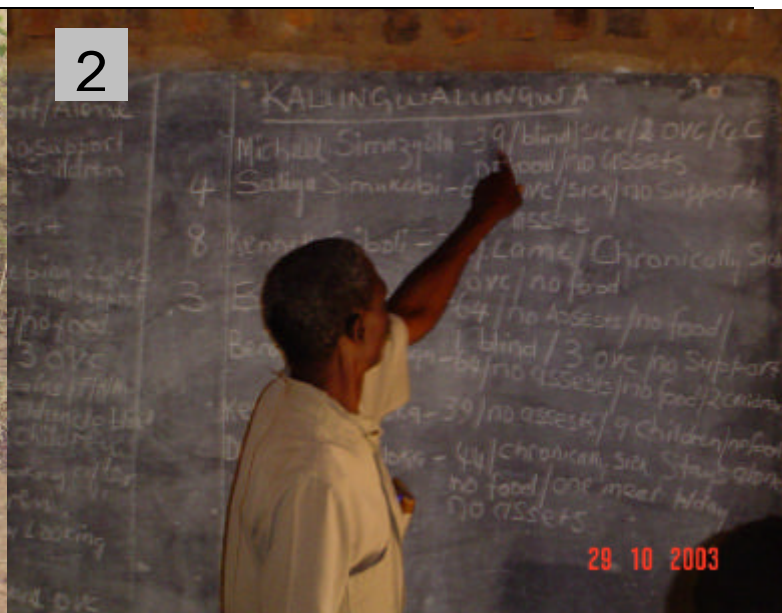


The Pilot Social Cash Transfer Scheme (3rd Report)



**Progress Report on the PWAS Administered Pilot Scheme
for AIDS Affected and other Destitute and Incapacitated
Households, Kalomo District, November 2003**

The photos on the cover page show the Process of Participative Targeting, Approval and Payments during the pre-test of the Manual of Operations:

- 1. Three members of the Community Social Welfare Assistance Committee (CWAC) interview an aged lady (85 years) living alone.*
- 2. A CWAC meeting at the Community School of Matondo ranks the identified households starting with the neediest. The aged woman on photo 1 was given rank 7.*
- 3. Based on applications submitted by the CWAC, the Kalomo District Social Welfare Committee (DWAC) approves the 10% most needy and incapacitated households.*
- 4. Approved beneficiaries open accounts and cash their first transfers at the Kalomo Branch of Finance Bank while DSWOs and DWAC members are assisting them.*

Progress Report on the Pilot Social Cash Transfer Scheme, Kalomo District

3rd Report

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**Kalomo
November, 2003**

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List of Acronyms / Abbreviations

ACC(s)	Area Coordinating Committee (s)
CWAC (s)	Community Welfare Assistance Committee (s)
DSWO	District Social Welfare Officer
DFID	Department for International Development
DWAC	District Welfare Assistance Committee
EU	European Union
GST	Global Social Trust
GTZ	German Technical Cooperation
HIV/AIDS	Human Immune Virus / Acquired Immune Deficiency Syndrome
ILO	International Labour Organisation
M + E	Monitoring and Evaluation
OVC	Orphan and Vulnerable Children
PAM	Programme Against Malnutrition
PMU	Project Management Unit
PUSH	Peri Urban Self Help
PWAS	Public Welfare Assistance Scheme
ZAMSIF	Zambia Social Investment Fund

1 Brief Description of the Pilot Social Cash Transfer Scheme

Background and Objectives

The GTZ financed Social Safety Net Project assists the Ministry of Community Development and Social Welfare (MCDSS) to plan, implement and monitor a Pilot Social Cash Transfer Scheme. The Scheme is administered by the Public Welfare Assistance Scheme (PWAS). Three Agricultural Blocks of Kalomo District (Chinkoyo, Kalomo Central, and Kanchele) have been chosen as the Pilot Region. Based on survey results and consultations on national, provincial and district level, a Manual of Operations has been drafted and is in the process of being tested. After the test phase, the gradual implementation of the Pilot Scheme will start in April 2004. The implementation phase is scheduled for 2 years.

Survey results and a detailed elaboration of the rationale for piloting social cash transfers in Zambia have been documented in two separated reports which can be requested from the Social Safety Net Project¹.

The Pilot Scheme has the following objectives:

- Reduce extreme poverty, hunger and starvation in the 10% most destitute and incapacitated (non-viable) households in the pilot region (approximately 1,000 households)
- Focus mainly on households that are headed by the elderly and are caring for OVCs because the breadwinners are chronically sick or have died due to HIV/AIDS or due to other reasons
- Generate information on the feasibility, costs and benefits and all positive and negative impacts of a Social Cash Transfer Scheme as a component of a Social Protection Strategy for Zambia

Targeting

Targeting will be done by the Community Welfare Assistance Committees (CWACs) which are the grassroots level structure of PWAS. The CWACs will use a multi-stage participatory process to identify the 10% most needy

¹ Bernd Schubert, Social Welfare Interventions for AIDS Affected Households in Zambia, Lusaka, March 2003

Bernd Schubert, Social Cash Transfers for AIDS Affected and other Incapacitated and Destitute Households in Zambia, Lusaka, August 2003

and incapacitated households in their area². Incapacitated means that the household has no household members who are fit and in the working age. This criterion is used in order to exclude viable households that can be reached by labour-based schemes such as Food / Cash for Work or Micro Credit.

In summary, the Scheme targets the “non-viable poor” who are by passed by all major poverty reduction Schemes (e.g. ZAMSIF, PUSH) operating in Zambia.

Amount to be Transferred

Each household approved by the Scheme will receive monthly K30,000 in cash. This is the equivalent of the average price of a 50kg bag of maize. According to FAO³, the poorest 10% of rural households in Southern Province consume on the average one meal a day. If the beneficiary households spend the transfer on buying maize, this will permit them to have a second meal.

The beneficiary households are, however, free to spend the K30,000 in any way they want. Some may use part of the money to buy a blanket, a school uniform or medicine. Some indicated that they would buy seed and pay a neighbour to plough their field (because they themselves have no oxen and no manpower to dig the land). The Scheme will apply no conditions on how to use the monthly transfers.

At the same time, the Scheme assumes that the beneficiary households will spend the money wisely. Poor people are not stupid or irresponsible. They know best how precarious their situation is and what they need most in order to survive. It is also assumed that the heads of the beneficiary households (most of them will be old women) will spend most of the transfer on the orphans and other vulnerable children (OVCs) living in their households. All these assumptions will be closely monitored (see Chapter I, F).

² The 10% limit is based on results of the National Household Survey carried out by PWAS in September/October 2003.

³ FAO, Baseline Report on Inter-linkages between HIV/AIDS, Agricultural Production and Food Security, Southern Province, Zambia, June 2003.

Payment System

Payments will be channelled through two outlets:

- Beneficiaries living within the vicinity of Kalomo Town will open bank accounts at Finance Bank. The K30,000 will be transferred to their accounts on the first week day of each month. Approximately 150 to 200 households will have bank accounts. The bank will not charge the beneficiaries of the Scheme. They will be treated like the approximate 200 pensioners having accounts at the Kalomo Branch of Finance Bank.
- Bank accounts have a number of advantages. In addition to being cost free and easy to monitor by the Scheme, they also give choices to beneficiaries. Beneficiaries can draw money when it is convenient for them. They can even accumulate money in certain months of the year (say after harvest) in order to be able to meet expenses at later times (say the need for seed and ploughing). This kind of saving is difficult without having an account because keeping money in the house is risky.
- For beneficiaries living more distant than 15 kilometres from Kalomo Town, Pay Points will be organised in cooperation with schools and rural health centres. Beneficiaries living in the vicinity of these Pay Points will have to collect transfers from there. However, the Pay Points will not be able to provide accounts for each beneficiary on which they can accumulate savings.

Management and Control

The pilot area includes 3 Agricultural Blocks, 12 Area Coordinating Committees (ACCs), 47 Community Welfare Assistance Committees (CWACs) and approximately 10,000 households living in 200 villages. Some of these villages are more than 100 km distant from Kalomo Town and are difficult to access in the rainy season.

To target the 10% most needy and incapacitated households in this vast area and to ensure that the approved beneficiary households have reliable and timely access to their monthly cash transfers, requires systematic and transparent management and control. Under the guidance of the District Social Welfare Committee (DWAC), the responsibility for the performance of the Scheme lies with the District Social Welfare Officer and his Deputy.

The Manual of Operations is a tool which will hopefully help to manage the Scheme effectively. It describes in detail the tasks to be performed by the different PWAS levels, by the Finance Bank and by the Pay Point

Organisations (Part II). It explains how the training of ACC and CWAC members should be done (Part III). It gives detailed instructions for budgeting and accounting (Part IV). It provides all forms to be used (Part V) and indicates which records have to be kept on different levels (Part VI).

These records, if properly kept, will facilitate cross-checking and control. Monthly performance reports of the DSWO (Form 15) will summarise the results of his control visits to beneficiary households, CWACs, ACCs and Pay Point Organisations.

