



# **SOCIAL PROTECTION AND LIVELIHOODS SERIES**

**ASSESSING THE IMPACT OF SOCIAL CASH TRANSFERS**

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## **ABBREVIATIONS**

- UN - United Nations
- UNICEF - The United Nations International Children's Emergency Fund
- MCDSW - Ministry of Community Development and Social Welfare
- CSO - Civil Society Organization
- FBOs - Faith Based Organizations
- NGO's - Non- Governmental Organizations
- SPS - Social Protection Strategy
- FNDP - Fifth National Development Plan
- SNDP - Sixth National Development Plan
- NSSP - National Social Protection Policy
- PWAS - Public Welfare Assistance Scheme
- GTZ - German Technical assistance to Zambia
- CWACs - Community Welfare Assistance Committees
- MIS - Management Information System
- PPMs - Pay Point Managers
- SCT - Social Cash Transfer
- CSG - Child Support Grant (South Africa)
- CT-OVC - Orphans and Vulnerable Children Cash Transfer (Kenya)
- SCTP - Social Cash Transfer Programme (Malawi)

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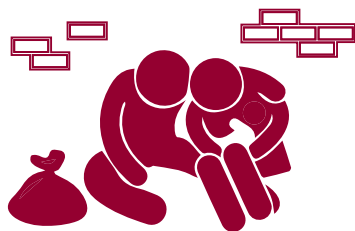
**Assessing The Impact of Social Cash Transfers**



## BACKGROUND

Poverty remains as one of the main challenges facing the African Continent and several other nations globally. Poverty is defined as lacking basic capacity to participate effectively in society (United Nations (UN), 2014). The concept of poverty is portrayed in two main aspects namely; relative and absolute poverty. Absolute poverty is a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information (United Nations (UN), 1995). Relative poverty refers to an individual or groups' lack of resources when compared with that of other members of the society (Oxford Dictionary of Sociology, 1994). In view of the foregoing, social protection is viewed as one of the key solutions to poverty reduction. Social protection can be "defined as a broad range of activities (policies and programs), which aim to protect and promote the welfare and livelihoods of the poorest and of those most vulnerable to risks and shocks in society (UNICEF, 2014)". Similarly, the Ministry of Community Development and Social Welfare (MCDSW) defines Social Protection as "policies and practices that protect and promote the livelihoods and welfare of people suffering from critical levels of poverty and deprivation and/or are vulnerable to risks and shocks" (MCDSW, 2014).

Social protection is considered a tool for poverty reduction mainly because it focuses on households that cannot meet their own needs, children living without adult care, as well as women and children affected by various negative social vices such as violence. A comprehensive social protection system is key to achieving successful poverty reduction (Hofman, 2015). In Zambia, the Ministry mandated with the portfolio of social welfare is the Ministry of Community Development and Social Welfare (MCDSW). This Ministry, under the Department of Social Welfare, expedites governments social protection programs with the assistance of various development partners, Civil Society Organization (CSO's), Faith Based Organizations (FBO's), Non- Governmental Organizations (NGO's) and other stakeholders.



### SOCIAL PROTECTION

is considered an effective  
tool for poverty reduction

# HISTORY OF SOCIAL PROTECTION POLICIES AND PROGRAMMES IN ZAMBIA

In the 1<sup>st</sup> and 2<sup>nd</sup> republics (1964-1990), social welfare was generally centered on food, agriculture and education assistance. Subsidies were implemented to reduce the impact of increasing commodity prices, which were as a result of economic turmoil. This was done to prevent job losses and increase food productivity. Government at the time offered free education, agriculture input subsidies and free food distribution programs.

Between the years 2001- 2008, there were reforms to Zambia’s social policy framework. In 2002, the Poverty Reduction Strategy Paper (PRSP) was developed and its focus was poverty reduction and economic development. In 2005, the Social Protection Strategy (SPS) was drafted, and this strategy was the foundation of the chapter on social protection contained in the Fifth National Development Plan (FNDP) 2006-2010 and Sixth National Development Plan (SNDP) 2011- 2015. The Ministry responsible for the drafting of the SPS was the Ministry of Community Development and Social Services (MCDSS) which is now called the Ministry of Community Development and Social Welfare (MCDSW). This strategy took into consideration various social protection interventions, needs and above all, the gaps between the programs that were in existence at the time of drafting. The strategy provided for the expansion, monitoring, reporting, financing and coordination of set programmes. The SPS is the basis of the current Social Cash Transfers (SCT) and other social protection programs being implemented by MCDSW.

