

PROJECT PROFILE

SOCIAL CASH TRANSFER PILOT

MALAWI, MAY 2007



BACKGROUND¹

Malawi ranks as the world's 11th poorest country, according to the 2006 Human Development Index. Around 52% of the population lives on less than one US dollar a day (actual amount is US\$ 33 cents = MK44). Over 4 million children across the country live in poverty, which is deep and widespread, characterised by low income, low literacy, food insecurity and high rates of child malnutrition. Almost 50% of children under the age of five are stunted. The growing HIV/AIDS crisis compounds poverty to increase poor people's vulnerability to risks and shocks. Nearly 13% of the country's 7.3 million children under the age of 18 have lost their parents and other caregivers, many to HIV/AIDS. More than 50% of children who should be in primary school have dropped out of school because of poverty, hunger and cultural barriers.

The Government of Malawi in collaboration with development partners and civil society is developing a social protection policy to protect and promote the livelihoods and welfare of the poorest and most vulnerable people and to cushion the livelihoods of poor people who are vulnerable to risks and shocks. As part of this effort, the Government of Malawi, with financial and technical support from UNICEF, started piloting a social cash transfer scheme in Mchinji District in September 2006 to generate information for the drafting process of the social protection policy. The pilot scheme is now being scaled up to six additional districts with financial support from the National AIDS Commission and UNICEF.

¹ Data MDHS 2004 and MICS 2006



THE PILOT SCHEME

GOAL

As part of a comprehensive social protection programme, the goal of the social cash transfer scheme is to contribute to national efforts to reduce poverty and hunger in ultra poor households, increase school enrolment and attendance and improve the health, nutrition, protection and well being of orphaned and other vulnerable children.

OBJECTIVE

The specific objective of the social cash transfer pilot is to generate information on the project's feasibility, cost and impact with a view to scaling up the Scheme nationally.

TARGETING

The Scheme targets ultra-poor and labour-constrained households. The ultra-poor are households that have only one meal a day, are unable to buy essential food items and have no valuable assets. Labour-constrained households have no able-bodied member in the 19–64 age group who is fit to work or have a household member between 19 and 64, who is fit to work, but who has to care for more than three dependents.

Households that fall under these criteria are often headed by the elderly looking after orphaned and vulnerable children, disabled care givers, female and child-headed households debilitated because of chronic illnesses such as AIDS. These are among the most destitute 10 percent of the population the pilot area.

A multi-stage participatory targeting process is used to identify destitute households, including interviews by the Community Social Protection Committee with all households that meet the targeting criteria, selection of the 10 percent most needy households, verification of results by the district Social Protection Sub-Committee (SPSC), supported by extension workers, and approval of the final list of target households by the SPSC.

MONTHLY CASH TRANSFERS

A monthly disbursement of cash is paid to the beneficiaries by District Assembly (DA) staff accompanied by friendly police officers at a safe and secure place. The Scheme has different monthly transfer options depending on household size and takes into account if the household has children in primary or secondary school. For children enrolled in primary school, a bonus of US\$1.3 (MK 200) is added and for secondary-school children, the household receives an additional US\$2.6 (MK 400). The child bonus is designed to encourage school enrolment and attendance. Once these children grow up, educated and healthy, they have the potential of breaking the cycle of poverty that is usually passed from one generation to another.

MONTHLY CASH TRANSFERS

1 person household	US\$4	MK 600
2 person household	US\$7	MK 1,000
3 person household	US\$10	MK 1,400
4 + person household	US\$13	MK 1,800

By April 2007, 7,480 children from 2,442 households had benefited from social cash transfers, including an education bonus. Around 80 percent of the child beneficiaries are orphans. Close to 70% of the Scheme's beneficiaries are children.

With the planned expansion to 6 districts (Likoma, Salima, Machinga, Chitipa, Mangochi and Phalombe), the social cash transfer scheme will reach 6,000 households by end of 2007. By the end of 2008, a total of 12,000 households, benefiting 36-40,000 children. It is hoped that by 2015, the number of households on the cash transfers scheme will be 250,000 benefiting 600-700,000 children in Malawi.

LINKAGES WITH OTHER SERVICES

In the next phase of the pilot programme design, linkages and integration to other social services for children will be developed to leverage the cash transfer and to ensure children access their basic right to education, health and child protection. Also, extension workers together with community-based organizations can play an instrumental role that the children, in need, receive home-based care or psychosocial support and other kinds of follow up to also support their social and emotional well being.

MONITORING AND EVALUATION

An external evaluation is ongoing, conducted by Boston University (BU) in collaboration with the University of Malawi Center for Social Research (CSR). The first baseline assessment was conducted in March 2007 and the entire evaluation will last for one year with the final evaluation report expected in March 2008.

INSTITUTIONAL ARRANGEMENTS

Several partners are involved in the Pilot Social Cash Transfer Scheme. At national level, the Department of Poverty and Disaster Management Affairs, in collaboration with the Ministry of Women and Child Development, oversees the design and implementation of the Scheme. Under the leadership of the Office of the President and Cabinet (OPC), a social protection steering committee has been established, and together with the technical working group are mandated to oversee and provide technical support for the formulation of a social protection policy and programme.

The District Assembly is responsible for district-level implementation and has established a multi-sectoral Social Protection Sub-Committee (SPSC) to validate information

received from the Community Social Protection Committee and approve eligible beneficiaries. NGOs and community based organisations play an important role as members of the SPSC.

At community level, the Community Social Protection Committee identifies the most needy households according to the targeting criteria. The National AIDS Commission provides financial support for the Scheme as well as its scale up in six additional districts (Likoma, Salima, Machinga, Chitipa, Mangochi and Phalombe). UNICEF provides technical and financial support to the design, testing, monitoring and evaluation of the project as well as building the capacity of government staff.

For more information, please go to <http://www.socialcashtransfers-malawi.org>

