.6 CGP transformative potential

Building on household and local economic impacts

The CGP is a grant targeted at OVC in poor households for their nutritional and educational attainment. For most beneficiaries it functions as a top-up income and is directed towards children’s immediate needs including food, clothing, shoes, school uniforms and money for school trips and sometimes examination fees. The programme as designed functions as a safety net with very little transformative potential.

Nevertheless, the operationalisation of the programme can optimise the likely local economy impacts further through implementation of timelier and more regular transfers at the community level. Indeed the transfer is benefiting the wider community through its local economy impact, with shops and business people noticing increased volume of sale during the pay day, and perhaps a slightly reduced dependence on others. The average value of the transfer has also recently been increased through its indexation to household size which will no doubt provide further injection into the local communities.

A main unmet potential of the CGP is not the grant itself but rather the underpinning system established for selection of the beneficiaries that will enable establishing linkages with other social assistance programmes, and provide for other possible opportunities for poverty reduction and improved well-being. Through the CGP a national database will be created and used to harmonise all social safety nets in Lesotho. The NISSA provides an opportunity for enhancing complementarity between different programmes, and indeed some NGO interventions have used the NISSA as a basis for targeting households for other interventions. This potential complementarity is positive but will ultimately depend on policy decisions concerning the criteria for selection of eligible households (which may be more relevant to a particular type of intervention programme and/or whether membership of one programme will automatically exclude one from benefiting from a different but perfectly complementary programme (for example, educational grants). It will also depend on the frequency with which the database is updated, which requires a balancing of cost versus the benefits of more accurate and up-to-date information with which to target households.

¹⁴³ Shopkeeper, Metsi-Maholo CC, Mafeteng District.

Whilst the database is a potentially important tool in the effective implementation of social protection programmes, it still requires a clear policy decision on which resources to allocate to social protection in general, which programmes to introduce with which objectives and how the various programmes should be linked to one another and on the basis of which criteria.

4. Conclusions and Recommendations

4.1 Conclusions

Household economic impacts

The report aimed to test the following hypothesis at the household level:

The introduction of a small but predictable flow of cash income improves livelihood choices and productive investments, although vulnerable households will be more highly constrained in their decision making on how to use the additional cash.

Cumulative findings from global research on cash transfer impacts in different countries has confirmed that small but reliable cash transfers can help poor households to diversify livelihoods and increase income by avoiding short-term distress sales of labour or assets¹⁴⁴ and by supporting longer-term investment in assets. Cash transfer experiences, for example from Maharashtra, India and from Ethiopia, provide evidence that “transfers allow households to make small investments; and in some cases take greater risks for higher returns”.¹⁴⁵

This research found the CGP to be mainly used as a safety net and more specifically used for households’ food requirements and children’s educational needs. Beneficiary households were able to buy larger quantities of more varied food and food of better quality. Beneficiaries were able to consume more protein, particularly during payment dates and substitute maize flour for bread flour.

Beneficiary households also explained being able cover the schooling costs of their children, particularly school uniforms, school trips and in some cases examination fees and fees for pre-school education.

The CGP had little impact on beneficiaries’ livelihoods strategies: they continued to do what they were doing before. This was because the transfer amount was small, meant for a specific purpose and did not come very often. Some beneficiaries did, however, reduce the amount of piecemeal jobs they did, but only marginally and only around pay dates. The importance of piecemeal jobs was highlighted during the research, including by eligible households in comparison communities who earned well over half of their income through undertaking of piecemeal jobs.

¹⁴⁴ See for example, Slater, R. et al (2006), *PSNP policy, programme and institutional linkages*, Final Report, ODI, the IDL group and Indak International, London, September .

¹⁴⁵ Arnold, C. with Conway T. and Greenslade M. (2011) op cit., p. 35.

Remittances play an important role in the livelihood and coping strategies of many households in Lesotho. There was some indication that in some instances this was being reduced during the payment month. For others, however, this remained unchanged.

The CGP reduced beneficiaries' reliance on their friends and neighbours. They were now able to borrow (rather than ask – indicating no expected repayment) both informally and at shops and they were deemed more creditworthy.

Although the normative understanding of the CGP's purpose partly explains the reason for limited investments, even in the absence of this "soft" conditioning households are likely to spend their transfer on food requirements because a) food needs are a priority, b) the transfer provides a very small share of minimum expenditure requirements of the households and c) there are more structural constraints affecting people who invest in agriculture, the main livelihood in the rural areas that the CGP cannot address. These constraints and challenges are documented in the historical causes of food insecurity in Lesotho.

