

# **Test Phase Results of the Pilot Social Cash Transfer Scheme, Kalomo District**

## **(4th Report)**



**Progress Report on the PWAS Administered Pilot Scheme  
for AIDS Affected and other Destitute and Incapacitated Households,  
Kalomo District, May, 2004**

*The photo on the cover page shows the Honourable Minister of Community Development and Social Services, Marina Nsingo, talking to the head of a beneficiary household collecting her transfers at the Kalomo Branch of Finance Bank. The visit to Finance Bank was part of the programme for the Official Launch of the Social Cash Transfer Scheme on 4<sup>th</sup> May, 2004*

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## 4th Report

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**Kalomo**  
**May, 2004**

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# 1. Introduction

In August 2003 the Ministry of Community Development and Social Services (MCDSS) decided to establish a Pilot Social Cash Transfer Scheme in Kalomo District. The Public Welfare Assistance Scheme (PWAS) has been commissioned to administer the Scheme. The GTZ financed Social Safety Net Project provides technical assistance and the funding required for serving 1,000 households for a period of 2 years.

The main objective of the Scheme is to generate information on the feasibility, costs and benefits and on all positive and negative impacts of Social Cash Transfers as a component of a Social Protection Strategy for Zambia. A brief description of the Scheme is given in Annex 1.

The Scheme has been designed and pre-tested in a participative process in September and October 2003. This process resulted in a Draft Manual of Operations which was tested during the period November 2003 to March 2004. During the Test Phase all the 18 villages represented by 9 Community Welfare Assistance Committees (CWACs) belonging to the Choonga Area Coordinating Committee (ACC) were covered. 169 households were approved and are already receiving regular transfers.

The end of the Test Phase was marked by:

- An evaluation of the process and results achieved during this phase in order to identify lessons learned (see Chapter 2)
- The official launch of the Scheme on 4<sup>th</sup> May 2004 (see Chapter 3)
- Planning the gradual expansion of the Scheme to cover the whole project area by the end of 2004 (see Chapter 4)
- Identifying in detail all tasks that have to be performed to facilitate a systematic management of the Implementation Phase (Chapter 5) and
- Identifying critical issues for the success of the Scheme (see Chapter 6).

In addition to the issues listed above, which are documented in this report, the Draft Manual of Operations has been revised and completed. The revised Manual is available on request at the Office of the Social Safety Net Project (address on first page) and at the Kalomo District Social Welfare Office.

Visitors, who want to get more information about the Scheme and who want to get introduced to Community Welfare Assistance Committees and to beneficiary households are welcome and should contact the District Social Welfare Officer (DSWO) Kalomo (Tel 097 720513).

## 2. Evaluation of the Test Phase

### 2.1 Process and Achievements

The test phase lasted from November 2003 to April 2004. The purpose of the test phase was to find out, to what extent the preliminary design of the Scheme as laid out in the Draft Manual of Operations was feasible and what improvements were required before the implementation of the Pilot Scheme could start.

In order to achieve this purpose, the Scheme was gradually extended to all the 18 villages – served by 9 Community Welfare Assistance Committees (CWACs) – in the catchment area of the Choonga Area Coordinating Committee (ACC). This is an area within the Agricultural Block of Central Kalomo, situated north-west of Kalomo Boma. The size of the area is about 30 by 40 km with a population of approximately 10,000 living in approximately 1,700 households.

The extension was done by integrating 2 new CWACs every 3 to 4 weeks and exposing them to the process of training followed by identification of potential beneficiaries, ranking, community meeting etc as specified in the Draft Manual of Operations. The process was facilitated by the District Social Welfare Officers and a number of locally recruited Tonga speaking trainers. The GTZ Local Scheme Advisor, stationed full time in Kalomo, provided day to day assistance.

**Figure 1: Structure of Beneficiary Households integrated into the Scheme during the Test Phase**

<b>Age of hhold head</b>	<b>Households</b>			<b>Children up to 18 years</b>					<b>AIDS affected hholds</b>		
	<i>No. of hholds</i>	<i>Popu.</i>	<i>Average hhold size</i>	<i>Total</i>	<i>Orphans</i>	<i>Not orphans</i>	<i>sch going</i>	<i>not sch going<sup>1</sup></i>	<i>Yes</i>	<i>No</i>	<i>Can't tell</i>
<20	5	12	2.4	5	4	1	4	1	4	1	0
21-30	5	26	5.2	17	8	9	8	2	3	2	0
31-40	16	72	4.5	52	23	29	25	17	7	4	5
41-50	18	64	3.6	41	26	15	22	12	10	7	1
51-60	27	118	4.4	81	47	34	41	24	15	7	5
61-70	56	212	3.8	122	90	32	76	27	31	17	8
71+	42	140	3.3	71	52	19	45	16	15	22	5
<b>Total</b>	<b>169</b>	<b>644</b>	<b>3.8</b>	<b>389</b>	<b>250</b>	<b>139</b>	<b>221</b>	<b>99</b>	<b>85</b>	<b>60</b>	<b>24</b>

<sup>1</sup> Children 6– 18 years only

In order to evaluate the test phase all the files in the DSWO office were checked by the consultant, an internal evaluation with the Social Welfare Officers and the GTZ Local Advisor was conducted on 20th April and a stakeholder meeting with CWAC members, trainers and Social Welfare Officers was held on 21<sup>st</sup> April. In addition, informal interviews were conducted with beneficiaries, CWAC members, the Headmaster of Mabuyu Basic School (Pay Point Manager) and the Manager of the Kalomo Branch of Finance Bank. These activities facilitated an exchange of information and views from different perspectives and resulted in lessons learned, which will be documented in Chapter 2.2.

Based on the evaluation, the Draft Manual of Operations was revised in an iterative process involving as many stakeholders as possible. The final draft was discussed in a meeting held on 5<sup>th</sup> May, which was attended by 16 stakeholders and chaired by the PSWO. The revised Manual provides the basis for the extension of the Pilot Scheme to all the 200 villages in the pilot area.

As a result of the in-service training provided by the consultant and the GTZ Local Advisor stationed in Kalomo, the core institutional capacity for the extension of the Scheme – consisting of the Assistant Welfare Officers and 5 local trainers – is in place. What remains to be done is to train and coach the new DSWO and one more trainer. The extension will be done in phases (see Chapter 4) until the total area of the Pilot Scheme will be covered by the end of 2004. Simultaneously a Monitoring System will be set up (see Chapter 5).

To commemorate the end of the Test Phase and in order to generate awareness of the Scheme on national, provincial and local level, an official launching event chaired by the Minister of Community Development and Social Services and attended by approximately 250 Guests was held on 4<sup>th</sup> May at Choonga Basic School (see chapter 3 and Annexes 2 and 3).

## **2.2 Lessons Learnt**

The following observations and conclusions are the result of the participative evaluation process (described in chapter 2.1) involving many stakeholders of the Scheme. Positive and negative observations as well as conclusions are listed in a sequence starting with those which are most important with regard to the success of the Scheme.

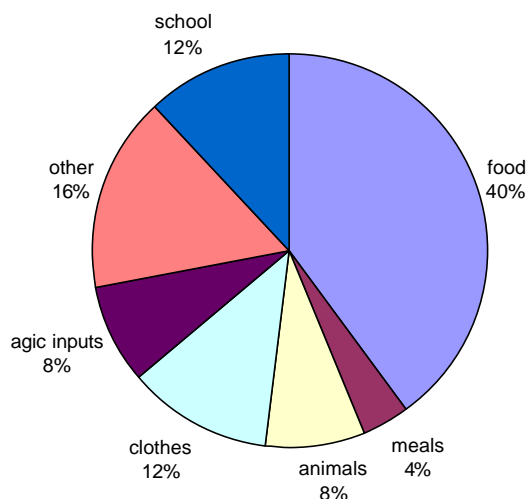
### **Positive Observations**

- The heads of the beneficiary households seem to have fully understood the Scheme. They know the process, through which they have been selected and approved. They know the purpose of the transfers and make rational use of them. They buy basic necessities like food, soap, blankets. Some invest part of the transfers in seed, getting a field ploughed by neighbours, or buying chicken or a goat for multiplication and resale. Some left part of the transfers on the savings account in order to be able to use it later in the year when food becomes scarce. The beneficiary households express that the transfers have improved their well being and have given them new hope. Some headmen

report that the incidence of begging has been significantly reduced by the Scheme.

