



FINAL REPORT
July 2010 – September 2011

Kenbe-la (Hang in There) Program: Giving Choices to Earthquake Survivors Outside of Port-au-Prince
Funded by USAID/Food for Peace (FFP)



COUNTRY CONTACT	HEADQUARTERS CONTACT	PROJECT SUMMARY	
John Hanson Country Director Mercy Corps Haiti 34 Rue Goulard Pétienville, Port-au-Prince, Haiti Tel: +509 3702 7463 jhanson@ht.mercycorps.org	Amy Hause Senior Program Officer 45 SW Ankeny Street Portland, OR 97204 503.896.5866 ahause@mercy Corps.org	Agreement No. Start Date End Date Report Date Total Award	AID-FFP-G-10-00041 June 30, 2010 September 30, 2011 December 30, 2011 \$12,462,861.00

1. Executive Summary

Mercy Corps' Local Regional Procurement program in Haiti (LRP), entitled "Kenbe-La" ("hang-in there" in Creole), was a fifteen-month emergency food security assistance program designed to provide internally displaced earthquake survivors with cash transfers redeemable for basic food commodities. Over a period lasting between four and nine months, 21,961 families comprising 170,119 individuals received monthly payments of US\$50 exchangeable for rice, oil, beans and maize at selected local vendors. With the quantity and combination of products acquired through this program, beneficiaries were able to meet minimum nutritional requirements and to use their time and household resources for more productive and longer term purposes, such as finding employment and restoring livelihoods after the terrible shock of the earthquake.

While the largest portion of the massive humanitarian response provided to Haiti after the earthquake was channeled toward recovery efforts in Port-au-Prince, the LRP assistance package exclusively targeted displaced families outside the capital, namely in Artibonite and Central Plateau areas where the earthquake displacement triggered exceptional levels of food insecurity in a population already distressed by severe poverty and socio-economic problems. After the earthquake, Artibonite and Central Plateau were two of the provinces that hosted the highest number of internally displaced persons (IDPs) and, although food markets, production and trade chains in rural areas continued to function and local and imported food supplies were generally available, the presence of hundreds of thousands of IDPs in the region put extra pressure on household incomes and, as a result, both IDPs and host communities were unable to access adequate food. The subsequent outbreak of cholera and the food price surge in the same year aggravated the household food situation, and the LRP emergency food security program became all the more relevant and much more needed than initially anticipated.

After joining the program, beneficiaries reported considerably higher levels of food access and food consumption. Over the course of the program, monitoring data showed that almost 48.4% of *Kenbe-La* households reported that they were able to access food most of the time, while 23.2% reported that they had food all the time. However, at the time of the Endline Survey (September 2011), when the program had already started winding down, 39% of *Kenbe-La* households reported that they were able to access food most of the time, while only 5.2% reported they had food all the time. Nonetheless, this represents a significant improvement compared to the baseline survey from the pre-intervention period when only just over 3% of the displaced population indicated they had access to food most of the time while less than 1% had access all of the time. As a result of the program, beneficiaries were also able to resort less, or to completely avoid resorting to negative coping mechanisms, such as selling their productive assets to obtain food, which was prevalent in the aftermath of the earthquake. In community meetings held just before the end of the program, beneficiaries and community leaders acknowledged that, in addition to food security improvements, the impact of *Kenbe-La* on the psychosocial wellbeing of the community was tremendous, in that beneficiaries reported less anxiety and stress in finding food for their families and were able to concentrate on other long term priorities.

In delivering the designed food assistance, the program has successfully employed a cash transfer platform with mobile money and paper vouchers as the payment methods. The choice of these beneficiary payment mechanisms was meant to ensure increased timeliness and efficiency in what otherwise could have been a prolonged centrally managed food procurement and distribution process. It took 78 days to set off the *Kenbe-La* payment system from the signature of the USAID agreement to the first cash transfer to beneficiaries, which, compared to conventional food aid distribution channels – presumably taking between 120 and 180 days for procurement and shipment before aid can reach the point of delivery – the *Kenbe-La* cash transfer methods have proved to be an efficient and fast instrument, entirely suitable to the circumstances in Haiti. The engagement of local food merchants in the cash and food redemption process

ensured that the four selected food products were purchased locally in Haiti, while the cash distributions allowed beneficiaries to feel more in control of their food purchase choices.

As such, *Kenbe-La* benefited in substantial ways a range of stakeholders outside the primary IDP and host beneficiary population, leading to a longer term development effect in the target areas. At least 140 local food vendors and small businesses working in beneficiary villages and towns, one local mobile money operator, and two local banks participated in the payment system established by Mercy Corps and were considered as direct beneficiaries of the *Kenbe-La* cash payment element of the program. By increasing the purchasing power of beneficiaries, the outcomes and activities of the program had a positive impact on a number of indirect beneficiaries as well. Food producers, suppliers and transport agents were among the few who gained indirectly from *Kenbe-La* as a result of the increased demand for LRP food commodities.

The project has successfully integrated the mobile money technology into the payment system for a third of *Kenbe-La* registered households. Due to this innovative mechanism, beneficiaries who received electronic money on their mobile phones' e-wallets learned how to use their mobile accounts to make purchases and obtained an initial understanding of basic financial services.

Overall, the project received very positive feedback from assisted communities and has shown successes that are worth replicating in emergency, recovery and development settings.

2. Program Overview and Performance Activities for the Entire Program Duration

Please see overview of activities against work-plan in Attachment 1

3. Narrative

3.1 Beneficiary Identification and Registration Process

A few months after the earthquake, Mercy Corps conducted two baseline surveys to obtain information about the size, circumstances and consequences of displacement outside Port-au-Prince. The first baseline survey (April-June 2010) was organized in the Central Plateau, in towns and villages in and around Mirebalais and Hinche, while the second study (September 2010) was produced in the Lower Artibonite Department, primarily in the city of Saint Marc and surrounding areas. These two surveys allowed Mercy Corps to identify which groups from the displaced families should be targeted for assistance, in what conditions they were living and how they were coping with the shocks of the emergency. We found that in the Mirebalais, Hinche and Saint Marc areas, at least 20,000 families, with an average of 5 members per family – who were either hosting internally displaced persons or were IDP families themselves living in temporary shelters in camps – were not receiving any food assistance from any organization and could be potentially targeted for the program. These families have shown very low capacities to purchase or produce food and, on average, they had only one person per family providing an income. Many of them were borrowing money (42%), or asking friends for food (27%), and others were selling belongings (24%) and even land (3%) and were clearly in urgent need of additional food supplies as their households grew to accommodate larger numbers of individuals. Over 70% of families had vulnerable members, such as people with disabilities, chronically ill, aged persons, pregnant or lactating women, and abandoned or orphaned children. Most of the IDPs indicated they were planning to stay in the area and for the time being had no intention of returning to Port-au-Prince.

In addition to the two assessments, Mercy Corps used the database of its previous and parallel Cash for Work, Cash Grants and Shelter programs (funded by USAID OFDA and ARC) implemented in the same areas, while for Saint Marc, Lachapelle and Les Verettes, two other organizations, La Jeunesse Mission and World Vision, shared their lists for potential targeting. From all available resources analyzed, it appeared sensible to set the target of beneficiaries to 20,000 families potentially comprising over 100,000 individuals.

Once *Kenbe-La* was established, Mercy Corps began a series of more comprehensive identification and verification exercises to properly register these individuals before distributions. The process started with a pilot phase in Colladere, 4me section communale of Hinche in the month of September 2010 when 91 families were registered and received their first monthly vouchers in the amount of US\$40 per family. It took thus 78 days to set off the *Kenbe-La* payment system from the signature of the USAID agreement to the first cash transfer to beneficiaries.

The registration of subsequent groups, however, took longer than anticipated and Mercy Corps implemented a gradual registration and distribution process, beginning to make payments to households that were already registered in the database while continuing to verify the remaining IDP population. In October, the *Kenbe-La* began analyzing existing data sources and began massive community mobilization activities to verify the status of identified families. The presence and help of community leaders at the beginning of this process was tremendous. Local civil servants, called CASECs and ASECs, schools headmasters, church leaders, heads of community based organizations, volunteers and in some cases, mayors, have helped Mercy Corps map out the beneficiary population by zones and sections so as to facilitate a more efficient and effective targeting process. An example of the beneficiary population division by zone follows below for Hinche. This diagram includes the final map of beneficiaries, counting those that joined the program in its later phases.