Local economy impacts

The research looked at the following hypothesis at the local economy level:

The whole community, including non-beneficiaries, will benefit economically from the injection of cash through multiplier effects on local goods, services and labour markets, although this will be mediated by the political, economic and social context.

Existing research on the local economy impacts of cash transfers is quite limited, with more research required on this second-order impact.¹⁴⁶ There is, however, some scattered evidence that cash transfers provide a local economy stimulus in the shape of increased demand for consumption goods, inputs or assets. These findings are supported by the tendency for poor people to spend locally, and on locally produced rather than imported goods.

This research did find some contribution, through increased consumption rather than increased production, to the local economy of villages where most of beneficiaries' income was spent. Shopkeepers noted increased sales during the payment dates, which were often higher than the month-end closings. An exception to this was the Community Council of Litjotjela where the transfer was mostly spent in the district capital, less than 10 km away, and where beneficiaries now receive the payments through the banks.

The CGP payment was made in larger lump sums on a couple of occasions due to missed payment dates. During these times households were more likely to purchase more of their needs from the main towns since the proportional cost of transport was reduced significantly. They also tended to buy in greater bulk with lumpier payments.

Beneficiaries nevertheless always purchased a proportion of their (more immediate) needs from their local communities, often because they were able to buy items on credit there.

¹⁴⁶ Arnold, C. with Conway T. and Greenslade M. (2011) op cit., p. 35.

Prices were generally not increased during pay dates with the exception of one specific location in Mesti-Maholo. Poor road infrastructure, lack of competition and cost of transport were some of the factors contributing to this opportunistic price increase.

Social networks

The report also examined the following two hypotheses:

Cash transfers increase beneficial risk-sharing arrangements and economic collaboration underpinned by social capital (trust-based reciprocity).

Changes in social networks linked to CT positively affected the most vulnerable and least powerful people in a community through greater inclusion in decision-making processes (including through an increased ability to make 'social contributions') and increased their entitlement set and livelihood choices.

Wider research on the impact of cash transfers is limited but suggests that transfers can build self-esteem, status and increase choice among vulnerable people, including the elderly, enabling them to be active members of their households and communities, rather than being perceived as 'burdens'.¹⁴⁷ Qualitative research in Namibia and Lesotho found that social pensions have improved the status of older people without relatives, who might otherwise have been isolated and excluded from community life.¹⁴⁸

In this research households were found to rely heavily on their family, neighbours and friends. Poorer households often asked for food from these networks. The CGP resulted in these households asking for help less often and being able to borrow instead, with the expectation of return. This change in the nature of reliance can provide beneficiaries with more self-esteem and sense of self-worth as found in similar research conducted in Ghana, Kenya and Zimbabwe, and ultimately support households in making choices and decisions – pre-requisites for any meaningful sense of empowerment.

The CGP had created a substantial amount of tensions in the communities between beneficiaries and non-beneficiaries due to communities' limited information on selection criteria, their own sense of entitlement and perceived exclusion of many deserving households. These tensions were exacerbated by the limited information provided by programme offices at the community level. In many communities non-beneficiaries are still not clear on why and how some in their villages were selected and others were not.

The resentment and tensions have settled down somewhat but have never been completely resolved. They resurface during each payment period when relations become strained and some beneficiaries and non-beneficiaries do not talk to each other for a few days, and non-beneficiaries mock the beneficiaries labelling them as those receiving the money from the sky.

¹⁴⁷ Arnold, C. with Conway T. and Greenslade M. (2011) op cit., p. 41.

¹⁴⁸ Save the Children UK, HelpAge International, and Institute of Development Studies (2005). *Making cash count*. Brighton: Institute of Development Studies.

In the research communities under this study a number of social networks already existed, including burial societies, grocery schemes, *stokvels* and community policing associations. The CGP had had no impact on the creation of new networks or on membership levels of the existing ones since many beneficiaries were already members of those to which they were able to contribute in small amounts, but remained excluded from those requiring greater entry fees.

In relation to gender dynamics, the programme had not had any discernible impact. Gender dynamics are shaped by deeper historical and cultural norms which are evident to this day. As a result of significant male migration to South Africa at the turn of the century, women were forced to become more self-reliant and the main-decision makers within households on how resources should be spent. Our research corroborated this where women were often the main decision-makers within the household.

Operational issues

Finally, the report also detailed the operational issues related to the impact of the CGP in addressing the following hypothesis:

Cash and in-kind transfers can be improved through a better understanding of likely household and local economic impacts.

