Cash Transfers to Improve the Protection and Care of Vulnerable Children and to Empower Families in the Context of the HIV Epidemic in Papua New Guinea

Conceptual Framework
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INTRODUCTION

International experience has proven that social cash transfers can be a flexible instrument of social policy, capable of achieving multiple outcomes even while directly addressing a single objective. Generally aimed at preventing destitution, cash transfers efficiently reduce income poverty while promoting human capital development, improved livelihoods and broader empowerment objectives. This document outlines a conceptual framework for understanding and beginning to implement a programme of social cash transfers in Papua New Guinea. This approach considers the role of the transfers in achieving multiple outcomes. These outcomes include a reduction of income poverty; an increase in the education and nutrition status of children affected by HIV and AIDS; the empowerment of women and a decrease in violence against them; and improved protection of children from violence, abuse and exploitation.

Papua New Guinea’s draft National Strategy for the Protection, Care and Support of Children Vulnerable to Violence, Abuse, Exploitation and Neglect in the Context of the HIV Epidemic in Papua New Guinea identifies the piloting of a social cash transfer programme to benefit the country’s most vulnerable children and their families as a key element of the framework’s social protection objective. Internationally, cash transfers are proving to be one of the most successful interventions for reaching the poorest, addressing the problems created and exacerbated by HIV and AIDS, and promoting developmental impacts. This framework document examines the international experience of cash transfers in the light of Papua New Guinea’s social, economic and policy context, identifying lessons learned and raising questions for examination by policy-makers and other stakeholders considering an appropriate, practical and effective intervention to protect children in Papua New Guinea. It raises the challenge of adapting cash transfer interventions to better serve the objectives of child protection within Papua New Guinea’s specific social context.

Based on recent consultations with senior government officials, representatives from civil society and international organizations, development partners and local authorities in Papua New Guinea, this paper identifies an emerging consensus among stakeholders that a social cash transfer for women caring for children may serve critical social protection objectives, such as:

- Empowering women by strengthening their position within households in order to better protect themselves and their children;
- Improving the health, education and protection of children affected by HIV and AIDS;
- Protecting children from violence, abuse and exploitation; and
- Mitigating the impact of HIV and AIDS.

This document is divided into five sections. After this introduction, the second section examines the choice of cash transfers within a broader framework of social protection interventions. The third section analyses key issues affecting cash transfers within Papua New Guinea’s social, economic, institutional and policy context, providing an initial appraisal of the appropriateness of cash transfers for the country. The fourth section analyses key design issues and provides a conceptual framework for implementation. The final section concludes and suggests steps for the future.
CASH TRANSFERS IN A SOCIAL PROTECTION CONCEPTUAL FRAMEWORK

Responses to HIV and AIDS, child protection, gender empowerment and poverty reduction objectives all require an integrated approach for maximum impact. Within this integrated approach, a conceptual framework for cash transfers for children in Papua New Guinea should ideally be embedded within a broader social protection analytical framework, and the policy choices of an appropriate social cash transfer instrument should be rooted in a broader policy framework.

The Medium Term Development Strategy (2005 – 2010) recognizes the importance of social policy for achieving the Millennium Development Goals (MDGs). In his foreword to the Strategy, the Acting Minister for National Planning and Monitoring notes that, "It is important to observe that economic growth and social development are mutually supporting objectives. The social infrastructure of our nation will be strengthened further through a greater policy focus on children, youth, women and the disabled."\(^1\)

Neither social policy analysts nor development partners have agreed on a common definition or understanding of social protection.\(^2\) For example, the OECD’s Povnet has published working papers presenting a comprehensive view of development partners’ perspectives on social protection and the broader linkages to social policy. Some definitions are closer to a broad view of social policy, while others are more narrowly focused on social assistance. The diagram below illustrates the components of many of these definitions – and how various development partners put them together into alternative configurations for social protection.

Figure 1: Alternative frameworks for social protection

\(^1\) Government of PNG (2004).
Many definitions of social protection rest on three pillars:

1. Social insurance (individuals pooling resources to provide support in the case of a shock to their livelihoods),
2. Social assistance and
3. Broader legal and regulatory approaches to protecting vulnerable groups.

Social transfers support the second pillar and are the main type of social assistance used in developed countries. Social transfers are also increasingly recognized as a critical support for social solidarity and development in low- and middle-income nations. The first pillar, social insurance, includes a range of contributory schemes, such as social health insurance, unemployment insurance and an increasing number of new schemes – for example, weather-indexed insurance products. However, social insurance can present a challenge as a pro-poor instrument: by definition social insurance requires contributions from potential beneficiaries, and the very poorest often cannot afford these. The broader legal and regulatory approaches, the third pillar, may include statutory protection for children, labour standards, minimum wages and other public rules that protect and empower people. These mechanisms can protect vulnerable groups from exploitation and abuse, and this protection together with cash transfers can support empowerment of these vulnerable groups.

Social protection includes policies and actions for the poor and vulnerable that enhance their capacity to cope with poverty and equip them to better manage risks and shocks. Empowerment broadens poor people's freedom of choice and action, expanding their assets and capabilities, and enabling them “to participate in, negotiate with, influence, control and hold accountable institutions that affect their lives.” Social protection promotes empowerment by improving risk management, which facilitates higher return on investments by poor people. Social protection supports human capital development and expands the capabilities of poor and vulnerable individuals.

One of the key long-term objectives of social protection is this broader empowerment outcome that ensures that the poor have a voice in the political and economic decisions that affect their lives. Effective empowerment requires the building of organizations that represent the poor and their interests and ensure their equal rights and opportunities, including participation in economic life. Policies that support empowerment provide poor women and men with increased personal autonomy and greater control over their livelihoods. Social protection is just one instrument that promotes greater empowerment, which in turn enables citizens to claim their human rights, including their social protection entitlements as well as the broad-ranging opportunities to participate fully in social, political and economic life.

Different frameworks for social protection incorporate varying sets of instruments, but social transfers are an element of all frameworks articulated by major development partners. In many of these approaches, cash transfers are seen to provide an important risk management tool for the poor at three levels:

- reducing poverty that results from shocks (drought, floods, sudden food price increases and others),
- making people less vulnerable, and
- helping people to cope better with chronic poverty and in the face of shocks.

Social transfers reduce the impact of shocks on livelihoods nationally by stimulating overall economic activity, and they protect households by reducing the impact of shocks on productive assets. For example, economic shocks are less likely to force poor households to sell their livestock – often their only productive asset – if social transfers help them cope with the loss of income. At the household-level, transfers reduce risk by providing the security of a guaranteed minimum level of income. This better enables poor households to send children to school because they can afford for them not to be working, as well as afford fees, uniforms and other school expenses. The unemployed and lowest paid workers can take a chance on riskier ventures that are likely to result in a higher income or acquire human capital such as education in order to find higher wage employment. The time and travel costs of a job search – with its unpredictable outcomes – can lock vulnerable workers into poverty traps. Social transfers provide a coping mechanism for the least fortunate, supporting a minimal level of subsistence and allowing them to invest time and money to improve their chances of getting better employment.
National governments in developing countries are increasingly recognizing the value of social protection in achieving the MDGs. Social protection not only tackles income poverty but also provides effective support for broader developmental objectives, including better nutrition and health outcomes and improved access to education. In many countries, the main beneficiaries of the interventions are women, promoting empowerment and more balanced gender relations. Social protection strategies are increasingly targeted to those afflicted by HIV and AIDS, malaria and other debilitating diseases. Long a vital tool for industrialized countries, social protection is increasingly recognized as an essential policy instrument for poverty reduction and human rights in low- and middle-income nations.

While social transfer programmes have demonstrated remarkable success in reducing poverty in many developing countries, they are not in themselves a panacea for poverty eradication. They do not replace other development activities but rather serve as an essential element in a pro-poor strategy, effectively complementing investments in health, education and other sectors. Social transfers both reinforce and are strengthened by successful delivery of complementary social interventions. For example, social transfers are likely to have less of an impact on educational outcomes if school fees are high, but fee waivers may not benefit the poorest children since they face other costs to accessing schooling. A combination of fee waivers and social transfers maximizes the positive educational impact.

Countries around the world effectively build cash transfers into broader social protection strategies. Brazil complements investments in health and education with several social transfer programmes that promote social protection. Community referral centres identify, monitor and address the needs – both cash and non-cash – of the vulnerable, supporting social inclusion and poverty reduction. In South Africa, the government’s integrated approach combines social transfers with guaranteed access to basic social services, successfully reducing poverty and laying a foundation for future development. Increasingly, policymakers recognize the essential role of cash transfers in a comprehensive system of social security.

While social transfers offer substantial potential to reduce poverty and foster development, the capacity of a country to deliver on this depends on several important preconditions. The country needs to mobilize substantial resources, either from domestic sources or through international assistance. The significant cost implies the need for political commitment to effective social protection. Practically, there must be appropriate implementation capacity to ensure automatic and robust delivery of the transfers. The government must be committed to a transparent targeting process which supports a clear understanding of the entitlements of beneficiaries. A wide range of countries have effectively implemented social transfer programmes – often adapting institutional features to address appropriately their specific circumstances. Low income countries, including Lesotho, Nepal and Nicaragua, demonstrate that transfers are affordable and, more importantly, that the commitment to poverty reduction is a central policy priority.

It is difficult to identify clear standards for these preconditions. Even a small amount of resources can create a significant social impact. Nepal grants a social pension equal to approximately US$2 per month (totalling about 10 per cent of per capita GDP), India pays a monthly pension benefit equal to approximately US$1.50, and Honduras’ PRAF programme provides children with US$3 per month. A study of Nepal’s social pension found only 1.3 per cent of the participants believed the amount was too low to have an impact, although most agreed the programme would benefit from expansion. This evidence of usefulness is corroborated by the pension’s high take-up rate of over 80 per cent. While India’s national social pension benefit is very low, individual states are able to increase the amount or provide other benefits, usually with a more significant impact. The low benefit in Honduras’ PRAF programme may explain the relatively poor performance of the scheme in achieving human capital development outcomes. For unconditional social transfer programmes, low initial benefit levels may provide an affordable starting point for evolving a more comprehensive programme.