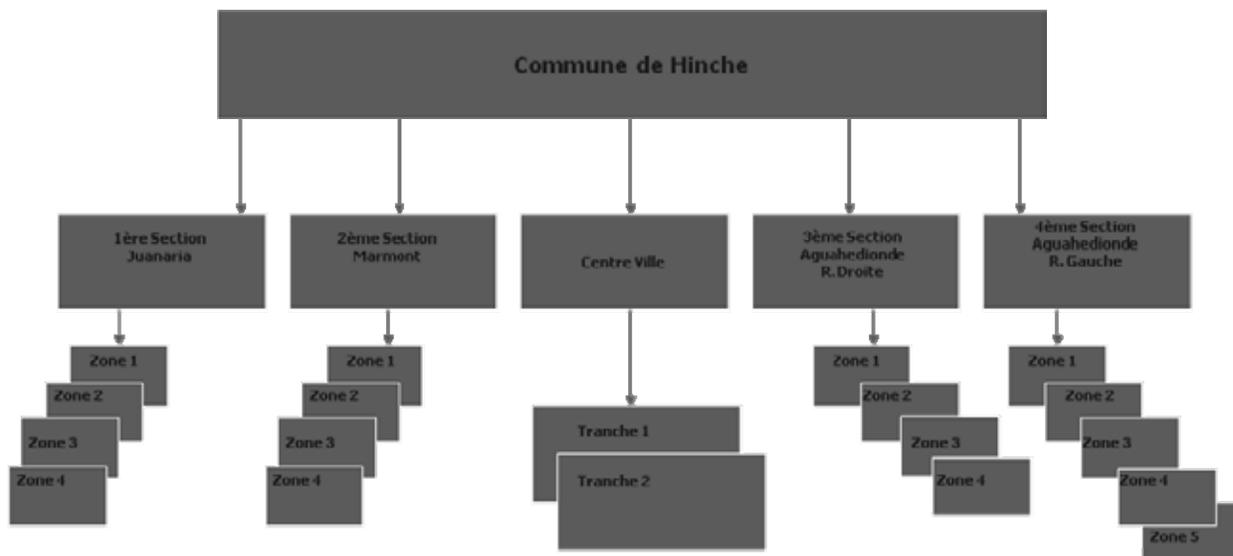
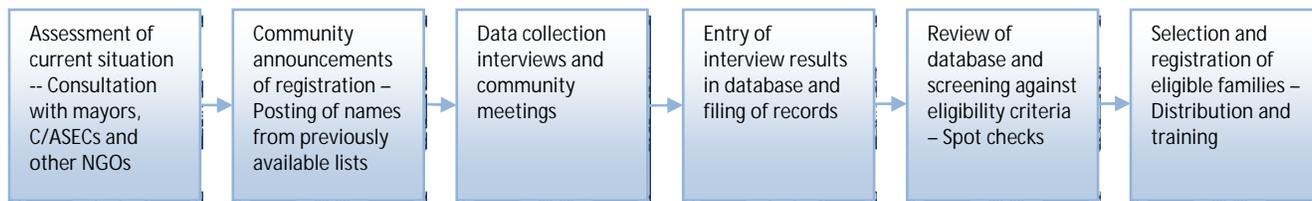


Figure 1: Repartition of voucher distribution zones in Hinche, Central Plateau

Beneficiary lists that were accepted for initial screening had to be verified by program/monitoring teams through family and individual questionnaires and information was gathered on beneficiaries' status, age, family size, household conditions and personal identification numbers. The collected data was then entered into the database, reviewed against eligibility criteria and, before the selection process was finalized, a series of spot checks were conducted to verify that the information provided during the

interviews was accurate. Many beneficiaries were not able to come to arranged meetings on the day of appointment and program teams were required to conduct repeated gatherings with those who missed the registration the first time, to make sure that eligible individuals joined the program.

The chart below shows the process of population data collection and registration:



Soon after the program was made known to communities, and beneficiaries started to make food purchases at local stores, official authorities and community leaders began to more adamantly approach Mercy Corps with requests to include lists of people they considered vulnerable and eligible for the assistance. Program management staff was wary of the pull factor and possible manipulations and had to institute more thorough and more careful mechanisms of verification. Beneficiary lists prepared by community leaders were used as a basis for the process but verified through family and individual interviews, community mobilization sessions, community mapping exercises and, to the extent possible, door-to-door visits. Program staff, especially registration and monitoring staff who were in close contact with beneficiaries, were introduced to the subject of fraud and were guided through the process of prevention and response to fraudulent cases. Some of the typical instances where staff had to be extra watchful were cases where families tried to register twice in different locations and families whose multiple representatives attempted to get multiple registration cards. The attempts to take advantage of the program led to repeated information sessions with both beneficiaries and community leaders to explain the purpose and process of *Kenbe-La* and to warn that such actions would result in elimination.

The process became so multifaceted that it appeared unfeasible to finish the entire registration of beneficiaries before the end of 2010. Furthermore, as a result of additional beneficiary lists put forward by authorities, the program had to expand to additional geographic areas. The next major batch of voucher distributions was organized only in December 2010 and the registration process, including the expansion to additional areas, was finalized sometime in June 2011, all the while Mercy Corps having already a full functioning distribution system for the first groups of registered families. The initial registration delays, which were mainly related to the lengthy individualized approach of enlisting people, caused further holdups and rescheduling of activities in project implementation. As a result, the program was extended, after approval from USAID, for another three months at no cost, while the beneficiary target group was expanded to above 20,000 families.

The total and final number of *registered* households, selected at different times in the program reached 22,782 families. However, the *actual* number of families who received between four and nine payments was lower than the registered households due to the permanent absence of a group of beneficiaries who never approached the distribution sites to receive their transfers, and also due to later identified duplications and database errors. Upon the elimination of absentees and duplicates, the program recorded a total of 21,961 families comprising 170,119 individuals who have received monthly payments of US\$40 until April and US\$50 after April, inclusive. The gradual increase in the number of families from the beginning of distributions in 2010 until the end of the program in September 2011 is shown in the chart below. Note that the month of August shows payments that include double transfers for a number of 2,218 households in Saint Marc, which included cases registered in June but who did not start receiving

payments until July and a combination of pending cases from previous months who had not received payments due to technical issues related to mobile money.

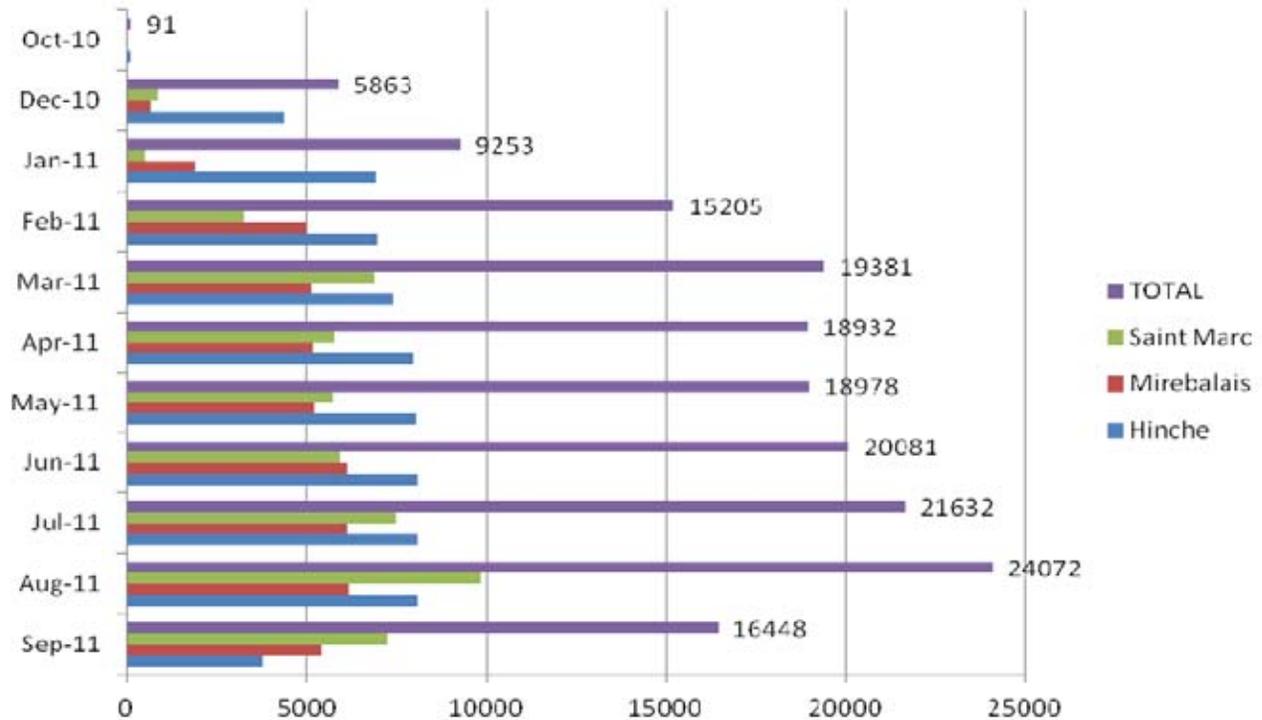
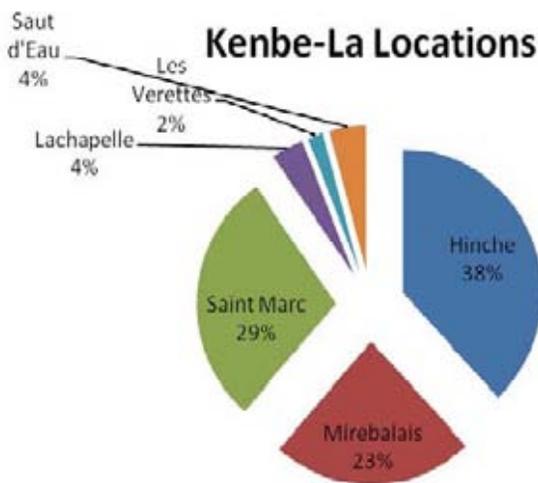


