



Q&A THE MALAWI SOCIAL CASH TRANSFER PILOT





HOW DO YOU DEFINE SOCIAL PROTECTION?

Social protection constitutes of policies and practices that protect and promote the livelihoods and welfare of the poorest and most vulnerable people and cushions the livelihoods of poor people vulnerable to risks and shocks.

WHAT ARE SOCIAL CASH TRANSFERS? WHAT IS THEIR ROLE?

Cash-based social transfers are operationally defined as regular payments of money provided by government or NGOs to individuals or households, with the objective of decreasing chronic or shock induced poverty addressing social risk and reducing economic vulnerability.

Governments and international communities are increasingly recognizing the value of social cash transfers in achieving the Millennium Development Goals. Social transfers not only tackle income poverty, but also address broader developmental objectives. Households in developing countries spend their monies primarily on improving nutrition. In many countries, social grants are primarily distributed to women, promoting empowerment and more balanced gender relations. Better household living standards facilitate education and improve health and nutrition outcomes - especially for women and children.

Social transfers also provide a role in the protection strategy for those afflicted by HIV/AIDS, malaria and other debilitating diseases. The Blair Commission for Africa recognized cash transfers as a key tool in tackling extreme poverty in Sub-Saharan Africa, and recognizes their potential impact on poverty and inequality as well as their contribution to promoting and distributing growth.

The children from the households receiving cash transfers have an opportunity to break the inter-generational cycle of poverty.

WHAT KIND OF PILOT SOCIAL CASH TRANSFER SCHEME IS OPERATING IN MALAWI AND WHEN DID IT START?

In April 2006, the methodology for a pilot social cash transfer scheme was designed and tested in Mchinji district through an operational research and from September onwards, a pilot social cash transfer scheme has been implemented.

The objectives of the scheme are to:

1. Reduce poverty, hunger and starvation in all households living in the pilot area which are ultra poor and at the same time labour constrained;
2. Increase school enrolment and attendance of children living in target group households and invest in their health and nutrition status;
3. Generate information on the feasibility, costs and benefits and on the positive and negative impact of a Social Cash Transfer Scheme as a component of a Social Protection Programme for Malawi.

Other cash transfer schemes were operating in the country for humanitarian purposes to deliver cash as an alternative to food aid and these projects have been implemented through NGOs, for example the Dowa cash transfer scheme by Concern Worldwide.



WHO BENEFITS? WHAT ARE THE TARGETING CRITERIA?

In order to qualify for the scheme, households have to meet two criteria:
ultra poor without labour.

1. Ultra poor

This means that they are in the lowest expenditure quintile and below the national ultra poverty line (only one meal per day, not able to purchase essential non-food items like soap, clothing, school utensils, begging, no valuable assets).

2. Labour constrained

A household is labour constrained when it has no able bodied household member in the age group 19 to 64, who is fit for work, or when one household member in the age group 19 to 64 years, who is fit for work, has to care for more than 3 dependents.

The categories that fall under 'ultra poor labour constrained households', are the elderly, the elderly with Orphans and other Vulnerable Children (OVC), female headed households with more than 3 orphans, chronically ill persons, persons with disabilities as well as child-headed households (CHH). By using these 'inclusive targeting criteria', the most vulnerable 10% of the population in a Traditional Authority are being targeted and not one specific category like OVC or CHH alone. The reason for such an inclusive approach is that the scheme has great acceptance by the communities whose members recognise which households are most destitute. Also, in a low capacity country like Malawi, it would not be wise to establish too many grant mechanisms like an elderly scheme, an OVC scheme, a foster grant, a disability grant etc as it would simply overburden the administrative capacity of a District Assembly. The idea is to focus on one social cash transfer scheme for the bottom 10% complemented by other social protection programmes for the other ultra poor and moderately poor groups, as is being defined in the draft Social Protection Policy.

To date, 2,442 households benefit from the pilot scheme reaching 11,170 beneficiaries. Of these, 7,480 are children, 6,013 of them are orphans. 1,604 are headed by the elderly while 34 are child-headed and 1,585 are female-headed households.

HOW IS THE TARGETING DONE?

The targeting criteria are used in a multi-stage participatory targeting process by nominated Community Social Protection Committees (CSPC) at Village Group level. These Committee members list, visit and interview all households that meet the targeting criteria. They then rank all households that meet the above criteria. To enhance the quality of this process, it is supported by the Social Protection Sub-Committee (SPSC) and the Extension Workers in the respective Traditional Authorities.

