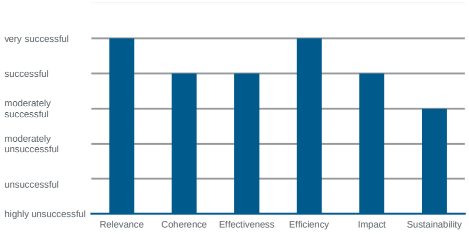
KfW Development Bank

Ex-post evaluation
Food security in impoverished districts of Cape Town as part of combating the pandemic in South Africa

Title	Food security in impoverished districts of Cape Town as part of combating the pandemic in South Africa
Sector and CRS code	Food security (4307200)
Project number	2021 01 111
Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ)
Recipient/Implementing agency	Recipient and executing agency: City of Cape Town; implementation partner: VPUU
Project volume/ financing instrument	*EUR 3.5 million / BMZ grant*
Project duration	*2020 (5 months)*
Year of report	2024
Year of random sample	2024

Overall rating:
successful



Objectives and project outline

The objective at outcome level was to ensure that the beneficiary households had sufficient food. The project started with the provision of digital meal vouchers for selected population groups and the support of soup kitchens (output). It thus created access to food for food security, which was at risk due to job losses. The use of the vouchers (outcome) was then intended to contribute to mitigating the nutrition-related consequences of the COVID-19 pandemic for vulnerable population groups (impact).

Key findings

The project effectively contributed to mitigating the nutrition-related consequences of the COVID-19 pandemic for children and was implemented in the shortest possible time. Hence, the project has been rated "successful" for the following reasons:

- The project was consistent with national and international priorities in a public health crisis, as well as with the local needs. It was "the right approach at the right time" (**relevance**).
- Fees charged by Spaza shop owners (kiosk-like stores in townships) for redeeming the vouchers limited the effectiveness and led to the secondary objective of promoting the integration of migrant Spaza shop owners not having been achieved.
- As a result, however, the number of vouchers provided was fully exploited and people were protected from the complete loss of their basis for living (**effectiveness**).
- The funds were used very efficiently through the use of free payment platforms and digital meal vouchers.
- Even though the contribution was relatively low due to the short project period, it is possible that the project was able to reduce the probability of children being stunted, as some participants found alternative employment opportunities after the project was completed. The project most likely fulfilled an important bridging function until the national coronavirus stimulus package came into force. This ensured the effects over a longer period of time (**sustainability**).

Conclusions

- Inclusion of all supermarkets can prevent Spaza shops from becoming oligopolies, allowing beneficiaries to shop more cost-effectively and without payment fees.
- The implementation of the project increased the executing agency's acceptance, as they provided adequate support to the beneficiaries very quickly in a crisis situation. This can now help to facilitate subsequent projects in these project areas.
- The provision of digital vouchers can be transferred to similar regions, especially in the context of crises. The use of a digital platform to provide vouchers enables quick and cost-effective implementation.

Ex-post evaluation – Rating according to OECD-DAC criteria

Overview of sub-ratings:

Relevance	1
Coherence	2
Effectiveness	2
Efficiency	1
Impact	2
Sustainability	3
Overall rating:	**2**

Overall context

The project evaluated here, “Food security in impoverished districts of Cape Town as part of combating the pandemic in South Africa”, took place immediately following the expansion of the project “Violence prevention in low-income urban neighbourhoods III”, which was designed as a coronavirus emergency aid measure.

With coronavirus disease 2019 (COVID-19)-related increase of project budgets, it was possible to make a significant short-term contribution to food security by providing digital meal vouchers via a mobile phone-based system in selected impoverished districts of Cape Town. This concept was seamlessly integrated into a project funded by the Special Initiative for the Transformation of Agricultural and Food Systems (SI AGER), which was the subject of this evaluation. The expansion of the “Violence prevention in low-income urban neighbourhoods III” project is not part of this evaluation. This ex-post evaluation therefore specifically assesses the impacts of the project financed from SI AGER funds following the increase in project budgets.

Both projects, the expansion and the evaluated project, are based on the same implementation structure. The recipient was the municipality of Cape Town. The non-governmental organisation “Violence Prevention through Urban Upgrading – Non Profit Company” (VPUU) carried out the implementation on behalf of the city of Cape Town. At the time of the project appraisal, VPUU had been responsible for the implementation of the FC project “Violence prevention in low-income urban neighbourhoods III” for over ten years. VPUU also implemented the measures under the COVID-19-related project expansion in 2020. VPUU was established in 2005 as a partnership between the city of Cape Town, KfW and the municipality of Khayelitsha. Since then, the partnership has been extended to include the Western Cape Government, the National Ministry of Finance, international agencies and other non-governmental organisations. The regional community development organisation aims, among other things, to improve the living and social conditions of disadvantaged communities (known as townships) through social interventions. VPUU employs around 55 people and is managed by a Managing Director. VPUU receives its funds from the Federal Ministry for Economic Cooperation and Development (BMZ), the city of Cape Town, the South African treasury, other public funds and third-party funds.

The evaluation took place four years after the start of the COVID-19 pandemic, which was accompanied by extensive restrictions on the daily lives of the population worldwide, capacity bottlenecks in the healthcare sector, negative economic effects and job losses. The pandemic’s influence on the starting point of the project is explained in the report.