## SOCIAL PROTECTION POLICY AND LEGAL FRAMEWORK

Government through the MCDSW has developed policies and strategies to aid the implementation of the nation’s social protection programs. Various instruments characterize the policy and legal framework of Zambia’s social protection sector. The National Social Protection Policy (NSSP) is the overarching policy that provides for the legislation currently guiding the sector. The NSSP presents various pieces of legislation to provide for advancements in social protection. The main ones listed according to the policy are:

### NATIONAL LEGISLATION

 <p>Persons with Disabilities Act No. 6 of 2012</p>	 <p>Day Nurseries Act CAP 313</p>	 <p>Employment of Children and Young Persons Act CAP 274</p>
 <p>Anti -Gender Based Violence Act No. of 2009</p>	 <p>Anti -Human Trafficking Act No. 1 of 2011</p>	 <p>Non-Governmental Organizations Act No. 16 of 2009</p>

## REGIONAL AND INTERNATIONAL (PROTOCOLS AND INSTRUMENTS)



The United Nations  
(UN) Convention on  
the Rights of the Child  
The United Nations



(UN) Convention on the  
Rights of Persons with  
Disabilities;



African Union Policy  
Framework



Universal Declaration  
of Human Rights



Declaration on  
Social Progress and  
Development



Convention on  
the Elimination  
of all forms of  
Discrimination

The MCDSW has the obligation to implement the policies in light of all the internal and external legal policy preconditions and frameworks. The Ministry is also mandated to coordinate and harmonise all social protection aspects with line Ministries and organisations to prevent fragmentation of programs and initiatives.

## ZAMBIA'S KEY SOCIAL PROTECTION PROGRAMS

Based on the various social protection needs highlighted in Zambia, MCDSW has a number of programmes that are classified under the following three main segments:



### 1. LOW CAPACITY HOUSEHOLDS

Under Low capacity Households, MCDSW will provide the following programs & services:

- Food Security Pack- provision of inputs to vulnerable but viable farmers
- Micro credit to women by Micro Bankers Trust
- Microfinance credit to vulnerable people with disabilities by the National Trust for the Disabled (NTD)
- Peri-Urban Self Help (PUSH)- public works programmes



### 2. CHILDREN WITHOUT ADULT CARE

Under Children without Adult Care, MCDSW will provide the following programs & services:

- Street Children Programmes
- Free basic education for all children



### 3. INCAPACITATED HOUSEHOLDS

Under Incapacitated Households, MCDSW will provide the following programs & services:

- Public Welfare Assistance Scheme (PWAS)- in-kind transfers
- Social Cash Transfer Scheme- cash transfers to destitute and incapacitated households
- Food Programme Management- provision of food to vulnerable households



#### SOCIAL CASH TRANSFER

"The first SCT scheme was started in Kalomo in 2003"

## FOCUS

The above listed social protection programs are anchored on the main aim "To provide and promote quality social welfare services aimed at alleviating poverty, reducing destitution, promoting family values and reducing juvenile delinquency."

### SOCIAL CASH TRANSFER

The social cash transfer under the incapacitated household programs has proved to be the most widespread program of all the recently implemented social protection programs.





In line with its mandate, MCDSW initiated Social Cash Transfer (SCT) pilot schemes in 2003 as part of the Ministry's regular programming. The intervention strategy was to support the effective implementation of social protection strategies that would reduce extreme poverty in incapacitated households.

The SCT pilots projects were designed to protect and promote the livelihoods and welfare of people suffering from critical levels of poverty and deprivation. The first SCT scheme was started in Kalomo in 2003 with the support of Deutsche Gesellschaft fur Technische Zusammenarbeit (German Technical Assistance to Zambia (GTZ)). Since the introduction of the Kalomo pilot project, SCTs have rapidly gained support as an effective response to the reduction of chronic poverty, food insecurity, vulnerability and risks.

It is also important to note that the Ministry has piloted various targeting models to select beneficiary households including child grants, multiple categorical, social pension and 10% incapacitated model. Based on the lessons learnt on targeting models, the Ministry intends to phase out the different models and has adopted a harmonized model. The harmonized model uses the following approach:

## ELIGIBILITY CRITERIA

A person over 65 years or an individual with a severe disability (determined by disability assessment), and resident in the community for over 6 months.

- **1. Community Sensitisation**  
Community Welfare Assistance Committees (CWACs) make the community aware of the programme and eligibility criteria.
- **2. Beneficiaries (opt-in)**  
those individuals or groups, who feel that they are eligible, report to SCT 'desk' that is set up within their community. CWACs can also support persons with disabilities who are unable to attend the registration.
- **3. Living Conditions Test**  
Information about potential individual beneficiaries is entered into the SCT Management Information System (MIS) to conduct a living conditions test to identify the most vulnerable households. Note that while eligibility is determined at an individual level, the household receives the SCT.
- **4. Community Validation**  
The final proposed list of beneficiaries is shared with the community to gather their feedback on whether the list comprises appropriate SCT beneficiaries.

## TRANSFER AMOUNT AND MODE

The SCT amount is at **K70 per household per month, K140 bimonthly**. However households with members who are living with disabilities receive a double amount of **K140 per month (K 280 bimonthly)** because households with disabled members incur more costs as these are more vulnerable groups that need special attention and care.