The CSPCs present the households selected and the ranking to a community meeting in order to ensure that no households meeting the criteria are left out, that undeserving households are deleted from the list, and that a consensus on the appropriate ranking is achieved. The community meeting should also facilitate that the scheme and the targeting process are as transparent as possible. A SPSC at district level (sub-committee of the DEC) checks if the targeting process has been fair and transparent and if the results are correct. The SPSC then approves the 10% most needy households. The 10% cut off point is based on the assumption that on the average approximately 10% of the households meet both criteria.

Further research to verify this assumption is under way.



HOW MUCH IS THE CASH TRANSFER?

The monthly cash transfers vary according to household size and take into account if the household has children enrolled in primary or in secondary school:

- 1 person household MK 600
- 2 person household MK 1,000
- 3 person household MK 1,400
- 4 and more persons MK 1,800

For children enrolled in primary school a bonus of MK 200 is added, for children in secondary school a bonus of MK 400. This bonus is meant to encourage school enrolment and retention as well as investment in the children's health and nutrition status and as protection of children from exploitation and abuse such as child labour or early marriages.

IS THE VOLUME OF THE CASH TRANSFER SUFFICIENT? HOW WAS IT REACHED?

This amount is sufficient to fill the gap of MK 1,343 between the ultra poverty line of MK 6,447 per month for a 5.8 person household and the average monthly expenditure of MK 5,103 of households in the lowest income quintile.

As this is a pilot project, lessons are being learned and an external evaluation is ongoing, conducted by Boston University (BU) in collaboration with the University of Malawi Center for Social Research (CSR). Based on the findings of the evaluation, the volume of the transfer can be validated.

HOW DO WE MAKE SURE THE MONIES REACH THE CHILDREN?

Close to 70% of beneficiaries are children living in the beneficiary households.

The social cash transfer pilot scheme is being implemented by the Mchinji District Assembly. After the eligible households have been approved, they are put on the monthly payroll of the Assembly and during the first week of each month, cash transfers are being disbursed to the heads of households or their nominees (in case they can not come to the pay-point in the communities themselves). As part of the transfer, there is a child bonus which the household needs to spend on the children for them to access education. Community Social Protection Committee members and Child Protection workers together with the extension workers and representatives from the Assembly monitor the use of these monies, which is especially being comprehensively evaluated by Boston University with CSR.

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 CBOs 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.

WHO ARE PARTNERS IN THE SCHEME? WHAT IS THEIR ROLE?

At the national level, the Department of Poverty and Disaster Management Affairs (DoPDMA) has established the institutional framework for social protection with a national level Social Protection Steering Committee, chaired by the Chief Secretary and a Social Protection Technical Committee, chaired by the Commissioner of the Department of Poverty and Disaster Management Affairs. DoPDMA has taken the leadership and coordination, technical assistance and oversight of the design and implementation of the cash transfer pilot scheme in close collaboration with the Ministry of Women and Child Development. The latter has the mandate to deliver social assistance to the ultra poor and most vulnerable.

At the district level, the District Assembly, under the leadership of the District Commissioner, has the responsibility for the implementation of the cash transfer pilot scheme in a transparent and accountable manner. Under the District Executive Committee, the district has established a multi-sectoral Social Protection Sub-Committee (SPSC) that consists of representatives from the line Ministry Departments in the Assembly as well as from NGOs. The SPSC validates the information received from the Community Social Protection Committee and approves the 10% eligible beneficiaries per Village Group. The Assembly disburses the monthly cash transfers to the beneficiaries in the villages.

The social cash transfer scheme is a partnership between the Government of Malawi, UNICEF and the National AIDS Commission (NAC). Given the potential impact of the scheme on children and families affected by AIDS, NAC has decided to provide financial support for the Mchinji social cash transfer pilot scheme as well as for the scale up to 6 additional districts. NAC is the principal recipient for Global Fund Round 5 grant for OVC and is administering complementary funds from the Pool Fund.

UNICEF has provided technical and financial assistance for the design, testing, monitoring and evaluation of the social cash transfer scheme and is committed to continue doing so for the scale up to the 6 additional districts as well as the capacity development of government at national and decentralized levels. UNICEF is also providing technical assistance for the design of the national Social Protection Policy and is a member at both Social Protection Steering and Technical Committees.