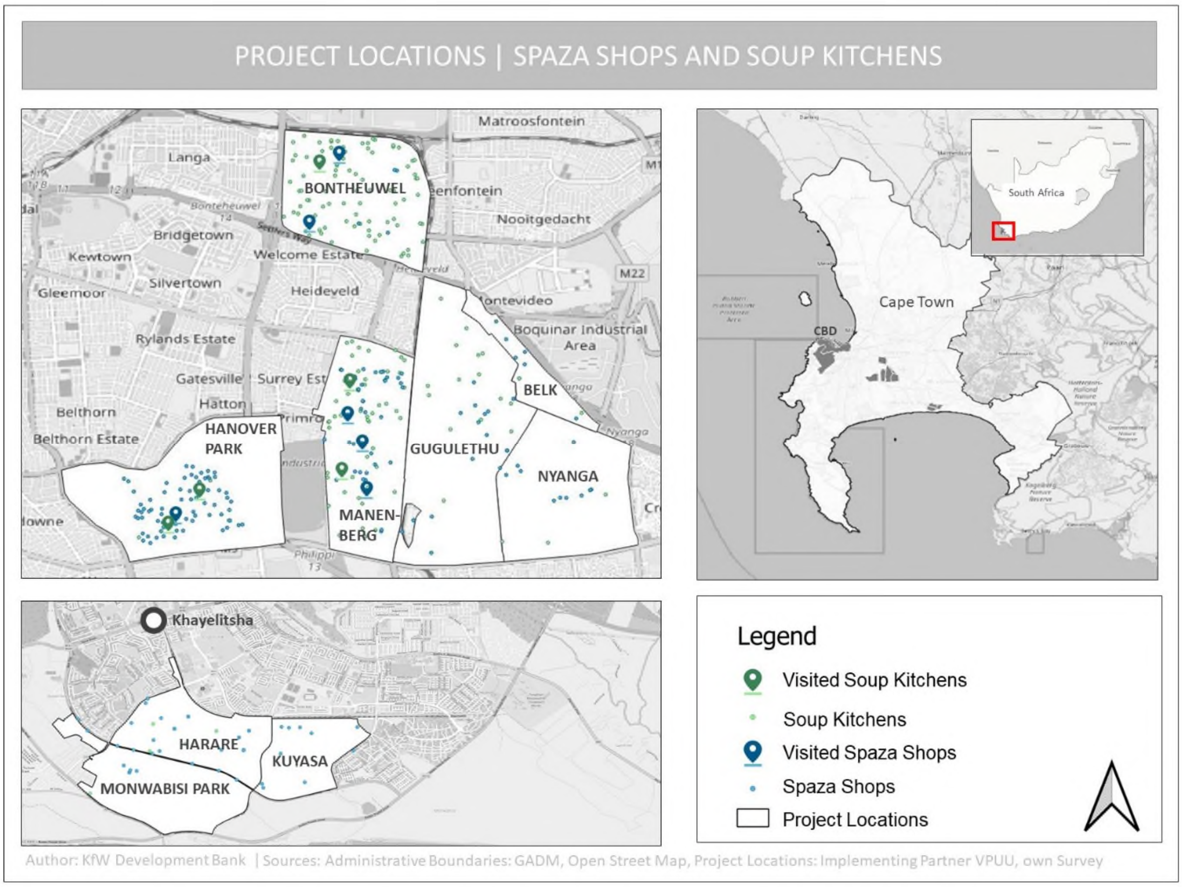
Project summary

The second wave of the pandemic in South Africa led to enormous losses in income, particularly for workers in the informal sector, and thus also to a deteriorating nutritional situation. The project “Food security in impoverished districts of Cape Town as part of combating the pandemic in South Africa” therefore aimed to mitigate the food-related consequences of the COVID-19 pandemic for the vulnerable population groups in Khayelitsha (sub-areas), Gugulethu, Nyanga, Manenberg, Hanover Park and Bonteheuwel and to improve their nutritional situation. The target group included particularly vulnerable population groups such as families or single parents with children under the age of seven as well as pregnant women.

Total cost

In EUR million	Investment (planned)	Investment (actual)
Investment costs (total)	**3.5**	**3.5**
Counterpart contribution	0	0
Debt financing	3.5	3.5
of which BMZ budget funds	*3.5*	*3.5*

Map/satellite image of the project country including project areas

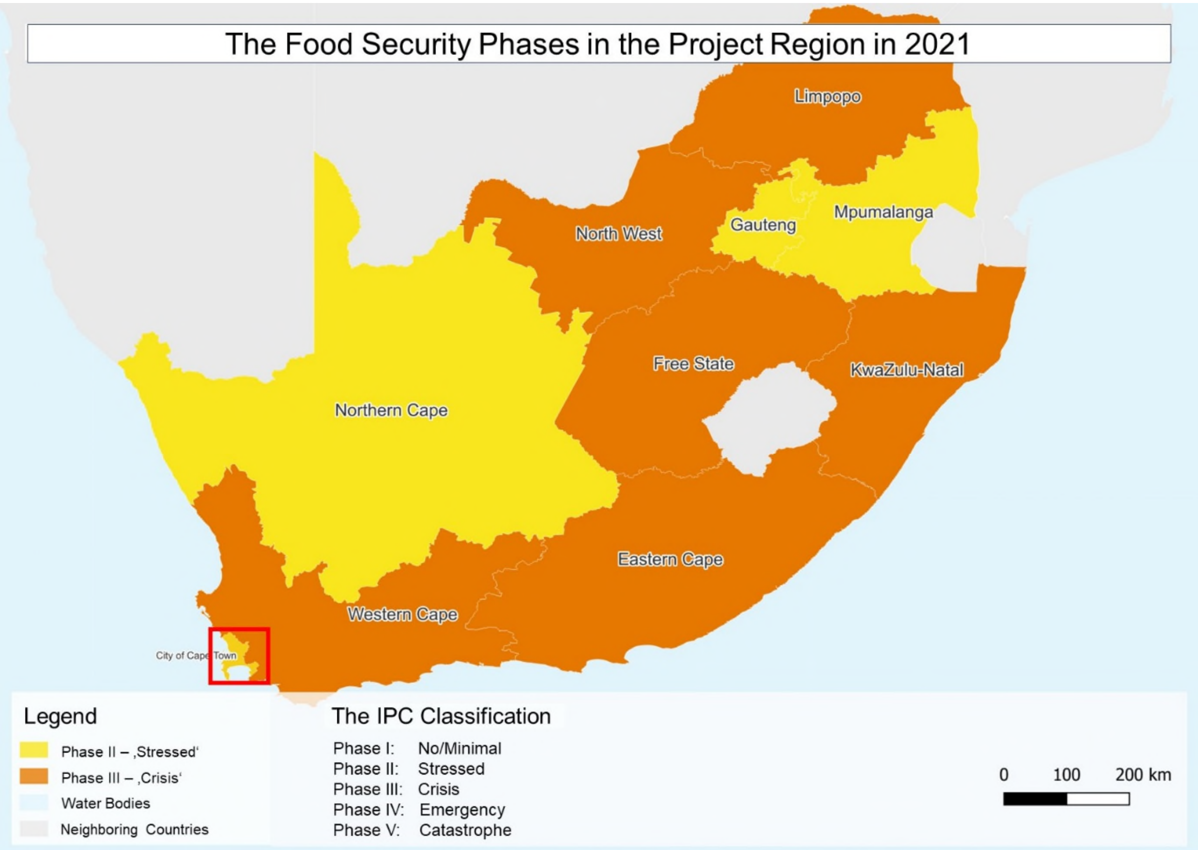


Rating according to OECD-DAC criteria

Relevance

Alignment with policies and priorities

During the project appraisal, it was foreseeable that the nutritional situation among poor urban population groups in South Africa would deteriorate due to the second wave of the pandemic and the restrictions prescribed by the state. In particular, the mostly informal income-generating activities for significant portions of the local population were cut back by the pandemic rules or were dropped completely. The loss of informal activities led to an immediate loss of livelihoods for the affected population, in particular women and children.



Author: KfW Development Bank | Sources: Administrative Boundaries: GADM; The food security data was categorized according to the IPC Classification

According to the food security forecast for 2021, Cape Town's population suffered from "hunger" (food security level II), which means that people have difficulty "meeting their basic needs and [must make] significant changes to support their needs for other foods. Their income is unsustainable, and 5–10% of the population is acutely undernourished."[1] Against the background of the strongly income-related segregation in South Africa, it is plausible to assume that the nutritional situation in the impoverished districts of Cape Town cannot keep up with the urban food security average, which suggests a poorer nutritional situation in the project areas and once again underlines the relevance of the project, particularly against the backdrop of the acute crisis at the time.