Likewise, implementation capacity constraints need not deter a committed government from implementing a social transfer programme. Even in fragile states, such as Nepal and early-1990s Mozambique, governments have effectively delivered social transfers. During the reconstruction period in the early 1990s,
Mozambique’s GAPVU programme delivered very small transfers with a significant impact, promoting food security and significantly reducing poverty. Nepal chose a universal programme in order to reduce the administrative burden and facilitate delivery.

In many ways, cash transfers require less government bureaucracy and administrative resources than other mechanisms for social delivery. The option of administratively feasible and affordable social transfers makes it easier for governments to consider implementing direct income support for the poorest. The critical pre-requisite is the political commitment to undertake meaningful poverty reduction. The positive impact of cash-based social transfers works through market processes and reinforces them. Countries that rely on markets and face significant problems with poverty are most likely to find social transfer programmes an effective instrument for developmental social protection.

**CHILD-CENTRED SOCIAL PROTECTION**

UNICEF has not yet established a single overarching conceptual framework for social protection, although the UNICEF Headquarters in New York and different regional offices have begun to articulate coherent views of how social protection interacts with child protection and other objectives. The East and South Africa Regional Office has articulated a broad conceptual framework that adapts the transformative approach to social protection. This UNICEF conceptual framework defines social protection as a “set of transfers and services that help individuals and households confront risk and adversity (including emergencies) and ensure a minimum standard of dignity and well-being throughout the lifecycle.” The framework adopts a child-centred approach that focuses on “the objectives of systemically protecting and ensuring the rights of all children and women, achieving gender equality, and reducing child poverty.” The operational components of the framework are illustrated in Figure 2.

Figure 2. A child-centred framework for social protection

The innovation of this framework is to conceptualize the four components of the transformative approach within concentric ovals.

- **Transformative measures** aim to address power imbalances that worsen social exclusion and economic inequality and broadly include social, legal, fiscal, legislative and policy reforms – for example, tackling discrimination against marginalized groups or improving legal protection for women and children.

- **Protective measures** aim to provide relief from social and economic deprivation, including interventions such as cash transfers and free social services, as well as emergency relief operations.

- **Preventive measures** are used to avert deprivation that may result from a shock and include formal social insurance mechanisms such as health and unemployment insurance and informal mechanisms like funeral societies.

- **Promotive measures** seek to boost real incomes and capabilities with livelihood-promoting interventions such as microfinance and skills training.

This innovation has important implications for cash transfer programmes to support and protect children in Papua New Guinea. As the UNICEF document points out, “If well designed, social protection interventions can serve more than one purpose.”4 In fact, balanced and integrated approaches are most likely to be effective. Given the complexity of the predicament of vulnerable children in Papua New Guinea, a broader social protection approach that incorporates cash transfers and tackles multiple objectives may be better able to achieve the objectives jointly rather than individually. For example, the empowerment of women as well as the improvement of the economic well-being of vulnerable children will strengthen the protection of children in Papua New Guinea. Tackling poverty broadly will reduce the underlying economic stress that incubates violence against women and children. Raising the status of women will enable them to better protect themselves against HIV and AIDS, thereby better protecting children in the process.

In this sense, cash transfers are most directly “protective.” Cash transfers can protect children affected by HIV and AIDS and other vulnerable children from the direct threat of destitution. By reducing their vulnerability, however, cash transfers can also help prevent HIV infections as well as other conditions that can impoverished women and children even further. Increasing evidence also demonstrates that cash transfers are promotive. By building human capital, by addressing social risk and improving access to employment and other economic activities, cash transfers can help to lift up poor families to more sustainable livelihoods. Cash transfers can also empower people within households and produce transformative outcomes. A mother with cash – and hence both greater status within the household as well as greater resources – may be better able to ensure that her daughter attends secondary school, helping to trigger a social transformation by reversing power imbalances that sustain vulnerability.

Consultations with women and children in Papua New Guinea repeatedly highlighted the role of income poverty in reinforcing their vulnerability. For example, consultations with home-based youth centre organizers in Mount Hagen identified how income poverty exacerbated violence against women and children. Respondents described how a male breadwinner’s sense of identity is threatened by not being able to provide food for his family and how this increases intra-household stress that often boils over into violence against women and children. They expressed the view that when women have independent income, violence by men against them diminishes. Women at a church-run youth centre in a Highlands village expressed similar views.5 When men cannot provide for the family, they sometimes beat their wives and children. Men control the land, and women’s links to the land are tied to marriage. Divorce means losing access to land and livelihoods. When women have an outside source of income, they are treated with greater respect by men.

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3 The definition originated from a global conference on social protection organized and hosted by UNICEF in November 2006 (UNICEF 2008)
4 UNICEF (2008), page 3.
5 One woman verbalized the general reticence among the group, explaining that there is a deep feeling of shame associated with these beatings that make it very difficult for women to talk about them.
At another church-based centre in a Highlands village, women and older children highlighted the link between economic status and vulnerability to HIV and AIDS. In some areas the overcrowding of limited tribal land is stretching agriculture to its limits, leading to increased poverty. One 17-year-old girl described how a 14-year-old girl she knew had contracted AIDS through transactional sex and eventually died. Others described how teenage girls were pressured into selling sex to meet their most basic needs. While women often resisted their husbands taking additional wives, their low status within the household and limited economic prospects outside the marriage weakened their negotiating power. The women consulted – including one who identified herself as HIV-positive – expressed the view that additional wives sometimes brought HIV and AIDS into the polygamous marriage.

The viewpoints expressed during these consultations are consistent with a substantial body of evidence compiled both in Papua New Guinea and internationally. A recent report on sexual violence against women and children in Papua New Guinea highlights its huge social, economic and political costs. The study draws the link between sexual abuse and exploitation and the spread of HIV and AIDS, identifying how “the country’s rapidly escalating epidemic is driven by factors similar to those found in the worst epidemics of sub-Saharan Africa, such as low levels of condom use, combined with high levels of multiple partner sexual behaviour, high levels of sexual violence and widespread gender inequality... Girls between the ages of 15 and 19 are four times more likely to be HIV-positive than their male peers.”

Another report concluded that the HIV and AIDS “epidemic growth has been spurred by Papua New Guinea’s indigenous sex industry, which sprang up in response to poverty but is now being cultivated more deliberately by Papua New Guinea citizens collaborating with experienced expatrate investors ... Unequal gender relations and biased gender norms prevent girls and women from accessing information, seeking treatment for sexual infections, negotiating for safer sex and create highly unequal sexual partnerships.”

Clearly, cash transfers alone will not solve this problem. These challenges require a multi-dimensional women’s empowerment intervention at the transformative end of the social protection scale. Yet cash transfers can address one element of this broader initiative. If appropriately designed, cash transfers should support the achievement of protective, preventive, promotive and transformative objectives. Transfers can improve the economic well-being of children affected by HIV and AIDS, empower women, better protect children and broadly tackle poverty. Protecting children and empowering women now can reduce their vulnerability and help to prevent future HIV infections. International experience documents how cash transfers can be promotive by improving access to education, other human capital and better livelihoods. By improving the status of women and children and reallocating resources to their empowerment, cash transfers may also prove to be transformative over the longer term. The maximum impact of cash transfers depends on how well they support the broader strategy for women’s empowerment and children’s protection. An emerging lesson from global experience with cash transfers over the past decade is that cash alone is not nearly as effective as cash plus vital complementary interventions. In Papua New Guinea’s case, the critical intervention is women’s empowerment, and cash transfers can provide a complementary initiative to reinforce this objective, with associated outcomes supporting and protecting children affected by HIV and AIDS and other vulnerable children.

UNICEF’s child-centred social protection framework recognizes that “the risks of extreme poverty for children are compounded by the risk of losing family care, and it is the family that provides the nucleus of care and support (both material and psychosocial) for the child. UNICEF’s position is thus for child-sensitive social protection systems that mitigate the effects of poverty on families, strengthen families in their child care role, enhance access to basic services for the poorest and most marginalized, and provide special services to children who live outside a family environment. Social protection

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6 HELP Resources (unpublished)
Cash Transfers to Improve the Protection and Care of Vulnerable Children and to Empower Families in the Context of the HIV Epidemic in Papua New Guinea

Conceptual Framework

Instruments should prioritize the most vulnerable with a long-term perspective of the universality of human rights. The fundamental principles of a child-sensitive social protection system are that it:

- Promotes a coherent legal framework to protect the rights of women and children
- Addresses the age- and gender-specific risks and vulnerabilities of children
- Intervenes as early as possible to prevent irreversible impairment to children
- Makes special provision to reach children who are most vulnerable
- Helps children and women to claim their rights, and facilitates their participation in decision-making
- Strengthens the capacity of the state, communities and families to respect, protect and fulfil rights.⁸

UNICEF’s child-centred social protection framework, which empowers women and protects children, articulates five programme areas responding to principles that are relevant for a comprehensive approach for Papua New Guinea.

1. Involves legal and social frameworks that provide equal protection to women and children, including public education and advocacy that promotes cultural change. This approach can constitute the cornerstone of a women’s empowerment strategy.
2. Aims to provide cash transfers to combat child poverty. A programme of geographically targeted universal transfers to women caring for children can be designed to be consistent with these principles and provide critical support for the first programme area.
3. Involves early childhood care and development
4. Addresses gender-sensitive social and protective services
5. Aims to provide second-chance educational opportunities for adolescents

A key challenge of an integrated framework is to ensure that legal protection, cash transfers and social services work together to generate the required outcomes. A case study of African cash transfer programmes recognized the need for this type of integrated approach, concluding that “for child wellbeing, cash transfers are a key economic intervention as part of a range of social protection measures that includes access to and quality of health, education and other services for all children, child protection (including legal) and psychosocial support.”⁹

A NOTE ON ALTERNATIVE INSTRUMENTS

Social protection rests within a broader social policy framework that also includes social services, food security, livelihood promotion and other poverty reduction interventions. Since resources are limited, it is important to balance the commitment to social transfers in light of what the country can afford, given appropriate investments in complementing interventions. Policy-makers face many options when constructing a framework for social protection and in particular for social transfers. General subsidies lower the cost of goods the poor need, effectively raising their income. Targeted inputs schemes provide poor households with productive assets, enabling them to convert their labour power into income. Conditional programmes aim to expand the range of impacts of cash transfers, usually in terms of school attendance, health clinic visits, immunizations and other forms of human capital development. How do policy-makers weigh these options against unconditional cash transfers?

