



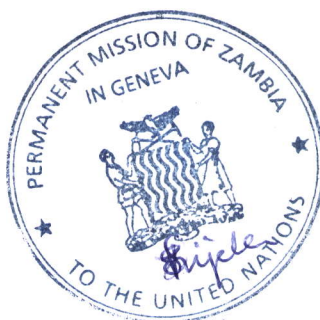
PERMANENT MISSION OF THE REPUBLIC OF ZAMBIA
GENEVA

NOTE NO: 16/09

The Permanent Mission of the Republic of Zambia to the United Nations and other International Organizations in Geneva presents its compliments to the Office of the High Commissioner for Human Rights and has the honour to transmit from the Government of the Republic of Zambia, responses to the questionnaire on cash transfers addressed to the government by the Independent Expert on the question of human rights and extreme poverty.

The Permanent Mission of the Republic of Zambia to the United Nations and other International Organizations in Geneva avails itself of this opportunity to renew to the Office of the High Commissioner for Human Rights the assurances of its highest consideration.

Geneva, 27th January 2009



The Office of the High Commissioner for Human Rights
GENEVA

OHCHR REGISTRY

30 JAN. 2009

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RESPONSE TO THE QUESTIONNAIRE ON CASH TRANSFERS
ADDRESSED TO GOVERNMENTS BY THE INDEPENDENT
EXPERT ON THE QUESTION OF HUMAN RIGHTS AND EXTREME
POVERTY

Question 1: Please list and describe any Cash Transfer programmes, initiatives implemented by government between 2003 and 2008?

The Social Cash Transfer Scheme in Zambia started in 2003 as a pilot in Kalomo district with support from the MCDSS/GTZ Social Safety Net Project. The scheme has since been extended to four more districts and is currently operational in five districts and these are Kazungula, Monze and Kalomo in the Southern province of Zambia and Chipata and Katete districts in the Eastern province of Zambia. The scheme is administered and implemented by the Ministry of Community Development and Social Services, Department of Social Welfare through the Public Welfare Assistance Scheme (PWAS) structures.

The Cash Transfer Scheme is an alternative to the in-kind assistance offered through Public Welfare Assistance Scheme (PWAS) and tries to respond to the growing number of households who have no or limited self-help potential due to the HIV/AIDS pandemic or other difficulties. These extremely poor and incapacitated HH cannot be reached by labour based or micro credit programmes and therefore need regular & continuous social assistance to survive and invest in the education of their children.

The two main objectives of the scheme are to:

- assist the most destitute and incapacitated households meet their basic needs, particularly health, education, food and shelter

- Generate information on the feasibility, costs and benefits; and impacts of a SCTS as a component of a Social Protection Strategy for Zambia.

As such each of the five pilots districts tests different design questions and options, the Kalomo cash transfer pilot which is the oldest, is meant to generate information on the feasibility and capacity requirements of operating a Cash Transfer Scheme on a district scale. The Kazungula pilot seeks to test the feasibility of unconditional cash transfers in a remote, sparsely populated, and agriculturally marginal rural area. The Chipata pilot is designed to examine the modalities of delivering cash transfers to destitute households in urban areas. The Monze pilot tests soft conditionality on education and health for under five children and the Katete scheme probes a universal targeting design through an old age pension.

In addition to the lessons learnt from the implementation of the pilots, lessons are also generated through a number of studies on targeting, delivery mechanisms, fiduciary risks, capacity assessments and several impact evaluations that have been carried.

1) THE LEGAL AND INSTITUTIONAL FRAMEWORK

Question 2: Provide details of the legal framework by which the program is established and implemented

The Social Cash Transfer Scheme in Zambia is based on the Zambia Fifth National Development Plan (FNDP) chapter 22 on Social Protection ,objective 2 which is “to reduce hunger and extreme poverty in incapacitated households through welfare support” and the national Social Protection strategy.

Question 7: What is the annual budget of the programme? Please give details and indicate the sources of funding utilized in design Implementation and monitoring for the programme?

Due to the initial pilot nature of the programme the annual budgets for actual implementation and monitoring of the scheme varied over the years as shown in Annex 1 which also provides details on the sources of funding.

Question 8: what are the main costs involved in the various stages of implementation?

During the actual delivery of the transfers the major cost is monitoring of the scheme.

During the design and roll out stage the major costs are training and targeting.

QUESTION 9: Indicate the number of beneficiaries of the programme (annually)? If possible provide details on their profile (e.g. sex, age, ethnicity, origin)

The total number of beneficiaries on the scheme is 7,337 households and 4,580 individuals. These are spilt up by district as follows

Kalomo-----	3,573 Households
Katete-----	4,580 Individuals
Monze-----	1,900 Households
Chipata-----	1,190 Households
Kazungula-----	674 Households

QUESTION 10: what criteria were utilized in order to determine the eligibility of beneficiaries?