The project started with the provision of digital vouchers for selected population groups and soup kitchens, which could be redeemed at local shops known as Spaza shops, thus creating access to food to secure the target group's lost basic living needs. The mostly informal income-generating activities without the option of working remotely were impaired by the state pandemic rules or were dropped completely, resulting in an immediate loss

[1] World Food Program (2024). "The 5 steps from food security to famine". Accessed 23 July 2024 at https://www.wfp.org/stories/5-steps-food-security-famine

of livelihood for the target group. The target group included particularly vulnerable population groups such as families or single parents with children under the age of seven, as well as pregnant women, in order to also reach those groups of people who were not covered by the government's systems. The project thus embeds the German Federal Ministry for Economic Cooperation and Development's (BMZ) quality criteria of gender equality as well as features of alleviating poverty and reducing inequality in the project design. In the design of the measures, the essential principles of "do no harm" also applied.

The digital provision of vouchers made it possible to implement the measures even under the strict mobility and contact restrictions imposed due to the COVID-19 pandemic. The project thus meets the BMZ claim to use digital solutions in a targeted manner (quality criteria "digitalisation"). The scope of the project measures and the actors involved were understandable and appropriate for the given time frame and urgency of the crisis.

The project's measures were of particular relevance in relation to the core problem. Security of food supply was a top priority for the South African government, which was reflected in South Africa's National Development Plan. The project's measures not only contributed to South Africa's National Development Plan 2030, but also to the City of Cape Town's five-year integrated development plan 2022–2027 and to the objectives of the 2030 Agenda (see chapter on "Contributions to Agenda 2030"). The project contributed to the national implementation of the 2030 Agenda, addressing in particular features of alleviating poverty, ending hunger and reducing inequality. The project was explicitly in line with the priorities of the German Federal Government, which at the time specifically aimed to overcome crises at both national and international level in the sense of international responsibility. This was underlined by several decisions on an amending budget. The project also took into account the locally relevant political and institutional framework conditions.

According to the reform concept from June 2020, South Africa counts as a global partner of the BMZ with the aim of "working together on finding solutions for the issues that will define our global future, with the objective of achieving sustainable, climate-neutral, resilient and inclusive development,[2] including the 2030 Agenda as a guide for action. Both global future issues and the protection of global goods, such as environmental protection and climate action, are to be addressed together with the global partners."[3]

Nevertheless, global partners are classified as developing countries according to the OECD on the basis of their per capita income. The consequences of the COVID-19 pandemic also left their mark in these countries and they've been thrown back on their development successes. That is why these countries were given support to emerge from the crisis as strongly as possible.[4] The project's design focused on mitigating the negative consequences of the COVID-19 pandemic and was therefore appropriately integrated into the crisis support measures.

Alignment with needs and capacities of persons concerned

The design of the measures under this project, including the selection of beneficiaries, reflected the time-sensitive need that existed in impoverished districts of Cape Town during the second wave of the pandemic.

According to the project concept, various institutions were identified for the selection of beneficiaries within the particularly impoverished districts in Cape Town. Institutions included soup kitchens, early childhood development centres, community gardens and local healthcare centres. In a second step, the intent was for potential beneficiaries to be able to register for the programme. These included soup kitchen owners and their employees, employees of early childhood development centres and parents of registered children, owners of community gardens as well as employees and pregnant women who were cared for in local healthcare centres. These groups of people were selected to address particularly vulnerable groups and particularly groups at risk of undernutrition (children under seven and pregnant women) in order to prevent long-term damage due to undernourishment.

The process of selecting beneficiaries was therefore not directly based on vulnerability criteria. The selection of beneficiaries on the basis of a vulnerability assessment would have been much more time-consuming and would

[2]Federal Ministry for Economic Cooperation and Development (BMZ) 2021. "Shaping the future together – strategic cooperation with global partners". Accessed on 31 July 2024 at https://www.bmz.de/resource/blob/99794/bmz214-positionspapier-globale-partner-gb-211116-v04web-002-.pdf

[3]Federal Ministry for Economic Cooperation and Development (BMZ) 2020. "BMZ 2030 reform strategy". Accessed on 31 July 2024: https://www.bmz.de/resource/blob/29026/materialie520-reform-strategy.pdf

[4]Federal Ministry for Economic Cooperation and Development (BMZ) 2021. "Shaping the future together – strategic cooperation with global partners". Accessed on 31 July 2024 at https://www.bmz.de/resource/blob/99794/bmz214-positionspapier-globale-partner-gb-211116-v04web-002-.pdf

have significantly delayed the implementation of the project. However, the entire population of the target regions was classified as poor and vulnerable (population of these selected townships), resulting in the intent to reach particularly vulnerable population groups on the basis of the above-mentioned selection process, especially those not covered by South African government systems. The inclusion of women in the target group was intended to ensure that the needs of women and vulnerable groups were taken into consideration, which might have been less achievable through other approaches.

Spaza shops were selected as places to redeem the digital vouchers provided. They were selected based on their distribution throughout the project areas, the product range offered and the availability of the payment platforms through which the voucher system was processed.

The history of the Spaza shops dates back to the apartheid period, which gave rise to a very good distribution (every 200–300m) of shops within the townships and also project areas. Today, Spaza shops are largely owner-managed small businesses that are not part of a retail chain. They are predominantly managed by migrants.

The Spaza shops' product assortment ranges from dry foods such as pasta, rice and corn flour to eggs and milk as well as beverages and hygiene products, thus representing products for everyday use. Almost all Spaza shops also used the Flash and Kazang payment platforms, which formed the basis for the voucher system set up in the evaluated project. These platforms not only provided access to the vouchers issued, but also to electricity, which made them indispensable in Spaza shops.

Just like the Spaza shops, the soup kitchens were also evenly distributed within the townships and thus also in the project areas (also about every 200–300m).

Thus, the core issue of supporting people in particular need during the COVID-19 pandemic was correctly identified. Reaching the target group without vulnerability criteria is not only an appropriate approach given the urgency, but also a very good solution for reaching the intended target group. Given the geographical segregation and the theoretical non-fungibility of vouchers (e.g. soup kitchens), it is highly likely that primarily impoverished households in the townships can benefit from the measures. Thanks to the even distribution of Spaza shops, the project exceeded expectations with regard to taking the target group's capacities into account.

Suitability of project concept

The project design was suitable to help to mitigate the core problem. The planning of the logistical and operational implementation seemed plausible and was based on existing systems and resources, resulting in the expectation of a smooth implementation.

Indicators and value allocation were largely appropriate. At output level was the provision of digital meal vouchers for selected population groups and support from soup kitchens to be redeemed at local Spaza shops (output), which thus created access to food to secure the target group's lost basis of subsistence (intermediate outcome). Using/redeeming the vouchers (outcome) could then have reduced the health consequences of the COVID-19 pandemic for vulnerable population groups (impact).

The outcome was based on the assumption that the target group was already familiar with the delivery system, had continuous access to it, and that the Spaza shops had been open throughout the pandemic.