In practice, the choice usually reflects the social and policy context of the country. What are the policy priorities? Targeted inputs are often effective in promoting livelihoods and economic growth, but since they usually require complementary assets (such as land and labour power), they often do not reach the very poorest. If the social profile of poverty includes children with caregivers with little available labour power or other assets, targeted inputs might fail to offer much protection.

⁸ UNICEF (2008)
General food subsidies were more common decades ago, and some countries, such as Egypt, still rely heavily on them. Subsidies, however, only reduce the price of food, so purchasers must have some income in order to benefit, meaning people with higher incomes generally gain more. As a result, subsidies can be regressive – benefiting higher income individuals rather than the poor.

A third alternative to unconditional transfers involves conditionalities. Conditionalities are behavioural requirements that programme participants must satisfy in order to receive regularly the cash benefit. For example, households may be required to ensure 85 per cent school attendance or prove that their children have received appropriate immunizations. Conditionalities aim to reinforce the human capital development impact of cash transfers, helping to break the inter-generational transmission of poverty by improving the child’s likelihood of growing up and finding decent work.

The case for conditionalities assumes that poverty depends on the behaviour of poor households. Conditionalities create an incentive and penalty structure that aims to modify that behaviour in order to address long-term poverty. Since children sometimes lack adequate voice regarding decisions about spending social cash transfers, conditionalities may change the intra-household allocation of resources. Parents and caregivers may not appreciate the high returns to early childhood development and investments in child health and education. Conditionalities provide social leverage when the interests of household decision-makers are not aligned with the perceived best interests of the child.

In some countries, however, poverty is more structural and less dependent on the behaviour of the poor. In these cases, the costs of conditionalities may exceed their benefits. The 2006 World Bank conference in Istanbul on conditional cash transfers concluded that insufficient evidence exists regarding the impact of the conditionalities vis-à-vis other programme benefits, such as income security, improved education and health services, or developmental awareness. In a number of countries – like Kenya, Zambia and Pakistan – development partners are implementing conditional schemes alongside unconditional programmes with structured monitoring and evaluations that aim to illuminate this critical question.
SELECTING AN APPROPRIATE CASH TRANSFER INSTRUMENT FOR PAPUA NEW GUINEA

Various types of social transfer instruments have proven successful in different countries because they appropriately address the social, political, institutional and economic circumstances facing both policymakers and the poor. No single type is a solution that can address poverty in every nation. Brazil’s Bolsa Familia, for example, provides social protection for the poor, supports human development and is politically sustainable because it addresses the needs of the poor while employing a framework within which policymakers can deliver effectively. Decentralized delivery vehicles with well-resourced national coordination mechanisms work effectively within the federal system of governance, and the focus on human capital development fits the government’s political priorities. The institutional features enable policy-makers to scale up, and success fosters further achievements. South Africa’s social pension, on the other hand, offers a different approach but is suited to that country’s institutional and policy context. A rights-based approach supports the government’s constitutional mandate, and broad-based unconditional coverage tackles the legacy of apartheid. Successful instruments are well-adapted to the socio-economic conditions of poverty they address and are rooted in the political environment.

This section outlines a conceptual framework for the selection of the appropriate instrument or instruments that address the identified policy objectives for reducing poverty and providing social protection in Papua New Guinea, consistent with the objectives identified in the preceding section in terms of providing economic support for children affected by HIV and AIDS and other vulnerable children, empowering women, promoting child protection and broadly tackling poverty. The selection process requires a clear understanding of the government’s social protection objectives and how these identify who should benefit from social transfers.

The formulation of a social transfer programme is both a political and technical process. Many of the political decisions are concentrated in the initial stages when the specific instruments are selected. The political and technical considerations are intricately interwoven. For example, the amount that a country can afford to pay depends on the number of potential beneficiaries, which in turn depends on the targeting mechanisms and conditionalities the programme employs.

The country’s social, political and policy context largely determines the demand for social protection – and strongly affects the appropriate choice of a cash transfer instrument. The nation’s economic and institutional capacity has the greatest impact on the country’s ability to deliver the intervention effectively. This distinction is somewhat artificial – political will also affects the capacity to deliver, and the country’s economic circumstances will affect the demand for social policy. To make an informed choice on the appropriate intervention, there must be a thorough understanding of these four dimensions:

- Social context
- Political context
- Economic context
- Institutional context
THE SOCIAL CONTEXT

The identification of a cash transfer instrument must reflect, firstly, the social context in Papua New Guinea. More than 30 per cent of the population lives in poverty, and malnutrition rates are high, lowering immune system response and exacerbating vulnerability to HIV infection and AIDS-related mortality. Public health service availability is poor at primary, secondary and tertiary levels.¹⁰ Unemployment rates are high, and a 2004 study reported that only 15.2 per cent of employed men and 5.3 per cent of employed women had wage-earning jobs.¹¹ A recent IMF report acknowledges that comprehensive unemployment figures are unavailable but estimates urban unemployment rates to be about 40 per cent.¹² Poor economic prospects drive circularly migratory labour patterns for men and women, hastening the spread of HIV and AIDS. Low literacy rates dampen employment and livelihoods prospects and, together with poor awareness of HIV and AIDS, contribute to increased vulnerability to infection and reduced prospects for treatment.¹³ At current rates of progress, Papua New Guinea is not on track to achieve its commitments to the MDGs, in spite of positive prospects for robust economic growth over the medium term horizon.¹⁴

Gender Discrimination

Papua New Guinea has a high rate of gender-related violence, increasing vulnerability to HIV and AIDS for both women and children. While gender violence has complex causes, poverty is likely to exacerbate the problem. This perpetuates a vicious circle: “gender-based discrimination and violence contribute to poverty and poverty increases violence and damages the country's social development.”¹⁵

Kinship relationships in Papua New Guinea enforce rigid expectations of feminine behaviour for girls and women. Norms that relegate women to the status of “producers” while men seize opportunities as “transactors” create power imbalances. Research carried out by the Law Reform Commission documented that 57 per cent of rural women surveyed considered it normal to be hit by their husbands, reflecting a social conditioning about sexual violence that disempowers women. The country’s traditional social systems often silence women’s voices and impede their asset accumulation and economic security.¹⁶

A social cash transfer programme can contribute to the empowerment of women, as well as promote the development of the nation. Cash transfers might, for instance, provide an economic independence to support women to negotiate the terms of their living situation, such as leaving a violent home. Over the longer horizon, cash transfers may help balance intra-household resource allocations and better support human capital development for girls, particularly in terms of nutrition and access to health care and education. International experience with cash transfers documents how these interventions can tackle gender discrimination and help to empower girls and women.¹⁷

Child Protection

While over 99 per cent of Papua New Guinea’s children live in family settings, these households do not always provide protective environments. The low social status of women and high rates of gender-related violence increase the risk of family failure, placing children – particularly girls – at grave risk.¹⁸ Children (particularly girls) living in polygamous families are at greater risk of neglect and sexual exploitation.

Social cash transfers can support improved nutrition, education and protection for children affected by HIV and AIDS. The protection of these and other vulnerable children from violence, abuse and

¹⁰ UNICEF (2005) pages 9-10
¹¹ MDG (2004); UNICEF (2005) pages 39
¹² Such as in Port Moresby (IMF 2007)
¹³ UNICEF (2005) pages 10-11
¹⁴ For detailed MDG progress tracking and economic growth forecasts, see IMF (2007).
¹⁵ UNICEF (2005) page 38
¹⁶ This paragraph is drawn from UNICEF (2004, pages 15-16), which provides a thorough situational analysis of the girl child in Papua New Guinea and important context on gender discrimination in the country.
¹⁷ OECD/DAC POVNET GPN EPRI (2008)
¹⁸ UNICEF (2005) page 13
exploitation is a critical issue for Papua New Guinea. Promoting the status of women through a social cash transfer programme can support positive child protection outcomes. A social cash transfer programme can potentially contribute to the improved protection of children through a variety of outcomes.

- A social cash transfer programme usually increases birth registration, both by creating incentives for parents to register their children and by motivating governments to better resource registration systems.
- A regular cash transfer may increase school enrolment and retention and reduce the number of children involved in harmful labour and commercial sexual exploitation by reducing the financial pressure on their family.
- Increased income security in the form of cash transfer may enable women to resolve abusive relationships, leading to a reduction of the number of children living in violent homes.
- With up to 30 per cent of children adopted or fostered through informal community arrangements, cash transfers could be engineered to support parents in resisting community pressure to give their children up for adoption.
- The international evidence is clear in that cash transfer increases the health of children through better nutrition and access to medical care. Children who are healthy are more likely to have better life outcomes whereas children who are less healthy find education more challenging and as a consequence may drop out of education early and may face more protection challenges.

**Impact of HIV and AIDS**

Failure to tackle aggressively the problem of HIV and AIDS may generate a viciously circular impact on development objectives. The International Monetary Fund warns that the “further spread of HIV and AIDS – already one of the highest infection rates in the Asia-Pacific region – would have consequences for growth and human development.” The resulting consequences in terms of increased poverty would likely exacerbate the AIDS problem.

The assessment of a social cash transfer programme’s role in Papua New Guinea must take into account the impact of HIV and AIDS. HIV and AIDS are eroding the informal arrangements that have historically aimed to protect children in Papua New Guinea. For example, by increasing mortality among income-earning members of society, HIV and AIDS reduce resources available to the ‘wantok’ kinship system of support. At the same time, the resulting increase in orphans creates a growing burden for grandparents and other caregivers. Many countries facing this impact of HIV and AIDS have adopted cash transfers in order to support informal safety nets that can no longer cope on their own.