Based on experience gained in the test phase, the Manual of Operations will further be improved before the Pilot Scheme will gradually be implemented for 2 years starting from April, 2004.

Monitoring and Evaluation

In addition to the control function which has to be performed by the DSWO as part of the management of the Scheme, there will be a Monitoring and Evaluation (M + E) System. The M + E System will have the task to identify if and how the Pilot Scheme achieves its objectives. It will observe and assess:

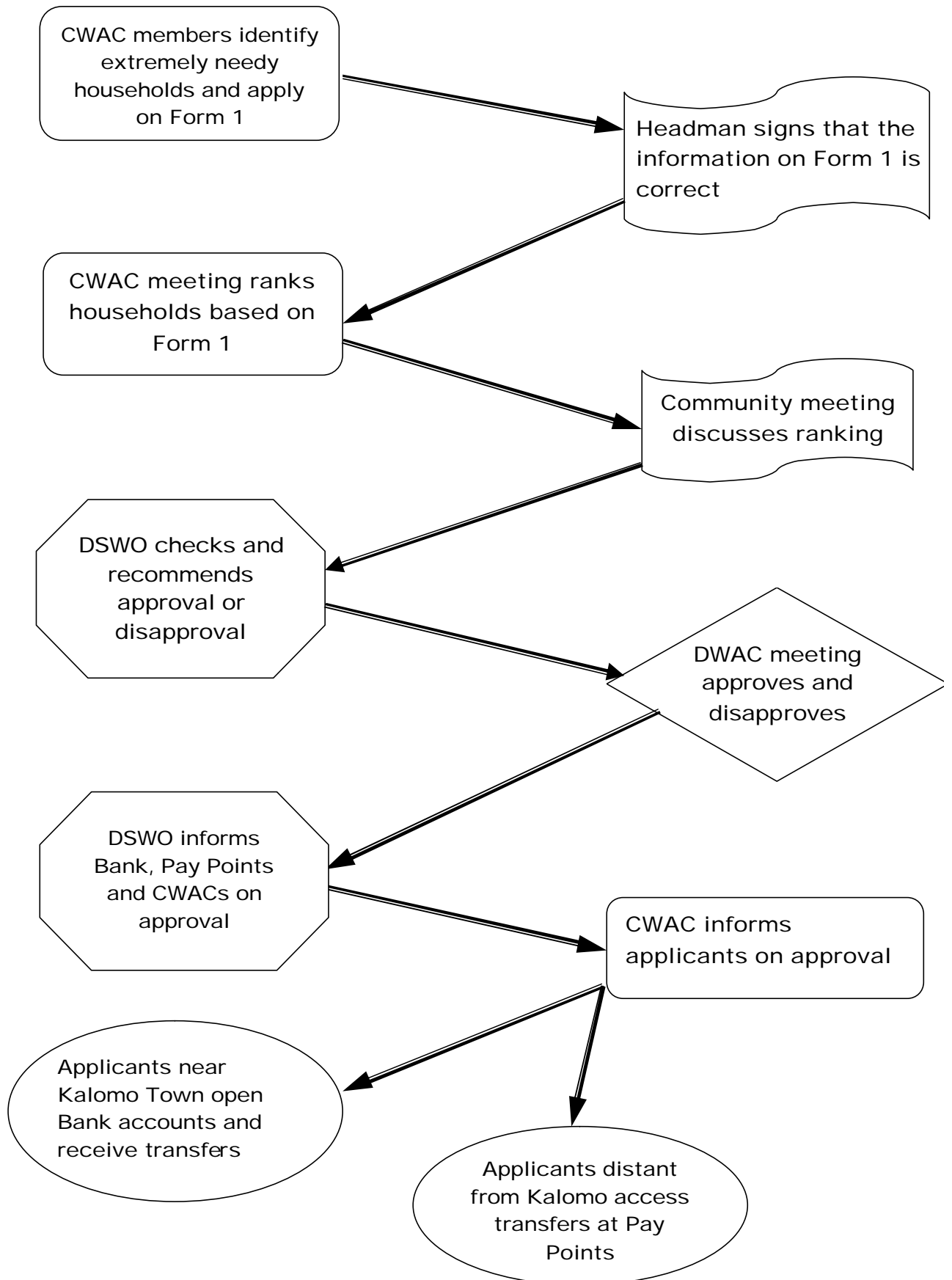
- The performance of the Scheme:
 - Is the DSWO and his Deputy with their limited resources in terms of manpower and transport able to manage the Scheme in addition to their other duties?
 - Does the DSWO and his Deputy effectively perform their control function on all levels?
 - Are the CWACs able to target the neediest and incapacitated households?
 - Do all actors involved in the Scheme treat clients, who represent the most vulnerable sector of the population, with patience and respect?
 - How reliable are the Finance Bank and the Pay Point Organisations in channelling the transfers to the beneficiary households?
 - Is the financial management of the Scheme transparent and free from corruption?
 - Can the administrative costs of the Scheme be limited to 10% of the overall costs?
- The way beneficiary households use the transfers:
 - Who in the beneficiary household controls the money received?
 - On which goods and services is the money spent?
 - Who in the household benefits to what extent from the transfers?

- Do the weakest household members (the aged, the sick and orphans) receive a fair share of the benefits?
 - Is part of the transfers stolen or in any other way taken away from the households?
 - Are there incidents where the households are not able to make rational use of the money for whatever reasons or have transfers been misused?
- The impact on the beneficiary households with regard to welfare indicators. To observe this, a baseline survey will be done followed by a sequence of quarterly surveys to observe any changes in:
 - Energy intake in terms of kcal/person/day
 - The nutritional status of children
 - Child mortality
 - School attendance
 - The impact on non-beneficiary households, on the community as a whole and on the local economy:
 - Has the Scheme created any bad feelings, envy or conflicts?
 - Does the community appreciate the Scheme?
 - How do the traditional leaders assess the Scheme? What benefits have they observed? Does the Scheme in any way conflict with the traditional social safety nets?
 - Has the local economy benefited in a significant way from the additional purchasing power injected by the Scheme?
 - Does the Scheme have any impact on community support to destitute households (traditional social safety nets)?
 - Any other positive or negative impacts which may be observed by the beneficiaries or by any other stakeholders.

The quarterly M + E reports will be used to improve the Scheme. The more substantial annual reports will be widely publicised and will serve as an input for developing the Zambian Social Protection Strategy.

A detailed concept for the M + E System will be elaborated in March, 2004.

Simplified Flow Chart of the Participative Targeting, Approval and Payment Process



2 Progress Achieved until November, 2003

Analysis of the Needs of AIDS Affected households in Southern Province (March 2003)

A household survey of 6 villages in the Pemba area of Choma District came to the following conclusions:

- Female headed and elderly headed households together care for 74% of all the orphans living in the 6 villages.
- About 10% of all households are extremely needy and are at the same time incapacitated. Incapacitated means that they are work-constrained. Their average dependency ratio is 621. Many of these households do not have a single household member between 16 and 60 years and fit for work.
- More than half of the persons living in the 10% worst off households are orphans and vulnerable children. They are living in extremely critical circumstances with regard to nutritional status, health and education.
- Apart from relief food (because there was an emergency situation) most needy households received no assistance from anybody. The minority who received assistance got it from family members living in other households, from neighbours and from churches. None of them had received any assistance from the big poverty alleviation programmes like ZAMSIF, PAM, PUSH or PWAS.
- Government and Non-Government Organisations are preoccupied with AIDS prevention, health care, education and development activities targeting the “viable poor” (capacitated households). Households urgently requiring social welfare interventions because they have lost their breadwinner due to AIDS or due to other reasons are by-passed. There are no programmes targeting significant numbers of the “non-viable poor”.
- **In summary: Social welfare interventions by Government or NGOs to systematically assist AIDS affected households and the many OVCs living in these households in order to at least ensure their survival were – from the perspective of the needy households – non-existent in the survey areas.**

Proposal for a Pilot Cash Transfer Scheme for AIDS Affected and other Destitute and Incapacitated Households (April 2003)

Based on the situation analysis a proposal for a Cash Transfer Scheme was developed and presented at a stakeholders' meeting in Lusaka chaired by the GTZ Country Director. After an intensive discussion of the pros and cons it was felt that most hopes and concerns with regard to the costs and benefits of social cash transfers could best be verified or falsified by a pilot scheme.

Immediately after the stakeholders' meeting the Ministry of Community Development and Social Services (MCDSS) applied to the Global Fund for AIDS, Tuberculosis and Malaria (GFATM) for funding a Pilot Social Cash Transfer Scheme. The GFATM signaled that it will provide US\$120,000 for the preparation phase. These funds were to be made available by July 2003. They have still not been transferred to the MCDSS.

In order not to delay the preparation of the Pilot Scheme, GTZ has made funds available and will proceed financing the scheme. Once the GFATM funds arrive it has to be discussed again who will finance what.