The project evaluated here followed a project expansion, the beneficiaries of which were transferred to the project evaluated here. Accordingly, the assumption that the beneficiaries are familiar with the delivery system seems plausible. With the launch of the project, a new Level 3 lockdown was enacted in South Africa, which had already been declared the year before and had no operational consequences for Spaza shops. The assumption that the Spaza shops would still remain open therefore also seems plausible.

The impact, on the other hand, was based on the assumption that the vouchers were redeemed exclusively for nutritious food by the population. The Spaza shops offer everyday goods, so it is plausible to assume that the vouchers were used for everyday goods. This could have included nutritious foods.

The project's secondary objective was to promote acceptance of Spaza shop owners in the selected townships. This was not included in the impact matrix as a secondary objective.

The project was scheduled for a period of five months and its measures aimed to mitigate the consequences of the COVID-19 pandemic. The measures were of an emergency nature and did not stipulate conventional investment measures. Accordingly, economic sustainability was not to be expected.

Reaction to changes/adaptability

The framework conditions did not change during the course of project implementation, so no adjustment was necessary.

Rating summary

From today's perspective, the project was highly relevant. During the project appraisal, it was foreseeable that the nutritional situation among impoverished urban population groups in South Africa would deteriorate significantly due to the second wave of the pandemic and the restrictions prescribed by the state.

The project's approach was based on a very good concept for addressing the core problem, which, thanks to its lean design and use of digital measures, enabled very rapid project implementation, taking into account movement restrictions and involving a particularly vulnerable population group. This made it possible to respond to an unexpected crisis quickly, remotely and adequately.

The project took into account essential needs, both from a development policy perspective by addressing an acute crisis against the background of international responsibility, and from the perspective of the beneficiaries by addressing their needs at the time (support for everyday goods). In this respect, the FC project met a central need in the impoverished neighbourhoods of Cape Town during the pandemic. Overall, the project's relevance is rated as very successful.

Relevance: 1

Coherence

Internal coherence

The project seamlessly followed the expansion of the "Violence prevention in low-income urban neighbourhoods III" project (BMZ No. 2010 66 778), seamlessly integrating the beneficiaries into the evaluated project and leaving no gap in support and thus in access to vouchers and food. The value of the food vouchers was also based on the calculations from the project expansion on which this project is based.

The project was not part of a DC programme, but it was an important component of BMZ worldwide support measures for food security and averting the negative consequences of the COVID-19 pandemic for partner countries. At the same time, it was a clearly visible signal of German DC's commitment to basic social security.

The project approach of the project expansion "Violence prevention in low-income urban neighbourhoods III" and the project evaluated here was unique and was not used in any other previous project in South Africa. The project was therefore not embedded in a donor harmonisation approach.

External coherence

The project was implemented with an experienced implementation partner in a long-proven implementation structure as follows. The City of Cape Town delegated the preparation, implementation, reporting and follow-up for components financed under the project to the implementation partner and also carried out independent, random follow-up. The implementation partner has also been responsible for the implementation of the FC project "Violence prevention in low-income urban neighbourhoods III" for over ten years. Additionally, it implemented the measures of the project expansion in 2020, which were continued in the project evaluated here. VPUU was formed in 2005 as a partnership between the City of Cape Town, KfW and the municipality of Khayelitsha. The partnership has since been extended to include the West Cape Government, the National Ministry of Finance, international agencies and NGOs. Both the City of Cape Town and the implementation partner are an established, long-standing and experienced partner in supporting the implementation of projects in selected townships of Cape Town and were able to build on their previous experiences with the implementation of this project. The project's implemented activities were based on digital systems that were used to date for the provision of mobile data and electricity packages. The payment platforms Flash and Kazang were already available in all Spaza shops, so the vouchers could be provided easily via the aforementioned platforms. The project-executing agency did not make a counterpart contribution.

However, in 2021, the South African government allocated ZAR 25 million (EUR 1.5 million[5]) to COVID-19-related emergency food aid for the West Cape, protecting unemployed people over 18 years of age in the West Cape who did not receive any other support from the complete loss of their livelihoods.[6] The emergency aid provided access to ZAR 350 (EUR 20[7]) per month. During the focus group discussions, respondents indicated that they did not receive any government support during the project. Therefore, and in view of the total amount of South African emergency food aid for the West Cape, it is plausible to assume that the project evaluated here was implemented in a complementary manner.

Rating summary:

The project demonstrated high complementarity both within the framework of German DC and in interaction with actors outside German DC. With the seamless connection to a conceptually similar project and thus to BMZ COVID-19 support measures, the project's design proved to be coherent internally. Approaching a long-established implementation structure also addressed external coherence. Overall, coherence is rated as successful.

Coherence: 2

Effectiveness

Achievement of (intended) goals

The objective adjusted as part of the final evaluation was:

Beneficiary households have sufficient food. The indicators identified in the ex-post evaluation also included the redemption rate of meal vouchers by beneficiary households (indicator 3) and soup kitchens (indicator 4) for the purchase of food, which provided for a target value of 80 % redemption rate for households and 90 % redemption rate for soup kitchens.

The target achievement at outcome level is summarised in the table below:

Table: Target achievement outcome

Indicator	Status at PA	Target value at PA/EPE	Actual value at PCR	Actual value at EPE
(1) Number of households benefiting from vouchers	0	19,000	17,534	partially achieved
(2) Number of soup kitchens benefitting from vouchers	0	150	235	achieved
(3) Redemption rate of vouchers by the beneficiary households	0	80 %	92 %	achieved
(4) Redemption rate of vouchers by the soup kitchens	0	90 %	96 %	achieved

[5] According to www.onvista.de dated 1 April 2021

[6] Western Cape Government (2021). "Budget. Overview of Provincial Revenue and Expenditure." Accessed 2 August 2024 at https://www.westerncape.gov.za/provincial-treasury/sites/provincial-treasury.westerncape.gov.za/files/atoms/files/2021%20Overview%20of%20Provincial%20Revenue%20and%20Expenditure%20%28OPRE%29.pdf.

[7] According to www.onvista.de dated 1 April 2021

Contribution to goal achievement

As planned, the measures under this project included the issue of digital vouchers via local supermarkets (known as Spaza shops) to households and soup kitchens.

Indicator 1: During the implementation period, 17,534 vouchers were issued to households and 235 soup kitchens were supported with vouchers. The beneficiaries were selected in accordance with the previously defined selection criteria from the expansion based on the design.

The beneficiary households and soup kitchens were previously validated by providing identification and birth certificates. In order to ensure timely implementation, the registration of beneficiaries for the programme was limited by a deadline. Households that did not meet the criteria or submitted their documentation late were therefore excluded from the programme. Thus, the target of 19,000 beneficiary households was not fully achieved, mainly due to these registration deadlines (~92 %).

The prerequisite for participation in the programme was a mobile phone number in addition to presenting various documents. Some beneficiaries did not have access to a mobile phone and had to ask friends or relatives to lend them the number or phone. It could therefore not be guaranteed that the voucher would always reach the registered person/household.

