Terms of Reference of country-led evaluations of COVID-19 response programs: Malawi

Unintended consequences of COVID-19 mitigation: evidence from Malawi's COVID-19 urban cash intervention

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1. **Background and Rationale**

The Coronavirus disease (COVID-19) pandemic has brought unprecedented negative impacts on the welfare of people across the globe. Notwithstanding the high infection and fatality rates in developed countries (Dowd et al., 2020; Gaye et al., 2020; Onder et al., 2020), people in developing countries have not been exempted from severe welfare losses due to the pandemic (Ferreira et al., 2021). Such losses are profound in developing countries where weak livelihood systems and poverty intersect and increase people's vulnerability to unanticipated welfare shocks (Decerf et al., 2021). To mitigate the COVID-19 losses among their people, developing countries have therefore responded with various social protection interventions such as cash transfers (Amundsen, 2020; Gerard et al., 2020).

The growth in COVID-19 social cash transfer interventions attracts research interests on the link between these interventions and the welfare of their beneficiaries (Bhatia et al., 2020; Persaud et al., 2021; Baueret al., 2021; Blofield et al., 2022). However, much of this research is limited to understanding the intended impacts of the interventions on welfare outcomes such as the effects on food security (for example see Arndtet al. (2020); Mishra and Rampal (2020); Nechifor et al. (2021); Workie et al. (2020)), typically ignoring the possible unintended impacts to both the beneficiaries and non-beneficiaries.

Therefore, this evaluation aims to examine the unintended consequences of COVID-19 mitigation programs, using Malawi's COVID-19 Urban Cash Intervention (CUCI) as a case study. The CUCI is a social protection program implemented to reduce COVID-19 induced vulnerability among urban residents in four major cities in Malawi (Lilongwe, Blantyre, Zomba and Mzuzu). It targeted 35 percent of the urban population, and disbursed MK 35,000[1] (equivalent to 42.72 US$) per month, for three months, to the selected beneficiary households. The 35 percent was the estimated proportion of the urban population operating in the informal sector based on the Integrated Household Survey of 2018 (IHS4) data. These are low-income people engaged in petty trade, vending and piece work (ganyu), whose livelihoods were deeply affected by the COVID-19 restrictions. The registered 199,423 households represented 35% of the urban population working in the informal sector. Out of the 199,423, at least 105,772[1] households had received their transfers, while the remaining 93,641 households were yet to fulfil their Know Your Customer (KYC) requirements. The cash disbursement began in February 2021. Just as has been the case for most COVID-19 mitigation cash transfers implemented elsewhere, the CUCI aimed to smooth consumption among the beneficiaries. The CUCI could therefore have widespread welfare consequences some of which were not intended (Labonté-LeMoyne et al., 2020). Furthermore, these consequences could be on the welfare of both beneficiaries and non-beneficiaries. Our evaluation aims to assess these possibilities.

The Department of Economic Planning of Malawi Government conducted another evaluation

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[1] The final number of actual beneficiaries is yet to be confirmed with the implementing ministry, as other households were added to the program after meeting the KYC requirements.

that examined the impacts of the CUCI on intended welfare outcomes. The previous evaluation examined whether the CUCI enhanced: food security, prevention of opportunistic diseases, and prevention of negative coping mechanisms. However, the unintended consequences of the CUCI were not considered. Possible unintended effects include: changes in the incidence of domestic violence against women, food insecurity among non-beneficiaries, and labour supply, which have been found to respond to changes in general household welfare (Anderson, 2005; Miles-Doan, 1998).