Figure 2: Kenbe-La actual number of families who received payments from October 2010 to September 2011, broken down by field area

Around the fifth month of the distribution process, the program produced an inquiry into the cases of permanent absentees to verify whether or not these families were still in their places of identification and what caused their absence. It was learned that most of the absentees had left for Port-au-Prince or other places and never returned to their relocation place. Information about their retreat was acquired through inquiries with neighbors and community leaders. A few who were actually found, declared they refused to receive assistance from Mercy Corps because they had heard rumors that they would be refused visas to



the United States if they were beneficiaries of any foreign humanitarian assistance. Clearly, Mercy Corps had to dispel these rumors and assure the beneficiary and host population that no linkage between the two should be made. Even respectable community leaders and authorities, who inquired about these rumors, had to be given assurances that the rumors were groundless. There were also a number of extreme cases where beneficiary families thought it was sinful to receive food or anything for free and, as such, declined to accept the food vouchers or mobile money transfers. All these cases were kept in the database until the end of the program with appropriate notes and remarks in order to ensure that, in case people changed their minds, they were still eligible for the food assistance.

Figure 3: Kenbe-La beneficiaries per each location, including the expansion areas

3.2 Criteria for Beneficiary Selection and Targeting

The primary beneficiaries of the *Kenbe-La* were the internally displaced persons outside Port-au-Prince. The pre-registration surveys, however, revealed vulnerabilities of the larger community in Central Plateau and Artibonite areas. As the influx of IDPs put a strain on available resources and household incomes, which coupled with the post-earthquake shocks of food price increase and political instability worsened the household food security situation, Mercy Corps decided to have a more inclusive approach of beneficiary selection. This decision was meant to dissipate any possible tensions with the non-IDP families and to show to the larger community that a portion of the assistance would also benefit the resident families. This element was compatible with the recommendation put forward by the baseline that Mercy Corps had carried out under its USAID/OFDA funded Cash-for-Work program.¹

In the initial phases of the project, Mercy Corps applied stricter eligibility criteria. In order to be qualified for Kenbe-La assistance, families had to be either entirely composed of IDPs, had to be hosting at least 3 IDPs and facing inadequate food supplies, or had to be resident families with vulnerable individuals, such as people with disabilities, elderly of 60+, orphaned or abandoned children and pregnant or lactating women. However, as the situation began to gradually return to normal after the earthquake, with some IDPs opting to go back to Port-au-Prince, it became difficult to maintain the same criteria because fewer families were hosting 3 or more IDPs, and yet many continued to face food insecurity. Therefore, for the last expansion effort, Mercy Corps targeted households that met the following conditions:

- Families with 3 or more IDPs
- Families with 1 or more IDPs + 1 or more vulnerable persons
- Resident families with 1 or more vulnerable persons

The initial verification process, as well as the monitoring system put in place for the duration of the program, was able to track the number of IDPs living in the household, the number of resident members of the household and the number of persons with vulnerabilities. The household structure per family status and region is detailed in the chart below:

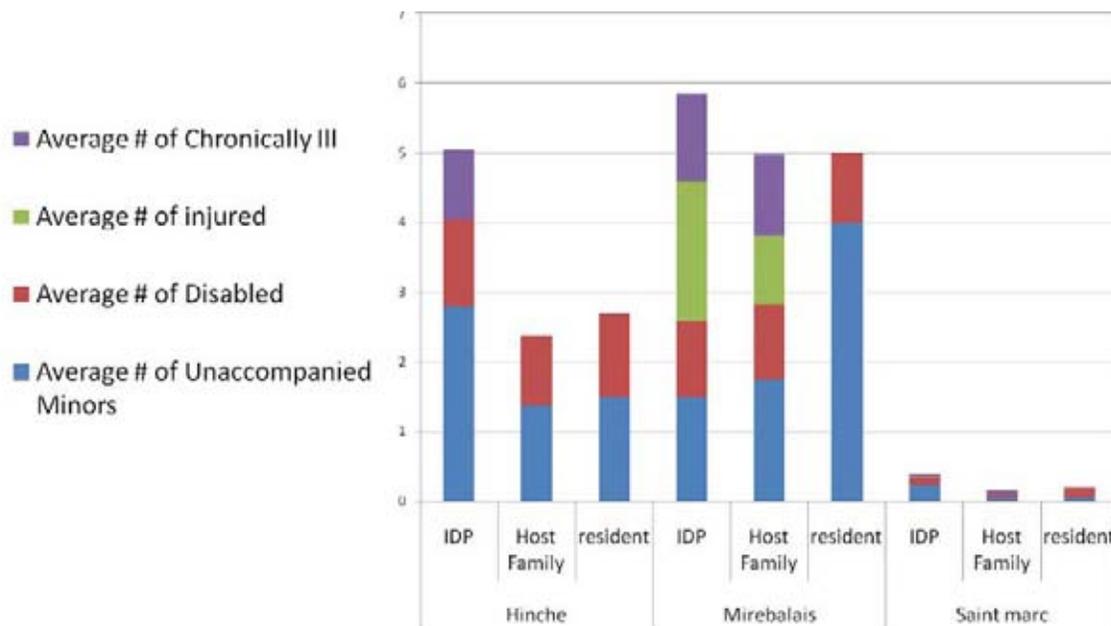


Figure 4: Beneficiary family composition

¹ Mercy Corps Haiti, Baseline Survey Report, USAID/OFDA Program in Central Plateau, July 2010

As detailed in previous Mercy Corps' quarterly reports to USAID, it was recognized that many IDPs who had been living with host families returned to Port-au-Prince or moved elsewhere, while probably until the present days – a few months after the end of the program – many continue to come and go without a permanent base. Many factors were noted to influence the choice of displaced families to be on the move as they tried to rebuild their lives and livelihoods after the earthquake. For example, the start of the new school year in September, the cholera outbreak, Hurricane Thomas and pre and post election instability were external factors that influenced the population movements during the project. The number of IDPs in the program therefore changed constantly. Data recorded towards the end of the program shows that of the total number of 21,961 families who were active recipients of cash transfers, 565 were households exclusively composed of internally displaced persons, 18,572 were host families with internally displaced persons and 2,824 were resident families with no displaced persons. The table below shows the average household size according to family status (host family, IDP only family, or vulnerable residents) along with the change in the average number of stable IDPs (remaining in the host community all of the time) and unstable IDPs (going back and forth between Port-au-Prince and the host community) from the time of registration right after the earthquake to the time of the Endline Survey (September 2011).