**Figure 2: Items on which the Transfers were Spent by the Beneficiaries**

What Transfers have enabled Beneficiaries have/do



- About 60% of the members of the beneficiary households are children under 19 years of age. These children benefit not only in terms of better nutrition but also in terms of meeting their schooling requirements. The headmaster of Mabuyu Basic School reports that attendance of children from beneficiary households has substantially improved.
- The facts that the transfers are in cash, which is fungible and can be flexibly used in accordance with the individual needs and priorities of the beneficiaries, and the fact that the transfers are regular and reliable (unlike most other assistance reaching the villages) are regarded by the beneficiaries and the other stakeholders as the most important features of the Scheme. Another highly praised feature is the systematic, participative and transparent targeting and approval process.
- 8 of the 9 CWACs that have been integrated into the Scheme and trained during the Test Phase have effectively performed the tasks laid down in the Manual and explained to them during the training. Only one CWAC tried to target relatives of CWAC members but was immediately blocked by the ACC Chairman and by the DWAC. The respective community will be advised to elect a new CWAC. In summary the structure of voluntary committees (CWACs, ACCs, and DWAC) and the crosschecks built into the targeting and approval process work well.
- CWAC members praise the trainers for doing a good job in making them understand the Scheme and in enabling them to perform their tasks well. The good quality of the training has contributed to the high motivation of the ACC and CWAC members. Stakeholders also appreciated the excellent performance of the GTZ Local Advisor stationed in Kalomo.



- Most headmen (except for 2 out of 9 cases) played a positive role in assisting the CWACs, especially with regard to holding community meetings. One reason, why the headmen are interested in the success of the Scheme, is the fact that they are traditionally the first to be approached for help by destitute households. They hope that the Scheme will result in a reduction of begging. In the 2 cases, where headmen tried to exert undue influence, this was contained in the following stages of the approval process.
- All financial transactions were well documented and were done in accordance with the rules laid down in the Manual of Operations. There was no evidence of any misuse of funds. The cash book of the DSWO was well kept and up to date. The cash in the cash box was consistent with the balance in the cash book.
- The payment procedures at the Kalomo Branch of Finance Bank and at the Mabuyu Basic School Pay Point are administered smoothly and the beneficiaries are treated with respect and understanding.
- The DSWO uses the Agricultural Block Coordinators to coordinate the ACCs in their respective Blocks. Through their assistance it was possible to get messages to all ACCs and CWACs and to make appointments for conducting the CWAC level trainings.

## **Negative Observations**

- Stakeholders complained that the Social Welfare Officers are often not accessible at their office during office hours. Also they complained that even if the Assistant Officer was available, she was not able to attend to the needs of the clients because she had no access to the files in the DSWO's office when he was out (in the meantime this has been corrected). The complaints have to be taken serious because the stakeholders are unpaid volunteers and might have travelled long distances just to find out that they have come in vain.
- The Kalomo DSWO office has been renovated and equipped with basic office equipment and a system of files, which is designed to facilitate transparent documentation and filing of all documents used to administer the Scheme. Effective office organisation is essential for the day to day functioning of a Scheme which channels ZMK 30 million per months to 1,000 beneficiaries, administered through a structure of about 50 committees, a Bank and a number of Pay Points using 17 different Forms. However, when inspected by the consultant, the filing system was found to be in a poor condition. In order to facilitate a properly administered extension of the Scheme, corrective action with regard to a more professional office management is urgently required.
- When inspecting the monthly reports of the DSWO (Form 15, points 3. to 5.), it became clear that he had never visited, monitored and controlled CWACs, beneficiary households or the Pay Point. Also other control functions thus as checking the consistency of Bank Statements with Payment Orders (point 6. in Form 15) have not been done. According to the GTZ Local Advisor his

guidance with regard to learning how to manage the Scheme was not accepted.

- Stakeholders complained that it was not clear what had to be done, when the head of a beneficiary household dies. The Draft Manual contained no procedures on what to do in such a case. This is serious because already 6 heads of beneficiary households have died.
- Because of age, disabilities or weakness some heads of beneficiary households found it difficult to travel to the Kalomo Branch of Finance Bank or to the Pay Point to access their transfers.
- There is lack of coordination and overlapping between different schemes targeting the same beneficiaries. Some NGOs are distributing food (even when there is no emergency) and other items at irregular intervals and without involving or at least informing the CWACs, the ACCs, the DWAC or the DSWO.
- CWAC members expressed the opinion that a one day training is not sufficient and that they had considerable problems to understand and use the concept of “ Social and Economic Qualifiers” as is required on page 2 of the application form (Form 1), which has to be filled in by CWAC members for each potential beneficiary household.
- Trainers complain that ZMK 20,000 as allowance for a one day training in remote villages, which – including travel – may involve more than 12 hours absence from home, is not sufficient.

## Conclusions

- The performance of the DSW office has to be improved with regard to:
  - The office has to be permanently open during office hours. If – for whatever reason – the officer is not in, the Assistant DSWO or in her absence the Community Development Officers should know, where he can be found. There should also be a signboard indicating the office hours, the name of the officer and his cell phone number.
  - Assisted by the GTZ Local Advisor, the Welfare Officers will have to make a new effort to regularly and timely fulfil all their tasks in accordance with the Manual and report accordingly in Form 15. Until this is achieved the GTZ Local Advisor has to give absolute priority to the day to day close coaching of the Welfare Officers. In order to monitor this task, the GTZ Local Advisor should keep a diary for recording his coaching activities. The diary should document daily what has been done, how much time was spent, what resulted from the coaching activities and what has been observed. Based on this diary the local Advisor should report monthly to the GTZ Long Term Advisor and to the PSWO on the coaching activities done , on problems encountered and on progress achieved.

- The division of labour between the 2 Social Welfare officers should be reconsidered. The Assistant Social Welfare Officer is able and motivated to take over most of the office work including the administration of all files. She is, however, not able to ride a motorcycle and will therefore not be able to control PWAS structures outside Kalomo Township. It is therefore recommended that she takes over full responsibility of most of the administrative work while the DSWO works with the Block Coordinators, AACs, CWACs, beneficiary households and Pay Points.
- The Officers should get regular feedback on the performance of their office during DWAC meetings.
- The performance of the DSW office should be regularly inspected and guided by the PSWO and corrective action should be taken whenever the performance of the office deviates from agreed standards.
- Some stakeholders suggested that a third officer may be required. However, the majority felt that this issue should be re-examined after another 3 months.
- The role of the GTZ Local Advisor has to be strictly an advisory and coaching role. He has to resist the temptation to co-manage the Scheme and to do himself the tasks, which should be done by the Welfare Officers.

This is important because the purpose of the Pilot Scheme is to learn, if the PWAS structures under the guidance of the DSWO are able to manage the Scheme. If advise and coaching is not sufficient to make the Scheme work, then it is better to let it fail instead of having a GTZ managed success story which is not sustainable and which can not be multiplied.

- When revising the Draft Manual of Operations the following provisions have to be made:
  - Include regulations that specify what has to be done by whom in the case the head of a beneficiary household dies and in the case the head of a beneficiary household is unable to travel to access the transfers.
  - Include provisions for regularly updating the participatory targeting and approval process.
  - Revise the application form (Form 1). Instead of using the term “social and economic qualifiers”, which many CWAC members fail to understand, just request them to indicate in detail, why they have come to the conclusion that the specific household urgently requires social welfare interventions. In addition to simplifying Form 1 it should also be available in Tonga.
  - Define the role that the PSWO should have in supervising and guiding the DSWOs with regard to their tasks related to the implementation of the Scheme.

- In order to improve mutual coordination and cooperation between the Scheme and other organisations targeting poor households in Kalomo District, the DWAC should hold a meeting on this issue. At this meeting the DSWO should distribute a list with all villages and all households that have so far been included in the Scheme. The list should also contain those households that were not included because – even though they are needy - they are not among the 10% most needy. Other organisations could then consider if, rather than targeting the same beneficiaries, they could possibly target those who just could not be approved because of the 10% limit. If other organisations are also willing to make available lists of the villages and households covered, this would go a long way in improving coordination. Once this is achieved, the DWAC should also discuss, what else can be done to better use the DSWO, the ACCs, and the CWACs for coordinating social welfare interventions of different organisations in Kalomo District.
- Ways and means have to be found to assist the CWACs with transport, because the distances to reach beneficiary households, to reach the ACC and to reach the DSW office are so vast that it is nearly impossible to do it on foot. The pros and cons of supplying CWACs with bicycles have been discussed, but no solution has been found on how to solve the maintenance problem. It is recommended to randomly select 3 CWACs from Choonga ACC, to supply bicycles to them on a pilot basis, and to evaluate the experience gained after 6 months. However, it should be made clear to the 3 CWACs that they are fully responsible for the maintenance of the bicycles at their own expense.
- In order to make the training of ACC and CWAC members more effective, the following improvements are recommended:
  - Distribute the Manual (to the ACC and CWAC chairpersons) and a brief information leaflet in Tonga (to all ACC and CWAC members) prior to the training.
  - Ensure that the training team arrives in time at the training venue in order to avoid that the training has to be cut short because of lack of time.
  - Find out during the training if the ACC and CWAC members have already been trained on HIV/AIDS issues. If they are interested, inform the Social Safety Net Project, which will make such training available on request.
- Three to six months after the initial training, the ACC and CWAC members should be updated on the Scheme. The training should include, among other topics, detailed information on other programmes and organisations like health waiver schemes, bursaries, and home based care activities to which the CWACs could refer households in need of such interventions.
- The DSWO in cooperation with the Chairman of Choonga ACC should advise the Kanyaya community to dissolve their CWAC and hold a new election. Kanyaya CWAC was the only CWAC that violated the targeting rules.