At the end of the implementation period, there was a budget allocation that had previously been calculated for unforeseen events. As the remaining budget was not sufficient to supply all identified households with digital vouchers again, this budget for digital vouchers was allocated to the previously registered soup kitchens. Consequently, this contribution benefited the general public without causing conflicts between households ("do no harm" approach). Achieving the target of 19,000 households would thus have been possible but could have had adverse effects (e.g. tensions between beneficiaries culminating in disputes), which is why this was not done.

Indicator 2: The goal of promoting soup kitchens was exceeded, as very small soup kitchens were also included in the programme. The intention of the project evaluated here was to co-finance the soup kitchens and thus only cover part of the total requirements. However, since the soup kitchens often did not have any other donors, they were financed almost exclusively from project funds during the project period. Employees of the soup kitchens reported very high demand, which they were not always able to meet fully due to a lack of financial resources.

The inclusion of all soup kitchens in the programme (including very small soup kitchens) ensured equal treatment of all owners and diversified the distribution of meal expenses for the beneficiaries. The high demand could not have been mitigated by redistributing funds. Owners reported that beneficiaries visit another soup kitchen if they were unsuccessful at one location.

Indicators 3 and 4: The redemption rate of the vouchers was exceeded by both the soup kitchens and the beneficiary households, which underlines the very high demand.

All beneficiaries had equal access to redemption places (Spaza shops and soup kitchens). However, many Spaza shops charge fees (between EUR 0.60 and EUR 2.90, i.e. ZAR 10 to 50,[8] representing approx. 3 to 17 %) for a) redeeming the voucher for goods from the shop and b) withdrawing cash (in the value of the voucher) by the beneficiary.

A significant proportion of beneficiaries preferred to withdraw cash in Spaza shops when redeeming the voucher and used this money to buy everyday products (especially food) at lower prices in larger supermarkets. Therefore, the intended impact was reduced by the deduction of fees by Spaza shops. However, in both cases (purchase of products or withdrawal of cash), many beneficiaries did not receive the intended full value of the voucher (approx. EUR 17.00, i.e. ZAR 300[9]).

As a result, the goal of promoting Spaza shops and thus their acceptance in the selected townships was not achieved and the relationship between the population and Spaza shop owners worsened. Nevertheless, the intention of promoting Spaza shops made sense against the background of the design and initial situation and is addressed in the chapter on "Impact".

[8] According to www.onvista.de dated 1 April 2021
[9] According to www.onvista.de dated 1 April 2021

The voucher machines were permanently in operation without complications. The vouchers were regularly sent by SMS, but according to the focus group discussions, they could only be used once and could not be reused when there was a residual amount.

The majority of the beneficiaries confirmed that the voucher value was used to purchase food, but also everyday products (especially electricity, diapers), which contradicts the original intention of the project (securing nutrition during the pandemic). The value of the voucher was measured on the basis of a shopping basket of foodstuffs, so it is reasonable to assume that the beneficiaries were not able to take advantage of the expected security of food supply. However, selected everyday necessities (e.g. electricity) were essential for preparing meals, so it was essential to acquire them. A positive tendency revealed during the evaluation's focus group discussions was that the beneficiaries only purchased products for everyday use.

Quality of implementation

The implementation of this project went smoothly. The implementation partner remained operational throughout the project and did not have to interrupt its activities due to the impact of the COVID-19 pandemic, enabling continuous and effective implementation. The digital payment platforms (*Flash* and *Kazang*) for redeeming the vouchers also worked consistently and did not exhibit any technical problems during project implementation.

The implementation partner ensured very transparent communication and coordination with all stakeholders and beneficiaries. This led to a high level of acceptance and support for the project by all parties involved, which indicates exemplary management of the implementation by the executing agency. Nevertheless, not all beneficiaries considered the established complaints mechanism to be sufficient (e.g. lack of awareness, ineffective responses to complaints).

Both the executing agency and the beneficiaries rated the quality of implementation and transparency in the exchange of information by the implementation partner positively.

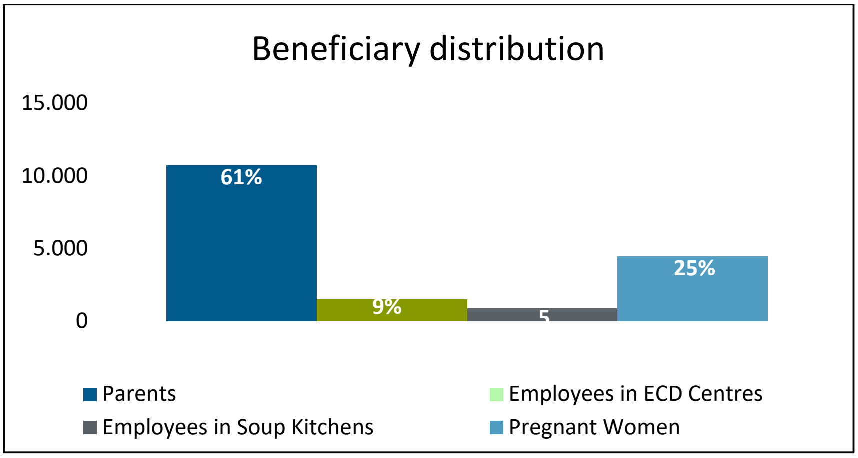
Unintended effects (positive or negative)

Positive unintended effects include gender equality features among the target group. The selection of the target group was aimed at supporting beneficiaries at particularly high risk of undernutrition. This particularly included children and pregnant women. With this objective, the target group selection initially addressed the women or mothers of the beneficiary households and identified them as representatives of the household, as it was known that mothers in the project areas mainly provide for the children.

The implementation partner's available data shows the proportion of women in the beneficiary group at 92 % and of men at only 6 %. At the same time, parents of children in early childhood development centres (mainly mothers) accounted for the largest proportion of beneficiaries at 62 % and pregnant women at 25 %.

On the basis of this data, it is plausible to assume that predominantly mothers (not fathers) with children under seven (parents/mothers of children from early childhood development centres) and pregnant women (25 %) were favoured by the project. This thus proved to promote women in particular.

The beneficiaries are distributed as follows:



Sources: implementation partner data; own presentation 2024

As a negative unintended effect, it turned out that the exclusivity of the Spaza shops led to oligopolistic behaviour, resulting in inconsistent and sometimes high fees. The involvement of larger supermarket chains could have prevented the oligopolistic position and thus also the unintended fees.

Rating summary

Overall, the project demonstrated good effectiveness at the time of the ex-post evaluation. Three quarters of all indicators of this level were exceeded.

The particularly high redemption rates and the high number of soup kitchens once again underline the great need for the project. Due to registration deadlines, the number of households was not fully achieved. Remaining contingency funds could have been used to push towards the planned 19,000 households, but they were used for soup kitchens in the context of equal treatment and to avoid negative tensions among beneficiaries. At the same time, some of the effectiveness was lost due to the fees charged by the Spaza shops.