Consensus on the Main Elements and on the Area for a Pilot Social Cash Transfer Scheme (August/October 2003)

After discussions on national, provincial and district level, Kalomo was chosen as a pilot district and the key elements of the scheme were determined. These elements are: The objectives of the pilot scheme, the targeting criteria and procedures, the amount to be transferred, the payment system and the monitoring and evaluation system. These elements are briefly described in chapter 1.

A second workshop chaired by the Permanent Secretary of the MCDSS and co-chaired by the GTZ Country Director was held on 14th October. It was attended by all bigger organizations working in the field of social protection. The minutes are documented in Annex I. In summary the meeting endorsed the concept of the pilot scheme and emphasized the need for intensive monitoring of the performance and of the impact of the scheme. It was agreed that latest after one year a meeting should be held to discuss preliminary monitoring results.

In separate meetings DFID, CARE International and PAM expressed interest in starting similar social cash transfer pilot activities in different districts and with different institutional settings. GTZ is interested in close co-operation with these agencies and is prepared to make available all know how produced by the Pilot Scheme.

Situation Analysis of the Pilot Region in Kalomo District (Oct. 2003)

The pilot region in Kalomo District includes 3 Agricultural Blocks (Kalomo Central, Chinkoyo and Kanchele) with a population of about 65,000 living in approximately 200 villages. The PWAS structure in the pilot region consists of 47 Community Welfare Assistance Committees (CWACs) and 12 Area Coordinating Committees (ACCs). Some of these CWAS are dormant. This is mainly due to the fact that the Public Welfare Assistance Scheme (PWAS) never had sufficient resources to channel any funds to the majority of ACCs and CWACs. For a capacity assessment of these structures done by the PWAS Training Officer see Annex 2.

When the consultant team arrived in Kalomo on 3rd October, the capacity of the Kalomo District Welfare Office was found to be seriously crippled. Due to absence for attending trainings and workshops and due to the sudden very serious illness of one of the two officers the office was closed for a number of days. This hampered the preparation of the pilot scheme to such an extent that serious doubts were raised if Kalomo had been the appropriate choice for the pilot region. However, once the Provincial Social Welfare Officer had been informed about the capacity problems of the Kalomo Welfare Office, he immediately sent a third officer who is now the Acting District Social Welfare Officer (DSWO). He also instructed him and the Deputy DSWO to give priority to the pilot scheme and to refrain from any avoidable absence from duty in Kalomo. It will be essential for the implementation of the scheme that these instructions are adhered to in future.

A rapid survey done in 5 villages showed that the social situation of the 10% most needy and incapacitated households is as precarious as it is in the 6 villages in Choma described above.

The results of a much more detailed survey done in December 2002 in Kalomo by CARE International are documented in Annex 3.

Design and Test of a Manual of Operations (October 2003)

Based on the situation analysis a Manual of Operations was drafted in a participatory process involving the DSWO and his deputy as well as members of the District Welfare Assistance Committee (DWAC) and the National and District Level Management of the Finance Bank.

The full cycle of participative targeting done by the CWAC, the approval process by DSWO and DWAC and the payment system through Finance bank was then tested. CWAC Matondo (ACC Choonga), about 13 km south-east of Kalomo town, consisting of 2 villages with 156 households was used as the test region. In the process 16 households were finally approved, opened bank accounts on 3rd November and cashed their first transfers. The schedule of the test is documented in Annex 4.

The test run was thoroughly analysed in a workshop on 4th November, 2003 which included CWAC, ACC and DWAC members, the DSWO and his deputy, the Bank Branch Manager, the PWAS Coordinator on national level and the two consultants. The workshop conclusions are documented in Annex 5. Based on the evaluation the Manual of Operations was revised. The Table of Contents of the second draft of the Manual is documented in Annex 6. Copies of the Manual are available at the GTZ Social Safety Net Project.

3 Open Questions

The following issues have not yet been resolved in the 2nd draft of the Manual and will have to be sorted out before the final version is elaborated in March 2004:

- Extremely needy households tend to spend 80% of their expenditure on food. The main food item is maize. The seasonal fluctuations of maize prices result in price differences between the after harvest season (May to August) and the pre-harvest season (January to March) which can exceed 100%. The seasonal variations are, however, overlapped by erratic fluctuations caused by climatic changes and by unpredictable Food Aid imports. It is therefore difficult to decide if the transfers should be stable at K30,000 throughout the year or if they should be varied. To keep the scheme administratively as simple as possible, it will start out with a constant amount of K30,000 per month. It was argued that the households themselves could balance seasonal fluctuations by saving in times when they have food. Once monitoring results are available, this may have to be reconsidered.
- A similar problem is posed by the fact that households vary in size. Should a single person household receive the same amount as a five person household? It seems unjust. But if the scheme starts to differentiate the transfers according to the number of household members, other problems arise: Household sizes can be manipulated by e.g. sending even more children to stay with the grandmothers. The scheme would become administratively more complicated. And it would also require more funds. For all these reasons the scheme has started with a flat rate of K30,000 per household irrespective to its size.
- The Pre-Test had to be done within just a week. Therefore, in order to speed up the process, the CWAC Chairman has been provided with funds to arrange for transport of the beneficiaries to Kalomo and back and for passport photos and photocopies of NRCs required by the bank for opening accounts. In future the beneficiaries will have to walk or to arrange for their own transport. The passport photos (K10,000) they will have to pay from their first transfers. This may create problems, which have to be observed during the continued Test Phase.
- The heads of households approved for the scheme are mostly aged or chronically sick. After some time some of them will die. If the deceased has been living alone or if he or she was living with small children and the household dissolves, then the transfers will have to be stopped. Appropriate guidelines for such cases still have to be elaborated and integrated into the Manual of Operations.
- The scheme channels social transfers to the 10% most needy and incapacitated households in a community. They are identified by a

ranking done by the CWAC and approved in a community meeting. This ranking is valid for a specific point of time. After 6 or 12 months the ranking may no longer be correct. Some people have died, some households have dissolved, other households have for various reasons (like breadwinners have died) become extremely needy and incapacitated and require social transfers. After some time the whole process of identification, ranking and approval will have to be repeated. The next version of the manual will have to specify how this has to be done.

- The Scheme will have to cooperate closely with all GOs and NGOs planning and/or implementing social welfare related activities – like Home Based Care for chronically sick patients – in the pilot region. This is partly facilitated by the fact that many of these GOs and NGOs are represented in the DWAC, ACCs and CWACs. However, a more systematic approach is required. It will be based on a data base that will be set up in the period December 2003 to February 2004 (see Chapter 5)

4 Institutional Set-up for the Implementation of the Pilot Scheme

The Pilot Social Cash Transfer Scheme is implemented by the PWAS structures on community, area and district level. The overall responsibility for the performance of the scheme rests with the District Social Welfare Officer (DSWO) Kalomo under the guidance of the District Social Welfare Committee (DWAC). Already in the survey phase and in the pre-test phase members of the DWAC were intensively involved and assisted the DSWO. This assistance was essential for the success of the pre-test and has to be maintained in the next phase.

The total costs of the scheme are US\$80,000 per year and will be financed by the GTZ Social Safety Net Project. Of the total costs, 90% will be channeled to approximately 1000 beneficiary households using the Finance Bank and a number of Pay Points as outlets. 10% are earmarked for administrative costs on district level. The DSWO is held responsible for accounting for these funds. Detailed instructions for financial planning, accounting and reporting are given in the Manual of Operations.

In addition to annually US\$80,000 for transfers and administrative costs, GTZ will make a Local Advisor available for assisting in the further testing and gradual implementation. His task is to facilitate that the pilot scheme is organised as a learning process and that lessons learned are discussed and documented. His role is not to do any of the tasks which, according to the Manual of Operations, have to be done by the PWAS structures and the DSWO. This restriction to an advisory role is important, because one of the main objectives of the Pilot Scheme is to test the capacity of the PWAS structures and of the DSWO to implement the scheme on their own. The Terms of Reference (TOR) of the Local Advisor are documented in Annex 7.

GTZ will also make available consultants for further concept development and for monitoring and evaluation of the scheme.

On national level a Steering Committee should be formed consisting of the PMU Project Coordinator, the PMU Monitoring Specialist, a Representative of the Planning Department, the Southern Province Social Welfare Officer, a representative of CARE International (national level) and the GTZ advisor. The Steering Committee should:

- Advise the Permanent Secretary of MCDSS on the progress of the scheme and on any corrective action which may have to be taken.
- Network with stakeholders on national and international level in order to publicise the results of the Pilot Scheme and to campaign for sustainable funding of social welfare interventions for extremely needy and incapacitated households.

To be effective the Steering Committee has to take note of the monthly reports of the DSWO and of the Local Advisor. Based on these reports the Steering Committee should conduct quarterly meetings to assess the performance of the scheme and conduct twice per year inspection visits to verify the reports received.

The Steering Committee should also organize field visits of national level decision makers with appropriate media coverage. A good opportunity for this will be the official opening of the implementation phase of the Pilot Scheme on 1st April 2004.