Commune	Average of No. of ppl in HH				Average No. of IDPs in Host HH			
	Overall	HOST	IDP	RESIDENTS	Stable IDPs Post-EQ	Unstable IDPs Post-EQ	Stable IDPs NOW	Unstable IDPs NOW
Hinche	7.7	8.2	7.0	7.0	2.1	0.3	1.9	0.3
La Chapelle	6.2	7.1	4.7	4.0	3.9	0.4	2.5	1.3
Mirebalais	6.7	7.7	5.7	5.8	2.5	1.1	1.5	0.8
Saint Marc	6.8	7.5	6.0	6.6	3.6	1.0	2.6	1.0
Saut d eau	5.0	6.1	6.0	4.6	1.7	0.7	1.7	0.5
Verrettes	6.0	6.4	4.7	6.5	3.1	1.6	3.1	1.6
Grand Total	7.0	7.8	6.1	6.3	2.7	0.7	2.1	0.6

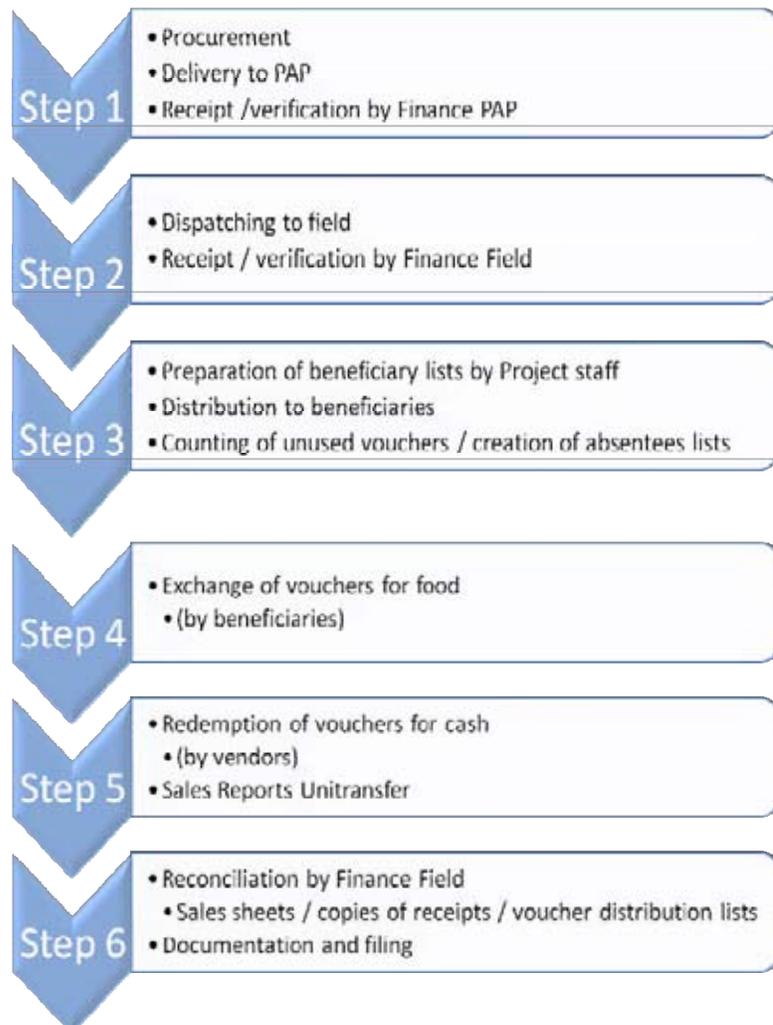
A little over 73% of the total number of families were represented in the project by a woman, which means that in these households, it was the woman who collected the vouchers or officially received the e-money on her mobile phone, and who managed the purchases of food commodities and distributed them in the family.

3.3 Payment Process, Actual Number and Value of Vouchers and Mobile Money Payments



Kenbe-La employed two payment methods: distribution of printed vouchers and mobile money electronic transfers. From the total number of active families registered with the program, 14,235 households in Mirebalais, Hinche and Saut d'Eau received vouchers while 7,726 received cash transfers through mobile money in Saint Marc, Lachapelle and Les Verettes. Mercy Corps worked closely with local vendors, the financial service providers Unibank and Unitransfer and the telecommunications company Voila, all of whom had a critical role to play in enabling the recognition and utilization of vouchers and e-money and facilitating the food purchases by beneficiaries.

The paper vouchers mechanism entailed a pretty straightforward process. After ordering their production at a vendor in the Dominican Republic and transporting them to Port-au-Prince, Mercy Corps managed their distribution following several steps as presented in the flow chart below. The printed vouchers had three colors: blue, red and green, and they were handed out in sheets containing vouchers of 25, 50, 100, 400 and 500 HTG denominations. The value of one monthly payment per family was HTG 1,600 (US\$40) before April and HTG 2,000 (US\$50) after April, inclusive. Following the initial community mobilization meetings where IDPs were screened in, the program teams organized several information and training sessions for registered beneficiaries to explain how the voucher system worked. Essentially, after receiving the vouchers, beneficiaries exchanged them at designated vendors for the four staple products, and then vendors went to Unitransfer to exchange them for cash. The staff, beneficiaries, the banking partner Unitransfer and vendors all quickly learned how to use the vouchers and this payment system did not encounter any major problems in the process.



On the other hand, the management of mobile money electronic transfers proved to be more complex because it was still an emerging industry in Haiti, but it was also a more exciting field due to its innovative character. For the existence and operation of a mobile money platform, there are several requirements that need to be fulfilled and these were not always present in the target areas. For example, electricity was sporadic and mobile phones were mostly recharged when beneficiaries knew the payments were coming, while the unsteady mobile network coverage in more remote areas made it difficult for program staff to access beneficiaries more frequently and/or for important announcements. There were no problems performing the purchase transactions at vendor sites or in redeeming the cash when these were impending, but the mobile phones were almost solely used for the limited range of functions required by the program, and as such this represented only an initial introduction to this innovative technology. Training on the use of the full wallet would only happen after the end of the program through another parallel project implemented by Mercy Corps with funding from USAID through its HiFive program.

There were also concerns at the beginning of adopting this system that the illiterate segment of beneficiaries might have difficulties engaging in mobile money transactions and that unscrupulous vendors might be tempted to take advantage of beneficiaries who could not operate their e-wallets. However, intense training sessions with visual aids provided to beneficiaries at the beginning of the program proved to be effective in teaching them how to use mobile money. In addition, especially with the expansion of the program in Lachapelle and Les Verettes, the team in Saint Marc had intensified the deployment of monitors in the field during the peak transfer days to both facilitate mobile money transactions and to monitor the product purchases at vendors. In this way, beneficiaries were supported all along. Most importantly, however, many demonstrated good knowledge of mobile phone transactions and were actually in little need of help during the process.



On a more central level, Mercy Corps successfully engaged Voila, the mobile network operator, and Unibank and Unitransfer as the banking partners, in the operation of the mobile money platform. Voila and Unibank operated an electronic fund system called T-Cash that allowed mobile phones to be used as a mechanism of depositing, storing and distributing money. Mercy Corps was provided a T-Cash electronic account, which functioned almost like an online banking account but in much less sophisticated terms, while beneficiaries and vendors received mobile phones, SIM cards and account space, called electronic wallets (e-wallets) where they could receive Mercy Corps' monthly transfers and which they could use to perform mobile money transactions, i.e. transferring funds to the food vendors. Each month, and following a typical schedule, Mercy Corps would disburse the payments into beneficiaries' e-wallets from its T-Cash account. Following the receipt of disbursements, which were notified through a text message on their phones, beneficiaries would go to vendors' stores and purchase the food products through a specific transaction called M-Commerce. Once the electronic money was transferred to vendors, the latter would go to Unitransfer, the official cash out agent of Unibank, to redeem the cash equivalent on their e-wallets and in line with the sales sheets they had compiled in the course of transactions with beneficiaries. All transfers of funds until the cash-out process involved electronic money.

Communication through regular meetings, phone discussions and correspondence with these partners was absolutely critical in ensuring swift problem solving. In most cases, when Mercy Corps teams were receiving questions or complaints from beneficiaries or were running into technical difficulties, Voila, Unibank and Unitransfer were very responsive and, overall, the system worked reasonably well.

Throughout the entire program, Mercy Corps staff at all levels made tremendous efforts to improve the efficiency of both cash transfer mechanisms and strengthening controls over the transactions process

between beneficiaries and vendors. As described in the fourth quarterly report to USAID, voucher distribution teams in Mirebalais and Hinche reported they were able to reach higher levels of work efficiency and improved communication with beneficiaries. Due to a more organized manner of scheduling beneficiary distributions, the time spent on handing out vouchers and the waiting time for beneficiaries to receive them was considerably reduced. On average, it used to take more than 5 hours in the first months of the project to serve a group of 500 beneficiaries, whereas later in the process the same number of recipients was managed in less than 3 hours. The time economized on the improved process allowed the teams to concentrate on handling more difficult questions and document grievances from beneficiaries. Program teams were also able to devote more time to community sensitization efforts, as well as prepare in advance for the next distributions.

Once the registration process was out of the way, monitoring teams were also able to spend more time at transaction sites where beneficiaries actually made food purchases. The general trend during the entire course of the project was that *Kenbe-La* participants spent all their vouchers or e-money immediately after receiving them and all at one single vendor. Although the cash transfer alternative (versus direct food aid) is generally meant to diversify the beneficiaries' purchasing options, Mercy Corps had not insisted much on encouraging them to change the vendors frequently given the fact that the distances to both the voucher collection points as well as to food selling points were too long to warrant such changes.