### **3. Official Launch of the Scheme**

On Tuesday, 4<sup>th</sup> May 2004, the Scheme was officially launched by the Honourable, Mrs. Marina Nsingo, Minister of Community Development and Social Services in the presence of His Royal Highness Chief Sipatunyana. The launch marked the end of the Test Phase and the start of the Implementation Phase. It was held at Choonga Basic School, which is situated right in the middle of the test area and made it easy for a large number of beneficiaries, CWAC members and ACC members to attend.

The program (see Annex 2) consisted of the key-note address of the Honourable, the Minister (see Annex 3), and speeches of the District Commissioner, Mr O. Petele, the Member of Parliament, Hon. R. Muntanga, the GTZ Country Director Mrs. Martina Bergschneider, the Deputy Minister Southern Province, Hon. Chilufya Kazenene and the ACC Chairman Choonga, Mr Lubombo. Master of Ceremony was the PSWO for Southern Province, Mr Mwape Walumba. Entertainment was provided by the DAPP Music and Drama Group. The lunch was prepared by women from Choonga.

The event was attended by approximately 250 people (see the Guest List in Annex 2). A number of guests came from national and provincial level. From district level all Councillors and DDCC members were invited. Two ACC members and 2 CWAC members from all the ACCs and CWACs in the pilot area had come. The target group of the Scheme was represented by 5 beneficiaries from each of the 9 CWACs that had been covered in the Test Phase.

Altogether 10 journalists attended the event and were supplied with a Briefing Report on the Test Phase and other material. The Zambia National Broadcasting Corporation (ZNBC) broadcasted a video documentation of the Scheme which is available on VCD. The event was organised in such a way as to create as much publicity as possible. This is important in order to raise awareness for the need for social protection for extremely poor and incapacitated households and in order to strengthen the political will for the long term sustainability of the Scheme.

To achieve this purpose, the programme provided plenty of opportunity for the visitors from national and provincial level to interact with beneficiaries. When passing through Kalomo Town and before proceeding to Choonga, the guests from national level made a stop over at the Kalomo Branch of the Finance Bank, where beneficiaries were busy drawing their transfers for May. The visitors used this opportunity to chat with the beneficiaries and interview them about their social situation and about their assessment of the Scheme (see photo on the cover page). Another opportunity for chatting with beneficiaries and other stakeholders was the lunch, which was organised in such a way that all guests could freely mingle.

## 4. Schedule for the Implementation Phase

Extending the Scheme to additional 5 ACCs with 26 CWACs will be done between May and December 2004 (see Figure 3). This rather lengthy period of time is required because the extension will involve a considerable number of activities which partly have to be done in areas that are up to 100 km away from Kalomo Town. Communication (no telephones) and travel (bad roads) will be time consuming. The main activities to be performed are:

- Before starting the training in a new ACC, the ACC and CWAC Chairpersons have to be contacted and “dormant” CWACs have to be reactivated.
- For areas that are more than 15 km away from Kalomo Township, Pay Points have to be identified and established.
- Each training of ACC and CWAC members and the assistance provided for the targeting process involves a considerable amount of logistics (see Part IV of the Manual).
- According to the experience gained during the Test Phase, it is difficult to train more than 2 CWACs at a time. This is because the training – in order to be effective – involves practising certain tasks and includes a live application of interviewing potential beneficiaries in their households by the CWAC members. For this reason altogether 14 training events followed by assistance in the targeting (especially with regard to conducting the community meetings) are to be organised.
- Simultaneously the Welfare Officers have to organise the approval process on district level and the payment process (see Manual, Part III, B and C). They also have to perform a number of tasks with regard to their control and reporting functions (see Manual, Part III, D). In the event of the death of the head of a beneficiary household (which sadly happens quite frequently) or in case of any other change in the structure of a beneficiary household, the Social Welfare Officers have to perform a number of activities in order to accommodate that change. In other words: The Welfare Officers can only allocate part of their time to extending the Scheme, because they have also to perform other duties.

Factors to be taken into account when extending the Scheme are:

- A survey done to identify the exact number of households in the pilot area (see Figure 3) has revealed that the two Agricultural Blocks Kalomo Central and Kanchele together have already more than 10,000 households. Chinkoyo Block has another 8,000 households. The original plan to integrate all 3 Blocks into the Scheme was based on data from the DSW office, which grossly underestimated the number of households in these Blocks. As the budget presently available for the Scheme does not permit an extension beyond 1,000 beneficiary households (10% of 10,000 households), the extension has to be limited – for the time being – to Kalomo Central and Kanchele. Extending the Scheme beyond these two Blocks will only be possible once additional funds are made available. Negotiations to secure such funds in connection with a Child Welfare Project financed by the African Development Bank are under way.

- Areas that are very distant from Kalomo Town should be covered before the start of the rainy season in order to avoid transport problems.
- Households living within Kalomo Town (ACC Bekilumasi) and the CWACs representing them may have a different profile compared to the households in the rural areas. As there is a certain tendency to leave old people and orphans in the villages, while the more active adults seek employment in town, it may well be that the share of critically poor and at the same time incapacitated households is less than 10% in the township area. This has to be investigated before the Scheme is eventually extended to the township.

**Figure 3: Schedule for the Extension of the Pilot Social Cash Transfer Scheme, Kalomo**

**Kanchele Block**

<b>Dates for Training</b>	<b>ACC</b>	<b>CWACs</b>	<b>No. of Villages</b>	<b>Total # of HH</b>	<b>Approx. No of Ben HH</b>	<b>KM</b>	<b>Pay Point</b>
May, 2 <sup>nd</sup> half	Inkumbi	1 Kasikili + ACC	6	264	26		
		2 Shangu	7	405	40		
June , 1 <sup>st</sup> half	Inkumbi	3 Chuundwe,	13	456	46		
		4 Sipatunyana	12	530	53		
June , 2 <sup>nd</sup> half	Siambala	1 Mulwazi + ACC	5	460	46	61	
		2 Moonde	8	403	40	57	
July, 2 <sup>nd</sup> half	Siambala	3 Kasizi	7	483	48	68	
		4 Siambala	5	509	51	68	
July, 2 <sup>nd</sup> half	Siambala	5 Dimbwe	8	501	50	76	
		6 Masempela	6	373	37		
August, 1 <sup>st</sup> half	Kanchele	1 Kanchele + ACC	12	895	89	54	
August, 2 <sup>nd</sup> half	Kanchele	3 Dabali	7	305	30		
		4 Sikalaye	4	240	24		
September, 1 <sup>st</sup> half	Kanchele	5 Chawila	6	312	31		
		6 Sikweya	9	724	72	59	
<b>Total</b>	<b>3</b>	<b>15</b>	<b>115</b>	<b>6,860</b>	<b>683</b>		



### Kalomo Central Block

Dates for Training	ACC	CWACs	No. of Villages	Total # of HH	Approx. No of Ben HH	KM	Pay Point
Already covered	Choonga	1 Matondo	2	156	16	13	
		2 Mabuyu	3	303	31	31	
		3 Siamutete	1	107	11	19	
		4 Mani-Com	2	243	23		
		5 Daphan	2	285	28		
		6 Masiwe	2	84	8	24	
		7 Choonga	2	225	22	9	
		8 B-William	2	214	21	15	
		9 Kanyaya	2	89	9	9	
September II	Mukwela	1 Mukwela + ACC	2	320	32	25	
		2 Nazilongo	5	212	21	30	
October I	Mukwela	3 Mbole		130	13		
		4 Moonde		204	20		
October II	Bekilumasi	1 Bell + ACC	2			20	
		2 Mutala	1			14	
November I	Bekilumasi	3 Lubombo	2	60	6	25	
		4 Simakakata	1	320	32	5	
November II	Bekilumasi	5 Mawaya	1	1,556	157	2	
December I	Bekilumasi	6 Mwata	2	512	51	2	
		7 Kinnerton	1	127	13	10	
<b>Total</b>		<b>20</b>	<b>35</b>	<b>5,147</b>	<b>514</b>		
<b>Total for all 2 Blocks</b>	<b>6</b>	<b>35</b>	<b>150</b>	<b>12,007</b>	<b>1,197</b>		

## **5. Tasks to be Performed at the Beginning of the Implementation Phase (May/June 2004)**

### **5.1 District Level Tasks**

In order to facilitate the transition from the Test Phase to the Implementation Phase, the following tasks – in addition to the trainings scheduled in Chapter 4 - have to be performed on district level. Most of these tasks require the assistance of the GTZ Local Advisor.