5 Activities Planned until October 2004

Establishing the Administrative Infrastructure of the Scheme at the Office of the DSWO (December 2003)

The DSWO and his deputy operate from two office rooms near Kalomo Market. For the professional administration of the Scheme a minimum of office furniture (e.g. filing cabinets, tables, chairs, lamps), basic equipment (e.g. punchers, staplers, files, a mobile phone, a cash box), painting of the office rooms and repairs of doors and windows are required. This will be funded by GTZ. A motorcycle is already available.

GTZ will not provide any equipment which require maintenance and replacement costs like computers, printers, photocopiers or vehicles. However, funds for procuring from private providers essential communication and transport services required for running the Scheme will be provided by GTZ. Such services like photocopying, typing, transport, talk time etc are readily offered at competitive prices by the private sector.

Continuation of the Test Phase (December 2003 to February 2004)

Based on the revised Manual of Operations (second draft) the DSWO will expand the Scheme in small and carefully implemented steps beyond Matondo CWAC to the 8 other CWACs of Choonga ACC. For the more distant CWACs of Choonga at least one Pay Point should be established. The DSWO is requested to document in a diary all activities done by him and by his deputy and the observations made. This diary will serve as a valuable input for the evaluation of the Test Phase which will be done in March, 2004.

All this is done to further test the Manual and to accumulate lessons learned on how best to organize the Scheme. It will also serve as a first test of the capacity and the performance of the DSWO and his deputy, who are the managers of the Scheme. GTZ will make available a Local Advisor, who will share an office with the DSWO. The Advisor will facilitate, observe, assist and act as liaison to the GTZ Social Safety Net Project. He will, however, **not** manage the scheme and will **not** do any activities which, according to the Manual, have to be performed by the DSWO and his Deputy. This is important, because the purpose of the Pilot Scheme is to test if the DSWO can run the scheme on his own.

To this avail, the Local Advisor will constantly observe and document the performance of the DSWO, of all other PWAS levels, of the Bank and of the Pay Point Organisations. He will facilitate that all actors share and discuss their observations, identify problems and find solutions with regard to a smooth implementation of the Scheme.

Complete Data Base of Pilot Region (December 2003 to February 2004)

Before starting the Implementation Phase, the data base for the Scheme has to be completed by the DSWO in cooperation with the Local Advisor. The data base should contain:

- Maps showing Agricultural Block and ACC boundaries as well as Schools and Rural Health Centres.
- Lists of ACCs and CWACs with their names and members.
- An assessment of the status of each ACC and CWAC (well organised, still active but not well organised, not active any more) verified by field visits.
- A documentation of the activities of GOs and NGOs doing social welfare related activities (like Home Based Care for chronically sick patients) in pilot region. The documentation should specify what they do, where they do it and how many households they reach.

Integration of Test Results in the Manual of Operations (March 2003)

Based on the observations during the continued test phase made by all actors of the Scheme, the Manual of Operations will again be revised. This will be done in a participative workshop-like process.

Design and Test of the Monitoring and Evaluation System (March 2003)

The revised Manual will form the basis for developing an M&E System, which will have the task to identify if and how the Pilot Scheme achieves its objectives. It will observe and assess all the issues listed in chapter 1 (pages 4 to 6)

In order to ensure that the M&E System is functioning well, it will have to undergo the same kind of systematic testing and revising as has been done with the Manual of Operations. This will be done in close cooperation with the consultants, who will eventually operate the M&E System.

Implementation of the Scheme by Gradual Expansion to all 47 CWACs in the Pilot Region (April to September 2004)

On 1st April, 2004, the Scheme will be officially launched. This should be done with appropriate publicity (minister, ambassador, media). By this time the Scheme is already functioning in all CWACs of Choonga ACC with approximately 100 beneficiaries, who have been approved in the Test Phase. As the 1st April is a weekday, many beneficiaries will show up at the Kalomo Finance Bank to cash their transfers. The Minister and other VIPs

talking to the beneficiaries and to representatives of the CWACs at that occasion will be ideal for media coverage.

From there on the Scheme will gradually expand by integrating two additional ACCs per month. In this way all 12 ACCs in the pilot region will be covered by mid September 2004.

Review and Fine Tuning of the Scheme based on Preliminary M&E Results (October 2004)

By this time the Pilot Scheme has reached approximately 1000 extremely needy and incapacitated households. Those households which have already been approved in the Test Phase (CWAC Matondo) will have received their monthly transfers already over a period of 12 months. Substantial experience will have been gathered by all actors involved in the scheme. In addition, preliminary M&E results will be available, especially with regard to the performance of the scheme (reliability, timeliness, costs) and with regard to how the beneficiary households use the transfers.

Using this evidence, an interim evaluation will be done and discussed with all stakeholders on national and district level. Based on the evaluation and on the discussions with stakeholders the Manual of Operations will be revised and all actors will be retained.

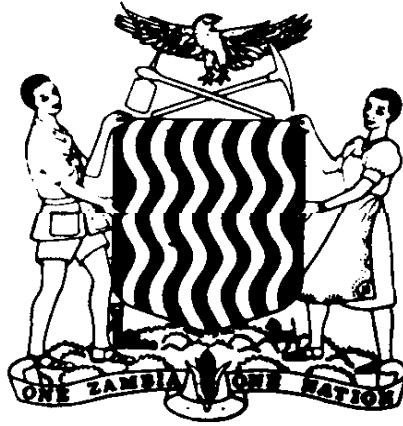
Campaigning for Additional Pilot Schemes and for Sustainable Funding of Social Transfers beyond the Pilot Phase (November 2003 to October 2004)

In addition to the PWAS administered Pilot Social Cash Transfer Scheme in Kalomo there should be other pilot schemes using different institutional structures. Once funding for such additional schemes has been secured, GTZ is willing to share all the experience accumulated in Kalomo and to cooperate closely. In the meantime, all reports will be made available to potential funders and implementers. They will also be invited to field visits to Kalomo.

It is important to attract national and international funds for the continuation of the scheme in Kalomo and for its expansion beyond the pilot phase and beyond the pilot area. On national level MCDSS should lobby for integrating social cash transfers for extremely poor and work-constrained households into the social protection strategy and into the next PRSP. To facilitate this, a field trip to the pilot region should be organized for the consultant team drafting the social protection strategy. On international level the Steering Committee should establish and maintain close contact with the GFATM, the ILO sponsored GST, EU, DFID and with other agencies in order to campaign for funds that are earmarked for social protection for AIDS affected and other destitute and incapacitated households. In this context the Steering Committee should use every

opportunity that will come up to present and discuss the pilot scheme at national and international workshops and conferences. Study visits to comparable schemes (e.g. INAS Mozambique and Dedza Safety Net Pilot Project in Malawi) should be considered.

**Annex 1: Pilot Scheme for Social Cash Transfers.
Report for the Meeting Held on 14th October,
2003 at the MCDSS**



REPUBLIC OF ZAMBIA

**PILOT SCHEME ON SOCIAL CASH TRANSFERS
For aids affected and other incapacitated
and destitute households**

Report of the meeting held on 14th October, 2003

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- List of Participants
- Briefing on PWAS
- Presentation on the Social Cash Transfer Pilot Scheme

INTRODUCTION

This document constitutes a report of the meeting that was held to deliberate on a social cash transfer pilot scheme for AIDS affected and other incapacitated and destitute households. It is therefore a consolidation of the meeting's minutes; the actual presentations, the general concerns raised, discussions, observations, analysis and contributions.

The meeting collected participants from various relevant organisations and it was co-chaired by the Permanent Secretary of the Ministry of Community Development and Social Services (MCDSS), Mr. Peter Mwamfuli and the German Technical Cooperation (GTZ) Country Director Mrs. Martina Bergschneider both of whom urged everyone to freely and actively participate (*see attendance list in appendix*).

Mr. Mwamfuli affirmed that GTZ was supporting efforts of a pilot social cash transfer scheme through the Social Safety Net Project. He told the meeting that a consultancy mission led by Dr. Bernd Schubert was working on the details of the scheme.

The P/S then handed over to his co-chairperson who even moderated up to the end of the meeting when the P/S had to declare it closed.

The main items on the agenda were:

- Welcome remarks by the co-chairperson
- Briefing on the present PWAS situation
- Presentation on the Social Cash Transfer Scheme
- Discussion
- Closing remarks

BRIEFING ON THE PRESENT SITUATION OF THE PUBLIC WELFARE ASSISTANCE SCHEME (BY MRS.C.CHIBINGA, PMU COORDINATOR).

(See full briefing in the appendix).

This briefing focussed on the redesigned Public Welfare Assistance Scheme (PWAS) as carried out from 1999 on, which has the following key elements:

- It is managed by PWAS Management Unit (PMU)
- It is community based and decision-making is mainly by respective communities through the Community Welfare Assistance Committees (CWACs).
- The selection criterion is by use of a matrix in order to get only deserving beneficiaries and ensure accountability.
- The CWACs network very closely with other organisations in their respective localities, both Governmental and NGOs.