This nonetheless good target achievement was only possible due to the very good implementation system. Both the executing agency and the implementation partner remained operational throughout implementation and did not record any implementation gaps. The same was true for the voucher platforms, which enabled a smooth process.

The high proportion of women (92 %) among the target group also proved to be a particularly positive effect. Overall, the effectiveness is therefore rated as successful.

Effectiveness: 2

Efficiency

Production efficiency

The project incurred costs for the vouchers (91 %) and administration fees (9 %) for the implementation partner (see below). There were no investment costs. The digitalisation platforms (*Kazang* and *Flash*) could be used free of charge, which enabled a large number of vouchers. This enabled maximum output.

Project measures	Percentage
Digital meal vouchers (households)	85 %
Digital meal vouchers (soup kitchens)	6 %
Implementation partner management fee (incl. PR and audits)	9 %

Sources: Implementation partner, own presentation 2024

Since preschool children were the largest group of beneficiaries, the value of the vouchers was based on a shopping basket so that a child can be fully fed for one month. At the same time, the value corresponded to about 75 % of an adult's basic monthly needs. Data on the actual value of the vouchers are not available as the vouchers were freely available to the beneficiaries and were not linked to any specific products.

As indicated by the beneficiaries during various focus group discussions, the measures arrived on time. "On time" refers to the fact that it seamlessly followed the imposition of the lockdown and the associated loss of jobs through the closure of the entities through which the beneficiaries were selected.

Management fees (9 %) were at an appropriate level. The implementation partner was active and well-known in the project areas for many years beforehand, so quick implementation was possible under difficult conditions. Neither the executing agency nor other government agencies would have had the necessary resources and experience to carry out such a project within the given timeframe and under these circumstances.

Allocation efficiency

The funds (input) were in the best possible proportion to the redeemed vouchers (outcome), as no further material or usage costs were incurred for the platform. Almost all vouchers were redeemed and used. All alternatives (e.g. issuing food packages or issuing cash) would have required a higher use of human resources and coordination costs. Providing digital vouchers via an existing platform was the most cost-effective solution. In retrospect, allocation efficiency could have been increased if supermarkets had been involved.

Rating summary

The project showed very high efficiency at the time of the ex-post evaluation. The output was in a very good proportion to the input. The investment costs were used almost entirely for the provision of the vouchers, for which no further material costs were incurred. Almost all vouchers were redeemed and used. Accordingly, the redeemed vouchers (outcome) were also in a very good proportion to the input (funds). The implementation partner's administrative expenses were reasonable, particularly given the high-quality implementation.

Overall, the efficiency is rated as very successful.

Efficiency: 1

Impact

The project was initiated in response to the outbreak of the COVID-19 pandemic and was of a short-term nature to overcome this crisis. It had an emergency aid character and aimed to contribute to overarching developmental impacts (mitigating the consequences of the pandemic).

Overarching (intended) developmental changes

The objective identified at impact level during the project appraisal was to mitigate the health consequences of the COVID-19 pandemic for vulnerable population groups and to improve their nutritional situation.

The achievement of the objective at impact level, which had been adjusted as part of this EPE, can be summarised as follows.

Impact target achievement table:

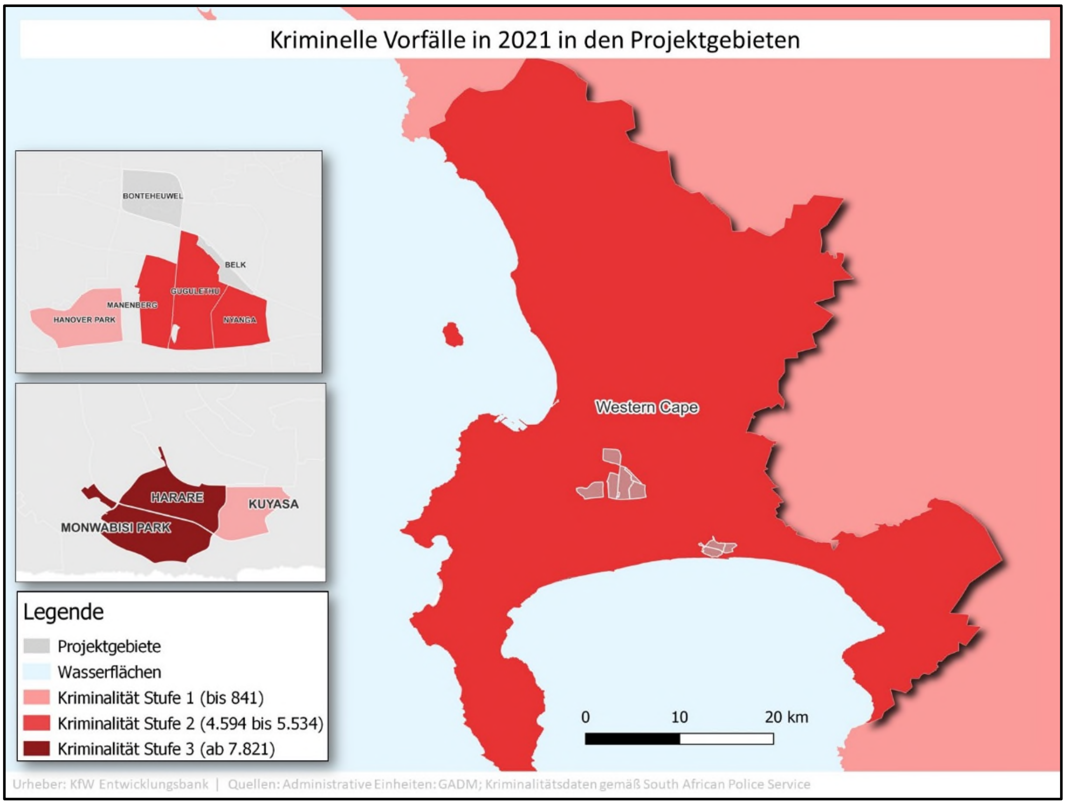
Indicator	Status at PA	Target value at PA	(Optional) actual value at final inspection	Actual value at EPE
The majority of beneficiaries confirm that the project has helped to mitigate food insecurity due to loss of income from employment or an emergency (during the implementation period).	0	–	–	Value achieved

Contribution to overarching (intended) developmental changes

It is plausible to assume that the negative health consequences of the COVID-19 pandemic were mitigated by the project measures, as the beneficiaries reported that they mainly redeemed the vouchers for food and that the project's support was used when many people lost their jobs, particularly in the informal sector. However, there are no data available that allow a statistical analysis to measure the mitigation effects of negative health consequences in the target areas/communities.

The majority of beneficiaries also confirmed that the project helped to reduce food insecurity from loss of income from employment or an emergency (during the implementation period). Accordingly, it is plausible to assume that the measures under the project were able to contribute to the objective at impact level.