Mercy Corps made systematic efforts to secure a proper control mechanism over transactions between beneficiaries and vendors, and to ensure that sufficient information existed to carry out a reconciliation process. The main sources of data for these purposes were regular monitoring visits at vendors' stores, the sales records produced by vendors, and the distribution lists maintained by program teams. In April, Mercy Corps hired three compliance officers to specifically work on compliance issues and ensure that there was a match between distribution records and the sales records, for which it was important that all information and data reported by vendors fulfilled minimum reporting requirements. In addition, online reports available from Mercy Corps' T-Cash online interface stored all the information needed for a detailed account of all cash transfers made by Mercy Corps to mobile money users in Saint Marc. In summary, the *Kenbe-La* documents managed by field teams allowed for a regular confirmation that:

- Cash transfers had been made to beneficiaries, with available information on the amount, fees, date, beneficiary names and account numbers.
- Purchases had been made between beneficiaries and vendors, with available information on beneficiary name, signatures, purchased products, price, quantities and amount paid.
- Cash out transactions had been performed by vendors at Unibank/Unitransfer, with payment receipts and sales reports.

By the end of the program, the cumulative number of payments reached 169,936, of which 49,793 were made in the amount of US \$40 and the rest in the amount of US \$50. Depending on when they joined the project, beneficiaries have received by the end of their participation anywhere between 4 and 9 payments. The program recorded a few hundred beneficiaries who received their payments only once or twice. As they were considered part of the long-term absentees and an inquiry of their whereabouts was made after at least three months of not showing up, it is assumed that they had definitely left the program. Otherwise, with the payments received, beneficiaries were able to purchase four fixed food commodities: rice, beans, maize and oil on a monthly basis. The breakdown in the table below shows the number of beneficiary households registered who received 0 to 9 months' worth of vouchers.

Commune	Number of Payments Received									Total	No of HHS	
	0	1	2	3	4	5	6	7	8			9
Hinche	327	64	46	37	58	152	582	481	326	6535	8608	
La chapelle	27		6	8	771						812	
Mirebalais	58	47	30	6	13	22	65	232	3150	1730	5353	
Saint-Marc		11	11	38	623	83	109	2462	1671	1563	6571	
Saut d'Eau	29	1	6	54	889						979	
Verrettes		3	6	6	443	1					459	
No. of Households	441	126	105	149	2797	258	756	3175	5147	9828	22782	

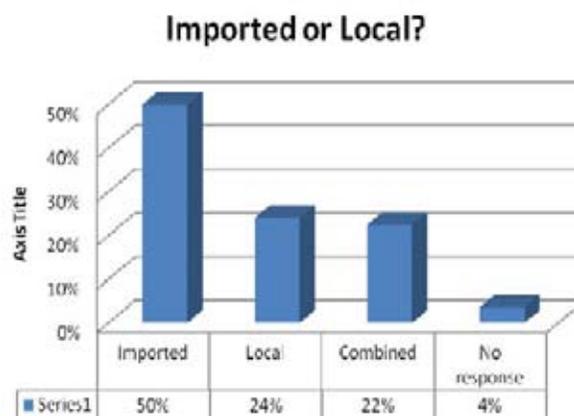
Figure 5: Number of beneficiary households receiving 0 to 9 months of food vouchers.

3.4 Food Purchases, Prices and Food Security

As reported in the third and fourth quarterly reports to USAID, the monthly cash transfer value was increased from US\$40 to US\$50 per month per household to respond to a general price surge in food commodities. This change, which applied to all payments from 1 April 2011, allowed beneficiary families to acquire a typical monthly basket of 25 kg of rice, 3 kg of beans, 7 kg of maize and 2 gallons of oil. The four authorized food items remained rice, beans, maize and oil throughout the course of the program. Typically imported products, such as rice and oil, are often less expensive and more readily available in Haiti than locally produced food. Overall, the purchase of locally produced food within the program was higher between December 2010 and April 2011, when 35% of all beneficiary-purchased food was of local origin, than in the last two quarters of the program. This trend recorded a reduction of at least ten percent, from 35% to 25%. Beneficiaries provided different explanations regarding the reason why they preferred imported foods over the local ones, the most important of which was the unavailability of locally produced food:

- Local products not available.
- Imported products cheaper and available.
- Packaging of local products unattractive.
- Quality and taste of local products low.
- Products not grown nor processed locally.

There seemed to be great variance between the geographic zones according to local agriculture practices and access to local markets. While in Hinche, low purchases of local products were due to the zone's distance from agricultural activity, in Mirebalais and St Marc, procurement of local products was higher due to proximity to agricultural activity.



While there was a food price surge in 2010 at the global level, no price distortions were observed as a result of *Kenbe-La* specifically. The price monitoring system in place throughout the program duration, balanced against the regular price reports of CNSA (Coordination Nationale de la Sécurité Alimentaire), confirmed that neither the *Kenbe-La* vendors nor the non-participating vendors increased the prices for LRP-demanded commodities as a result of the project. The price fluctuations experienced in 2010 and 2011 appeared to be independent from the project. As reported previously, in the period between August and December 2010, CNSA reported in Artibonite (a third of beneficiaries) a 47% increase in the price of imported rice and a 25% increase in the price of red beans. In the same period, in Central Plateau (two thirds of beneficiaries) CNSA recorded a 20% increase in imported rice and a 5% increase in local rice.

Reports from beneficiaries showed uneven duration of the quantities of food purchased with Mercy Corps' cash transfers, 47% reporting that the food purchased with the monthly cash transfer lasted for up

to 4 weeks, while 38% said that the food normally lasted for up to 3 weeks. When comparing this with the size of the beneficiary household, it was only logical that the food did not last as long for the larger-sized families (see figure 6).

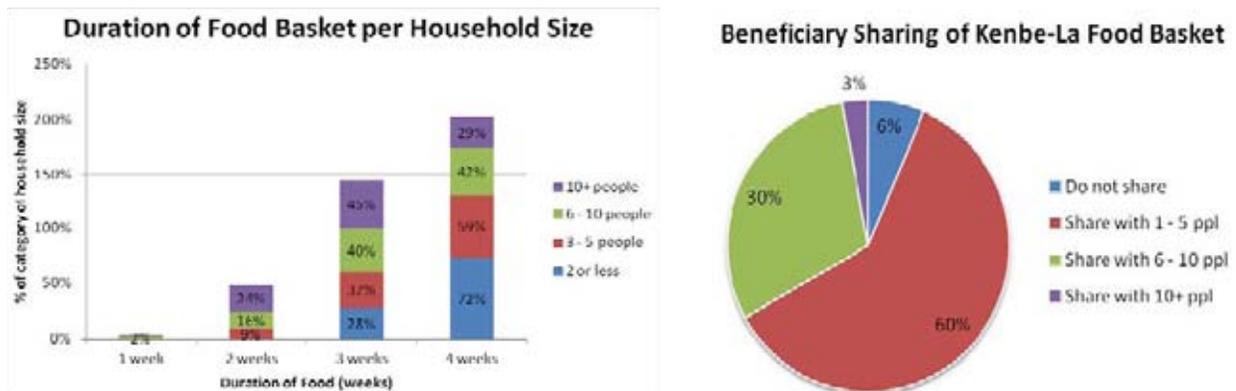
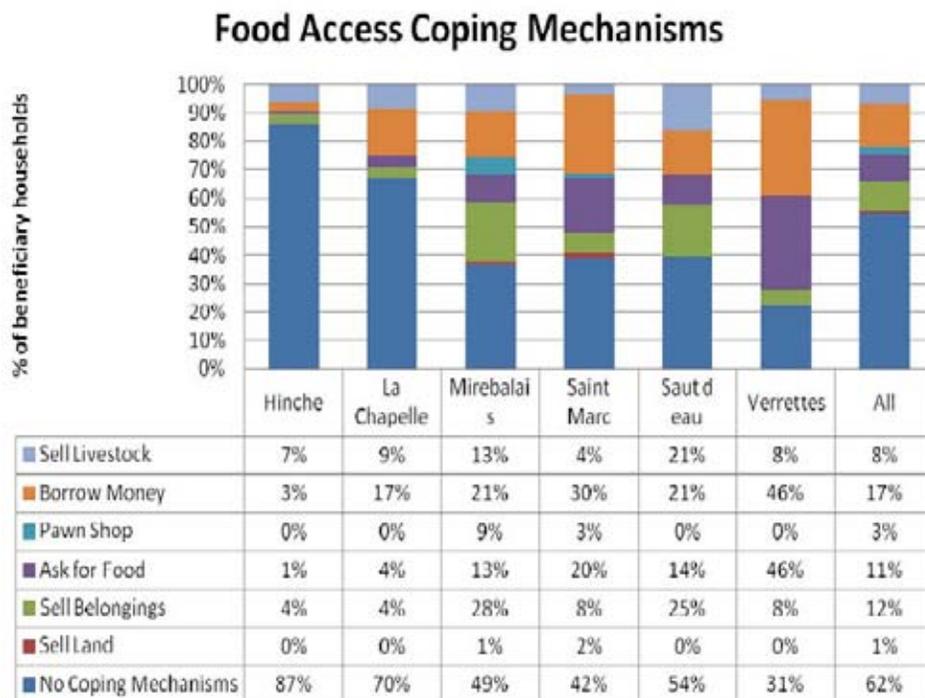


Figure 6 & 7: Typical duration of food purchased with Kenbe-La cash transfers and sharing of Kenbe-La Food Basket.