Payments are exclusively channelled through Pay Points, which are organized in collaboration with other government institutions such as schools and health centres. Pay Point Managers (PPMs) pay out the transfers bimonthly after they have collected the funds from the agreed Bank in the District town. Every household has the right to appoint a Deputy that is authorized to collect the transfer on behalf of the household. However, the Ministry also takes into consideration the placement of the districts, ensuring that the selection is all-inclusive and fair across all 10 provinces.



It is important to note that since inception, the SCT has expanded due to increased government funding to the program. Since the initial pilot stage, the program is currently being implemented in **78 districts** (*representing 240,000 households*) around the country. The choice of the districts was based on extreme poverty rates and achieving provincial balance.



Successive evaluations and impact assessments have revealed that the SCT program has had a positive impact on poverty reduction and decreasing inequalities. The SCT program has resulted in an:

- Increased multiplier effect
- Reduced the burden of caring for the beneficiaries from the community members
- It has also resulted in an Increased self worth among the beneficiaries.

The Ministry is determined to further enhance the impact of the SCT and linkages that have been identified. Some of these linkages include, but are not limited to, HIV/AIDS programs, village banking initiatives and health and nutrition.

Despite the success of the program, the MCDSW has faced a challenge regarding the management of information systems, which the Ministry is progressively working towards overcoming. There are consistent efforts to enhance the management of information systems and possibly create a strategic registry that will enhance integrated management systems. This will ensure that the program is implemented effectively and will further facilitate for effective monitoring.

Various countries in Africa have implemented social cash transfer programs and some of these countries include, but are not limited to, South Africa, Malawi, Kenya and Mozambique. Although the target beneficiaries vary in these cases, the general aim is to reduce poverty and strengthening the capacity of community members to become socially and economically stable. South Africa, Malawi, Kenya and many other countries have implemented successful social cash transfer schemes that have targeted vulnerable children, women, and groups of society that are challenged with poverty and malnutrition.

 **SOUTH AFRICA**

The largest social assistance program in South Africa is called the “Child Support Grant (CSG). This program is targeted at children under the age of 17 years and an amount of **US\$28** is allocated to each child under the assistance of care givers. In this programme, the impact assessments have revealed that CSG has improved the nutritional status and growth of children in South Africa.

**US\$28 DOLLARS** 

Given to **children under the age of 17 years**

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 **KENYA**

The Orphans and Vulnerable Children (CT-OVC) Program in Kenya is another initiative that has impacted Kenya in a positive way. Since its inception in 2004, this program has led to increased levels of nutrition. Households are allocated an amount of **US\$20**. The targeted beneficiaries are orphaned or vulnerable children from poor households.

**US\$20 DOLLARS** 

Given to orphaned or **vulnerable children from poor households**

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 **MALAWI**

The Social Cash Transfer Programme (SCTP) in Malawi has had an impact on school enrolment levels. The program has resulted in reduced child labour and generally uplifted the standards of living for the poor households, who are the beneficiaries. A total of **US\$14** is allocated to each of these poor households.

**US\$14 DOLLARS** 

is allocated to **each of these poor households**.

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The above listed best practice examples have different types of targeting mechanisms and the importance of effective targeting cannot be overemphasized, which ensures that the intended beneficiaries are reached. The importance of targeting is highlighted by Coady et al. (2004) stating that often times aspects of program design are improved when at least three approaches are utilized in the targeting mechanism. Essentially, this ensures that variables are cross-linked and the poor are reached effectively. In most cases, household labour force, budget, welfare surveys, poverty baseline surveys and other instruments that contain information on possible beneficiaries are utilized to ensure that the programs are undoubtedly pro-poor.

## RECOMMENDATIONS

In view of the challenges faced during the implementation of SCT in Zambia, PMRC recommends the following:

1. Increase budgetary allocation to SCT and other poverty reduction programs. There is need to evaluate all poverty reduction programs related to social welfare. SCT and other programs that have a high positive impact on poverty reduction and reducing inequalities must be prioritized.
2. Increased capacity building for integrated management systems. Improved management systems will provide for reduced duplication and effective targeting of beneficiaries.
3. Increase incentives to community members. This will motivate individuals to volunteer and play an active role in the implementation and monitoring of the SCT program.

## CONCLUSION

Social welfare programs play a vital role in poverty reduction and reducing inequalities. It is encouraging to note that the social welfare sector in Zambia is increasingly progressing with dynamic and effective programs. Good governance and political will can overcome some of the challenges highlighted in this briefing document, leading to effective program implementation and monitoring. Additionally, adequate resource allocation towards the sector will provide for increased capacity, incentives to community members and increased target areas of beneficiaries.

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**Unlocking Zambia's Potential**

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