- Collect the information still missing in Figure 3 in order to complete the schedule for the trainings.
- Print the Revised Manual and replace the Draft Manuals that have been used up to now by the cooperating partners (CWACs, ACC, DWAC, Bank, Pay Point, Trainers). Make sure that all Draft Manuals are recycled.
- Revise the filing systems of DSWO, Bank, Pay Point, Choonga ACC and all CWACs as specified in the revised Manual, Part VII, and assist all cooperating partners to rearrange their files accordingly. As most cooperating partners are not familiar with systematic record keeping and filing, this task requires regular follow-up and patience. It is, however, an important part of capacity building for PWAS structures on all levels.
- Fill gaps in files of DSWO by making photocopies of the missing documents from the files of cooperating partners.
- Install an information board with office hours, names of the Welfare Officers and the DSWO's cell phone number at the DSW office door.
- Print 4<sup>th</sup> Progress Report and supply to PSWO, DSWOs, DWAC members, and to the trainers.
- Prepare Manuals, files and forms for the extension to additional ACCs and CWACs. In order to save costs, place an order for all the supplies required for the next 3 months to the Social Safety Net Project.
- Instruct the CWACs to use Form 16 to accommodate all pending cases of changes in household structures due to the death of the head of a beneficiary household.
- Ask Choonga ACC to select in a participative way three CWACs and supply them with bicycles on a pilot basis in order to test, if bicycles are an appropriate means to solve the CWAC's transport problems and if the CWACs are able to maintain them properly.
- Assist the PSWO in performing his new task of regular monthly inspection visits, which should start in June.
- Identify and prepare at least one additional trainer.
- At the next DWAC meeting supply all GO and NGO programmes working in the field of Social Protection with a list of villages and households covered by the Scheme. Add to this list the households that have not been approved in order to facilitate that they may be considered by other Schemes.
- Complete the inventory of Social Welfare Activities of all GO and NGO units in Kalomo District. Ensure that the results are well presented using maps to document which Schemes are covering which villages.

## 5.2 National Level Tasks

- Proceed with the preparation of the Monitoring System in order to ensure that monitoring can start latest in July. Minutes on the last meeting conducted for the preparation of the Monitoring System are documented in Annex 4.
- Negotiate with representatives of the African Development Bank (ADB) details on how the Scheme can be co-financed by ADB and GTZ in order to be able to extend the Scheme beyond Kanchele and Central Kalomo and eventually beyond Kalomo District.
- Follow-up the publicity created through the official launching of the Scheme by inviting interested donors, members of the PRSP Sector Advisory Group on Social Protection, the National AIDS Commission, and other Committees for exposure visits to the Scheme in order to strengthen the political will for Social Protection of critically poor and incapacitated households.
- Follow-up the request for funding of the Scheme made by MCDSS to the Global Fund for AIDS, Tuberculosis and Malaria in April 2003. To facilitate this, seek the cooperation and support of the National AIDS Council.
- In order to further publicise the scheme and to make documents on the progress available to national and international stakeholders an internet presentation (webpage) should be created as soon as possible.

## **6. Critical Issues**

### **6.1 Performance of the District Social Welfare Office**

During the test phase the DSW office was the weakest link in the Scheme. The main problem was the irregular, unpredictable and rather sporadic presence of the DSWO at his office, which caused considerable frustration and demotivation on the part of the CWACs, ACCs, and other stakeholders cooperating with the Scheme. This was aggravated by the fact that the Assistant DSWO had no key and thus no access to the office and to the files and could thus not substitute for the DSWO during his absence. The second problem was the failure to administer the files to be kept by the DSWO in accordance with the rules laid down in the Draft Manual of Operations. If the office of the DSWO – which is the hub of the whole Scheme – is not properly managed, the Scheme is bound to fail.

In order to improve this situation, the consultant and the GTZ Local Adviser have been assisting in analysing the causes of the problems and in finding solutions. As a result of these considerations a number of improvements have been made. In future the Assistant DSWO should have access to the office at any time. She also has taken over the responsibility for filing and has rehabilitated the filing system.

However, there is a limit to what can be done on district level. The key to the success of the Scheme is appropriate staff management by MCDSS. Kalomo District had been selected as the pilot area mainly because it had a very experienced and highly effective DSWO. After he passed away in November 2003 he has not immediately been replaced by a DSWO with similar qualities. Only in May 2004 after the end of the Test Phase was a new DSWO appointed and hopefully will be able to manage the Scheme.

In addition there was very little supervision and guidance given to the DSWOs. Especially, when there is a change in personnel and when this personnel has to perform new tasks, close supervision, guidance and timely corrective action are indispensable.

Because the performance of the DSWOs is absolutely essential for the success of the Scheme, the consultant recommends that in future:

- MCDSS should allocate to the Scheme only such persons that have the required qualification, motivation and personality. In spite of the fact that personnel management is exclusively the mandate of the respective Departments of the MCDSS, it would still be helpful to communicate with regard to such decisions already at an early stage with the GTZ Advisor to the Social Safety Net Project.
- The DSWOs need regular supervision and guidance. That could e.g. be achieved by monthly inspection visits (two days each) by the PSWO, during which all matters related to the performance of the Scheme are thoroughly investigated and corrective action is taken when required.

## 6.2 Financial Sustainability

With regard to ensuring financial sustainability of the Scheme beyond the 2 year pilot phase and beyond the pilot area, substantial progress has been made since the beginning of 2004:

- The African Development Bank (ADB) is in the process of preparing a Child Welfare Project for Zambia for the period 2005 to 2009. In March 2004, at the end of the project preparation mission, a Memorandum of Understanding was signed by GRZ and ADB stating that the Project considers to finance an expansion of the Social Cash Transfer Scheme to 4 to 6 districts and for a period of 5 years. This would be financed by an ADB grant of US\$ 4 million and a GRZ contribution of US\$ 1 million. GTZ is willing to contribute Technical Assistance of US\$ 1 million.

The rationale for integrating Social Cash Transfers into a Child Welfare Project is the fact that the majority of the people living in the 10% poorest households are children (see Figure 1). Most of them are orphans. These OVCs are deprived of all of their basic needs with regard to nutrition, clothing and shelter, basic education and access to health services. The most cost-effective way to improve their welfare is to economically empower their caregivers. It is assumed that more than 50% of the transfers received by the heads of critically poor households will be spent on meeting the needs of the OVCs living in these households. The Appraisal Mission to finalize the project design will be in Zambia in May 2004.

- GRZ has established a Sector Advisory Group on Social Protection (SP/SAG) which is chaired by MCDSS. The main task of SAG/SP is to integrate Social Protection into the PRSP 2005-2007. After completion of this task, the SP/SAG be involved in implementing and monitoring the Social Protection Programmes and will eventually advise GRZ on establishing the 2008-2010 PRSP. With regard to financial sustainability SP/SAG provides the institutional platform to successively integrate and expand the Social Cash Transfer Scheme into the GRZ budget process.
- The official launch of the Scheme, which was organized at Choonga Basic School on 4<sup>th</sup> May 2004, created good will and awareness for the Scheme (see chapter 3 and annexes 2 to 3). This was facilitated by the key note address of the Honourable Minister of MCDSS, by the large number of guests from national, provincial, district, and local level, and by the media coverage.

However, all the positive developments listed above will only lead to long term financial sustainability of the Scheme, if and when the Monitoring System (see chapter 4) verifies that the Scheme is administratively feasible, is cost-effective and has a significant welfare impact on the poorest of the poor. This in turn depends to a large extent on the performance of the DSWOs as discussed in chapter 6.1.