On funding it was mentioned that various programs are funded by various sources. The Government (on cash transfers); EU's EDF (PMU operations); DANIDA (community

health waiver scheme and a community bursary scheme); UNICEF funds youth health care cost scheme while GTZ funds the Management Information System.

The major problems endangering achievements in this redesigned PWAS system mentioned were:

- Low and erratic funding from Government
- Delayed funding by the EU to the PMU

It was finally stated that PWAS must be seen as **an investment** in people and **not mere consumption**.

PRESENTATION ON THE SOCIAL CASH TRANSFER SCHEME for AIDS AFFECTED AND OTHER INCAPACITATED AND DESTITUTE HOUSEHOLDS (BY DR. B. SCHUBERT, CONSULTANT).

(See full presentation in the appendix)

Basically, here the consultant talked about his mission and the details of the pilot scheme under the following elements:

- **The key and guiding element** being the support to extremely poor and incapacitated households ('work-constrained poor') who are not reached by development programs that target viable families.
- **Targeting criteria and procedures:** Incapacitated very poor households identified by communities through the committees of PWAS (CWACs).
- **Amounts to be transferred to the beneficiary households:** The intention essentially is to supplement the consumption status of these households so that from no meal or one meal per day, they could be having one additional meal per day. Nevertheless, it is not strictly food; the money may also be spent priority-wise, as the family would know best its priorities at each particular time. The amount arrived at after various considerations was K30, 000 per month (or 6 US Dollars) for a household
- **Payment system:** through local banks at district level and for places far from district centres, through their respective local schools and rural health centres (serving as pay-points).
- **Monitoring and Evaluation** to focus on the organisation and general administration of the scheme; the costs and the impact on both the beneficiaries and non-beneficiary households and the local community at large. This to be in terms of particular social and economic indicators.
- **Financing:** GTZ is prepared to finance the pilot scheme in Kalomo, including transfers to beneficiaries. The Ministry of Community Development and Social Services has applied for support from the Global Fund for AIDS, Tuberculosis and Malaria (GFATM). At international level, ILO's Global Social Trust (GST), GFATM and some other donors such as the World Bank and DFID are considering financing similar schemes.

DISCUSSION

At this stage of the meeting the co-chairperson invited participants to discuss, contribute and analyse especially the presentation on the cash transfer pilot scheme. Most of the participants recognised the need for a pilot project on cash transfer, as this has never been tried out before in Zambia. However, it has been tried with success in some other countries, including Malawi, Namibia and Botswana. Nevertheless, there were some key concerns raised, mainly on the following issues:

- How to ensure the right use of the money through the beneficiaries, including the issue of education;
- How to avoid the duplication of activities;
- How to ensure the sustainability of the project, tackling both the question of self-help-approaches and of funding.

Misuse of money

- The first concern a participant raised was that it was very likely that the **guardians** of the **Orphans and Vulnerable Children (OVCs)** may not always be honest and caring enough by deciding to invest the funds in the future of the kids, like in education; or may just concentrate on organising food as a major preoccupation thereby the OVCs ending up not benefiting in the long run. So this participant said she would rather specific forms of assistance were designed to directly target them especially through material support.
- Related to that was for another participant who expressed fears that the cash given might be **misused** and he preferred **just goods**.
- In reacting to these concerns the consultant, (and even from his earlier other documents) stated that in most cases households know best their respective priorities. In addition to that it was clarified that communities through the CWACs should support the beneficiaries through counselling. With respect to the issue of education and health, these should be directly addressed through bursary schemes and health cost waivers.
- On the preference of goods to cash by some, the consultant said even material items could be misused or misdirected, e.g. sale of relief maize after being given. He also said that cash was more cost effective, as there would be numerous expenses to incur in delivering the goods to the beneficiaries. Last but not least, he made clear that cash is the most flexible and participative form of support.

Duplication of efforts

- Reacting to the consultants statement that there are no adequate programs reaching out to the incapacitated poor it was said that the PWAS approach was specially designed at helping the **incapacitated poor** unlike what some people might suggest that this category of the poor are not attended to by any program. It was further said the acknowledgement by the consultant that the PWAS structures were still in place and that the CWACs would identify the beneficiaries using a matrix means the same PWAS clients could be targeted for the new scheme.
- However, it was clarified here that the pilot was meant to strengthen the PWAS system and that there is no intention to create new structures. The pilot tries out if the regular transfer of cash to some well-targeted beneficiaries would be more appropriate and cost effective and would have a greater impact than the (occasional) distribution of goods to a larger number of households. In the pilot area, normal PWAS activities would continue, as the same CWACs would be involved in both types of interventions.
- The duplication of activities was mentioned as one other very worrying thing in that there would be other aid organisations targeting the same communities with various forms of help e.g. the World Food Program's Food recovery Project and Scope OVC, both present and active in Kalomo district.
- However, here they just called for maximum co-ordination, such that even the District Social Welfare Officer for Kalomo assured everybody that there was already a high level co-ordination of aid activities by all organisations in the district through the District Welfare Assistance Committee (DWAC), which includes all important stakeholders of the district. All these organisations would be aware of all the details of the project and coordination in the field would be ensured through existing committees.
- Related to that was an observation by a participant from the CSO who wondered why Kalomo and not any other district away from the line of rail with extreme poverty was picked. Saying along the line of rail are just too many such activities.
- The consultant made clear that the choice of the pilot area has been carefully based on several indicators, among them the capacity of the PWAS structures to reach out to the beneficiaries and to do the targeting. Without these organisational capacities of communities particularly for monitoring and evaluation a pilot scheme could not collect the necessary experiences for later extension.
- In addition to that, the consultant complained that there was no availability of quality data on these extremely poor households and their income and expenditure patterns. So that concerned participant from CSO offered that he

would provide that data and some other classified poverty maps at a later date.

Sustainability

- Some argued that development projects should focus on the strengthening of self-help capacity of the beneficiaries: ‘Giving someone a fish would help him for a day, learning him how to fish would help him for life’.
- To that it was stressed that the pilot was focussing on households without self-help capacity, particularly households without able bodied labour (‘work-constrained households’); due to the impact of HIV/AIDS the number of these households often caring for orphaned children and for chronically sick people is increasing tremendously. Extended families and communities are already overburdened so that a direct support to AIDS-affected households would be a contribution to support communities. The consultant said that this new situation with about 16 % of adults being infected by HIV cannot be tackled by old solutions. The pilot tries to experience new ways of addressing the challenge of HIV/AIDS through the mitigation of its impact on the economic and social situation.
- Addressing the issue of donor dependency it was stated that if the full implementation would be donor-financed then difficulties should not be ruled out in that sometimes there would be conditionalities to attain, failure to which even such passionately humanitarian projects would suffer and even dislocate people’s expectations and hopes. It was said if it is the Government then things would even be more complicated; considering numerous other competing priorities and budgetary constraints. Moreover, it was observed that if the Government was already struggling with it’s allocations to PWAS, a far smaller amount, what more 16 million US Dollars for 200,000 households (estimated costs of the scheme all over the country) in the whole country? So some participants said that it was necessary to seriously consider the issue of sustainability so that the scheme does not collapse just few years after full-scale implementation.
- Reacting to these concerns it was made clear that the support of the incapacitated poor is a necessary investment into the future of the country as many orphans are now living in households without able-bodied breadwinners. With respect to the question of financing, there are new international instruments as the ILO’s Global Social Trust and the GFATM particularly focussing on social transfers for the incapacitated poor. Collaborating partners are considering new ways of addressing the needs of this group of extremely poor households. However, this international debate will only have positive outcomes if developing countries are able to show through well-designed and well-monitored pilot projects that it is possible to reach out to the target group and to produce positive impacts.
- Finally, the suggestion was made and was generally supported, that after a year another meeting on the same issue should be called to come and assess the progress and life in general of the pilot scheme.

The meeting was then closed with the P/S thanking everyone in attendance and expressing his hopes that the pilot scheme would be successfully implemented and provide relevant lessons for the possible implementation of the full scale one.

CONCLUSION

It is not debatable, and not even one among the participants undermined the hypothesis that the AIDS pandemic was racking havoc on the productive population portions of society, such that it is making a huge contribution to the increasing levels of poverty by leaving mainly the incapacitated folks to head households, like the elderly taking care of several orphans. Of course not ruling out other possible causes of death but just choosing to be realistic enough and accept that there are those households that are so destitute and incapacitated that they would require serious and special attention.

Taking into account the nature and gravity of the problem, a pilot scheme would just be the best course of action; as the meeting finally resolved that only then would the experience and lessons be learnt and improvements considered.