As explained in previous reports, another one of the reasons why the food did not seem to last for too long was that 94% of beneficiaries shared their food with other families and neighbors. 60% of beneficiary families shared their monthly food baskets with 1 – 5 people. On average, each household shared the food with 4.9 people, thus expanding the impact of the program to an even greater number of individuals. The majority explained that the sharing was something they felt compelled to do when other non-recipient families had difficulties accessing adequate supplies of food.



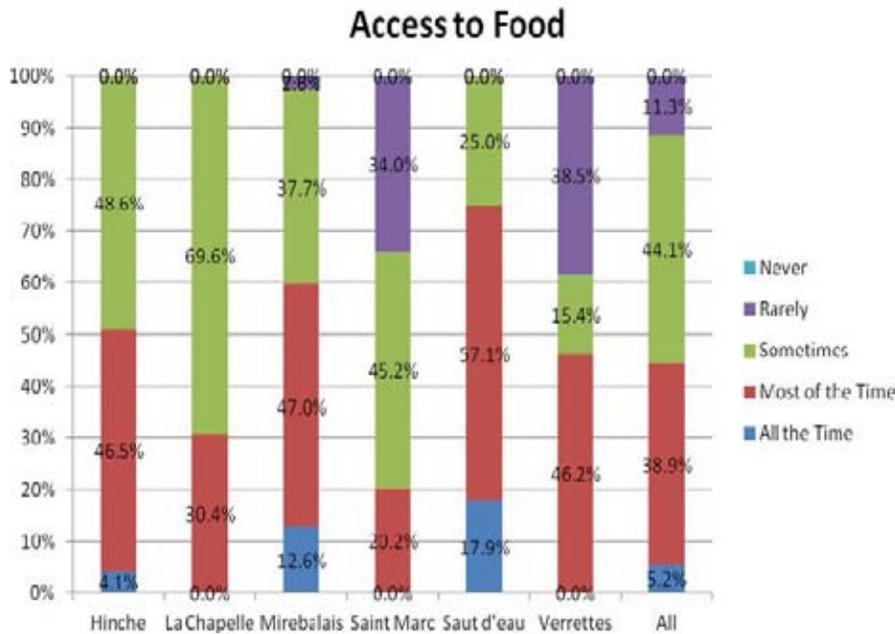


Figure 8 & 9: Food security of beneficiaries and use of coping mechanisms to access food at time of endline survey (September 2011).

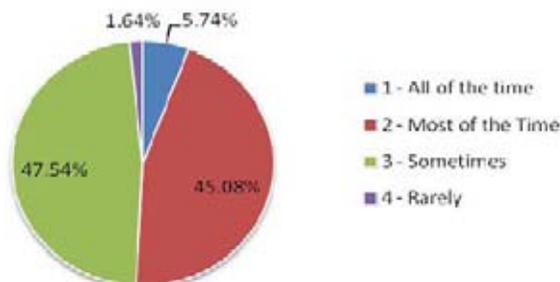
Yet, despite the food sharing tendency, at the time of the Endline Survey, 39% of families reported that they had access to food most of the time and around 5% reported that they could access it all the time. This is a considerable progress from the baseline situation when only 3.4% of people reported that they had access to food most of the time while 67% acknowledged that they rarely felt they had access to sufficient food. In addition, at the time of the Endline Survey, 62% of beneficiaries no longer resorted to coping mechanisms to access food, whereas the baseline reported 100% had to resort to some sort of coping mechanism in order to have enough to eat.

However, the Endline results demonstrate that there is still more work to be done as the majority of beneficiaries (44%) could only access food some of the time, and there were still 11% who rarely had access to food. Not surprisingly, those who received more months of food rations were more food secure at the end of the program, as the table to the right describes.

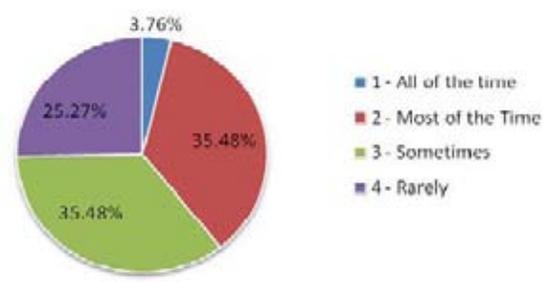
No. of months received	Access to Food			
	All the Time	Most of the Time	Sometimes	Rarely
< 4 months	0%	11%	67%	22%
4 - 7 months	2%	30%	44%	23%
8 - 9 months	7%	45%	44%	3%

Interestingly, according to the Endline Survey, the most significant difference in food security was not necessarily household size or family status (i.e. host vs. IDP-only), or even between female-only headed households and two-parent households, but rather between those who had access to land and grew their own home garden or raised their own livestock versus those who did not. As the charts below demonstrate, those who had a small home garden or raised livestock were 25% more food security than those who did not. Accordingly, over 50% of the beneficiary households who did not have home gardens or livestock were located in the urban areas of Saint Marc.

Food Security of HHs with Home Gardens & Livestock



Food Security of HHs w/out Home Gardens & Livestock



Figures 10 & 11: Food security of beneficiaries with and without access to home gardens or livestock.

3.5 Vendors, Transactions and Sales

A total of 140 vendors participated in the project. This number reflects the elimination at the end of June 2011 of 8 vendors from the former lists and the inclusion of 22 new vendors in the *Kenbe-La* expansion process to new geographic zones.

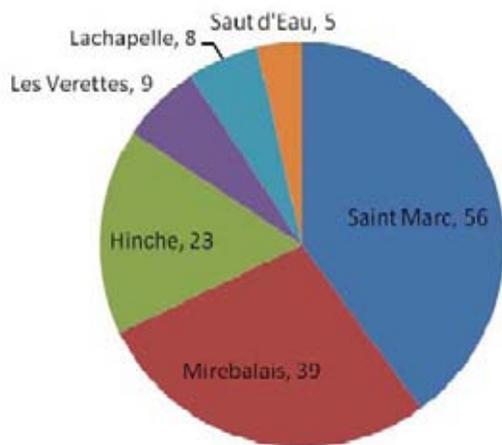


Figure 12: Number of vendors in Kenbe-La locations

The interest and response to *Kenbe-La* opportunities was extremely high among vendors. They all recognized the unique circumstances of their revenue growth due to the program and they expressed desire to continue in a similar initiative in the future. This level of enthusiasm, however, was not as high at the beginning, when it was in fact quite difficult to persuade food merchants to participate in the program. Some of them were skeptical that they would actually receive cash redemptions for printed vouchers or mobile money, and others were completely reluctant to share any type of information about their businesses. Yet following the first weeks of transactions and cash-out successes, the vendors quickly embraced the opportunity and some of them, especially the small merchants from *sections communales*, reached levels of sales they would hardly have imagined.

Mercy Corps used its monthly regular meetings to encourage vendors to invest their *Kenbe-La* generated profits in productive areas and assets as much as they could, so that this opportunity would leave a longer term impact on their businesses. Many reported they bought productive items, such as refrigerators and construction materials, and expanded their commerce to include additional workers and hours of operation. A number of long-established vendors recorded sales and clients three or four times higher than in prior periods which they said brought a new dimension to their status in the community. As such, this project element quite substantially generated the growth of the majority of participating businesses and contributed reasonably to the development of the small and medium segment of the local business sector.



Figure 13: Cumulative sales of vendors in Kenbe-La since the beginning of the program

Since most economic activities were centered in towns like Hinche, Mirebalais and St Marc, Mercy Corps had to identify and mobilize vendors in *sections communales* as well, to allow small rural enterprises to participate in the program and reduce the travel time of beneficiaries living in remote villages. The initial selection process consisted of the following steps:

- Public announcement of selection process through radio and written public notices.
- Door-to-door visits for *Kenbe-La* presentation and preliminary inquiry of eligibility.
- Store visits for assessment of stock capacity, physical aspect of business.
- Pre-qualification questionnaire.
- Selection of vendors.
- Signature of Memorandum of Understanding (MOU).