The final hypothesis addressed by the research is somewhat delinked from existing evidence on cash transfers, but builds on the broader notion that impact evaluation can feed back into what is described as ‘evaluative practice’, in which reflections on impact motivate improvements in design and delivery.¹⁴⁹

The study found community members generally uninformed about GCP targeting -- with little understanding of why and how beneficiaries were selected and were continuing to seek answers. This heightened jealousies and tensions, which were prevalent in communities. Beneficiaries mostly knew what the transfer was intended for and were reminded of this relatively adequately during payment days. However less information was conveyed to the wider community and especially at the village level where tensions and grievances mostly occurred.

Most community members perceived that there were many deserving households who were excluded from the programme. There were also inclusion errors in the programme but these were not perceived as pronounced as the exclusion errors.

The study found payments to be irregular and not always as planned. On two occasions payment cycles were missed without the beneficiaries being notified. These irregularities of payments affected beneficiaries’ ability to plan and budget and resulted in unnecessary borrowing, especially if they were relying on the transfer as their main source of livelihood. Beneficiaries were notified between two weeks to two days prior to payment date, with announcement dates closest to the payment dates creating more inconveniences for programme beneficiaries.

¹⁴⁹ See for example Abbott D., Brown S. and Wilson G. (2007). ‘Development management as reflective practice’, in *Journal of International Development* 19(2), pp. 187-203.

VACs were not very active in the research areas visited, nor were they clear about their roles following the enrolment process. There was little communication between Social Welfare with the VACs, leaving them feeling they were no longer sufficiently linked to the process. Finally, there was little evidence to suggest an effective case management system and most community members did not know where to direct complaints.

4.2 Recommendations

Timely payments for beneficiaries

The timely payment of the CGP has proved a challenge for the programme officials with entire payments having been missed and with the community members not being notified. We recommend a review of the payment process to identify the major bottlenecks in releasing the payments on time, and to improve the process for notifying beneficiaries on payment dates or any delays in payments in order to enable them to plan and minimise potential negative ramifications.

Communication and awareness-raising

CGP programme officials are to provide regular and consistent messages to beneficiaries on the purpose and use of the CGP at the pay points. This is conducted relatively adequately. However there is little communication at the wider village level resulting in community relations becoming strained during pay days and remaining unresolved. Therefore it is recommended that the information campaign be reviewed and implemented more systematically and regularly, especially at the broader community level, to ensure the general public has a clear understanding of the key parameters of the programme, including opportunities to voice views and even complain, and by doing so diffuse any unnecessary tension and resentment within the communities.

Linkage of VACs with other formal local community structures

The VACs are currently not fully linked to any process or system and are in effect isolated from the rest of the CGP programme. In the first instance we recommend more regular and continuous contact between district officials and VAC members, including periodic capacity strengthening. This should be provided with more support and sensitisation. In the longer term we recommend linking the VAC to other existing local government or community structures to ensure a more sustainable community-based approach, as evidence on the sustainability of community structures established through projects and at the behest of donors is limited and not promising.

Regularity of CGP payment

Most beneficiaries preferred a more regular payment as their needs were more immediate and regular. This CGP should review the payment frequency and assess the feasibility of this increased regularity. Potential cost savings could be made by integrating the payment process for the CGP with that of the old age pension that occurs nationally on a monthly basis.

Distance to pay points and location

Some beneficiaries noted having to cover long distances to reach the pay points. Some also incurred expenditures equivalent to 2-3 percent of the total transfer value. We recommend a review of payment points to ensure that travel distances are within a reachable distance for the majority of beneficiaries. Moreover, the study noted that the pay points in some locations were within communities that are currently selected as non-programme ‘controls’ (for the quantitative impact evaluation). In these communities there are eligible households that have been enrolled as beneficiaries but not paid. Not only are these eligible individuals not receiving the money for the purposes of an experimental impact assessment, but they are then also witnessing beneficiaries from other communities receiving the payments every quarter. This raises both ethical issues as well as potential overall issues for the CGP. We recommend that it should be reviewed and alternative locations for payments should be considered.

Complementarities

Underpinning the CGP is a National Information System which is envisaged as being used by all future social programmes. While providing an important tool in implementing such programmes, more important questions still need to be answered at the policy level, including which programmes are to be introduced, for what objectives and who to target. A harmonised programme may mean providing different types of support to the same households but this may be viewed as non-egalitarian by the policy-makers thus reducing potential synergies. These are some of the issues that merit further discussion.