Vulnerability to HIV is exacerbated by poor economic circumstances. Women who depend economically on men are less able to end abusive relationships. While cash transfers alone cannot change the cultural and social factors that place women and children at risk in Papua New Guinea, a secure and independent source of income that guarantees survival may provide a plank in an overall framework for empowering women and better protecting children. International experience documents that women who have authority and power outside the home experience lower levels of abuse. In addition, women with greater status within the household are better able to protect children and allocate resources to support their development.

Evidence from high-prevalence African countries demonstrates that appropriately designed social cash transfer programmes can reach approximately 80 per cent of the poorest households affected by HIV and AIDS, even without targeting mechanisms that explicitly consider HIV and AIDS status. Since an estimated 60 per cent of these household members are children, poverty-focused social cash transfer programmes can be viewed as effective interventions mitigating the impact of HIV and AIDS on children. Given the costs of targeting using an HIV and AIDS criterion – including stigma, perverse incentives and administrative costs – the focus of cash transfers on vulnerable groups (including women and children) more generally may be

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19 IMF (2007), page 17
20 UNICEF (2005) page 39
21 UNICEF (2007)
the most effective way to develop social protection interventions for children affected by HIV and AIDS. In low-prevalence countries, where prevention is a high priority, broadly targeted cash transfers may be even more effective in preventing the acceleration of the epidemic.

THE POLITICAL AND POLICY CONTEXT

Likewise, an understanding of the political and policy context in the nation illuminates the potential role of social cash transfers in achieving the government’s objectives. The country has committed itself to achieving the MDGs as a matter of policy priority. The government’s 2005 Medium-Term Development Strategy (MTDS) included poverty reduction as a key objective, with instruments focusing on education, public healthcare (particularly HIV and AIDS prevention), infrastructure development and private sector job creation.22

Consultations with key political stakeholders documented a consistent concern with poverty, gender inequality and the potential threat of HIV and AIDS. A common theme was the importance of building a national identity that would promote social cohesiveness. During rural field visits, consulted stakeholders had difficulty in identifying key elements of government delivery. Many of the government’s most successful interventions were associated with local government or non-state actors in a manner that blurred an understanding of the benefits of citizenship. A key policy priority is the building of a flagship state intervention system that would demonstrate the national government’s commitment to its citizenship.

Policy-makers in many countries often express concern that cash transfers may create dependency. Dependency in the context of social cash transfers can be defined as “the choice by a social transfer recipient to forego a more sustaining livelihood due to the receipt of the cash transfer.” Consultations with policy-makers in Papua New Guinea yielded similar concerns. A number of international studies from around the world have found that workers in households receiving social grants look for work more intensively and extensively and find employment more successfully than do workers in comparably poor households that do not receive the grants.23 Other studies explain this effect with evidence suggesting that social transfers mitigate social risk and relax liquidity constraints on poor households, encouraging migration and job search.24 While the most rigorous research on these effects focuses on South Africa, evidence of similar impacts is found for Mexico and Brazil and more anecdotal evidence for Namibia, Zambia and Kenya.25

Papua New Guinea does not provide a public social security system to its poor population – neither unemployment insurance nor broader social safety nets.26 Social security is informal, through sometimes haphazard family and extended family networks and the wantok system. The wantok system – a network of extended family, kin and clan groups (literally, “one-talks”, or people who speak the same language) – provides the main form of social security for women, children, older people and the poor.27 The combination of poverty, family breakdown and HIV and AIDS, however, is reducing the capacity of the wantok system to provide the required level of support.28

The nature of the wantok system in Papua New Guinea importantly affects the potential for dependency in the country. Most policy-makers consulted appreciated the predicament they and their more affluent colleagues faced in supporting their fellow wantok members. The social structure of the wantok system changes the nature of the dependency debate – since many people in Papua New Guinea already demonstrate strong dependency on their more affluent wantok. Interviews with children in Highlands villages suggest that wantok support rarely assists with school fees. Cash transfers focused on children (and/or women with children) however, can build human capital while helping to manage social risk in a manner that can uplift and empower the current and next generations.

22 IMF (2007)
26 UNICEF (2005) page 13
27 UNICEF (2005) page 40
28 UNICEF (2005) page 42
In assessing the political and policy context of Papua New Guinea, it is clear that social cash transfers offer great potential to meet critical national priorities. They offer great potential to tackle poverty, promote gender equality and assist in meeting the Millennium Development Goals. They offer a transparent and visible manifestation of the government’s commitment to its citizenship, and they can provide a developmental stimulus supporting job creation and economic growth. If appropriately designed and packaged, a national cash transfer programme could reduce the dependency of poor men and women on a beleaguered wantok system and support reciprocal responsibilities that reinforce social cohesion, political stability and legal order.

**THE ECONOMIC CONTEXT AND AFFORDABILITY**

Policy-makers are also generally concerned with the affordability of social transfer programmes, in terms of a number of factors. Political will is a major determinant of what is affordable. At an economic level, however, many countries face real fiscal constraints in financing social transfers. Combinations of domestic and development partner sources may enable even low-income countries to fund effective social transfer programmes. Zambia’s cash transfer pilot – which provides the equivalent of US$15 per month to thousands of poor households could be scaled up to the poorest 10 per cent of the population for less than US$20 million (0.3 per cent of national income and less than 1 per cent of current government spending). On the other end of the scale, South Africa invests over 3 per cent of its national income on a more comprehensive system of social grants.

While falling per capita incomes over the 1990s and the fiscal challenges up until 2002 in Papua New Guinea had limited the policy options for proactive government interventions, the resurgence of growth over the past five years creates opportunities for more concrete measures to bolster MDG performance. The government has generated a fiscal surplus averaging about 4 per cent of national income over the past three years. Record mineral revenue inflows for government create additional developmental opportunities. The International Monetary Fund (IMF) recommends a more effective channelling of these resources to development interventions in order to generate greater progress towards poverty reduction.

An emerging evidence base from around the world demonstrates that social cash transfers can promote economic growth, enhancing their long-term affordability and sustainability. Policymakers do not necessarily face a trade-off pitting equity against growth objectives but, rather, have the opportunity to engineer a virtuous circle of increased equity promoting growth and supporting further improvements in equity. Social transfers promote human capital development, improving worker health and education and raising labour productivity. Social transfers enable the poor to protect themselves and their assets against shocks, helping them to defend their long-term income-generating potential. Social protection programmes combat discrimination and unlock economic potential. Social protection helps create an effective and secure state, promoting growth by building social cohesion and a sense of citizenship as well as reducing conflict.

Social protection offers considerable economic benefits for Papua New Guinea. Consulted stakeholders have consistently raised concerns that the reliance on the wantok system for informal social protection drains incentives for workers to increase their productivity. Some respondents recounted instances where individuals gave up employment because the consequential wantok obligations were too burdensome. Similar effects are found in many countries around the world but rarely with the intensity encountered in Papua New Guinea. One study details the potential disincentive effects reinforced by the wantok system, coupled with the burden on small businesses that undermines entrepreneurial activity. Social cash transfers reduce the burden on traditional safety nets, particularly the wantok system in the context of Papua New Guinea. This improves economic efficiency by freeing incentives for work effort and entrepreneurialism.

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30 ILO (2006, 2007)
31 For more detailed analysis of economic growth and government fiscal performance, see IMF (2007), particularly page 17 for specific recommendations.
32 de Renzio (2000)
The fourth dimension focuses on government’s capacity to deliver. Social cash transfers constitute a relatively new policy intervention in many developing countries. As a result few governments have developed extensive delivery capacity for implementing these types of programmes. Over the past several years, an increasing number of governments have developed a strong interest in designing and implementing social cash transfer programmes at a pilot stage, creating resource demands on national and international capacity as pilots are designed and sometimes implemented.

Limited capacity constrains successful implementation at several levels. First, government administrative capacity in many developing countries is limited, particularly in the social ministries that are usually responsible for social protection. Even when implementation programmes are relatively well-resourced at the national level, they often operate in an environment at district level with inadequate human resources, office facilities, transport, communications and field infrastructure. Incentive structures often fail to retain qualified personnel. Investments in government delivery capacity at district level will not only support the implementation of social transfers but also the other social services delivered by these agencies.

The issue of government capacity is likely to be a concern for Papua New Guinea. Constraints on administrative and bureaucratic capacity limit the government’s ability to deliver critical developmental initiatives. The International Monetary Fund has attributed under-spending on development initiatives to weak delivery capacity and fiscal bottlenecks, and they recommend a strengthening of implementation capabilities. The implementation of a cash transfers programme will require a coordinated effort to improve government delivery systems, particularly at the local level. Cash transfer systems, however, usually make very efficient use of scarce government bureaucratic capacity.

One additional point on capacity development merits attention. Nearly all international consultants designing social transfer programmes are funded by development partners, creating an opportunity for coordinated donor assistance to support substantial national capacity development. Designing and implementing social cash transfer programmes in developing countries builds critical human capital – which often flies the source countries on the same flights as the international consultants. Agreed standards for co-ordination of social transfer projects between international and national teams can help to share this intellectual capital and build national capacity, supporting the cost-effectiveness and sustainability of the interventions.

SELECTING AN APPROPRIATE INSTRUMENT

Papua New Guinea requires a broad-based set of interventions to tackle poverty, HIV and AIDS, gender discrimination, child protection and human development challenges. The review of the country’s poverty situation as well as the social, political, policy, economic and institutional context suggest the applicability of social cash transfers as a key element of a broader system of social protection and women’s empowerment aimed at protecting and supporting vulnerable children, particularly in the context of HIV and AIDS and endemic levels of violence.

Given the multiple objectives identified in the preceding sections and the unique profile of poverty in Papua New Guinea, a tentative consensus emerged from the consultative process that identified cash transfers for women caring for children as the most appropriate intervention. This would not be a stand-alone initiative but rather work as part of a more comprehensive strategy for empowering women. Given the nature of the wantok system and the difficulties in developing heavy targeting mechanisms, this benefit would be provided universally in the targeted geographic areas. In order to assure affordability in its initial implementation, the transfer would be geographically targeted to areas with severe poverty rates, a high prevalence of HIV and AIDS and high levels of violence against women and children. This geographic targeting would improve the impact in terms of supporting children affected by HIV and AIDS and other vulnerable children.