To participate in the program, vendors had to provide within six weeks of signing the MOU proof of their registration as a business. The *patente* is a certificate of registration with the government and thus requires the business to pay an annual registration fee and taxes according to volume of sales. Many of the targeted small and medium size vendors either had not previously registered their business or their license had expired. Thus, *Kenbe-La* presented a favorable occasion for many vendors to formalize their business activities.

On average, vendors had 265,753 HTG in sales per month through the *Kenbe-La* program, and averaged 155 clients per month through the program. The charts below show the difference between field locations. Hinche, having fewer vendors per capita beneficiary population, had the highest average vendor sales and clients per month. Though Saint Marc had almost the same amount of beneficiaries in the region, the vendors averaged fewer sales and clients per month because there were more than one and a half times as many vendors that served the Saint Marc beneficiaries, thus spreading out the impact more evening across the market.

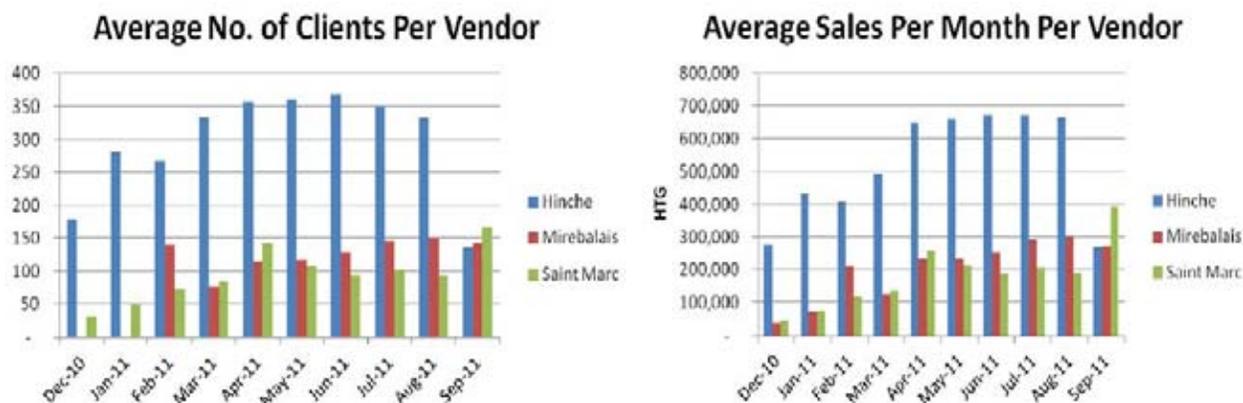


Figure 14 & 15: Average clients and sales of vendors in Kenbe-La since the beginning of the program.

3.6 Business Training for Vendors

One of the disadvantages of a program like *Kenbe-La* is the inevitable decline in the purchasing power of beneficiaries upon the termination of the program and the resulting decrease of available customers and sales experienced by vendors. Although Mercy Corps has repeatedly emphasized that *Kenbe-La* was an emergency short-term intervention and that the revenue growth would be temporary, many vendors – like many beneficiaries – assumed that there would be a follow-on project, or that a continuation of the program would provide another cash injection opportunity. Accordingly, some vendors bought too much food stock at the beginning of the program and were at risk of not selling their supplies. In the end, with Mercy Corps’ guidance on the expected voucher distributions, most of the vendors concluded their participation in the program with no or little undesirable effects.

What was clear, however, from this general behavior trend was that vendors were ill prepared to adapt to market conditions, even though the market conditions were clearly atypical in the *Kenbe-La* case. Many vendors had little concern for their sales and marketing strategies and did not have even the bare minimum conditions to meet a bookkeeping system. So, in cooperation with Mercy Corps’ Economic Recovery Team, the *Kenbe-La* program decided to include in the last quarter of implementation a business training element for all vendors to ensure a more sustainable transition from the program completion to their normal business operations. After conducting a round of consultations with vendors to identify capacity strengths and gaps, Mercy Corps brought a consultant to design a curriculum and training program and deliver the training both directly to vendors as well as through training of trainers (TOT).

	Zone / Location	Number of vendors	Number of women	Number of men	Number of vendors who CANNOT read or write	Gender of vendors who cannot read	Number of vendors who received education
St Marc Office	St Marc (Block Hauss)	14	7	7	0	n/a	14
	St Marc (Bocozele)	8	1	7	2	F / M	6
	St Marc (Centre Ville)	21	9	12	1	F	20
	St Marc (Mac Donald)	12	8	4	3	F / M	9
	Lachapelle	8	6	2	2	F	6
	Les Verettes	9	7	2	2	F	7
Hinche Office	Hinche	24	14	10	5	n/a	19
Mirebalais Office	Mirebalais	48	28	20	1	n/a	47
	Saut d'Eau						
	Total	144	80	64	16		128

Vendors, none of whom had any formal business training before, determined that the areas in business management that would be practical and useful in their daily business operations would be accounting, sales techniques, marketing, resource management, access to credit and financial services.

Tailored to their levels and needs, the training curriculum and the business management training manual were designed in Creole and were well illustrated with drawings, practical examples and concrete exercises related to the vendors' contexts. A parallel TOT package was prepared with a view to training the Mercy Corps vendor officers' teams who later delivered the training to vendors. The training program included the following areas:

- Accounting (cashflow statements, budgets, sales and benefits)
- Marketing (market analysis, mix-marketing, client relationships and POS/product presentation)
- Resource management (stocks, sales and staff management)
- Access to credit (types of credit, financial products and financial needs)

The consultant reported the following pre- and post-training evaluation results:²

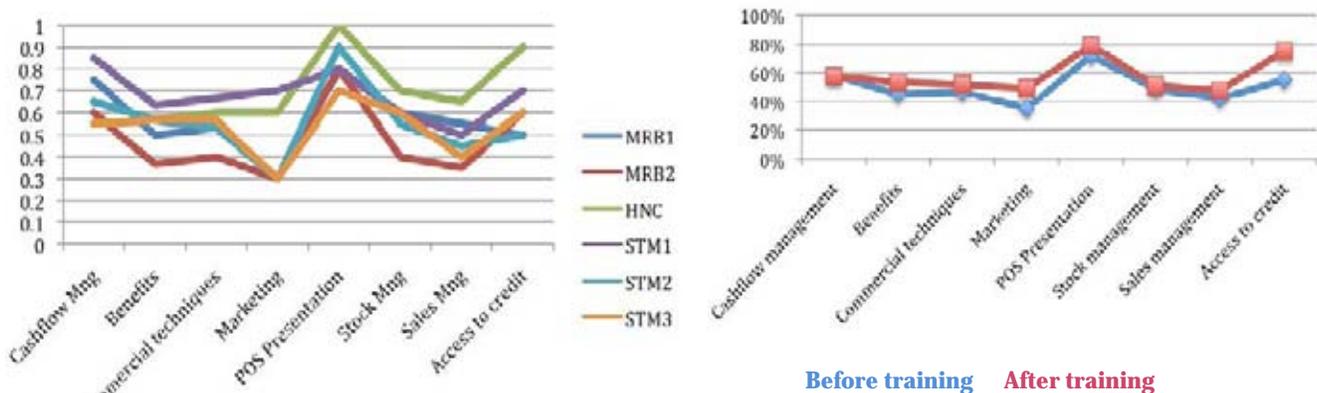


Figure 16: Pre-training evaluation of participants

Figure 17: The level of participants' knowledge in business management has increased in each topic.

3.7 Summary of Challenges and Successes

In a concluding set of program consultations, the *Kenbe-La* staff devoted a significant portion of the last two months of the program to a participatory process with the three main stakeholders of the program: beneficiaries, vendors and community leaders. The main purpose of this process was to officially remind all program participants that August and September were the last months of payments and that no continuation of *Kenbe-La* or similar programs would follow afterwards. The sessions combined messages of appreciation; a motivational reminder that people should feel responsible for their own development; an account of challenges and successes, and a brief identification of unmet needs. A summary of successes and challenges identified by all three groups of stakeholders follows below:

Successes

- Appropriate targeting of the most vulnerable segments of earthquake affected populations.
- Improvement of household food security.
- Tremendous growth of sales and customers in participating vendors' businesses.

² Mercy Corps Haiti, Final Report, Small Business Management Training, September 2011

- Stimulation of local economy.
- Reinforcement of needed development linkages between leaders and communities.
- Indirect benefits for local producers, suppliers and transport agents.
- Entry of additional cash in the national economy.
- Creation of employment (by vendors).
- Active inclusion of community leaders in program activities.
- Autonomy of vulnerable families.
- Social integration and enhanced community spirit.
- Good program planning and motivated staff.
- Appropriate choice of procuring food commodities locally.
- Successful cooperation between Mercy Corps, mayors, CASECs, ASECs, schools, churches, local organizations, Unitransfer, Unibank and Voila.