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**BRIEFING ON THE PRESENT SITUATION OF PWAS AS PRESENTED AT THE
MCDSS/GTZ 'SOCIAL SAFETY NET PROJECT" MEETING ON THE SOCIAL
CASH TRANSFER HELD IN THE MCDSS CONFERENCE ROOM ON 14TH
OCTOBER 2003**

The Public Welfare Assistance Scheme, or PWAS for short (and as it is popularly known), is a scheme that is run by the Department of Social Welfare (DSW) in the Ministry (MCDSS). It is a Scheme which seeks to *invest* in the **most vulnerable, and incapable**, persons within the society, **especially children**. Other primary beneficiaries of the Scheme include the **aged, the chronically sick, female-headed households and the disabled**.

PWAS OBJECTIVES

The objectives of PWAS are:-

- To assist the most vulnerable in society to fulfil their basic needs particularly health, education, food and shelter.
- To promote community capacity to develop local and externally supported initiatives to overcome the problems of extreme poverty and vulnerability.

PWAS BACKGROUND AND STRUCTURES

The Scheme has been in existence since the 1950s. However, a redesign of its operations was found necessary after the 1997 evaluation. The Scheme has been managed from/by the PWAS Management Unit (PMU) since its redesign.

The **redesigning** process was launched in 2000. Since then, a total of 58 Districts have been redesigned with the remaining 14 districts awaiting redesigning. It is expected this will be done before March, 2003.

In its new form, PWAS is a **community-based programme**. Identification of clients/beneficiaries is done by the Community Welfare Assistance Committees (CWACs) using a **matrix**. This usage of this matrix ensures that it the very needy persons in the communities who get assistance and that resources are utilised in a very thrifty manner. This process is done in a transparent and accountable way which can be revisited in cases of disputes. The CWACs are supervised by the Area Coordinating Committees (ACCs) which are in turn supervised by the District Welfare Assistance Committees (DWACs).

CWACs **network** very closely with other CBOs, NGOs and governmental bodies within their local set-up. The CWAC structures' **outreach** has proved to be wide enough to

reach the remotest individuals. They are thus ideal for many community interventions, whether initiated by Government (Such as relief efforts) or donors.

PWAS FUNDING

Programmes are funded by several sources. For example,

- **PWAS transfers** come from the Government through its regular budgetary allocations as well as HIPC funding.

This year budgetary allocation was K680,449,978.00 of which 85% has already been released. In September, the Government released K4.5 billion (or 91% of total HIPC allocations) as HIPC funds.

- The main source of funding for **PMU operations** come from the European Union's EDF.

The current project funding is due to end at the end of the first quarter of 2004.

- DANIDA is funding the **Community Health Waiver Scheme** (CHEWS) and **Community Bursary Scheme** (CBS) programs.
- UNICEF is funding the **Youth Health Care Cost Scheme** (YHCCS).
- GTZ funds the **Management Information System** (MIS) for the whole PWAS system.

SUCSESSES

These include the following;

- **Broad co-operation** with other CBOs, NGOs and other ministerial organisations.

This networking is very important for resource mobilisation and efficient resource utilisation.

- Establishment of the Community Committees which have **empowered the communities in decision-making** with regards to the poor in their midst;
- **Proper targeting** which has increased the efficiency in service delivery;

PROBLEMS

These include the following;

- Erratic and low funding from the Government which is leading to demotivation of the CWACs in some areas;
- Delayed funding by the EU which has affected the operations of the PMU.

CONCLUSION

The proposed scheme will therefore fall within these operations. It is an attempt to provide additional assistance to the most needy in view of the prevailing hardships faced by these vulnerable and incapacitated households.

The capacity to run the programmes and deliver the services is there if only the funding situation can improve instead of being slashed. A very reliable government funding is vital for reliable and consistent transfers.

As for resource mobilisation, components of the PWAS can be funded by respective interested stakeholders.

Finally, it is important that PWAS must be seen as an ***investment in people*** and not mere consumption.

Annex 2: Capacity Assessment of ACCs and CWACs in the Pilot Region (Prepared by M. Kaley)

The report covers the activities undertaken during the capacity assessment for Kalomo district. The activities of the first day and the ACCs and CWACs visited there after. There are observations and recommendations made.

On Tuesday morning there was a meeting with the district social welfare office in which Dr Schubert explained the purpose of the program and this particular activity.

In the afternoon a courtesy call was made to the District Administrator and went back to the Council hall which is being rented by GTZ

Later in the afternoon we were joined by two officers one from Ministry of education and another from Ministry of Health. We went through the questioners and practiced on how to fill the questioner for Dr Schurbert and selected three ACCs to visit and Six Community Welfare Assistance Scheme (CWAC). Choonga, Kabanga and Kanchele ACCs were selected.

The following day and the two days that followed, concentration was on ACC and CWAC visits.

CHOONGO ACC

This ACC is very active and have opened an account with finance bank. The records are kept in one of the offices at Choonga School. They have quarterly meetings and have records of the meetings. This ACC has even asked for a small loan from Kalomo Credit and Savings Association so that they can start some income generating activities and the profit from these ventures be used to help the vulnerable. They have updated members of each CWAC and the members of ACC. They are also involved in home based care where they distribute drugs and soya meal to the chronically ill. They also do home visits. They do supervise CWACs. Records of supervisions are available. We found that 3 members of each CWAC were trained. Problems are transport and some CWACs are dormant because of erratic funding

This ACC suggested that sensitization of the dormant CWACs will help them come up with other programs that will always keep them busy even when there is no funding from Social Welfare.

Let's Build Together CWAC

This is one of the most active CWACs in Kalomo district. The CWAC finds no problem in using the matrix as such they have been using the matrix to identifying PWAS clients. However they do not have information. This CWAC does not have the list of beneficiary. It was forwarded to ACC.

The only complaint they have is that almost every member of the community wants to be assisted as they feel this is a national cake which every Zambian should test.

Kanchele ACC

This ACC was not met because message had not reached them about the visit. There was a problem because committee members did not know whether they belonged to ACC or CWAC and a good number had no knowledge of the operations of PWAS. For most of the questions, the committee referred me to the Block Agricultural officer who was not at the station at the time of visit.

Kanchele CWAC

Identification of clients is done by way of using the matrix and gave the social qualifiers e.g. aged and orphans etc. They further these qualified vulnerable by saying those that have completely nothing. It was discovered that CWAC has never received any funding since it was formed in 2001. As such most of them have forgotten how to use the matrix as they have never put the use of matrix in practice.

Most people have left the committees to both go and look for employment or are discouraged because nothing has been happening from the time the committee came in being.

Nkumbi CWAC

Nkumbi CWAC has been dormant from the time it came into being. However, when they were asked to identify 10 vulnerable people in the community, they managed to do it without difficulties. This committee is not discouraged despite the problem of funding.

Kabanga ACC

Kabanga ACC was not available because word about the visit had not reached them. Even the CWACs were not aware. Mobilization was done on the very day. As such only one CWAC was met.

Kabanga CWAC

Like the lets build together CWAC, this CWAC during the sensitization of the community, most of the community members felt they are supposed to be beneficiaries just like the Chiholehole (relief food) program. The CWAC does not have records of its members and that of clients because they had forwarded the lists to ACC. This committee has never received funding since it came in to being.

Observations

1. It appears that only ACCs and CWACs near the BOMA receive funding and are active. This is evident from the visits that were made. Despite the good funding in 2001, ACCs which are very far did not receive any funding.

2. Community Welfare Assistance Scheme committees are able to identify the vulnerable
3. Record keeping appears to be a problem because most of the visited committees keep records in the heads.
4. A good number of clients visited asked for seed because they have viable household members who can do some work in the fields. It appears they are left out on the food pack from PAM. This may be an indication that the Department of Social Welfare and the Department of Community Development are not working hand in hand. (This has to be verified).
5. Some members have left the committees for various reasons.
6. Coverage for ACCs is very wide.

Recommendation.

1. Community committees should be trained in record keeping.
2. Encourage the District Social Welfare Officer to be distributing funds evenly not only to ACCs near the BOMA.
3. Provide bicycles to ACCs to lessen the problem of transport as the ACCs cover large areas.
4. The Departments of Community Development and Department of Social Welfare should encourage their staff to work together in the districts.

Annex 3: Poverty Profile of Kalomo District based on a Household Survey Conducted by CARE International in December, 2002

The data are based on information collected from 907 households holding a population of 5534 selected in a multi stage sampling process. The following abstract contains only those tables which are relevant for the planning and monitoring of the pilot cash transfer scheme.