This approach meets Papua New Guinea’s social and policy requirements and is consistent with national resources and capacity along several dimensions, as outlined in Box 1.

**Box 1: Benefits of delivering cash transfers to women caring for children in Papua New Guinea**

- The identified system of cash transfers can provide direct income support to poor families in Papua New Guinea, reducing pressure on the wantok system and directly addressing the poverty objectives that the informal approaches are challenged to meet. In many countries social cash transfers have proven to be one of government’s most effective instruments for tackling poverty.
- Social cash transfers can empower women, strengthening their position within households in order to better protect and care for themselves and children. Cash transfers provide an independent means of financial support, improving the ability of women and children to access formal and informal protection mechanisms. Best practice programmes pay benefits to the children’s mothers or other caregivers – usually women – rather than to household heads.
- Given the patterns of HIV and AIDS vulnerability in Papua New Guinea, income transfers to women with children are likely to assist prevention measures. They can provide one element of a more comprehensive strategy to empower women, with important benefits in terms of reducing vulnerability to HIV and AIDS and better protecting children from violence and abuse.
- Social cash transfers can strengthen access to and promote the effectiveness of social welfare services and other interventions protecting children. Examples include linkages between social transfers and early childhood development programmes in Malawi, home-based care in Malawi and Uganda, psychosocial support in Mozambique, Malawi and Chile, and other complementary interventions.\(^{34}\)
- They can reinforce human capital development and help bring the country on track to improve MDG performance. Impact assessments in Latin American and African countries have consistently demonstrated strong health and education gains for children (particularly girls) participating in cash transfer programmes.
- Cash transfers provide the security that households require to better manage social risk. In many countries this has been shown to encourage more productive investment in livelihoods and job search, multiplying the impact of the programme.\(^{35}\)
- They can be initially calibrated at an affordable level given Papua New Guinea’s fiscal and development partner resources and then scaled up depending on the government’s fiscal resources and capacity.
- While cash transfers require significant administrative and bureaucratic resources, they can be designed in line with existing and potential capacity and expanded progressively as government capabilities develop.

Cash transfers, however, are only one element of the required social protection system. In particular, other elements must address the problems of gender discrimination and violence, and ensure appropriate mechanisms to protect children from violence and abuse. Ongoing initiatives to empower women and protect children are critical elements of a broad-based social protection programme.

In addition, commitments to cash transfers must be balanced with an appropriate mix of broader social service investments, particularly health, education and protection. For instance, in every country for which impact analysis is available, cash transfers have important direct impacts in terms of promoting nutrition, especially for children. Better nutrition, particularly in early childhood, generates significant lifetime improvements in education, health and labour productivity.

One of the main advantages of social cash transfers in Papua New Guinea’s context is their appropriateness for addressing some of the key challenges facing children vulnerable to HIV and AIDS. Cash transfers provide flexibility, which is particularly important for AIDS-affected households, enabling families to allocate resources to specific nutritional requirements, treatment, transportation and other priorities. In addition, cash transfers support a broader strategy of empowerment, reinforcing the broader social policy framework required to protect children effectively.

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\(^{34}\) See Adato (2007) for further detail on these and other examples, including social cash transfer programmes that raise developmental awareness among beneficiaries in Kenya, Malawi and Chile, assist with access to identify documents in El Salvador and Pakistan and provide referrals to alternative programmes in Jamaica.

\(^{35}\) See Adato (2007), Samson (2007)
CAVEATS

Cash transfers work primarily by linking poor households to well-functioning markets. However, if markets cannot supply the goods and services that poor households require, cash transfers can fail, often resulting instead in high inflation or windfall profits for the retail sector. Cash transfers are not a perfect solution in themselves. Alone, their impacts are limited to what markets can deliver, and the multiple deprivations of child poverty encompass more than just income poverty. In particular, social cash transfers alone will not protect children from abuse nor prevent intra-household discrimination. Practically, reaching the poorest and most vulnerable children is challenging, particularly when children live outside of family settings or without adult caregivers.

Transformative social protection requires much more, including government provision of health, education, protection and other vital services as well as the legal institutions that protect children from neglect, violence and abuse. The implementation of cash transfer programmes are most effective as part of a broader strategy for child-centred social protection. For example, the provision of appropriate and safe child care services not only better protects and provides for children but also increases the likelihood that caregivers and other adult household members are able to take advantage of empowerment and income generation opportunities. A balance between social cash transfers and welfare services is necessary to ensure an appropriate emphasis on community-based responses to vulnerable children and strengthened state welfare services and systems.36

36 UNICEF (2008)
A CONCEPTUAL FRAMEWORK FOR PROGRAMME DESIGN

The design of an appropriate cash transfer programme for Papua New Guinea must address several key design questions:

- What institution in the government will manage the programme?
- How will the programme target the most vulnerable children?
- What benefit structures appropriately balance adequacy, acceptability and affordability?
- How will the programme promote human capital development?
- How will the programme address operational issues and features in order to ensure that evidence from the pilot effectively informs successful scaling up to the national level?

PROGRAMME MANAGEMENT

Often the first step in the design process is the identification of which institution will lead and manage the design, implementation and ongoing operation of the programme. Internationally, countries have adopted a diverse range of approaches, with responsible institutions including the relevant social development ministry (Brazil), health and education ministries (Namibia), or planning commissions and finance ministries (Lesotho). Other countries have instituted a separate agency (South Africa), which sometimes reports to a committee of related ministries. In some cases, the leadership is provided by the Office of the President (Mexico) or Vice-President (Kenya). Each approach has advantages and disadvantages, and the design of the appropriate management structure involves trading off key components of successful programme management. Usually, the best responsible institution will satisfy the following criteria:

- Sincere and durable political commitment to social protection
- Political influence to secure resources and defend the programme’s priority
- Institutional capacity to deliver an administration-intensive programme

Successful programmes make the first of these criteria a top priority – commitment to social protection is an essential prerequisite. Linkages with appropriate development partners can assist in mobilizing resources, supporting the second criteria. DFID and development banks, for example, have contributed and committed billions of dollars to support these programmes. Likewise, international partners can support government capacity. UNICEF, for example, plays a pivotal role in the management arrangements for cash transfers in Kenya, Lesotho and Malawi (among other countries).

A number of Ministries in Papua New Guinea demonstrate a strong commitment to social protection, including the Department for Community Development and the National Department of Health. Recently, the Department for Community Development established an Office for the Development of Women, which could play an important role in the management of a social cash transfer programme focused on empowering women.

The effectiveness of cash transfer programmes – particularly in the context of complex social arrangements, as found in Papua New Guinea – requires coordination across government agencies and non-state actors. For example, the identification of implementation institutions at the local level may require the cooperation of schools, local authorities and/or village courts. Effective integration with complementary programmes may
require integration with other development programmes. Sustainability requires political ownership across the government, particularly with respect to the Department of Finance and the Department of National Planning and Monitoring.

One existing institution that can support this harmonization function is the Consultative Implementation and Monitoring Council (CIMC), an independent consultative body that brings together government ministries and non-state actors. The formalization of a cash transfer design and implementation framework will require additional consultation within government and across civil society, and the CIMC was established to support this type of policy process. In addition, the CIMC can provide a coordination role for technical assistance.

The formalization of management arrangements requires the identification of the key political institution responsible for the programme, a vehicle for logistical support and the coordination of technical assistance, and local institutions that will manage delivery and monitoring functions. One possible scenario is illustrated in Figure 3 below.

**Figure 3. Management arrangements (scenario 1)**

**TARGETTING**

Social transfer interventions often use targeting for two different (but often inter-linked) purposes:
1. To reach the population consistent with the programme's objectives
2. To focus limited resources on the poorest.

Achieving the first objective usually involves categorical mechanisms that identify poor and vulnerable groups, while meeting the second generally requires employing one or more of a range of targeting mechanisms aimed at identifying the poorest within these groups.

Increasingly, countries are considering cash transfer programmes as an intervention to mitigate the impact of HIV and AIDS. Experience with attempts to specifically target orphans and/or children affected by HIV and AIDS suggests that this approach may be ineffective and sometimes counterproductive, in particular because of the associated stigmatization. Targeting orphans rather than vulnerable children more broadly
can lead to equity and efficiency problems. Orphans are not necessarily the poorest within the community, and often a much larger group of children critically requires the support of cash transfers. A number of studies have found mixed results regarding the question of whether or not orphan status serves as a useful proxy for poverty and disadvantage.  

Universalism has substantial advantages, in terms of reaching the poorest, reducing economic distortions and perverse incentives, and generating social and political gains. Universalism, however, usually requires a greater initial fiscal commitment in order to provide transfers to all children. Targeting, however, can itself be costly in a number of different dimensions. The most direct costs are administrative, including bureaucratic costs of assessing the means of programme applicants and re-assessing participants on an ongoing basis. Added to this government cost are the private costs applicants incur while applying for benefits – time and transportation costs travelling to the respective government offices, queuing and the fees (and sometimes bribes) required for the necessary documentation.

Other costs are more hidden but can be much greater than the administrative and private costs. Indirect costs arise when applicants change their behaviour in a costly way in order to become eligible for the grant. Assessments which exclude beneficiaries that receive in excess of a specified income can create disincentives to achieve increases in reportable income, particularly if the targeting test is blunt. Targeting transfers to those residing in specific areas may lead to increased in-migration, which can be costly for the beneficiary but nevertheless preferable to destitution. Social costs from targeting include stigma, the possible deterioration of community cohesiveness, and the potential erosion of informal support networks. While the provision of transfers can improve economic independence and reduce the impact of stigma, public communications that reinforce negative stereotypes can exacerbate the psychological costs of the targeting process. “Self-targeting mechanisms that rely on social stigma, thereby reinforcing the social marginalization of transfer recipients, are incompatible with current definitions of development that emphasize social objectives (e.g. empowerment and dignity) as well as economic objectives.”