The intended beneficiaries of the Social Cash Transfer scheme are incapacitated and destitute households. All beneficiary households therefore have to meet the following criteria:

1. **Destitute:** the household is extremely needy (hunger, malnourishment, begging) and is not certain to survive without external support, meaning for instance that the household does not have enough food, has inadequate shelter, household

members wear rags and have nothing to protect themselves from the cold, there is no regular source of substantive income (business in town, renting out houses, regular support from relatives) and there are also no valuable assets which can be used to help them cope.

2. **Incapacitated:** the household does not have enough fit household members who can take care of the dependents. This is defined as 3 or more dependants for every fit member. (Dependency ratio of 3). Whether someone is considered fit or unfit will be decided by the Community Welfare Assistance Committee (CWAC) members. A rough guideline is that a person who is a) younger than 19, b) older than 64 or c) aged 19-64 AND chronically sick, disabled or still school going is considered unfit.

The above criteria are necessary but not sufficient for inclusion into the scheme since the scheme has fixed a cap of 10%. In order to differentiate between households, questions on external support, assets, livelihood strategies, state of housing and clothing, possession of agricultural land, number of meals and on the problems the household faces are included on the application form.

These eligibility criteria are used in 4 pilot districts except in Katete where the scheme targets all individuals 60 years and over regardless of their poverty status.

The 10 per cent rule simplifies the problem of identifying cut-off points with respect to absolute numbers of beneficiaries; however, difficult decisions still have to be made about who falls into the 10 per cent, and who is excluded. The Ministry of Community Development and Social Services is considering to be flexible on the 10% cut off point so that it can vary from 5-15% depending on the poverty levels in a district.

QUESTION 11: *Approximately how many potential beneficiaries were not reached by the programme?*

There are no exact figures on the numbers of people excluded from the scheme. However, according to the latest Social Cash Transfer Scheme impact evaluation report “targeting does appear to be quite effective as highly vulnerable groups are disproportionately represented among the programme beneficiaries.”

QUESTION 12: *What is the average amount transferred to each beneficiary? What is the periodicity of the transfers and the calculation used to determine it?*

The transfer levels differ across the pilots with households in Kalomo, Monze and Kazungula receiving an average of 47,500 per month (\$10) per month, in Chipata and average of K75, 000 (\$15) per month and in Katete K60, 000 (\$12) per month. The payment of transfers follows a bi – monthly rhythm and as such payments are made every two months. The transfer level is based on the annual average price of a 50kg bag of maize, which allows a family of 6 at least to have a second meal a day. The value of the transfer is monitored regularly to allow for inflationary increases at least every two years. The transfer does not lift the beneficiary households out of poverty but does attempt to lift them out of critical poverty. It aims at moving them out of poverty in the longer run through the investment in the children of those households.

QUESTION 13: *What is the criteria used to terminate the support under the programme? Is there any exit strategy in place? Are families that exit the programme able to rejoin?*

Transfers may be terminated when there are changes in the household structures and the household no longer meets the eligibility criteria or when a household dissolves or moves away from a catchment area. In addition transfers may be terminated when the situation of a household improves and they no longer need such form of assistance.

“Non-qualifying households are households with many productive members, households with valuable assets that help them to make a

living, households with a running business that is viable to contribute to their living.”

The Social Cash Transfer scheme has an exit strategy. In order not to discourage households from improving their situation eventually. A bonus of ZMK 500,000 is paid out to all households who have graduated and become better off. Since it is assumed that the household has regained some productive capacity, this amount can for instance be used for small investments. The bonus is paid out in two instalments and only in the case that a household has participated in business training. The business training is organized by the Department of Social Welfare and teaches graduated households basic business skills.

If households graduate but eventually fall back into destitution and they meet the eligibility criteria they can be re-admitted into the scheme.

iii) IMPLEMENTATION PROCEDURES

QUESTION 14: What procedures are utilised in order to pay beneficiaries?

The transfers are distributed through pay points, which are usually established at schools or health centres in the different communities. The DSWO establishes a pay point in collaboration with the Department of Education, Department of Health or other relevant Departments. Pay Point Managers (PPM), who are usually either government employed health workers or teachers, as well as their assistants are then trained in a short 1 day PPM training, organized by the DSWO. During this training they are familiarized with the procedures of the scheme as well as their role and they also receive all necessary materials.

1. Every other month PPMs then collect the money from the district and take it back to their respective community. They are supplied by the DSWO with a list of approved beneficiaries. The list specifies the names of beneficiary households and their deputies, the National Registration Card number (NRC) of the individual as well as the total amount to be paid out. This list is also the basis on which the DSWO

raises a voucher and issues a cheque every other month to the PPMs. For the PPMs to cash in the cheque, the DSWO sends a withdrawal authorization to the bank, detailing the name of the pay point, the name & NRC of the PPM as well as the amount to be withdrawn.