1. Head of household by age group and gender

Age group	Male Headed		Female Headed		Total
	N	(%)	N	(%)	
16 years or less	1	25.0%	3	75.0%	4
17 - 59 years	570	69.2%	254	30.8%	824
60 years or more	40	51.3%	38	48.7%	78
Total	611	67.4%	295	32.6%	906

2. Frequency of household type

Household Type	N	(%)
Male Headed	498	54.9%
Female Headed	153	16.9%
Polygamous Male	130	14.3%
Polygamous Female	126	13.9%
Total	907	100.0%

3. Average number of household members

	Number of Households Surveyed	Population of Clusters Surveyed	Total Over 5s in Survey Areas	Total Under 5s in Survey Areas	
	907	5534	4406	1128	
AVERAGE Size of Households:	6.1		Range:	1.0	20.0
AVERAGE Population of Under 5s per Households:	1.2		Range:	0	6.0

4. Frequencies of the time (in categories) and distance to drinking water:

Time to Water		
Source	N	(%)
Less than 15 minutes	476	52.5%
15 – 30 minutes	167	18.4%
More than 30 minutes	264	29.1%
Total	907	100.0%

Average Distance to Water Source (Km):

Number of Respondents (n): 907

Average Distance to Fetch Water: 1.5 Km 95% CI: (1.4, 1.6)

Range: (0.0, 15.0)

5. Frequency of the time (in categories) and distance to nearest health center

Time to Health		
Center (minutes)	N	(%)
Less Than 15 minutes	120	13.2%
15 – 30 minutes	78	8.6%
More than 30 minutes	708	78.1%
Total	906	100.0%

Average Distance to Health Center (Km):

Number of Respondents (n): 907

Average Distance to Health Center: 11.6 95% CI: (10.8, 12.3)

Range: (0.1, 58.0)

6. Frequencies of # of months food supply:

Months Food Harvested		
Lasts	N	(%)
1 Month or Less	475	52.4%
2 – 3 Months	270	29.8%
4 – 6 Months	139	15.3%
7 – 9 Months	23	2.5%
Total	907	100.0%

Average Time Staple Food Lasts (Months):

Number of Respondents (n): 907

Average months staple food lasts: 1.9 95% CI: (1.2, 1.4)

Range: (0, 9)

**7. Frequencies of three most important sources of food:
This year and a normal year (n = 907) Combined**

Source of Food	December 2002		December 2001	
	N	(%)	N	(%)
Own production	41	4.5%	794	87.5%
Purchase	585	64.5%	484	53.4%
Barter	36	4.0%	94	10.4%
Gift or "Chancing"	48	5.3%	38	4.2%
Credit	40	4.4%	48	5.3%
Relief food	352	38.8%	100	11.0%
Wild food	219	24.1%	84	9.3%
Work for Food	64	7.1%	22	2.4%
Piecework in exchange for food	211	23.3%	159	17.5%
Begging	207	22.8%	71	7.8%
Other	114	12.6%	118	13.0%

**8. Frequencies of the Three Most Important Sources of Food in a Normal Year,
Prior 2002: Top Three**

Source of Food	Food Source 1		Food Source 2		Food Source 3	
	n	%	n	%	n	%
Own production	773	86.0	12	1.9	9	2.5
Purchase	82	9.1	372	58.5	30	8.4
Barter	3	0.3	41	6.4	50	13.9
Gift or "Chancing"	3	0.3	9	1.4	26	7.2
Credit	1	0.1	10	1.6	37	10.3
Relief food	3	0.3	60	9.4	37	10.3
Wild food	8	0.9	29	4.6	47	13.1
Work for Food	5	0.6	10	1.6	7	1.9
Piecework in exchange for food	16	1.8	76	11.9	67	18.7
Begging	5	0.6	17	2.7	49	13.6
Total	899	100.0	636	100.0	359	100.0

**9. Frequencies of three most important income sources:
This year and a normal year (n = 907) Combined**

Main Source of Income	December 2002		December 2001	
	N	(%)	N	(%)
Sale of Cash Crops	11	1.2%	199	21.9%
Sale of Own Food Crops	41	4.5%	440	48.5%
Sale of Animals	117	12.9%	155	17.1%
Sale of milk, eggs, poultry	336	37.0%	295	32.5%
Petty Trading	145	16.0%	103	11.4%
Beer Brewing	8	0.9%	30	3.3%
Production and Sale of Charcoal	47	5.2%	34	3.7%
Sale of Crafts	43	4.7%	26	2.9%
Piecework for cash	235	25.9%	135	14.9%
Piecework for payment in kind	93	10.3%	25	2.8%
Small Business	35	3.9%	30	3.3%
Formal Employment	68	7.5%	69	7.6%
Sale of Fish	39	4.3%	22	2.4%
Hunting	1	0.1%	1	0.1%
Collection and sale of wild foods	70	7.7%	18	2.0%
Sale of construction material	18	2.0%	4	0.4%
Pension/Remittances	23	2.5%	7	0.8%
Sale of Vegetables	166	18.3%	261	28.8%
Other	202	22.3%	104	11.5%

10. Number and percentage of households receiving relief food by organisation

Distribution Agency	N	(%)
Care	538	81.3%
GRZ	1	0.2%
World Vision	14	2.1%
Church	38	5.7%
Other	41	6.2%
Do not Know	30	4.5%
Total	662	100.0%

11. Number and % of households receiving various commodities

Other Foods Received	N	(%)
Beans	5	0.8%
Groundnuts	10	1.5%
Beans & Groundnuts	5	0.8%
Other Commodity	534	81.9%
None	98	15.0%
Total	652	100.0%

12. Number and percentage of household's by number of weeks relief maize lasted:

Weeks Relief Food Lasted	N	(%)
Less than One Week	20	3.2%
1 - 2 Weeks	514	83.0%
3 - 4 Weeks	78	12.6%
More than 4 Weeks	7	1.1%
Total	619	100.0%

Average Time Food Relief Lasts (Weeks):

Number of Respondents (n): 619

Average weeks relief food lasts: 1.6

Range: (0, 10)

13. Number and percentage of households employing different coping strategies

Coping Mechanism/Strategy	N	(%)
Reduce Number of meals	238	26.2%
Reduce quantity of food prepared	220	24.3%
Change staple food/use maize grits	32	3.5%
Credit	135	14.9%
Consume wild foods	273	30.1%
Sell assets	101	11.1%
Work for food	200	22.1%
Beg	292	32.2%
Sex-work	36	4.0%
Other	314	34.5%

14. Frequency of households with chronically ill members; ages and sex of chronically ill.

Chronically Ill Household Members	N	(%)
Ill Member	25	2.8%
None	881	97.2%
Total	906	100.0%

15. Age and sex of chronically ill household members[†]

Age Group	N	(%)
Over 5 Male	9	36.0%
Over 5 Female	14	56.0%
Under 5 Male	1	4.0%
Under 5 Female	1	4.0%
Total	25	100.0%

[†]No household reported having more than 1 chronically ill family member during the survey period.

16. Mortality: CMR and U5 mortality

Based on number of deaths past 100 days

Age Group	Per 10,000 per day
Under 5	0.53
Over 5	0.20
CMR	0.27

17. Reported Incidence of disease symptoms two weeks prior to survey for children 6-9 months, (n = 901)

Response	Fever	Cough	Diarrhea	Skin Infection	Measles
Yes	348 (38.6)	364 (40.4)	264 (29.3)	107 (11.9)	12 (1.3)
No	553 (61.4)	537 (59.6)	637 (70.7)	794 (88.1)	889 (98.7)

Total % including both groups of children with and without vaccination cards (n = 916):

- Have Vaccination card: 859 (93.8%) (91.4%, 96.1%)
- Do Not Have Vaccination Card: 57 (6.2%) (3.4%, 8.3%)

18. Underweight by Sex (n = 870)

Sex	Underweight Severe < -3		Moderate ³ -3 & < -2		Normal ³ -2		Oedema
	n	%	n	%	n	%	
Boys	22	59.5	91	52.0	324	49.5	2
Girls	15	40.5	84	48.0	331	50.5	1
Total	37	100.0	175	100.0	655	100.0	3

Underweight rate expressed in Z-scores by sex (95% C.I.):

Global Underweight (< -2 Z-scores):
 Boys: 26.2% (22.4%, 30.0%)
 Girls: 23.2% (19.5%, 26.9%)

19. Caretaker of Children

Principle Caretaker of the Child	n	%
Parent	766	83.5
Grand Parent	132	14.4
Brother/Sister	2	0.2
Aunt/Uncle/Cousin	16	1.7
Not Related	1	0.1
Total	917	100.0

Annex 4: Schedule for the Pre-Test of the Manual of Operations Conducted from the 24th October to 4th November, 2003

Schubert, 22.10.03

Monday, 27th October

1. At 08.30 – 17.00 hours a training will be conducted for all members of Choonga ACC and Matondo CWAC. The training venue will be the Matondo Community School. Mr Malumo Malumo and Mr Evans Chaambwa, who have been involved in drafting the Manual of Operations, will act as trainers. The training will be conducted as outlined in Part V of the Manual.

At the end of the training, the ACC and CWAC members will be informed on the following steps (Step 2 to 14) listed below.

2. Then the CWAC members have to plan who will interview those households on their list of needy household which have not already been interviewed during the training. Until Wednesday noon, all the identified households have to be visited by teams of 2 CWAC members in order to interview them, to fill in Form 1 and to get the signature of the headman.

Tuesday, 28th October

3. Teams of CWAC members interview needy households, fill in Form 1 and get the Form signed by the Headman. This activity has to be completed by Wednesday noon. The trainers and other observers will accompany the teams, but will not take part.