Targeting the poor also imposes political costs, primarily by eliminating middle class beneficiaries who could lend their support to social transfers. The greater the degree of marginalization of the poor, the more likely that effective poverty targeting will actually reduce the total transfer of resources to the poor. As Sen has pointed out: “The beneficiaries of thoroughly targeted poverty-alleviation programmes are often quite weak politically and may lack the clout to sustain the programmes and maintain the quality of services offered. Benefits meant exclusively for the poor often end up being poor benefits.”

Successful interventions often reach poor and vulnerable children even without targeting them explicitly. Household approaches in Zambia, Malawi and Mozambique almost always include households with children, even without targeting them explicitly. Social pensions usually reach children: 60 per cent of the

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37 For example, see Ainsworth and Filmer (2006), Stewart (2007)
39 Prospective workers in the Maharashtra Employment Guarantee Scheme sometimes need to provide cash payments for obtaining and filling in appropriate forms, submitting them to the correct officials and enlisting the attention of the social services committee (Pellisery 2005).
40 Policymakers in Armenia initiated a cash transfer programme by emphasizing that it was only for the poor – aiming to employ stigma to promote self-targeting (Coady et al. 2004). In Jamaica, on the other hand, officials launched social transfers with television spots picturing the pregnant spouse of a cabinet minister registering for the programme, conveying a positive message about participation. (Grosh 1994; Coady et al. 2004)
41 Devereux (2002)
42 When Sri Lanka began to more effectively target food subsidies using food stamps in the late 1970s, popular support for the social protection scheme deteriorated. In the face of steady inflation, policymakers neglected to adjust the nominal value of transfers for the relatively powerless poor beneficiaries. The resulting halving of the real value of the benefit increased poverty and malnutrition. The old subsidy scheme had allied the middle classes with the poor – and provided more substantial social protection. (Ravallion 1999, page 47, Anand and Kanbur (1987), Walle (1998), page 240, Besley and Kanbur (1990), page 6). Similarly, in Colombia, the shift of food subsidies to a poverty-targeted food stamp programme led to an erosion of political support and was eliminated. (Gelbach and Pritchett (1996), page 32, World Bank (1994).]
43 Sen (1995), page 14
indirect beneficiaries of Namibia’s pension are grandchildren, millions of children benefit from South Africa’s social pension, and Lesotho’s pension scheme was explicitly designed to reinforce an informal grandparent/grandchildren safety net whose sustainability is threatened by the impact of HIV and AIDS.

The main challenge of targeting child-oriented cash transfers is to reach efficiently and effectively all poor households with children, given the resources available. Internationally, these programmes usually employ one or more of three major types: individual (or household) assessments, categorical (including geographical) approaches and community-based targeting. Individual and household assessments can be direct or indirect. Direct assessments require the collection and usually the ongoing verification of information regarding individual or household incomes, assets and livelihoods, which may challenge bureaucratic capacity in Papua New Guinea, particularly in more remote areas. Alternatively, indirect assessments involve the use of proxy indicators, but the diversity of poverty in Papua New Guinea may limit the effectiveness of this approach. Lesotho has adopted more universal categorical approaches because of the costs of targeting in remote areas. Most child-oriented cash transfer programmes have started with geographical targeting initially to allocate scarce resources, scaling up as more funds become available. In addition, some programmes have effectively employed community targeting, although this methodology has the most variable success rate. Universal, categorical (including geographical) and community-based approaches warrant further consideration for targeting cash transfers in Papua New Guinea.

Perhaps the most important targeting consideration in Papua New Guinea is the manner in which it will interact with social institutions, particularly the wantok system. The effectiveness of targeting mechanisms depends on the extent to which they are acceptable to the broader community. Stakeholders consulted through this research have identified targeted interventions that have failed because they were unable to generate community acceptance of the targeting processes.

An emerging consensus among the consulted stakeholders – including both government and non-state actors – has focused on the likelihood of more universal approaches within geographically targeted areas to succeed in reaching the poorest, developing community acceptance and effectively empowering women and protection children. At least at the pilot stage, until a better understanding of the interaction of social transfers and the wantok system emerges, universal benefits provided to women caring for children create a transparent socially acceptable mechanism for delivering benefits in a manner which is unlikely to create economic distortions or perverse incentives. While resource constraints may require some form of targeting, all pilots require a geographical selection process which can be implemented in a manner to maximize the programme’s impact. In particular, given the objectives of mitigating the impact of HIV and AIDS on affected children, and more broadly improving the situation for vulnerable children, a combination of poverty and HIV and AIDS prevalence criteria can provide an effective guide for targeting. The categorical approach involving women and children will focus the resources in terms of empowering women and protecting children.

A key challenge of any targeting process is addressing the resulting incentives that arise from the selection criteria. For example, when programme participation is restricted to individuals below a certain income threshold, current and prospective participants may reduce their labour market participation of livelihoods activities in order to qualify, creating perverse poverty traps. When eligibility is restricted to certain geographical areas, households may choose to relocate in order to have an opportunity to be included in the programme, even though relocation is socially and economically costly. The resulting in-migration to geographically targeted areas can severely strain the capacity of the identified locations to provide social services, infrastructure and livelihoods – potentially severely undermining or reversing the benefits of the programme. In order to minimize these potential costs at the pilot stage, the initial group of participants can be selected and then the registration can be closed with no further retargeting taking place over the course of the pilot. This reduces incentives for inefficient in-migration into the targeted areas. These design features of the pilot, however, must reflect the empowerment objectives of the intervention.

44 Devereux (2002)
45 Samson (2008 UNICEF Health Equity Consultation)
46 See Gibson (1998). For example, a proxy means test approach explained only 20 per cent of the variability in severe poverty. The model correctly predicted 86 per cent of the cases of household low poverty status, compared to a random model’s 80 per cent success rate.
For example, logistical elements that impede women’s mobility may risk locking them into abusive relationships. Appropriate attention at the design stage can ensure a protective and empowering intervention.

**BENEFIT LEVELS**

The determination of appropriate benefit levels for a social transfer programme must balance the often competing objectives of affordability, adequacy and acceptability. At pilot scale, almost any benefit level is affordable. To ensure sustainability, the question of affordability must be assessed in the context of a programme implemented at national scale.

Adequacy refers to how much should be paid for the social transfer to be effective. The transfer amount must be sufficient to meet the programme objectives. Providing a transfer that is too small will compromise the social protection outcome of the programme. For example, Kenya’s OVC programme increased the amount from Ksh500 (US$7.60) to Ksh1500 (US$22.80) per month per household because of concerns about benefit level adequacy. Programme objectives are more likely to be achieved with higher benefit levels.

Social transfer programmes need to be politically, economically and socially acceptable. Transfer amounts that are too small run the risk of being rejected by policy-makers because policy objectives are compromised. Large benefits can lead to social tensions if beneficiaries become better off than the poor excluded from the programmes. Large benefits can create greater incentives for the excluded poor to remain poor in order to qualify eventually for the programme, generating dependency traps.

Consultations with key stakeholders have identified a wide range of possible benefit levels for the social cash transfer, ranging from 25 kina per child per month to 150 kina. Much of the disparity was based on geographic differences in the cost of living, with 50 kina per month identified by one group in Port Moresby, whereas 25 kina per month was considered sufficient to make a meaningful contribution in the Highlands. While geographic variability in the cost of living might argue for varying benefit levels, the resulting differences might create further incentives for migration and increase administrative complexity. Very few programmes in developing countries vary benefit levels in order to take into account differences in the cost of living.

The size of the benefit should be considered in the context of existing price and wage levels within Papua New Guinea. Consulted stakeholders identified a minimum wage in the country of 23 kina per week and indicated that wages for unskilled labour, such as security guards, amounts to approximately 120 kina per month. The price of a twenty-kilogram bag of rice (the most cited product expected to be purchased with a cash transfer) sells for approximately 50 kina in some parts of the Highlands, although prices vary by location and are subject to significant fluctuations when there are supply disruptions.

The recommended universal approach has implications for the identification of the benefit level. Initial benefit levels at early stages of programme roll-out (such as during pilots) should be constrained by what is affordable at national scale. If the fundamental characteristics of the pilot (such as the benefit level) are incompatible with the feasibility of a national scale programme, the evidence generated is of limited value. A universal child benefit will require significant fiscal inputs at national scale – and the initial benefit level should be set to ensure affordability and long-term sustainability.

One might hypothetically weigh the desirability of a 25 kina monthly benefit to all children compared to a 50 kina payment per month to the poorest 50 per cent of children. In both cases, the cost of the transfers themselves would be the same. However, that assumes the cost of actually reaching the poorest through

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67 However, the 23 kina per week minimum wage was established in 1992 and has not been revised since. The Papua New Guinea government recently approved the establishment of a minimum wage board to review the country’s minimum wage policy, and some proposals call for a near tripling to 75 kina per week. www.pacificmagazine.net/news/2008/03/20/png-to-review-minimum-wage-policy
an appropriately targeted mechanism was small relative to the potential savings. In many countries, the administrative, private, social, political and economic costs of targeting are very large. Papua New Guinea’s wantok system might affect the relative costs and benefits. If the benefits paid to better-resourced households are redistributed to poorer households, there is less need to incur the costs of formal targeting.

**HUMAN CAPITAL DEVELOPMENT**

Social cash transfers alone cannot eradicate poverty and achieve the necessary child protection, women’s empowerment and HIV and AIDS mitigation objectives. Increasingly, policy-makers are recognizing that complementary initiatives can reinforce the impact of these interventions. In particular, promoting human capital development helps to break the inter-generational transmission of poverty by increasing the likelihood children can grow into adults more likely to find decent work.

Latin American cash transfer schemes frequently adopt conditionalities that require households to demonstrate their commitment to human capital development in order to continue to qualify for participation in the programme. Conditionalities, however, can compromise the poverty reduction objective – at least in the short run – by penalizing households with reductions in their benefits. Conditionalities can deprive the poor of the freedom to choose appropriate services and to make decisions freely about improving household welfare. In particular, when the government is unable to provide a supply of high quality health and education services, poor households are simply unable to comply with the requirements. Conditionalities can be expensive, inflexible, inefficient and, in the worst of cases, screen out the poorest and most vulnerable.