2. It is very important for beneficiaries to access the transfers on time and on a regular basis. Therefore PPMs should collect and pay out the money during the 3rd week of the month. CWAC members assist the PPM to inform the beneficiaries on which exact date the payment is carried out. If for some reason, the announced payment is delayed, the PPM also has to inform the beneficiaries in time with the help of CWAC members.
3. On the announced pay day, beneficiaries collect their transfers from the pay point. On the pay day, each beneficiary/deputy has to identify himself (herself) with a National Registration Card (NRC) and has to sign on the receipt that he/she has received the money. The way of signing (either signing or using a thumbprint) should be consistent over time so that the District Social Welfare Office can monitor whether the actual beneficiary households are receiving the money.
4. The PPM will keep all the uncollected transfers up to the time he/she travels again to the district for the collection of the next transfers. After that he/she retires uncollected transfers to the DWAC account. In order to retire the transfers, the PPM indicates the amount received for the respective month and also the amount that was retransferred to the main account at district level. Those households who did not collect their transfers are equally listed and an explanation is given why a particular household failed to collect the transfer.
5. In order to monitor that all beneficiary households get their transfers, a member from the CWAC has to be present on the pay day and confirm with his/her signature on the acquittal that the payment process went smoothly.

QUESTION 15: What should potential beneficiaries do to request the programme's aid?

The Social Cash Transfer system does not allow for potential beneficiaries to request for programme benefits; however beneficiaries are identified using community structures.

QUESTION 16: Were there any conditionalities agreed with the beneficiaries of the programme? If yes, please describe the conditions and the methods used to assess their fulfilment?

The social cash transfer scheme implemented in Monze district has a component of soft conditionalities which requires beneficiaries to send their children to school and take their under five children for regular growth monitoring and immunisations at the clinic. As such, beneficiaries agree to and are informed of their obligations. However since the conditionalities are soft they do not attract any penalties. The education conditionality is monitored through the schools where the beneficiary children are enrolled. A book on attendance is kept and submitted to the district office at the end of each school year.

In terms of health, beneficiary parents and guardians are expected to present their children's under five cards for checking by the pay point manager during each payment.

Question 17: Which public services are offered in connection to the conditionalities agreed? Indicate if special measures were taken in order to absorb the increased demand for services generated by the programme.

No public services are offered so far.

Question 18: If possible, please provide samples of materials developed in order to inform beneficiaries about the programme and other materials used to raise public awareness.

Attached to this questionnaire are;

- 1) Information letters for beneficiaries.
- 2) Social Cash Transfer brochure.
- 3) Social Cash Transfer documentary.

iv) **MONITORING MECHANISMS AND COMPLAINT PROCEDURES**

QUESTION 19: Please describe the monitoring procedures utilized in order to oversee the implementation of the programme and the entities responsible for monitoring.

The scheme's internal monitoring system involves all levels of the Department of Social Welfare, from headquarters down to community level. The CWACs, ACCs, the District Social Welfare Office, Provincial Social Welfare Office & Department of Social Welfare at headquarters are all in charge of ensuring a smooth functioning of the scheme, meaning that the targeting is properly done, CWACs adequately counsel beneficiary households, changes are properly managed, any problems are solved in due course and most importantly, money is paid out timely, in full and regularly by pay point managers. All levels are required to carry out regular monitoring visits and summarize the results in bimonthly monitoring reports.

In addition to the internal monitoring system, there is an external Monitoring and Evaluation (M + E) System, which is funded and coordinated through the Technical Working Group on Social Assistance (TWG – SA). The M + E System is set out to identify if the Pilot Scheme achieves its objectives and which areas need improvement. It observes and assesses:-

- The performance of the scheme and its operational effectiveness such as the effectiveness of the targeting system, the distribution mechanism of payments as well as the management setup.
- The costs of the scheme and whether a national scheme would be affordable given the Zambian budget constraints
- The impact on the beneficiary households with regard to welfare indicators.
- The impact on non-beneficiary households, on the community as a whole and on the local economy.
- Any other positive or negative impacts which may be observed by the beneficiaries or by any other stakeholders.

The M + E results are a tool to assess the feasibility, cost-effectiveness and replicability of the social cash transfer approach.

Question 20: Were any compliant mechanisms or procedures attached to the programme? If yes, please describe them.

Yes, the Social Cash Transfer Scheme includes a complaint component through which the beneficiary households can air their grievances. This helps to improve the management of the scheme and minimizes fiduciary risks.

1. The ACC handles grievances at the community level. The ACC meets on a bimonthly basis to discuss difficult complaints. Once the complaints are resolved, the ACC communicates the resolution directly to the concerned household. If the matter is beyond the capacity of the ACC to address, the complaint is referred to the District Social Welfare Office through the monitoring form.
2. The District Welfare Assistance Committee handles grievances at district level. The District Social Welfare Office has the responsibility to report on grievances through the bimonthly monitoring form and refer any grievances that cannot be handled by the DWAC to the PSWO.

Question 21: Was there any legal action taken against the programme or those responsible for its implementation? If yes, what were the circumstances of the legal action and the basis of the complaint?

No.

V) Existing studies and evaluation of cash transfer programmes

Question 22: Please provide any studies, in particular needs assessments, utilized in order to develop the programme.

Attached to this response are reports on the following studies:

- **Household's vulnerability to shocks in Zambia.**