WHAT ROLE DO NGOs AND CBOs PLAY?

Representatives of NGOs and CBOs are part of the District Social Protection Team that is responsible for rolling out of the scheme and the approval of the beneficiaries. Also, the CBOs play a great role in following up on particularly vulnerable cases identified through the cash transfer scheme and assure, together with extension workers and child protection workers, that the social cash transfer scheme is being linked and integrated with other social services like health and education as well as being complemented by Home Based Care, Early Childhood Development and Psychosocial Support. Cash transfers can tackle the root causes of poverty at the household level but children need an integrated package of care, support and protection and CBOs are key in helping to complement the cash with HBC, PSS, HIV prevention, protection from abuse, malaria prevention and building of life- and livelihood skills.



WHAT ROLE DO THE COMMUNITIES HAVE IN THIS SCHEME?

The communities nominate their members for the Community Social Protection Committee and identify their most needy that adhere to the targeting criteria to be eligible for the cash transfer. Communities also have a role to play to follow up with some of these very vulnerable households.

HOW WAS MCHINJI IDENTIFIED AS THE FIRST PILOT DISTRICT AND THE SCALE UP TO SIX OTHER DISTRICTS? WHY THESE DISTRICTS?

Mchinji is the 14th district out of 28 on the poverty list of all districts in Malawi, hence it has an average poverty profile. Mchinji was identified as the first pilot district because of its proximity to Lilongwe so policy makers could closely monitor and learn lessons. Also the DA team was recognized as a good functional team which was perceived as an advantage to start such a new scheme.

In November 2006, the social cash transfer pilot scheme was presented to Cabinet for approval. The pilot was approved and a rapid scale up to Likoma, Salima, Machinga, Chitipa, Mangochi and Phalombe was requested by Cabinet in order to have a viable pilot geographically spread with various poverty levels.

WHAT IS THE ROLL-OUT PLAN?

The pilot scheme is instrumental in informing the Social Protection Policy which is currently being drafted. The lessons learned from Mchinji and the 6 new districts will determine the way forward. Once the Social Protection Policy is in place, and implementation and roll-out is endorsed, support for a national scale up will be drawn from a social protection basket fund, which will be established and is expected to be funded by the government and development partners.

HOW SUSTAINABLE IS SUCH A PROJECT? WILL GOVERNMENT TAKE OVER?

The potential sustainability of such a programme would depend on sustained government commitment and capacity at national and decentralized levels in a short, medium and long term and financial commitment from Government and development partners.

This is a Government Pilot Scheme, led, coordinated and implemented by Government at national and district level, supported by the communities.

WHEN WILL PEOPLE GRADUATE?

A social cash transfer is an investment in human capital. However, the groups that fall under the ultra poor labour constrained category are either very old, or chronically ill, child-headed or women with a high dependency ratio. These households will not easily graduate apart from through the children. Therefore, this scheme can be interpreted as an investment in the children of these households to survive, grow and develop and break the inter-generational cycle of poverty.



DOES THE SCHEME ENHANCE DEPENDENCY?

The households targeted for social cash transfers are already dependent. Delivering cash transfers without any conditions empowers the household to choose how to use the money. Preliminary results show that the monies are being used wisely and invested in meeting immediate basic needs, such as soap, food, education materials, health, clothing, shelter but also in livestock, poultry, seeds and fertilizer and in small savings. Hence, opposite to enhancing dependency, the pilot scheme is an opportunity for empowerment and an investment in the children.

So far, misuse of monies at either the Assembly level or by the beneficiaries or other community members has not been noted, as the checks and balances built in the scheme can accurately monitor the use of funds from the DA and the households obtaining these transfers is not the category of people that is used to smoke, drink, drive or gamble and are proving to be good economists! The cash has helped them to put their basic needs and rights to be met first.

WHAT IS THE EXIT STRATEGY?

The beneficiaries debilitated through chronic illnesses, especially HIV/AIDS may graduate out of the scheme due to improvement in their conditions once they have access to treatment such as anti-retroviral treatment (ART). Beneficiaries will be re-evaluated annually to determine their eligibility, and those who will have managed to generate income through innovative initiatives may be able to exit the scheme.

For more information, please go to

<http://www.socialcashtransfers-malawi.org>

For the external evaluation instruments, please go to

<http://www.childresearchpolicy.org>