The risks associated with conditionalities warrant serious consideration. In particular, if the bottlenecks Papua New Guinea faces with human capital development stem from the government’s difficulty in supplying the services, conditionalities – which simply increase the population’s demand for these services – may backfire. If, however, household behaviour, such as discriminating against girls, is the primary problem, then appropriately managed conditionalities may help to address the problem.

An emerging body of evidence documents that cash transfers promote human capital development even in the absence of conditionalities. South Africa’s social grants are perhaps the best documented with social pensions and child grants improving education and health outcomes, particularly for girls. They evidence is found in Brazil, Kenya, Lesotho, Malawi, Namibia and Zambia. A recent World Bank report found that cash transfers without conditionalities promoted human capital outcomes in Ecuador, particularly for girls.

While unconditional transfers (which impose no requirements on beneficiaries) can naturally promote human capital development, programme implementers can reinforce the impact through appropriate programme design. In Kenya’s Kitui district, Catholic Relief Services delivered unconditional cash transfers using clinics as pay points, offering free health services in the morning and making payments in the afternoon. The take-up rate for the health services was close to 100 per cent. Cash gets people’s attention. Linking cash transfers to developmental awareness can promote human capital outcomes.

Conditionalities may unnecessarily complicate a system of cash transfers in Papua New Guinea. The required administrative systems will strain government’s limited administrative capacity, particularly in remote rural areas. Problems with attendance are more closely linked to school fees than lack of demand by parents for their children’s human capital development. However, an effective monitoring and evaluation system will enable policy-makers to verify the developmental impact of the cash transfers.

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50 Paxson and Schady (2007)
Consulted stakeholders in Papua New Guinea identified school fees as significant barriers to education, particularly for girls. While primary school fees are relatively low (starting around 60–80 kina per year), they rise steeply, particularly for secondary school. Even the lowest fees would potentially absorb up to a quarter of the value of annual cash transfers, so they might represent a significant obstacle to children’s access to education. International experience demonstrates that even small fees can create real barriers in preventing the poorest children from attending school.

Providing cash transfers to enable poor children to pay school fees is an inefficient way to finance public education. The cost of the administrative processes required to deliver the cash to poor households is compounded by further bureaucratic processes required to collect school fees, and exclusion errors inevitably undermine the intended equity impact. Eliminating school fees represents a considerably more efficient and equitable solution. Particularly given the importance of education in terms of empowering girls and reducing the risk of HIV transmission, removing barriers to education must be seen as a high priority. Social cash transfers can complement free primary education in order to improve access to schooling, but cash transfers should not be seen as an instrument that makes primary school fees more acceptable.

**SCALING UP AND IMPLEMENTATION SYSTEMS**

The purpose of a pilot is to build the evidence base and capacity for effective implementation at national scale. Pilot programmes may not be necessary to demonstrate that social transfers effectively reduce poverty, since there is already substantial global evidence of these impacts. Pilots serve more effectively to generate concrete evidence on how to implement social transfer programmes within a specific country context. Pilots must be established with appropriate monitoring and evaluation systems in order to marshal the necessary evidence. Pilots should test sufficiently diverse approaches in order to provide the relevant evidence required for scaling up successfully.

For example, Lesotho’s OVC cash transfer programme recognizes the importance of monitoring and evaluation in order to maximize learning-by-doing, to manage programme risk and to attribute programme impact. Rigorous and convincing impact assessments are necessary to mobilize this political will and to bring other development partners on board. Given the need to expand programme resources to reach all orphans and vulnerable children at national scale, an appropriate and convincing impact assessment process can help to attract further development partner support.

The initial pilot programmes will require implementation systems for delivery. If these are developed in light of the requirements for national implementation, the evidence generated will be more relevant, and this will facilitate the process of scaling up. The implementation process usually requires five distinct sets of core systems:

1. Administration
2. Management information systems, usually adopting the “single registry” model
3. Payments
4. Monitoring and evaluation
5. Social protection rights

While these systems all work together to constitute the cash transfer programme, they are “distinct” in the sense that they require very different skill sets in order to be most effectively implemented. In addition, by establishing each of these functions as independent components of the programme, they create a system of checks and balances that reduce programme risk, particularly in terms of fraud, corruption and mismanagement. This section outlines a conceptual framework for implementation that countries increasingly are adopting, sometimes termed the “independent components implementation model.” The model is illustrated in Figure 4.
The purpose of the “Administration” component is to identify, design and implement appropriate administrative processes for the effective delivery of the programme. The tasks include concretely specifying the administrative features of targeting approaches and designing and implementing appropriate and cost-effective systems for registration, targeting, enrolment and case management.

The purpose of the “Single Registry” is to manage the information systems required to coordinate and deliver the programme. A single unified database of all programme applicants and participants provides a valuable management tool for integrating the other components and assists in the management of programme risk. The single registry also assists in poverty analysis and the identification of appropriate complementary programmes.

The purpose of the “Payments” component is to provide regular cash or electronic payments to programme participants. Regular and reliable payments provide recipients with security and choices that allow the greatest flexibility and developmental impact, maximizing benefits and value to participants. The service provider delivers periodic payments (monthly, quarterly or other) to the designated recipients in each household, satisfying specified service requirements defined by the programme.

The purpose of the “Monitoring and Evaluation” (M&E) component is to assess the impact and efficiency of the programme and to provide feedback to the project team. The tasks include the development of a comprehensive evaluation design, baseline and follow-up surveys for control and treatment locations (including census surveys of identified locations), small-sample longitudinal surveys, impact analyses and periodic reports.

The purpose of the “Rights” component is to inform potential participants of their rights to participate in the programme and to provide a vehicle for addressing complaints and grievances. The tasks include defining a programme bill of rights, designing a grievance procedure system, implementing an outreach programme and serving as a rights ombudsperson for the participants and potential applicants.
ADMINISTRATION

The administrative component is responsible for key delivery systems, including registration, targeting enrolment and case management. The registration process is the first point of official contact between the programme and the potential participant. In most cases, this process takes the form of either a social worker visit to the home of a potential beneficiary as part of an expansive survey (survey approach) or else a visit by a household member to a designated enrolment site or government office (on-demand approach). The survey approach provides more immediate results and is well-suited for areas with high poverty rates, while the on-demand approach is less expensive and better institutionalizes a registration process. Both approaches can be used simultaneously, with the survey approach geographically targeted to areas where it is most appropriate.

The success of the registration process depends critically on the poor having information and access to the registration process. The survey approach can reduce the cost to the poor, since the on-demand model can involve transportation costs that prove prohibitive, particularly when the poor expect a high risk of not qualifying for the grant. Any registration or eligibility process will require processes for documenting a potential beneficiary’s identity. This poses an initial stumbling block, as the poorest often have the least access to the necessary documentation. At the same time, lack of documentation often blocks the poor from accessing other government benefits. The success of the social transfer programme is likely to hinge critically on the processes that provide identification documents to the target population.

Geographical targeting will determine districts for inclusion based on indicators reflecting the programme objectives. For example, a focus on market-based deprivation might involve targeting based on chronic hunger and malnutrition and the highest concentrations of extreme poverty. Alternatively, a focus on empowerment might require more complex indicators or more subjective determinations. Once geographic areas are identified, targeting mechanisms aim to reach the poorest and most vulnerable people.

The enrolment process formalizes the selection of the eligible beneficiaries, and the degree of formality this requires may vary with the targeting method. The enrolment process must be coordinated with the Payments and Single Registry components in order to ensure their required information needs are coordinated.

Routine updates to the single registry reflecting household changes (births, deaths, livelihood changes) will take place through the case management function. For example, the death of a participant identified through categorical targeting may require the termination of a cash payment to a qualifying household. The permanent migration of a household out of a participating region would likewise lead to the termination of the programme’s benefits. The required case management responsibilities will depend on the nature of the targeting process and the geographical scope of the programme.

SINGLE REGISTRY

The “Single Registry” is the computerized database management system (“management information system”) for the social cash transfers programme. Its main purpose is to store and manage information on the prospective and actual households and individuals participating in the programme. One of the main objectives of the single registry is to contribute to the formation of integrated social development structures in Papua New Guinea by harmonizing information on complementary services in the social sector. As the system develops, it will facilitate the process of cross-referrals to enable beneficiaries from different programmes to access services in other areas.

There are several advantages to having a single national database for determining and monitoring eligibility for social transfer programmes, including:
(a) preventing or reducing duplication of benefits;
(b) reducing duplication of administrative costs across programmes; and
(c) monitoring eligibility criteria.51

Some of the key issues involved in effectively implementing a single registry include:

- The functions and objectives of the system should be clarified at the initial stages of system design.
- The system should be dynamic, allowing information to be continuously updated with appropriate security controls.
- Appropriate checks should be established to assure the quality of the data, including verification systems as necessary.
- A common questionnaire should be used to register all applicants or other prospective beneficiaries, in order to avoid complications in identification procedures or inconsistencies in the availability of individual or household data.
- The single registry should manage the ordering of payments to programme participants, in order to maintain a check on the payments process. Actual payments completed should be recorded on the single registry in order to facilitate audit functions.
- The single registry should provide the sample frame for the M&E system, including the regular monitoring of programme delivery, the evaluation of impacts and the assessment of complementary services and other interventions.
- The single registry should include sufficient internal security to prevent fraud, violations of information confidentiality and other misuse. The employment of a transactions-based database system can track the identity of each change to the data and allow for rapid corrections of any data corruption.

**PAYMENTS SYSTEMS**

The development of a complete mechanism for delivering cash transfers requires two parts: a macro flow-of-funds process that transfers the cash from the source to the participating communities and a micro distribution system that dispenses the payments to the individual beneficiaries at the community level. A guiding criterion in evaluating alternative mechanisms is the assurance of payment regularity and quality of service, which is balanced against the need to ensure cost-effectiveness and value for money. The payments systems interact with the administration and single registry systems in important ways. One example of potential interactions is illustrated in Figure 5.

Technology is rapidly advancing in this service field. Still, most social cash transfer programmes around the world use an old-fashioned “pull” approach, which “pulls” programme participants to a pay point at a fixed time to receive their benefits. Nevertheless, an increasing number of programmes are experimenting and actually implementing more advanced “push” systems, which “push” the money resources into a medium that the beneficiaries can access at any time and in many different places in a flexible manner.