Firstly, the CUCI could be reducing domestic violence against women in spousal conflicts over the use of limited resources (Miles-Doan,1998). However, the gender of the recipient of the CUCI transfers could also matter. Particularly, where women receive the CUCI transfers on behalf of their household, changes in relative power positions (among spouses) might lead to increases in domestic violence (Chin, 2012; Alonso-Borrego and Carrasco, 2017; Caliendoet al., 2017). Secondly, the CUCI could also be increasing food insecurity among non-beneficiaries. The increase in household income due to CUCI could drive up community food demand, and hence community food prices. Food could therefore become unaffordable among non-beneficiaries. Non-beneficiaries would ultimately become food-insecure due to the very same intervention that aims to enhance food security for the beneficiaries. In addition, the CUCI could also be reducing labour supply among beneficiaries while increasing the labour supply among non-beneficiaries. As beneficiary income increases, their reservation wages could also increase, making them less available for jobs that pay wages below their reservation wage. Less people available for work would also imply scarce labour and hence increased average community wages for those who would still take jobs at wages below the reservation wages of the beneficiaries (Brown et al., 2010; Caliendo et al., 2017).

2. Purpose and audience, and policy

2.1 Purpose and audience

The main purpose of this evaluation is to assess the unintended effects of the CUCI program on beneficiaries and non-beneficiaries. The core audience and users of the evaluation results are the government and development partners. The findings of the evaluation shall enable government entities to make more informed decisions about the effectiveness of cash transfer programs in the context of social protection policy interventions. In particular, the Ministry of Gender, Community Development and Social Welfare would be interested in understanding how cash transfers would affect intra-household gender relations and the position of women. The Ministries of Agriculture and Food Security, Finance and Economic Affairs would be interested to know whether, and how, the cash transfers affect the food insecurity of non-beneficiaries. The department responsible for social protection would be keen to understand whether cash transfers affect job uptake in paid public works programs. Overall, the evaluation's findings are expected to provide guidance to the responsible government ministries in mitigating problems induced by cash transfers programs implemented across the country.

Development partners contributing (financially or otherwise) to the design and implementation of cash transfer programs such as the CUCI program, would also benefit from the evaluation's findings for similar reasons as listed above. Moreover, the analysis of unintended effects constitutes an important and understudied area of interest.

In sum, the evaluation is expected to inform any (collective) efforts by development partners and national government ministries and departments to support the well-being of citizens through cash transfer programs. This is so because the evaluation shall provide guidance on how to potentially reduce negative unintended consequences on beneficiaries and non-beneficiaries.

2.2 Relevancy to specific policies

Results from this evaluation shall inform several policy issues in Malawi. First, Malawi suffers from one of the highest rates of domestic violence in the world. For instance, in 2017, 42 percent of all Malawian women had experienced sexual, physical, or emotional domestic violence (Chikhungu et al., 2021), versus the world average rate of 30 percent in the same categories (Orpin et al., 2020). Therefore, results from this evaluation are likely to inform the design of anti-domestic strategies by the Ministry of Gender, Community Development and Social Welfare, and other players. The findings are also intended to inform the design of interventions to reduce domestic violence undertaken by UN agencies and Civil Society Organizations.

Second, Malawi developed a Social Economic Recovery Plan (SERP) whose aim is to see the country bounce back to an ideal economic trajectory. SERP proposes the continuation of cash transfer interventions as a mechanism to boost economic recovery. It is expected that the findings of the current evaluation also inform SERP decision makers. This is particularly informative in ensuring that the cash transfers do not come at the cost welfare losses of vulnerable subgroups such as women, who often are the victims of acts such as domestic violence.

Third, Malawi implements a large-scale farm input subsidy, the Affordable Inputs Program (AIP), formally known as the Farm Input Subsidy Program (FISP), whose continuity remains in contentious debate due to its financial demands considering the increase in fertilizer prices. AIP opponents suggest that instead of subsidizing smallholder farmers, the program should rather subsidies larger-scale farmers, and provide cash to the most vulnerable smallholder farmers, who can then purchase food, to attain production efficiency gains (Asfaw et al., 2017). Such suggestions, however, ignore the possible impacts of the expanded cash transfers on poor non-beneficiaries. Therefore, our evaluation of the food insecurity impacts of CUCI on non-beneficiaries are expected to inform the debate and ultimately decision-making by the Ministry of Agriculture on whether AIP should be scaled down in favour of an expanded cash program.