As a result of the outbreak of the COVID-19 pandemic, alcohol bans and strict curfews were imposed in South Africa, which led to numerous job losses. Nevertheless, the resulting increase in the unemployment rate in the project areas was expected to lead to an increase in violent disputes. The vouchers provided under the project evaluated here contributed to the food security of the beneficiaries in times of job loss. It is therefore plausible to assume that the propensity to violence among the beneficiaries did not increase significantly because the consequences of the COVID-19 pandemic were mitigated by providing vouchers, thus mitigating an increase in violent disputes among the beneficiaries. The following map clearly shows the already particularly high rate of criminal incidents (measured by 100,000 inhabitants) in the project areas in 2021.



According to discussions with soup kitchen owners, demand increased enormously during the pandemic. Widespread was the concept of packing meals served at soup kitchens in self-brought storage containers for takeaway, so this could then be shared with other people. This suggests an even greater need. As a result of the increased need for meals, several of the owners surveyed decided to open their soup kitchens for more days during the pandemic and also used their own funds to do so, in part, if the support they received was not sufficient.

Contribution to overarching (unintended) developmental changes

The project was implemented through a very good partnership (executing agency City of Cape Town, implementation organisation VPUU), which strengthened this implementation structure. VPUU ensured very transparent communication and coordination with all stakeholders and beneficiaries throughout the implementation period and implemented a project of a unique nature and with emergency aid character in a crisis, which resulted in increased acceptance, particularly among the population in the project areas.

The project's intention to improve the acceptance of the migrant community in the townships (Somalis, Ethiopians, Pakistanis, Bangladeshis, etc., which mainly operate these Spaza shops) by using Spaza shops as redemption points was not achieved.

In general, Spaza shops in the townships are still considered "foreign bodies" and are often associated with criminal networks by the beneficiaries surveyed. In addition, the beneficiaries expressed concern that Spaza shops would weaken the local economy as profits would be transferred abroad and not reinvested in the local economy. The tense relationship between South African authorities and Spaza shop owners with a migrant background in particular is also highlighted in the article by Gastrow (2018).[10] Accusations by South African authorities and the South African population, such as illegality, increased rates of robbery of businesses and crime prevention, stand in contrast to economic advantages for landlords, consumers, suppliers and wholesalers, among others (Gastrow 2018: 28). In this project, most Spaza shops apparently abused the voucher system by deducting additional fees and thus generating additional profits, so the overarching objective of integration could not be achieved.

The free and regular provision of food vouchers led to a number of beneficiaries hoping/expecting that this support would continue beyond the announced project duration. This negatively influenced the proactive attitude of some beneficiaries in searching for new income opportunities at this time.

Rating summary

The project had a good overarching impact at the time of the ex-post evaluation. The target at impact level was appropriate. As a result of the focus group discussions, it can be assumed that the project will contribute to the impact objective. At the same time, the implementation structure emerged as an overarching unintended positive impact. Unintended negative effects resulted from the fact that many shop owners charged fees, which further exacerbated negative biases and tensions between the population and the predominantly migrant shop owners.

All in all, the project's overarching impact is rated as successful.

Impact: 2

Sustainability

Capacities of persons concerned

The target group mainly consisted of families with children under the age of seven and pregnant women in the impoverished neighbourhoods of Cape Town. Employment in these parts of the city is mostly in the informal sector with limited social security. Generally, it cannot be assumed that resilience changed after the measure expired, as the project was initiated in response to the outbreak of COVID-19 in order to cushion short-term dietary shocks. Long-term results were explicitly not planned with this project and were also not expected.

Contribution to support for sustainable capacities

Despite the short-term nature of the project, the project was able to make a plausible contribution to supporting families. Scientific evidence shows that children who are too small compared to their peers suffer from physical underdevelopment and socio-economic disadvantages in adulthood that are difficult to compensate for over time. This special form of growth retardation is called stunting. At the individual level, stunting can lead to reduced cognitive and physical development, poor health, increased risk of diabetes, reduced education and test performance, and increased likelihood of living in poverty. Macroeconomically, stunting is estimated to reduce a country's gross domestic product by up to 3 %.[11]

Quantitative data on the exact use of the vouchers and, in particular, on the share of spending on food are not available. However, on-site surveys during the evaluation showed that food was often purchased with the vouchers. Assuming that these results are representative of the target group (and not severely distorted by effects of social desirability) and taking into account the fact that the project was primarily aimed at families with children under the age of seven, it is possible and plausible that the project contributed to a reduced stunting prevalence.

Durability of effects over time

At the same time, given the short intervention period of only five months, only a marginal contribution can be assumed. The measures could nevertheless have a lasting effect if the project bridged a critical nutrition phase until families find other ways to ensure the nutrition of their children. There are indications that this kind of bridging could have taken place.

[10] Gastrow, V. (2018). Problematizing the Foreign Shop: Justifications for Restricting the Migrant Spaza Sector in South Africa. Southern African Migration Programme. https://doi.org/10.2307/j.ctvh8qx9k

[11] World Health Organization (2014). Global nutrition targets 2025: stunting policy brief. https://www.who.int/publications/i/item/WHO-NMH-NHD-14.3

After the project was completed, some beneficiaries were given the opportunity to participate in a government-funded project *(Social Employment Fund*). The state-funded project aimed to create jobs throughout South Africa and began implementation immediately after the end of the FC project. The jobs under the *Social Employment Fund* were created for a period of 70 to 100 days. The employees received the minimum wage and usually worked in part-time. In addition to providing a job, training and support measures for the search for longer-term jobs were offered. As no data are available, it is unclear to what extent the beneficiaries were able to benefit from the *Social Employment Fund*. However, it is likely that a significant proportion of the beneficiaries benefited from the *Social Employment Fund*, as some of the beneficiaries from the FC project participated in the state-financed programme at the time of the expost evaluation.

Rating summary

The project was developed, implemented and completed in the context of the COVID-19 pandemic and aimed to manage the crisis. A requirement for a sustainable operation was therefore not integrated in the project design. Nevertheless, it was possible to transfer some of the beneficiaries from the project evaluated here to a follow-up project of the South African government and the implementation partner, which provided these people with further support and funding options. It is therefore possible that the project contributed to a lower probability of stunting, as some beneficiaries found alternative employment opportunities after the project was completed. Due to the availability of further employment opportunities through a national stimulus package, it is possible that the project was able to fulfil an important bridging function until the national stimulus package became available. However, it can be assumed that this contribution was relatively small due to the short project time.

Sustainability: 3

Overall rating: 2

The project presented a positive picture at the time of the ex-post evaluation.

Also from today’s perspective, the project was very relevant. The approach in the region was unique, to date, and responded to an unexpected crisis (COVID-19 pandemic) with an appropriate design; it included essential needs, both from a development policy perspective and from the beneficiaries’ perspective.

The high redemption rates of the vouchers underlined the effectiveness of the project and furthermore showed high efficiency, which was made possible by the seamless and smooth operation of the implementation partner and the voucher platforms. However, the high effectiveness was reduced by the unintended charging of fees by some Spaza shops.

At a higher level, it can be assumed that the project will contribute to the impact objective (mitigating the health consequences of the COVID-19 pandemic for vulnerable population groups and improving their nutritional situation). However, the secondary objective of fostering acceptance of migrants within the townships through the integration of Spaza shops was not achieved.