Challenges Encountered during the Program

- Difficult access to beneficiaries in remote areas.
- Poor road infrastructure.
- Lack of national ID cards due to dysfunctional system.
- Illiteracy among participants.
- Duplication cases – intentional or unintentional – among beneficiaries.

3.8 Linkages with Other Mercy Corps Projects

The *Kenbe-La* project enjoyed close partnerships and synergy with other Mercy Corps projects operating in the same geographic zones:

1. **Mobile Money Program Integration:** due to the mobile money method integrated in the payment system of beneficiaries, this project (funded by USAID/HIFIVE) has been pivotal in the execution process of *Kenbe-La* in the area of Saint Marc where beneficiaries received their monthly payments exclusively through mobile money.
2. **USAID/OFDA funded Cash for Work:** The Cash for Work project, which ended in March 2011, targeted IDPs living in Central Plateau to engage in short term employment to complete community development projects as well to receive critical livelihood support. The project reached 20,000 workers and completed 70 community projects to improve road conditions and drainage. This greatly improved access and mobility to previously inaccessible communities. The foundation and mobilization generated by this project was followed up by the *Kenbe-La* initiative to reach these villages and continue providing support to these displaced, isolated and vulnerable families.
3. **American Red Cross Market Fair Bayo Chwazi (Let them Choose!)** *Kenbe-La* worked closely with the ARC Market Fair project and shared the same geographic zones, beneficiary process and program teams. Of the 20,000 *Kenbe-La* households, 10,000 received additional support through the market fairs. Because both programs used a voucher system redeemable through local vendors, there have been significant joint efforts in community mobilization and the programs complemented each other in natural ways. Bayo Chwazi provided vouchers for beneficiaries to purchase household materials, non-food items and livelihood inputs from local vendors in addition to educational information on water, hygiene and sanitation and disaster preparedness. This project ended on June 30, 2011.

4. **OFDA WASH Cholera Project:** In response to the cholera outbreak, Mercy Corps received funding for a cholera response project, which provided hygiene promotion and water treatment education as well as distribution of water purification tablets. This project targeted many of the communities of the *Kenbe-La* project.

4. Monitoring & Evaluation

From the beginning of the program, Mercy Corps has established a solid monitoring foundation which allowed the collection and analysis of data regarding the attainment of project objectives and progress against indicators. Towards the end of the program, an evaluation consultant was recruited to conduct an impact evaluation of *Kenbe-La*, the final report of which is expected to be shared with USAID along with submission of this report.

INDICATOR	Target	Baseline	Progress
OBJECTIVE 1. Increase household food security and incentive of IDPs to stay in host communities.			
% of households reporting an adequate food supply	100%	6%	44% of households report that they have enough food at least "most of the time"
% of households resorting to coping mechanisms for food security	0%	100%	38% of households still have to resort to some kind of coping mechanism to ensure food security, the most common one being borrowing money.
% of IDP families reporting no plans to return to the capital	80%	68.70%	82% of IDP families have stayed up until the time of the Endline Survey (September 2011). Of those that are still there, 87% said that they had no plans to return to the capital.
<i>IR 1.1: Allow beneficiaries to access food through existing market actors by providing vouchers redeemable in local markets for basic food commodities</i>			
# of HHs redeeming vouchers at local businesses for food	20,000	N/A	Of the 22,782 families registered in the program, 21,961 families comprising 170,119 individuals are considered "active" beneficiaries – those who received between four and nine months of payments.
# of individuals directly benefitting from food vouchers	100,000	N/A	170,119 of which 55,908 are IDPs, and 26,427 meet the vulnerability criteria
Cost per beneficiary	\$125	N/A	\$154
# of months of adequate food provisioning	9	N/A	Households have received adequate food provisioning for between 1 to 9 months depending on when they joined project. Of the 22,782 families registered in the program, 21,961 families received between four and nine months of payments.
USD amount of vouchers used per household	\$40/pp/mo	N/A	\$40/pp/mo until March 31, 2011 and \$50 after April 1, 2011
#/% of women benefitting from the program	50,000; 50%	N/A	73.18% of households were represented in the project by a female
Type and value of food items purchased	Rice, beans, oil, maize; \$40 pp	N/A	Most of the food purchased was rice, followed by oil, beans and corn flour. Corn flour was rarely purchased, as it is not a priority basic staple in Haitian diet and this is commonly and easily grown at the household level. Typically a family will buy 1 sack (25 kg) of rice, 1 to 2 gallons of oil and several cups (<i>marmites</i>) of beans.
Time from award to possession by beneficiaries	75 days	N/A	78 days
OBJECTIVE 2. Support the quick recovery of small businesses in the food market chain, contributing to local employment.			

% of small businesses reporting increased revenue	70%	N/A	92% of participating vendors reported an increased revenue as a result of the Kenbe-La program
# of households a merchant serves per week	70	35	On average, a participating vendor served 155 households per month.
% of beneficiaries employed in their communities	25%	20%	8.5% of households reported that they have at least one member formally employed in the community; 93% of beneficiary families have at least one member who contributes to household revenue via informal activities.
<i>IR 2.1: 135 small businesses participate in the food voucher program.</i>			
Total USD channeled into the local economy	\$7 million	N/A	\$7,993,596 USD in vouchers and mobile money transfers was redeemed by local vendors by the end of the program.
# of small business owners benefitting from FFP Program	135	N/A	140
# of vendors attending training session at voucher redemption	135	N/A	140
# of vouchers or mobile money transfers redeemed	5 million	N/A	168,536 payments via either vouchers or mobile money transfer were redeemed by the end of the program. Payments consist of either one sheet of vouchers or a mobile money transfer to each beneficiary each month.
<i>IR 2.2: Merchants have adequate cash flow to maintain on-going, adequate inventory.</i>			
% of merchants reporting timely payments of vouchers	100%	N/A	91% of vendors reported no problems with cashing out at Unitransfer to receive payments for either vouchers or mobile money. Those who reported problems were from Mirebalais where there were some issues with the local Unitransfer branch that were resolved quickly thereafter.
% of merchants engaged in the banking system	100%	75%	47% of Kenbe-La registered vendors had a bank account by the end of the program.
% of merchants demonstrating the stock moved is equivalent or greater than the number of vouchers redeemed	100%	N/A	100% of merchants demonstrated that the stock moved was equivalent or greater to the number of vouchers redeemed according to the vendor sales sheets and monitoring visits to the vendors' stores.
OBJECTIVE 3. Spur local production by increasing the purchasing power of beneficiaries, thus increasing demand for locally produced goods, and not disrupting market prices for locally produced food items.			
% of households planting for the next season	80%	67%	87.3% of HHs with access to land planned to plant for the next season
% of households engaged in livelihoods activities	100%	85.38%	93% of beneficiary families have at least one member who contributes to household revenue via formal or informal activities.
% of beneficiaries who have re/started livelihoods activities	20%	N/A	6% of beneficiaries have started or restarted livelihoods activities since their participation in the Kenbe-La program.
<i>IR 3.1: Affordable price points and quality levels are maintained.</i>			
% of locally produced products purchased through vouchers	25%	N/A	25% Data on purchase of locally produced products vary according to geographical zone and level of agricultural activity and local market access.
% of merchants selling locally-produced products	15%	5%	42% sell locally produced products; purchase by beneficiary depends on price and quality/taste preference. In Hinche and Mirebalais, locally produced products are more expensive than imported products. While St Marc is near to rice producing area and a recent harvest created a high availability of local rice, which drove the price below imported rice.
% change in prices/influence of vouchers	3%	N/A	Mercy Corps price monitoring the Kenbe-La food basket has documented a 12% increase between the pricing baseline in November and end of September

			2011. This is in line with a 10% price increase of the same food basket reported in Port-au-Prince. Accordingly, there is no evidence that this price increase is linked to the voucher program.
% of merchant whose goods meet national food safety standards	100%	N/A	100% Mercy Corps monitored Kenbe-La vendors against food safety checklist, which all vendors passed. They were monitored on a monthly basis, and if standards started to slip, the monitoring assistant would notify the vendor officer that a follow up visit was warranted.

5. LRP Mobile Money in the Media

The mobile money component of *Kenbe-La* has received a lot of media attention and coverage during the first few quarters of the program. Some links follow below:

January 30: [National Public Radio \(NPR\): In Haiti, Cell Phones Serve as Debit Cards](#)

March 24: [Institute for Money, Technology and Financial Inclusion \(IMTF\): T Cash Town? Food Aid and Mobile Money in St Marc](#)

April 2011: [Institute for Money, Technology and Financial Inclusion \(IMTF\): Mobile Money in Haiti: Potentials and Challenges](#)

Google Earth link to [Mercy Corps-Voila T-Cash LRP Vendors in St Marc](#)