3. Scope

3.1. Evaluation Questions

The evaluation addresses the following main questions. Are there indications of:

1. CUCI affecting domestic violence against women?

2. CUCI affecting food insecurity for non-beneficiaries?

3. CUCI affecting labour supply among beneficiaries?

3.2. Additional Considerations for Scope

The study will be carried out in the four Malawian cities that were covered by the program, and these include: Blantyre, Lilongwe, Mzuzu and Zomba City. Data will be collected from both beneficiaries and non-beneficiaries.

4. Evaluation Design

4.1. Methodological approach

The evaluation will use both quantitative and qualitative methods. The quantitative component of the evaluation will include the implementation of a survey and corresponding statistical analysis of the data. The qualitative component will include case-based data collection and analysis in selected neighborhoods using semi-structured interviews with beneficiaries (and their families) and non-beneficiaries (and their families). Additional interviews and desk review will be conducted to support the design and implementation of the evaluation. Relevant insights will also be used to complement the other analyses.

4.2. Survey and statistical analysis

The empirical application of our research questions demands modelling domestic violence, food insecurity, and labour supply, as a function of CUCI in two separate equations as follows:

$$Y_{ijc} = \alpha_1 CUCI_{ijc} + \alpha_2 x_{ijc} + \varepsilon_{ijc} \quad (1)$$

Y_{ijc} represents an outcome of individual i from household j and community c. The relationship between any of the outcomes and CUCI participation is captured by parameter α_1. In Equation 1 the unit of analysis is individual, and CUCI captures whether the households in which that individual resides benefited from the CUCI initiative. This therefore best fits the objectives of establishing the relationship between CUCI and domestic violence, and the relationship between the initiative and individual labour supply. To capture the relationship between CUCI and food insecurity, the unit of analysis is the household, we drop i from the Equation:

$$Y_{jc} = \alpha_1 CUCI_{jc} + \alpha_2 x_{jc} + \varepsilon_{jc} \quad (2)$$

In both Equation 1 and Equation 2 x represents a series of control variables. For the first equation, the controls include individual-level attributes (age, gender, education level, marital status, employment status, and employment sector), household level characteristics (age of the head, education of the head, gender of the head, household size, a list of household assets, household landholding in hectares, whether the household benefited from the FISP, whether any household member benefited from public works programs, and a set of community attributes. The second equation uses the same controls except that it excludes the individual level characteristics).

The main dependent variables of the evaluation are domestic violence, labour participation, and household food insecurity. Domestic violence shall be captured as a binary outcome where 1 is affirmative while 0 entails otherwise. Because domestic violence is a sensitive outcome, we shall measure it using two alternative indicators. Following standard surveys such as the Malawi Demographic and Health Surveys and Multiple Indicator Cluster Surveys, we shall ask women about domestic violence as a question of "whether one thinks it is justified for a man to beat a woman in the following instances: 1) when she burns food, 2) when she argues with him, 3) when she refuses to have sex, 4) when she goes out without informing him, and 5) when she neglects children". Answers to these indirect questions reflect the perception of domestic violence and such perceptions have proven to reflect what women are experiencing. Unlike direct questions and their answers which would portray a woman as reporting her husband, and often lead to under-reporting of domestic violence, the indirect questions generate more accurate (albeit indirect) information. As an alternative, we shall also ask the direct questions as "whether one experienced it". The sequencing of these questions in our questionnaire shall ensure that the perceptions are asked first before the real experiences to evade contamination of the responses.

Labour participation during the period in question when CUCI was disbursed in the area will be defined as a binary variable, where 1 is affirmative and 0 otherwise. We shall also ask questions about individual earnings during the same reference period, as a continuous variable. For the employed we shall ask questions about their hourly, weekly, and monthly earnings (for the time CUCI was implemented as well as the current situation). Another question covers the amount of time worked. These questions allow establishing more details about labor supply and earnings.