The payments mechanism offers not only a secure and dependable vehicle for transferring cash to participating households but it also creates an opportunity to provide poor households with access to additional financial services which may reduce vulnerability to shocks and give poor households opportunities for income generation and asset accumulation. Social transfers may create the critical mass to sustain the development of financial services with wider positive impacts for both programme beneficiaries as well as non-participants.

Given the infrastructure challenges in Papua New Guinea, the development of effective payment mechanisms may prove very challenging. At the pilot stage, manual approaches which involve the physical distribution of cash at designated pay points will likely prove most effective. For payment volumes of up to approximately 25,000 households, given the existing infrastructure and financial services

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51 See Ghana Ministry of Manpower (2007) and de la Brière and Lindert (2005) for more details on the idea of a single registry in Ghana’s and Brazil’s context. These papers inform this section.
in Papua New Guinea, more sophisticated electronic payments are unlikely to be cost-effective. At national scale, however, the programme may be able to utilize the emerging cell-phone technologies used for cash payments. (An example of how a cell-phone system might work is described in Box 2.) Over the longer term, more private-sector options may prove competitive, particularly as other countries develop technologies in the public domain that can be adopted cost-effectively.

Box 2. Cell-phones and cash payments in Kenya

Njuguna works in Nairobi and regularly sends remittances to his parents in the rural town of Garissa, hundreds of miles away. He purchases airtime from a vendor on the street and transfers them telephonically to his parents’ cell-phone. Kiama receives the transfer and pays a small commission to another self-employed entrepreneur in order to convert it into cash. Cell-phones facilitate a secure and economical remittance vehicle for migrants and the rural poor.

DFID helped establish this mobile banking service (called M-PESA, which means “mobile money” in Swahili) by matching a £1 million investment by Vodafone. The service now has more than 1.6 million customers in a country with a 46 per cent poverty rate and millions historically excluded from formal bank networks. Nick Hughes, Global Head of International Mobile Payment Solutions at Vodafone, reports that DFID’s support through a challenge fund was critical for convincing Vodafone to approve the necessary investments. “With no joining fee, monthly charge or minimum balance required, the ‘pay as you go’ M-PESA service has facilitated $38 million of mobile phone banking transactions and has now become so popular that 2,500 people are signing up every day to be able to send and receive money.”

M-PESA’s target market includes poor rural customers who usually have no access to bank accounts. The technology promises substantial developmental benefits by extending the scope of financial services. Vodafone has now launched a trial with Citigroup to use the same technology to facilitate international remittances and is working with the Social Protection Payment Challenge Fund to investigate whether M-PESA could distribute social cash transfers to poor households in remote areas.

MONITORING AND EVALUATION

The cash transfer programme’s M&E plan should be aligned appropriately with existing national M&E strategies, providing more concrete details where required. A guiding principle for developing a project M&E plan is that the planning of a cash transfer programme and the development of an M&E plan should be inseparable activities.

Monitoring and evaluation are two inter-related activities with a number of intermediate options that complete a comprehensive approach. Monitoring is a process that determines whether or not the cash transfer programme is being implemented as planned. Process evaluation is a more formal mechanism to evaluate how the programme works, focusing on the activities that constitute the programme’s delivery. Cost-benefit and cost-effectiveness analyses assess alternative uses of the same resources. Impact evaluation is a rigorous and usually quantitative tool that assesses anticipated and unanticipated effects of the programme, particularly establishing causal relationships.

One of the main purposes of monitoring and evaluation is to build the evidence base for effective implementation, in order to maximize learning-by-doing, to manage programme risk, and to attribute programme impact. Rigorous and convincing impact assessments are necessary to mobilize this political will and to bring other development partners on board. Given the need to expand programme resources to reach national scale, an appropriate and convincing impact assessment process can help to attract further government and development partner support.

There are a number of reasons to invest in a rigorous impact assessment. First, policy-makers and development partners (and sometimes the general public) need evidence that the programme works. Resources are limited, and political sustainability requires proof that the programme warrants the ongoing and even expanding support of tax revenues and development assistance. Second, impact assessments provide lessons for improving the performance of the programme. Specific design and operational features can be rigorously tested, particularly in the early stages of programme expansion, enabling lessons to inform improved delivery.

A number of options exist for marshalling implementation lessons to improve programme delivery. An emerging consensus, however, identifies an overarching framework for rigorous impact assessments. This general approach – termed the “differences in differences method” – requires periodic surveys on a group of participants and credibly comparable non-participants over a period of time, beginning prior to the implementation of the programme. The initial survey, before the programme starts, is called the “baseline” and collects information on key outcome indicators, as well as other descriptive characteristics of the household and programme participants. The subsequent surveys – called “follow-up” surveys – capture the same indicators but after the programme has had an opportunity to generate impacts for the households. The changes in the indicators between the baseline and the follow-up (the first differences) measure the improvements (or not) separately for the two groups, participants and non-participants. The differences in these changes between the participants and non-participants measure the attributable impact of the programme. For example, if the participating households show an improvement and the non-participating households do not, assuming the study has been carefully implemented, then the improvement can be attributed to the programme.

SOCIAL PROTECTION RIGHTS

Programme participants must understand the benefits to which they are entitled and appreciate their options for redress when benefits are reduced or denied. Beneficiaries of social transfers often lack the resources to protect their rights and to provide the necessary feedback to programme officials and policy-makers. The institutionalization of grievance procedures – potentially including the establishment of a system of beneficiary advocacy – can address this power imbalance and promote the effectiveness of the programme. A number of models exist for providing advocates for beneficiaries with most choices following either a
centralized ombudsperson model or a decentralized beneficiary representative model. Establishing a grievance procedure within the mainline administrative processes provides another type of channel, but because this does not provide an independent check on the administration, it is not sufficient to ensure the protection of the rights of beneficiaries.

A programme ombudsperson, acting independently of the organization or consortium implementing the social transfer programme, can serve as a useful mechanism for protecting the entitlements of participants. The ombudsperson exercises considerable political and administrative autonomy in order to serve as a beneficiary advocate without fear of political or bureaucratic pressure. The ombudsperson’s office must be well-resourced, with adequate staff to address complaints by claimants and participants. The office requires an adequate budget to inform the public of their rights and mechanisms for redress. One level of the appeals process can operate through the ombudsperson’s office. The effectiveness of the advocate is reinforced by transparency so that advocates can enforce clear rules for ensuring equity.

Alternative models for grievance procedures often involve elected representatives from among local groups of beneficiaries. For example, participants in Mexico’s Progresa programme elected a representative from among themselves (the local promotora) to serve as a liaison between themselves and the staff of the programme. These promotoras were responsible for communicating on operational issues and problems. Evaluations have suggested, however, that some promotoras abused their power, leading programme officials to recommend the creation of community committees to replace them, with one representative focusing on education, another on health, etc. Both Mexico and Colombia have relied on beneficiary mothers to provide training and operational support but without providing additional compensation for the increased workload. Effective use of community representatives can harness social capital – people are less likely to cheat the programme if they understand its role at a local level and perceive the risk of social sanctions for corruption.

The grievance procedure system must enable registrants to file an appeal if they are denied admission to the programme. This process should ensure an independent and impartial review of their case circumstances and provide either admission into the programme or an explanation of why they are not eligible. Any participant removed from the programme or facing a reduction in benefits would have a similar right to file a grievance. The grievance procedures should also include opportunities to file complaints for corruption, abuse, harassment or other violations of the rights of beneficiaries by programme officials.
CONCLUSIONS

The patterns of poverty, HIV and AIDS, and child abuse in Papua New Guinea's social and policy context indicate the potential for social cash transfers to help address these problems and promote social development. International experience documents successes in many countries with similar challenges. Cash transfers can help families with children cope with the increasing stress on traditional and informal safety nets as well as the vulnerability shocks posed by HIV and AIDS. Social cash transfers also provide an opportunity to promote the empowerment of women and support positive child-protection outcomes. Papua New Guinea’s recent economic progress creates new opportunities to tackle social challenges, and the developmental impact of more effective social protection may help to reinforce the foundations for continued economic growth.

Consultations with senior government officials, representatives from civil society and international organizations, development partners and local authorities have begun to build a consensus towards providing social cash transfers for women caring for children in Papua New Guinea. Initially, the pilot would be geographically targeted to areas of high vulnerability for women and children, particularly in the context of HIV and AIDS, such as settlement areas for internal migrants, mining areas in the Western Province and rural villages. Geographic targeting criteria would include both HIV and AIDS prevalence and the severity of poverty in the community, increasing the likelihood that social cash transfers would achieve multiple outcomes, including poverty reduction, mitigating the impact of HIV and AIDS on affected children, empowering women and strengthening child protection. The social cash transfers would be universally provided to women caring for children in these targeted areas. At the pilot stage, registration would be closed after identifying the initial group of participants in order to reduce incentives for inefficient migration. The programme design would take careful consideration of the wantok system.

The pilot phase would aim to build an evidence base to inform the potential process of scaling up to national level. In particular, the M&E process would assess the extent to which social cash transfers empowered women and promoted child protection outcomes, with a focus on the role of the independent source of income and impacts that promote education. In addition, M&E would focus on how the social transfers reduce vulnerability to HIV and AIDS and, in the case of affected households, help to mitigate the consequences. The M&E process would also measure the broader developmental impacts.

The next steps in this process involve the design of an appropriate evidence-based social cash transfer model reflecting international lessons of experience and rooted in Papua New Guinea’s social and policy context. This model development will require national capacity in order to appropriately balance local knowledge and an understanding of relevant cultural influences. The resulting model will refine the conceptual framework drafted through the preceding consultative process, formulate specific programme guidelines and develop the M&E framework. This design phase will provide a foundation for capacity building and implementation, potentially generating the necessary government and development partner commitment required to sustain a national programme.
REFERENCES


Cash Transfers to Improve the Protection and Care of Vulnerable Children and to Empower Families in the Context of the HIV Epidemic in Papua New Guinea
Conceptual Framework