Wednesday, 29th October

4. At 14.00 hours, the CWAC meets to discuss the results of the interviews, to do the ranking and to decide which households should be the 10% to be included in the Scheme.

Thursday, 30th October

5. At 10.00 hour, a meeting of the Matondo community has to be held. The CWAC presents the scheme and their ranking of the needy households to the community and seek the comments and consensus of the community. The meeting will be chaired by the ACC chairperson. Invitations to the meeting should already be done on Tuesday.

6. Immediately after the community meeting, the CWAC meets again to integrate the results of the community meeting in their ranking. Then, they fill in Form 2. Finally, they hand over all application forms and Form 2 to the ACC Chairperson.
7. After checking all application forms (Form 1 and Form 2), the ACC Chairperson fills in Form 3 and submits all forms (1, 2 and 3) to the DSWO on the same day.
8. The DSWO checks all forms received and decides which households should be proposed for approval by the DWAC and which applications should be rejected because they do not meet the targeting criteria.

Friday, 31st October

9. At 10.00 hours, a DWAC meeting will be held in the Conference Room of the District Planning Unit. The DSWO will present each application and will explain why he proposes to approve or disapprove. The DWAC will discuss the proposals and decide on approval or disapproval. The approved applications will then be signed by the DWAC Chairperson.
10. On the same Friday, the DWSO hands over a Payment Order (Form 6) to the Finance Bank. The form gives all names and NRC numbers of the heads of the approved households requesting the Bank to open accounts for them and transferring K30,000 per household to their account on a monthly basis starting with November.
11. Also on Friday, the DSWO informs the CWAC on the results of the approval process. He does that by submitting copies of the application / approval forms (Form 1 and Form 2). At the same time, he submits the reasons for any disapprovals to the CWAC using form 5. He also hands over against a receipt a lump sum of K100,000 to the CWAC Chairperson for transport arrangements (see step 10).

Saturday, 1st November

12. The CWAC informs all households proposed for the scheme about the results of the approval process. The approved households are advised to go to Kalomo Branch of Finance Bank on Monday (3rd November) morning with their approval form and their NRCs to open an account.

Monday, 3rd November

All approved heads of households go to Finance Bank to open accounts. They should be assisted in terms of arranging for transport and in terms of being able to deal with bank procedures by the CWAC.

Once in Kalomo, each approved beneficiary has to get a photocopy of his / her NRC and 2 passport size photos. This can be done at the Kalomo Computer Outpost opposite the Finance Bank. It will cost K10, 300 per beneficiary. The

costs for transport for each beneficiary and the accompanying CWAC member will be K4,000 per person.

To meet the costs, the CWAC Chairperson will receive from the DSWO on Friday, 31st October, an amount of K300,000. He has to retire the receipts and balance to the DSWO on Monday, 3rd November in the afternoon.

Transport costs can only be covered once. After November, it will be up to the beneficiaries to arrange how they will come to Kalomo.

Tuesday 4th November

13. At 09.00 – 13.00 hours, a meeting is held in the conference room of the District Planning Unit. The purpose is to evaluate the pre-test of the manual and recommend changes. The meeting should be attended by the DSWO and Deputy, the DWAC Chairperson, the Kalomo Manager of Finance Bank, the two trainers, the ACC and CWAC Chairpersons and Deputies and the Consultants. Based on this evaluation, the Manual of Operations will be revised.

Annex 5: Evaluation of the Pre-Test in a Stakeholder Workshop on 5th November, 2003

The Workshop was attended by the two District Social Welfare Officers, the Chairperson and Vice Chairperson of Choonga ACC and Matondo CWAC, the PWAS Co-ordinator at National level and by the International Consultant.

What worked well?

- CWAC members understood the essence of the Scheme because it was well explained and because the one day training was participatory. The trainers were good.
- Matondo CWAC is well organised. Here the question came up if all or most CWACs in Kalomo are also well organised and if the Scheme can also succeed in badly organised CWACs.
- The Matondo Headman played a positive role.
- The ranking done by the CWAC was good.
- The community reaction to the Scheme and to the ranking done by the CWAC was overwhelmingly positive (85 people attended).
- Going to the homesteads of the needy households and doing interviews there yielded reliable information on their social and economic situation.
- Using the blackboard of the Matondo Community School for the ranking done in the CWAC meeting and using flip charts for presenting the ranking to the community facilitated transparency of the process.

What was not so good?

- The time for the training was too short. Not all CWAC members practised filling in of Form 1.

What should be changed, added or better clarified?

- The “qualifiers” in Form 1 should be explained on the form and in the training.
- Form 1 should have separate columns for names of household members and for the relationship to the head of household.
- Each CWAC member has to practice at least once filling in of Form 1 during training.
- The CWAC has to provide counselling to the applicants who have not been approved.
- If the CWAC or the community cannot agree on who should be integrated at the cut-off point of 10% and who should be left out, because the respective

- households are equally needy, then it may be better to exclude both and apply for only 9% in order to avoid conflicts in the community.
- Ensure that an appropriate vocabulary is used when CWACs fill in the forms so that the DWAC decisions on approval or disapproval are based on full transparency of the social and economic situation of the household.
 - The CWAC Chairpersons should be invited to the DWAC meeting and serve as a resource person to give additional information if required.
 - CWACs have to be trained on how to advise approved households to spend their transfers wisely.
 - Procedures have to be developed for what should be done, when heads of approved households have died.
 - After 12 months, the cycle of participative targeting and approval has to be repeated.
 - The role of the consultants has to be clarified.

Specific issues:

- Can the CWACs be trusted to do the targeting?
Answer: Clearly YES!
- Is the whole scheme too complicated to be manageable?
Answer: It is complicated but not too complicated.
- How did the Matondo beneficiaries use their money?
Answer: They bought soap (!), salt and maize which they took to a hammer mill for grinding.
- How serious are the seasonal fluctuations of living costs? Should the transfers vary seasonally in order to accommodate for the fluctuations?
Answer: The beneficiaries should be advised to save in times when they have food, in order to be able to spend more when food is in scarce and prices are high.
- What should be an appropriate community contribution to the Scheme?
Answer: The community (CWAC) and relatives of beneficiaries assist beneficiaries in accessing transfers, protect them from theft, advise them how to spend the money wisely and provide labour for land preparation if the beneficiaries buy seed.
- How can the Scheme get more trainers to provide for situations when the two trainers involved in the Pre- Test are not available?
Answer: The Choonga ACC Chairperson and the Matondo CWAC Chairperson are willing to act as trainers.

What activities should be done in November while the consultants are not in Kalomo?

- DSWO and the ACC have to rank the remaining 8 CWACs of Choonga ACC with regard to their organisational capacity. They should also identify why some ACCs have low capacity and assist them to solve their problems.

- CWACs which are not functioning at all have to be reactivated (new elections) with assistance of the DSWO and ACC.
- DSWO should visit approved households and document how they use transfers.

What should be done from December 2003 to February 2004 (when the Local Advisor will be back in Kalomo)?

- Continue the test phase and integrate gradually all CWACs of the Choonga ACC into the Scheme.
- Establish at least one Pay Point for those CWACs of Choonga ACC which are more than 15 km distant from Kalomo Town.
- Discuss in small workshops and document all experience gained during the Test Phase.
- Identify which Government Organisations (GOs) and Non-Government Organisations (NGOs) are doing social welfare related activities (like Home Based Care for chronically sick patients) in the pilot area and document precisely what they do, where they do it and how many households they reach. Discuss also how the Scheme should cooperate with these GOs and NGOs.

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Annex 7: Terms of Reference for the Position of Local Advisor to the Pilot Social Cash Transfer Scheme

The Local Advisor has to perform the following **tasks**:

- Advise the District Social Welfare Officers (DSWOs) in Kalomo District and the Public Welfare Assistance Scheme (PWAS) Structures on all levels in implementing the Scheme on a test basis in the period December 2003 to February 2004.
- Facilitate a process in which the experience gained in the test phase is frequently discussed and conclusions on lessons learnt are made
- Assist the District Social Welfare Officers to upgrade their office rooms, equipment and filing system to a professional standard.
- In cooperation with the DSWO, set up a database with maps and an assessment of the organisational capacity of all Area Coordinating Committees (ACCs) and Community Welfare Assistance Committees (CWACs) in the Pilot region. The data base should also include a documentation of the social welfare related activities of Government Organisations (GOs) and Non-Governmental Organisations (NGOs) in the Pilot Region.
- Redesign, in close cooperation with the International Consultant and with stakeholders, the Manual of Operations based on the experience gained in the Test Phase.
- Advise the DSWO and the PWAS structures on all levels during the implementation phase starting in April 2004.
- Cooperate closely with the consultants operating the Monitoring and Evaluation System
- Keep a well-documented, word processed diary of activities undertaken for the pilot scheme

Reporting: The Local Advisor reports directly to the Long Term Advisor of the GTZ Social Safety Net Project.

Duty Station: Kalomo