## **ANNEX 1: Brief Description Of The Pilot Social Cash Transfer Scheme**

### **A Background and Objectives**

The GTZ supported Social Safety Net Project assists the Ministry of Community Development and Social Services (MCDSS) to plan, implement and monitor a Pilot Social Cash Transfer Scheme. The Scheme is administered by the Public Welfare Assistance Scheme (PWAS). Two Agricultural Blocks of Kalomo District (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 tested. The test was conducted from November, 2003 to March, 2004. It involved all the 9 Community Welfare Assistance Committees (CWACs) in the catchment area of the Area Coordinating Committee (ACC) of Choonga. From this area, 169 beneficiary households have been integrated into the Scheme and are receiving regular transfers.

Survey results, a detailed elaboration of the rationale for piloting social cash transfers in Zambia and the process and results of the Pre-Test Phase and the Test Phase have been documented in four separated reports which can be requested from the Social Safety Net Project<sup>2</sup>.

Based on the test results, the Manual of Operations has been revised. On 3<sup>rd</sup> May, 2004 the implementation phase was officially launched by the Minister of Community Development and Social Services. The implementation phase is scheduled for 2 years.

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

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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

Bernd Schubert, The Pilot Social Cash Transfer Scheme, Kalomo, November 2003

Bernd Schubert, Test Phase Results of the Pilot Social Welfare Scheme, Kalomo, May 2004

## **B Targeting**

Targeting will be done by the Community Welfare Assistance Committees (CWACs) which are the grassroot level structure of PWAS. The CWACs will use a multi-stage participatory process to identify the 10% most needy and incapacitated households in their area<sup>3</sup>. 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 most major poverty reduction Schemes (e.g. ZAMSIF, PUSH) operating in Zambia.

## **C Amount to be Transferred**

Each household approved by the Scheme will receive monthly ZMK30,000 in cash. This is the equivalent of the average price of a 50kg bag of maize. According to FAO<sup>4</sup>, 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 ZMK30,000 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).

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<sup>3</sup> The 10% limit is based on results of the National Household Survey carried out by PWAS in September/October 2003.

<sup>4</sup> FAO, Baseline Report on Inter-linkages between HIV/AIDS, Agricultural Production and Food Security, Southern Province, Zambia, June 2003.

## **D 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 ZMK30,000 will be transferred to their accounts on the first week day of each month. Approximately 300 households will have bank accounts. The bank will not charge any fees from 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.

## **E Accommodating Changes in Household Structures and Updating the Targeting**

When Beneficiaries die, or get so sick that they cannot act as head of the household any more, or leave the pilot area, then the CWAC has to inform DSWO, who will in turn make a proposal to the DWAC on how to accommodate the change. There are two options:

- In case a household dissolves or moves out of the pilot area, the transfers have to be discontinued. The deposit has to be retransferred to the GTZ/DWAC account.
- If the household remains with a new head of household and the household still fulfils the eligibility criteria, the transfers can be continued.

After having received the transfers for one year, the targeting has to be updated. This is necessary in order to accommodate all the changes that have occurred during the year. Some beneficiaries may have died or moved, household structures may have changed, households may have moved in and out of critical poverty. For these reasons, the targeting process as described in B has to be repeated every year.



## **F Management and Control**

The pilot area includes 2 Agricultural Blocks, 6 Area Coordinating Committees (ACCs), 35 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 Welfare Assistance 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 III). It explains how the training of ACC and CWAC members should be done (Part IV). It gives detailed instructions for budgeting and accounting (Part V). It provides all forms to be used (Part VI) and indicates which records have to be kept on different levels (Part VII).

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. Monthly inspection visits by the PSWO will ensure that the performance of the Scheme and of the Social Welfare Officers is controlled and that corrective action is taken when required.

## **G 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?
  - Do the PWAS structures at provincial and national levels effectively control the performance of the DSWO?

- 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 15% 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?
    - Which share of the transfers is spent on the basic needs of children?
    - 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 meals per day
    - The nutritional status of children
    - School attendance
    - Attendance at health services
- 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 can be requested from the Social Safety Net Project<sup>5</sup>.

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<sup>5</sup> Willem Colenbrander, Proposal for a Monitoring System, April 2004

## ANNEX 2: Program and Guest List of the Official Launch of the Scheme on 4<sup>th</sup> May 2004

<b>Time</b>	<b>Activity</b>	<b>Person</b>	<b>Details</b>	<b>Location</b>
9.00	Arrival of Minister in Kalomo, coming from Choma	Minister MCDSS	Welcome by District Commissioner, Meeting some beneficiaries picking up the money at Finance Bank	Kalomo, Finance Bank
9.30	Continuing to Choonga, Basic School	Minister MCDSS		Choonga Basic School
10.00	Arrival at Choonga Basic School	Minister MCDSS, invited VIP's, invited guests	Greetings by Kalomo DWAC, Choonga ACC	Choonga Basic School
10.15	Welcoming/Introduction of the program	"Master of Ceremony": PSWO Mr. M. Walumba	Mr. Walumba will lead through the program	Choonga Basic School
10.20	Music	Local music group		Choonga Basic School
10.30	Speeches	1. District Commissioner, Kalomo	Words of Welcome (5 Minutes)	Choonga Basic School
10.35		2. Member of Parliament	Words of Welcome (5 Minutes)	Choonga Basic School
10.40		3. GTZ Country Director	Short introduction of the Scheme (10 Minutes)	Choonga Basic School
10.50		4. Deputy Minister, Southern Province	Words of Welcome, Inviting the Minister (5 Min)	Choonga Basic School
11.00		5. Minister MCDSS	Main speech (30 Minutes)	Choonga Basic School
11.30		6. ACC-Chairperson Choonga	Vote of thanks (5 Minutes)	Choonga Basic School
11.35	Welcoming drama group	PSWO		Choonga Basic School
11.40	Drama play	Drama group		Choonga Basic School
12.00	Vote of thanks/inviting for lunch	PSWO		Choonga Basic School
12.00	Lunch	Minister, VIPs, beneficiaries, CWAC/ACC members, NGOs etc.	Drinks and lunch, offered by local women club	Choonga Basic School
13.00	End of the launch, departure of guests			

## LIST OF INVITED GUESTS

POSITION	NAME	
1. Minister, MCDSS	Mrs. Marina Nsingo	VIP and Speech Guest of Honor Speaker 5 (Main Speaker)
2. Country Director – GTZ	Mrs. Martina Bergschneider	VIP and Speech Speaker 3 (Introduction to Scheme)
3. Deputy Minister, Southern Province	Hon. Chilufya Kazenene	VIP and Speech Speaker 4 (Welcoming the Minister)
4. Member of Parliament, Kalomo Central	Hon. R. Muntanga	VIP and Speech Speaker 2 (Welcome remarks)
5. District Commissioner – Kalomo	Mr. O. Petele	VIP and Speech Speaker 1 (Welcome remarks)
6. ACC Chairperson	Mr. Lubombo	VIP and Speech Speaker 6 (Vote of thanks)
7. Council Chairman, Kalomo	Mr. C. Mazakaza	VIP
8. Provincial Social Welfare Officer	Mr Mwape Walumba	VIP
<b>9. Finance Bank:</b> 10. Director, Lusaka 11. Manager, Kalomo Branch	Mr. Charles H de B Carey Mr. Peter Hangandu	VIP
12. Permanent Secretary, MCDSS	Mr. Peter Mwamfuli	VIP
13. Permanent Secretary, Southern Province	Mr. S. Mpishi	VIP
14. Director, Social Welfare Dept, Lusaka	Mrs. M. Masisani	VIP
15. Council Secretary, Kalomo	Mr. A.C. Mungalu	VIP
16. Technical Advisor – GTZ / Soc. Sec.	Dr Jorg Goldberg	VIP
<b>17. Chiefs:</b> 18. Simwatechela, 19. Sipatunyana	Chief Simwatechela Chief Sipatunyana	VIP
20. Director of Planning Unit 21. Director of Community Development	Ms. M. Linyando Mr. Mwitwa	VIP
22. Acting Provincial Statistical Officer, CSO		VIP
23. DFID, Social Development Adviser	Mr. Bruce Lawson-McDowall	VIP
24. . Care International, Country Director	Mrs. Brenda Copper	VIP
25. Worldvision, Country Director	The Director	VIP
26. Catholic Relief Service, Country Director	The Director	VIP
27. . UNICEF, Program Officer	Mr. Gabriel Fernandez	VIP
28. Ministry of Sport, Youth and Child Development	Permanent Secretary	VIP
29. Ministry of Finance and National Planning	Mr. Kennedy Mbewe	VIP
30. PAM Director	Dr. Drinah B. Nyirenda	VIP
<b>31. PWAS:</b>	Mrs. C. Chibinga	