With the primary objective of mitigating the consequences of the COVID-19 pandemic, the project had no long-term focus. Nevertheless, some of the beneficiaries from the project evaluated here were successfully transferred to a follow-up project of the South African government and the implementation partner, which provided the beneficiaries with promotional options for long-term jobs.

Contributions to Agenda 2030

<u>Universal validity</u>: Implementation of the project fits into various transformation areas of the Agenda2030, in particular SDG 1 “No poverty”, SDG 2 “Zero hunger” and SDG 3 “Good health and well-being”.

<u>Shared responsibility</u>: The project was designed using existing structures and systems for implementing the measures. These included the implementation structure via long-standing partners (the municipality of Cape Town and VPUU as implementation partner), the use of the *Flash* and *Kazang* digital payment platforms, which had already been established, to provide the vouchers, and the inclusion of Spaza shops as voucher redemption points. The use of the funds and compliance with the agreed design and procedures were audited by external auditors after the project was completed.

Interaction of economic, environmental and social development: The project was financed by BMZ budget funds from the special initiative “Transformation of Agricultural and Food Systems” and was intended to contribute accordingly to strengthening the target group’s security of food supply, in particular for families or single parents with children under the age of seven and pregnant women. By contributing to food security for this particularly vulnerable population group, the project contributed to reducing malnutrition and undernutrition and their negative effects on early childhood development.

Since the design only planned a few months for the implementation of the project in both phases, it was not created for sustainable development. Nevertheless, securing the basic needs of the beneficiaries enabled positive interactions between social and economic impacts to be promoted.

Inclusiveness/leave no one behind: For beneficiaries from the impoverished neighbourhoods of Cape Town, including families with children under seven and pregnant women in particular, as an especially vulnerable group, the project measures achieved positive effects with regards to food security; girls and women (92 %) were also able to benefit from these effects.

Project-specific strengths/weaknesses and general conclusions/lessons learned

The project’s strengths include the following results in particular:

- The project’s approach (via a digital platform) was able to be implemented quickly, cost-effectively and in an environmentally friendly manner.
- 92 % of the target group were women. The project addressed the needs of women and children to a particular extent.
- The implementation of the project increased the acceptance of the implementation partner and the executing agency, in particular among the population in the project areas.
- It has succeeded in turning a project with emergency aid character into a sustainable project of the partner government.
- Much of the project funding went directly to the local economy.

The project’s weaknesses include the following results in particular:

- The secondary goal of increasing the acceptance of migrants in the townships through the integration of Spaza shops could not be achieved. In addition, the indirect beneficiaries (Spaza shop owners) attempted to make higher profits at the expense of the direct beneficiaries (Spaza shops charges fees)
- Large supermarket chains were excluded from the project, which resulted in higher transaction costs for using these supermarket chains. Beneficiaries redeemed vouchers at Spaza shops in cash, but had to pay a fee for them. The cash could then be used to buy from larger supermarket chains at cheaper prices.

General conclusions and lessons learned:

- The use of a digital platform for the provision of vouchers enables fast, cost-effective and environmentally friendly implementation.
- Inclusion of women in the target group makes it possible to address their needs and those of their children.
- The implementation of a project in the context of an acute crisis can lead to increased acceptance of the executing agency or implementer among the beneficiaries.
- The inclusion of beneficiaries in a follow-up project after a crisis makes it possible to draw sustainable elements from the project.
- The inclusion of larger supermarkets or all food markets with access to the digital platforms can prevent oligopoly, allowing beneficiaries to shop more cost-effectively and without fees.

Evaluation approach and methodology

Ex-post evaluation methodology

Ex-post evaluations follow the approach of a rapid appraisal, i.e. a data-supported, qualitative contribution analysis resulting in an expert opinion. Effects are attributed to the project considering plausibilities, based on thorough analysis of documents, facts and impressions. This includes – if possible – the use of advanced technology (e.g. satellite imagery, online interviews, geocoding). There is a follow-up on possible conflicting information, attempting to eliminate inconsistencies and to base the rating on information that – to the extent possible – has been confirmed through different sources (triangulation).

Documents:
Internal project documents, strategy papers, context, country and sector analyses, comparable evaluations, media reports

Data sources and tools for analysis:
(Digital) databases, partner monitoring data, GPS data, surveys, digital analysis tools

Interview partners:
Project sponsor, implementation partner, target group, IDC Social Employment Fund representatives.

The analysis of project effects is based on the theory of change defined at project appraisal and documented within the impact matrix, which may be updated for the purposes of the evaluation. The evaluation report argues which factors contributed to the observed effects and why – as well as the probable extent of the project´s contribution (contribution analysis). The context of the project is taken into account concerning its influence on the results. The conclusions are put into perspective regarding the availability and accuracy of the available data. The framework of the evaluation is established by the evaluation conception.

This method provides a balance between cost and usefulness, generating evaluation findings with appropriate effort and expense. Also, it allows for a systematic success rating across the FC projects. Thus, an isolated ex post evaluation cannot fulfil the requirements of a scientific assessment in the sense of a strict causality analysis.

The following aspects caused limitations for the evaluation:
The impact of the COVID-19 pandemic on the security of food supply has not yet been sufficiently studied. Accordingly, there are also insufficient data for this ex-post evaluation. Analyses of the contribution to the overarching developmental impacts are therefore limited.

At the same time, the project was not based on an example project that was implemented in this structure in the same context (particularly in the context of the COVID-19 pandemic) and from which conclusions could have been drawn.

Rating methodology

Projects are rated on a six-point scale for each of the OECD DAC criteria. The scale is as follows:

Level 1 very successful: result that clearly exceeds expectations

Level 2 successful: fully in line with expectations and without any significant shortcomings

Level 3 moderately successful: project falls short of expectations, but the positive results dominate

Level 4 moderately unsuccessful: significantly below expectations, with negative results dominating despite discernible positive results

Level 5 unsuccessful: despite some positive partial results, the negative results clearly dominate

Level 6 highly unsuccessful: the project has no impact or the situation has actually deteriorated

The overall rating on the six-point-scale is compiled by weighting all six individual criteria as appropriate to the project in question. Rating levels 1–3 of the overall rating denote a "successful" project while rating levels 4–6 denote an "unsuccessful" project. It should be noted that a project can generally be considered developmentally “successful” only if the achievement of the project objective (“effectiveness”), the impact on the overall objective (“impact”) and the sustainability are rated at least “moderately successful” (level 3).

The annex to this report is available upon request (German only).

List of abbreviations:

BMZ	Federal Ministry for Economic Cooperation and Development
COVID-19	Coronavirus disease 2019
DAC	Development Assistance Committee
EUR	Euro
FC	Financial cooperation
FC E	FC evaluation
OECD	Organisation for Economic Cooperation and Development
SI AGER	Special Initiative for the Transformation of Agricultural and Food Systems
TC	Technical cooperation
USD	US dollar
VPUU	Violence Prevention through Urban Upgrading – Non-Profit Company

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