Household food insecurity will be measured on the basis of an index that will be constructed on the basis of a series of questions regarding whether during the period of CUCI implementation: a household spent some days without food (and the number of days per week), a household consumed less than 3 meals per day (and the number of days per week), a household consumed undesirable food (and the number of days per week). Key informants will also be asked questions regarding local food prices to determine if food insecurity was caused by high food prices. The pricing data will also be cross-referenced with data from Malawi's Famine Early Warning Systems Network (FEWS NET), which was also collecting data while CUCI was implemented.

Survey respondents will be randomly sampled using a cluster sampling approach. Selection Bias (affecting the internal validity of findings) could emerge from the fact that beneficiaries of the

CUCI program were selected on account of being vulnerable. Propensity score matching methods will be used to reduced selection bias.

4.3. Case-based data collection and analysis

The evaluation will purposively sample two neighborhoods in each of the four cities, which will be the basis for eight case studies. For each of the case studies, semi-structured interviews will be conducted with beneficiaries and non-beneficiaries of the program to deepen the understanding of the three main outcome dimensions (domestic violence, food security and labour supply) as well as the linkages between these dimensions and the CUCI program. To the extent needed, safe spaces for women will be created to allow them to share their experiences on the topic of domestic violence. One approach would be to interview women on this topic in the context of community meetings to which women are invited to discuss a range of (less sensitive) topics. Systematic within-case and cross-case analysis of interview data (e.g., using computer-assisted qualitative data analysis) will be conducted to uncover patterns, to enrich the evaluators' understanding of the complex interlinkages between program and context and to help enhance the overall internal and external validity of findings.

4.4. Additional qualitative inquiry

The evaluation will also conduct a series of semi-structured interviews with international, national, and local development partners and institutions. Respondents will be purposively sampled based on their connection and understanding of the CUCI program and its context. Interview protocols for the different types of interviews will be developed and tested. Interview data will be systematically coded and analyzed (e.g., using computer-assisted qualitative data analysis).

The evaluation will also include a desk review of existing program documentation. The desk review will inform the evaluation design and implementation and relevant insights will be used to complement the analysis from the other two components.

5. Planning

5.1. Roles and Responsibilities

This evaluation shall be conducted by the Department of Economic Planning and Development, particularly the Monitoring and Evaluation Division, in partnership with the COVID-19 Global Evaluation Coalition and the Global Evaluation Initiative (GEI).

- **The Division of Monitoring and Evaluation under the Ministry of Finance and Economic Affairs** will take the leading role in the Evaluation. It will be responsible for the coordination and implementation of the different components of the evaluation:

evaluation design, training of the team, data collection, data analysis, reporting of findings, presentation, and dissemination of findings.

- **Evaluation reference group.** The reference group includes different stakeholders from government and partner or donor institutions. It will discuss the progress of the evaluation, its initial findings, and the dissemination of the findings.
- **A small team from the GEI, CLEAR Anglophone Africa and the Secretariat of the OECD-DAC** will provide technical assistance and coordination support to the evaluation.

In both the quantitative and qualitative data collection components multiple institutional partners shall be involved. The PRSP Division in the Ministry of Finance and Economic Affairs and the Social Cash Transfer Unit in the Ministry of Gender, Community Development and Social Welfare will be called upon to provide all the relevant documentation of the. City- and neighbourhood-level institutions will be requested to support data collection on the ground. Finally, requests for information will also go out to international development partners.

5.2. Planning

Terms of Reference	June-September 2022
Stakeholder consultation - OECD-DAC meeting - NEC Conference - Partner consultations - Inception meeting	September-November 2022
Evaluation design - Design - Team training	October-December 2022
Data collection	January-April 2023
Data analysis	April-June 2023
Report writing and review	June-August 2023
Presentation and dissemination of findings	September 2023

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