35. Beneficiaries (45 beneficiaries about five from each CWAC in Choonga)		DSW Office
36. Planning Officer Kalomo	Mr Buumba	
37. Head Teacher Mabuyu School 38. The Headmaster Choonga Basic School 39. Mr Malake Malake 40. Mr Christopher Lukama 41. Mr Mulope	Mr Muzumara Mr Himalowa Kalomo Central Agric Block Kanchele Central Agric Block Chinkoyo Central Agric Block	
42. CWAC members (79 of them two from each CWAC)		DSW Office
43. Area Coordinating Committee Chairpersons and Secretaries (14 in No)		DSW Office
44. GTZ Choma: 6 representatives		

## **ANNEX 3: Speeches delivered on 4<sup>th</sup> May 2004 during the Launch of the Kalomo Pilot Social Cash Transfer Scheme**

### **Speech of the Honourable Minister of Community Development and Social Services, Mrs. Marina Nsingo**

The Honourable Deputy Minister- Southern Province

The Country Director – GTZ

The Country Directors for Care International, World Vision and Catholic Relief Service

The Honourable Member of Parliament

Your Royal Highness Chief Sipatunyana

The Permanent Secretary – Ministry of Sport, Youth and Child Development

The District Commissioner

Officials from my Ministry

The Social Development Advisor for DFID

The Director Finance Bank Zambia Limited

The Council Secretary

Distinguished invited guests, ladies and gentlemen

The launch of the Kalomo Social Cash Transfer Scheme marks a glorious occasion for all of us. Mr. Master of Ceremonies, let me begin by stating that our beautiful country is faced by two challenges of magnanimous proportions which are; poverty and the HIV/AIDS pandemic. Poverty levels in this country stand at 73% which the HIV-prevalence rate is at 16%. Both challenges have left a trail of economic and social destruction thereby making life unbearable for many people. Poverty and HIV/AIDS mutually reinforce one another thereby making the goal of reducing these challenges very difficult and complicated. As we all know 'if you are not infected then you are affected'. My Government remains resolute and steadfast to win the battle against the HIV/AIDS pandemic and poverty because we know that in the end victory shall prevail no matter how long it may take.

Ladies and gentlemen, poverty is more than just the deprivation of basic needs such as food, health care and shelter. Poverty encompasses powerlessness and voicelessness that lead to the destruction of the human spirit. The poor dread the future – knowing that they may face at any time as the poor live with such risks everyday. The poor are the most vulnerable as their low income means they are less able to save and accumulate assets. Indeed the poor are very responsible people who are poor not by choice but by unfortunate circumstances. They see their vulnerability being reduced if mechanisms to reduce, mitigate and cope with risks are available to them. The poor have developed mechanisms to deal with risks but these



are far from adequate. Many of the mechanisms such as contracting debts and skipping meals offer short-term protection at long term cost, thereby preventing any escape from poverty. A clear understanding of the risks, prevention, mitigation, and coping strategies is critical to the designing of appropriate policy responses. I am reliably informed that a study to understand the livelihood of the poor was done prior to the designing of the Social Cash Transfer Scheme.

Government hopes to reach a stage of universalising socio-economic security for all Zambians. Socio-economic security is the prevention by social means of very low standards of living. Social Security comprises the provision of basic needs and the preparedness to deal with risks such as illness and old age. It also includes the ability to deal with calamities in Zambia. A number of programmes such as micro-finance, Food for work programmes, Food Security Pack, Social Investment Funds under ZAMSIF and Public Welfare Assistance Scheme have been put in place to try to provide Social Security for poor.

In the era of HIV/AIDS, a lot of initiatives and interventions have been put in place to try to improve the livelihood of AIDS affected households. Many Non-Governmental Organisations and Community Based Organisations are deeply involved, and my Government would like to take this opportunity to applaud their efforts and urge them to continue their noble efforts. While many of these efforts and initiatives aim at sensitisation, awareness, prevention, treatment and care, the issues of impact, coping strategies and social assistance to the AIDS affected households and communities have not been adequately addressed.

The Pilot Social Cash Transfer Scheme is an initiative between the Government of the Republic of Germany through the Germany Agency for International Development (GTZ) and the Government of the Republic of Zambia through the Ministry of Community Development and Social Services (MCDSS). The GTZ is providing financial and technical assistance to the Pilot Scheme while the Ministry is administering it through the Public Welfare Assistance Scheme structures.

The objectives of the Social Cash Transfer Scheme are:

1. Reducing extreme poverty, hunger and starvation in households with limited self-help potential in the pilot region.
2. Focusing mainly on the households that are headed by the elderly and are caring for the orphans and vulnerable children because the bread winners are chronically sick or have died due to AIDS or other reasons.
3. Generating information on the feasibility, costs and benefits of a Social Cash Transfer System as a component of the Social Protection Strategy.

Master of Ceremonies, these objectives fit very well with the overall Government aim of poverty reduction.

Presently, the Social Cash Transfer is being piloted in only one district in the country, the District Commissioner together with the people of Kalomo should feel proud for having their district chosen for the pilot. This scheme is being implemented in line with the principles of partnership and participation. PWAS in its current form following the decentralisation process is a community-based scheme. My ministry is working in close collaboration with other with other Government departments, cooperating partners, Non-Governmental Organisations, Community based Organisation. Community participation is key to Social welfare and the involvement of the local people improves access and sustainability of the scheme.

The Test Phase started in October 2003 and was running up to April 2004. The implementation phase will run from May 2004 up to the year 2006 and may even be extended beyond 2006.

The Pilot Scheme is aimed at catering for Chinkoyo, Kalomo Central and Kanchele. A total of 1000 beneficiary households are expected to be covered in 200 villages once scaling up is complete.

The District Social Welfare Officer with the help of the District Welfare Assistance Committee (DWAC) manages the pilot scheme, Welfare Office. The strategy of community targeting is used because it has fewer targeting errors and at the same time the community is able to feel that the scheme is really a community programme. Therefore the community members are very willing to lend the much needed crucial support to the scheme.

To qualify as a beneficiary, the household must be extremely needy, destitute or incapacitated (poorest of the poor). The household has to qualify as a PWAS Social Welfare client and be within the 10 % of the extremely needy households in the community in question as the scheme renders help to the 10 % of the poorest households in a community. A beneficiary household should be

- Headed by severely weak and incapacitated persons such as the elderly, chronically sick, widows or widowers and the disabled.
- Extremely needy with a low consumption level.
- Have no capacity to cover basic needs because the households has no members fit to work, no productive assets or regular support.

The identification of the beneficiary households is done by the Community Welfare Assistance Committees (CWACS) which are the grassroots structures of the PWAS. Committee members live with the potential beneficiaries and are therefore in a better position to know who in their midst is destitute. The final approval or rejection lies with the District Welfare Assistance Committee (DWAC).

Beneficiaries receive a monthly cash transfer of Thirty Thousand kwacha (K30 000.00) per household. The cash transfer is in some ways, better than the assistance in kind because:

- a. It gives the beneficiary latitude to spend the money towards pressing needs.
- b. During times of surplus, the households are able to save and spend during lean times.
- c. The portability of cash reduces the logistical costs, as there is no need for huge transportation costs.

Most of the targeted 10 % poorest households only have a single meal per day. With a cash transfer of K 30 000.00 such households are able to have a second meal.

I am informed that a number of pay-points are being established in communities so as to allow for community banking to take place. For the beneficiaries that live within the vicinity of Kalomo Boma, they are making use of the Finance Bank, whilst in other areas pay-points such as schools and clinics are being used or will be used. Mr chairperson, allow me to pay glowing tribute to management and staff of Finance Bank for accepting to identify themselves with the ordinary poor in Kalomo by agreeing to render banking services without charging bank charges. The cooperation that the Pilot Scheme is enjoying from the other partners such as schools and health centres, is highly appreciated and is an indication that a lot of institutions are supporting Government efforts in fighting poverty and destitution.

Master of Ceremonies, I am pleased to announce that, a total of 169 households have benefited from the monthly cash transfers. Most of these households are taking care of children. A total of Twenty Six Million, Seven Hundred and Ten Thousand Kwacha (K26, 710, 000) has been disbursed to these households.

The reports from the test phase are indicating that the transfers are being spent on food, clothes, soap and farming inputs. The scheme is therefore meeting its objectives.

Master of Ceremonies, let me allay some of the fears that some people may have. The scheme is unlikely to weaken the traditional Social Safety Nets. The scheme is actually reducing the burden of caring for extremely needy households on the community. Most of the beneficiaries actually receive little or no support from the community members.

They will not create a dependency syndrome because the beneficiaries are already destitute and incapacitated due to such factors like old age and chronic illnesses. They are not in a position to take advantage of any economic opportunities that may be presented to them. If they are not given transfers of any kind they can starve.

On the fears of the possibility of the money being abused by the clients, so far we have not encountered or received reports of such nature. We take it that the beneficiaries are so destitute that they are not expected to spend the money on luxuries such as alcohol.

My ministry is inviting more institutions to come forward so that we can partner in the implementation of the Public Welfare Assistance Scheme (PWAS). We need to increase the range and quality of services we avail to our clients especially in the area of health care, education and social support. We are happy that Care International, World Vision International, Catholic Relief Services and others are here to support the launch.

Lastly, Mr. Chairperson may I once again extend my thanks to GTZ for their invaluable support. The help from Finance Bank is a true mark of good corporate citizenship built on service to humanity. The District Welfare Assistance Committee, the Area Coordinating Committees and the Community Welfare Assistance Committees have done tremendous work to ensure that this scheme takes off. To the

general public and the clients I say my ministry continues to value your support, as you are the very reason why we exist.

Master of Ceremonies, it is now my pleasure to officially launch the Kalomo Pilot Social Cash Transfer Scheme.

**Thank you and may God bless you all.**

## Speech by the GTZ Country Director, Mrs Martina Bergschneider

Honourable Minister of Community Development and Social Services,  
Honourable Deputy Minister Southern Province,  
Members of Parliament for Kalomo Constituency,  
Your Royal Highness Chief Simwatachela,  
Your Royal Highness Chief Sipatunyana  
Permanent Secretary Ministry of Sports Youth and Child Development  
Representatives from various Institutions and NGOs  
Distinguished guest,  
Dear colleagues and friends

It is a great pleasure for me to be part of this important event – the official launch of the “Social Cash Transfer Pilot Scheme” here in Kalomo District.

It is well known that despite of its vast potential and resources in land, water and minerals Zambia is facing big challenges in the fight against poverty and HIV/Aids. An increasing number of people in Zambia become vulnerable to poverty.

The Zambian Government and the International Community put a lot of effort in poverty reduction. This is a common objective of Government of the Republic of Zambia and German Development Cooperation with Zambia. With the adoption and implementation of PRSP Government has given a credible and effective framework for cooperating partners. We are dedicated to work within this framework.

PRSP is a learning process for both government and donors. With this, Government has realised that there are still weaknesses and gaps particularly with respect to Social Protection and Social Safety Nets.

Honourable Minister, I think it is very important to notice that the Zambian Government through MCDSS is undertaking efforts to improve the impact of national poverty reduction strategies by developing a comprehensive Social Protection Program targeting the poorest and most vulnerable groups of the population.

Being aware that poverty reduction needs to address the **plight** of the poorest of the poor, German Development Cooperation is committed to support these efforts of Government, NGOs, churches and communities. However, research and experiences have shown that the poorest of the poor **are often not reached by existing “normal” development programs**, which request a minimum of self-help capacities. Elderly people and widows caring for disabled, sick people and children/orphans **often do not have the capacity** to take advantage of these programs, mainly due to lack of labour force and productive assets. This is the reason why these households urgently need **support on a continuous and reliable basis**, not only handouts and occasional charity activities.

After many discussions within Government, particularly among MCDSS and PWAS, other stakeholders and with the poor themselves, and after taking advantage of some international experiences (Mozambique, Namibia etc) the Ministry embarked on an approach which is new for Zambia: To provide social cash transfer to the poorest of the poor on a low, but regular basis: The Pilot Social Cash Transfer Scheme.

There are mainly four reasons for that approach:

1. The poorest and vulnerable, which the scheme is targeting, have to cope with heavy responsibilities: They often have to care for orphans, disabled and sick people. They have proved that they can shoulder responsibilities, since they have

to. They know best their priority needs. So we think cash is the best approach, because cash gives them the power of decision.

2. Cash is spent locally – so there are as well some benefits for the whole community.
3. From many research studies it is very clear that these particular vulnerable households do not fully benefit from programs which are only targeting certain groups or certain problems (e.g. only children, only health problems, etc.) leaving out others.
4. Most existing Social Safety Nets (formal as well as informal) are working on an ad-hoc-basis. They provide only occasional support and the beneficiaries cannot rely on them. So the destitute continue struggling on a day-to-day basis, caring only for the next meal. This leads to coping strategies undermining the future of children, weakening the social fabric and burdening the poor communities (aggressive begging with neighbours, prostitution, stealing, child labour, etc.).

This pilot scheme provides a small, but regular support the beneficiaries can rely on – so they can make plans and even engage in small economic activities. In this way, the scheme is not only targeting the survival but as well empowerment – being fully aware that the capacity of the beneficiaries is limited.

The scheme is implemented through the Public Welfare Assistance Scheme, thus using existing structures and building on existing experiences.

We think that MCDSS has taken the right decision to redesign the scheme transferring decision making to the community level and networking with all stakeholders.

GTZ is as well committed to strengthen the capacity of PWAS. The success of the scheme depends heavily on the commitment and the performance of responsible officers and above all of the committee members. We should particularly thank the members of PWAS grassroots committees working on a voluntary basis. We all are aware that it is only through their efforts that poverty reduction and development results can be achieved.

On behalf of GTZ I wish to take this opportunity to express my sincere appreciation to our Zambian partners in the Ministry of Community Development and Social Services, the District Authorities, the international and national NGOs for the close cooperation with GTZ.

I am confident that this Pilot Social Cash Transfer scheme will contribute substantially to the empowerment of the very vulnerable and to reduce the burden on their shoulders.

I wish you all the best, success and good health.

## **ANNEX 4: Minutes of a Meeting to Identify Indicators for Impact Assessment of Households that are Beneficiaries of the Social Cash Transfer Scheme for Aids Affected and Other Incapacitated and Destitute Households in Zambia**

**Reported by Maurice Pengele,  
MCDSS/GTZ Social Safety Nets Project**

**Date:** 5 th April, 2004

**Venue:** GTZ, Lusaka

**Attendance:** Check for list in appendix

### **1.0 Programme:**

- 1.1 Introduction, Objective of the meeting and M&E aspect of the scheme.
- 1.2 Common Understanding of the proposed areas of impact on beneficiary households i.e. Nutrition, Overall poverty status (CSO), asset ownership (livestock, clothing, etc), HH economic activities, Education, Health
- Plenary.
- 4.3 Identification of specific indicators of the above areas at HH level
  - Group work
- 4.4 Lunch
- 4.5 Report back
  - Plenary.
- 4.6 Wrap up
  - Plenary

### **2.0 Minutes**

#### **2.1 Introduction and background**

The objective of the meeting was to identify specific indicators to use in measuring the impact on households that are beneficiaries of the pilot social cash transfer scheme for AIDS affected and other incapacitated and destitute households in Kalomo. This pilot scheme started in October 2003. It is carried out by the Ministry of Community Development and Social Services (MCDSS) and is supported by German Technical Cooperation (GTZ).

The Kalomo Pilot Social Cash Transfer Scheme can be summarised in the following way: Objectives, Targeting, Payment, Coverage /Area and Achievements so far.

##### **2.1.1 Objectives**

To reduce extreme poverty and hunger of extremely needy households (10 % of all households: mainly those affected by AIDS, Elderly with OVCs) and to generate information on feasibility and impact of the cash transfer scheme.

### 2.1.2 Targeting

Targeting is made through the grassroots Committees of the Public Welfare Assistance Scheme (PWAS). These are basically community structures and they are locality specific, networking with NGO and CBO.

Being knowledgeable about the socio-economic stratum of their own localities, they are methodologically capable and they target the non-viable poor, who are normally expected to be incapacitated households - with no person fit to do or engage in productive work to support the household, having no productive assets and no regular support from extended family.

### 2.1.3 Payment

The amount of K 30,000 per month per household transferred through the bank or other identified appropriate pay points like schools or health centres. This amount should be sufficient to provide a second meal for an average household. However, the beneficiaries can use it for any purpose – assuming that the poor are not stupid or irresponsible.

### 2.1.4 Coverage/Area

So far three out of the six Agricultural blocks of Kalomo are being covered. In here there are 12 Area Coordinating Committees (ACCs) under which there are 47 Community Welfare Assistance Committees (CWACS) with approximately 1000 beneficiary households.

### 2.1.5 Achievements so far

Before the full scale implementation of the pilot scheme, a pre-test was launched in November, 2003 and this was initially intended to test and consolidate the procedural mechanisms in readiness for the final pilot launch in May, 2004.

In this scheme pre-testing exercise, there are 169 beneficiary households. 56% of these are female headed. Most of them are caring for OVCs. In total there are 644 people in these households, more than 50 % children under 17.<sup>6</sup>

## 3.0 Identification of indicators for impact monitoring

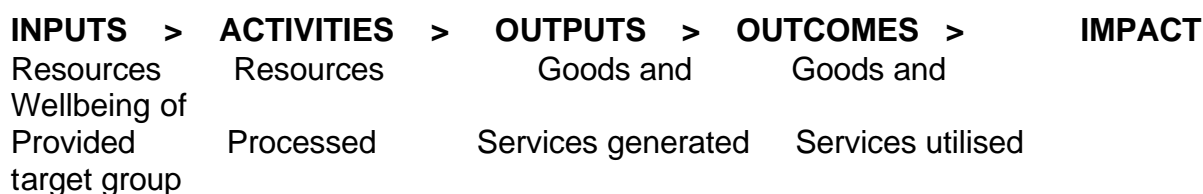
The following factors ought to be crucial when designing impact indicators for a scheme of this nature:

**-Issues of orphans and vulnerable children.**

**-Gender related matters, taking into consideration the role and plight of the female folk.**

**-The identified indicators should be related to the PRSP monitoring aspects so as to move within the main stream of the PRSP framework.**

The following model/diagram would to be an important guide when designing impact indicators.



<sup>6</sup> Documents and a briefing report on the test phase are available on request.



The above model is what the PRSP uses, although however, it does not indicate the activities aspect of the programme (s).

For the Kalomo pilot scheme it would be appropriate to identify the outcomes and the impact (Effectiveness and Equity respectively). It is recommended to include the CSO offices in Livingstone and Kalomo in data collection.

The monitoring should also take into account other environmental factors, which might influence the results of the scheme.

On the inputs (economy/ efficiency), the scheme would do well to collaborate with the Auditor General's office in Livingstone. This would check on the flow and utilisation of the financial resources. Then for qualitative data, to do Focus Group Discussions with beneficiary households and community stakeholders in a survey exercise.

It would also be important to consider the impact on non-beneficiaries and communities as a result of the cash transfer.

#### **4.0 Selection of indicators**

The following were identified as the major issues and areas for identification of impact indicators on the beneficiaries: **Education, Health, Nutrition, Expenditure patterns, Shelter, Household social empowerment, Household assets and HIV/AIDS status** of targeted households.

Specific indicators and information were expected to be generated from the above through group discussions, brainstorming and presentations.

#### **Group 1**

This group tackled nutrition, health and HIV/AIDS

#### **7.1 Nutrition**

The following specific indicators were identified:

- 4.1.1 The number of meals a household is able to afford per day.**  
The data here would be collected from respective beneficiary households.
- 4.1.2 The quality of these meals based on standard nutrition guidelines.** The questionnaire survey of respective beneficiary households and standard nutrition guidelines to assist on following up to this particular indicator.
- 4.1.3 Measuring the upper-arm circumference for children aged 1 up to 14 years old.**
- 4.1.4 For children aged below 5 years, to check their under 5 clinic cards to see how they are faring.** This would call for more efforts by the CWACs to ensure guardians of these children regularly take them for under 5 clinic check-ups.

## 7.2 Health

Specific indicators here include the following:

### 7.2.1 Sources of health care

The basic assumption is that most very poor households do not go to health institutions when they have an illness. They would rely on self-medication, for example by begging for tablets, using their own known traditional herbs, ignoring the illness or consulting traditional healers. It is assumed that usually, these households are lacking the financial means to pay for health services; they also lack access to information about services, which they might obtain either very cheaply or free of charge.

### 7.2.2 Access to health care facilities

The access to health care would be determined by **cost, distance and perceived quality** of the service by the beneficiaries. A very poor household troubled by these factors, is expected to have prohibitive access to health care institutions. The type of health institution they go to, e.g. Government, mission or private would have something to tell about the socio-economic status of the household.

### 7.2.3 Self perception of health

This is on how the beneficiaries themselves perceive health matters. i.e. good health, ill health and remedial measures.

## Group 2

This group looked at household social empowerment and household assets

### 7.3.0 Household Social Empowerment.

**7.3.1 Decision making at household level:** This is on how and by whom decisions are made in matters of budgeting and expenditure.

**7.3.2 Social Status:** This would be looking at whether the status has improved or reduced (e.g. stigma) and would be based on self-perception of the beneficiary households.

**7.3.3 Participation in community activities:** This is related to the positive aspect of the above indicator; which would be as a result of improved socio-economic status of the household and its members.

**7.3.4 Access to information;** on for example medical fees, sources of inputs, condoms, loans etc as result of the opened up interaction of various community members and the improved social status.

### 7.4.0 Economic activities (assets, savings, investments).

**7.4.1 Sources of livelihood:** This would set out to know about the main and other minor livelihood sources for the household.

**7.4.2 Type of assets owned:** This would include two types of assets: +**productive** such as livestock, farming inputs and machinery;

- or **+consumptive** such as clothes, blankets, household items etc.
- 7.4.3 **Asset acquisition**, which also looks at both productive and consumptive.
- 7.4.4 Change in household **coping strategies**
- 7.4.5 Level of household **indebtedness**, whereby a household should be able to borrow and pay back without great difficulty.

### Group 3

#### 7.5.0 Education

- 7.5.1 **School attendance** in terms of number of days children are able to attend school in a month.
- 7.5.2 **Children of school going age are expected to actually be in school:** Due to the conditions of poverty, some children of school age are not in school, and as such an improved household livelihood would be likely to effect positive changes.
- 7.5.2 **School dropouts:** This would be looking at the number of children stopping school whilst their age requires them to actually be in school.

#### 7.6.0 Shelter

- 7.6.1 **Looking at the number of people per room in a household:** In very poor households, overcrowding is expected to occur.
- 7.6.2 **Floor quality:** It is likely that a very poor household would not bother or be able to improve on the quality of floor for the house.
- 7.6.3 **Quality of doors:** It is common knowledge that a very poor household would not afford to have an attractive and strong type of door for the house.
- 7.6.4 **Quality of walls:** If it is mud or bricks, and just the general maintenance and appearance of the walls.
- 7.6.5 **Is the house rented or self owned?** It should however be noted that in rural areas, very poor households cannot afford to rent a house but live in their own, which might be given, inherited, acquired before things became bad or through any other possible means.
- 7.6.6 **Does the house need repairs?**
- 7.6.7 **Is there a toilet/latrine for the house?**
- 7.6.8 **Sources of energy for the household**
- 7.6.9 **Source and quality of water**

#### 7.7.0 Expenditure patterns

- 7.7.1 **Expenditure on food:** Mostly poor households spend about 90% of their earnings on food.
- 7.7.2 **Expenditures on other things:** These might include: health, shelter/repairs, clothes, education, transport etc.

**5.0 Other hanging but important guiding or long term indicators and factors** worth observing in relation to the scheme were discussed and included the following:

**5.1 Number of household members who are literate:** Some argued that despite the short duration of the scheme (2 years), at the end it should have contributed to improving literacy levels of households and communities. This is so because the former children will have become adults. Also directly the adults would be made to participate in various community activities including literacy clubs.

**5.2 Education status of the household:** This one is related to the above in a way, although it takes into account the actual level of education reached by household members as a result of the cash transfer, whereby some children will have managed go to higher levels of education.

**5.3 Changed sexual behaviour:** This indicator supposes that the presence of regular cash transfers might make some spouses to start engaging in extra marital affairs.

**5.4 Impact of HIV/AIDS on targeted households:** Since the main focus of the scheme is to help in mitigating the HIV/AIDS impact, there should be a reliable way to provide information on the impact of HIV/AIDS on the beneficiary households: How many of them are destitute due to HIV/AIDS (caring for chronically sick persons, death of breadwinners)?

## **9.0 End of meeting**

The meeting ended with the organisers and participants expressing happiness at the fruitful discussions and resolutions, and more so that after evaluation it was found that the intended objectives of the meeting were adequately achieved.

The meeting was also privileged to learn that there are other organisations that have gotten interested and involved in similar activities. For instance ZIHP has a health waiver scheme in Kafue for the very poor.

CARE was also reported to running certain activities targeting the very poor and incapacitated households, and the most similar and key one being their scheme in Malawi.

It was also mentioned that the African Development Bank (ADB) would provide support to the social cash transfer model in Zambia through a comprehensive Child Welfare Project. This would lead to covering more districts (up to six) with cash transfers schemes to AIDS affected and other destitute and incapacitated households. In this framework, cooperation between ADB and GTZ is planned, GTZ providing technical assistance and ADB providing funding for the transfers.

**ANNEX 5: Social Cash Transfer Scheme lauched**