CHAPTER 2. UNCONDITIONAL CASH TRANSFER PROGRAMMES IN EAST AND SOUTHERN AFRICA

This chapter summarises relevant information gathered on cash transfer programmes in the 15 countries covered by this survey. These entries have been verified by at least one person in each country, but note that this does not claim to be exhaustive and that much of this information was self-reported by those involved in the programmes.[6]

2.1 Overview

The programmes covered in this survey are mainly unconditional cash transfers that are delivered regularly (usually monthly) to defined target populations. Some of the programmes discussed below focus on individuals (eg social pensions that target older people), while others aim to benefit the entire household or family.

Who benefits?

Target groups for cash transfer programmes vary from country to country. ***Formal sector workers*** enjoy widest coverage, with contributory social security schemes (not included in the inventory) in most countries in the region. Non-contributory pensions are provided for ***older people*** in four countries included in the study, and for ***people with disabilities*** and/or ***war veterans*** in many countries. Another increasingly common target group is ***poorest households*** ('the poorest 10 per cent' in Zambia), sometimes linked to being ***chronically ill*** (Mozambique) and unable to work.

Of the unconditional cash schemes covered, relatively few are ***child-oriented***. By child-oriented cash transfers we mean transfers that are usually given to the carer but are 'tied' to the child (ie, you cannot access them unless you have a child living with you). Examples include the South Africa child support grant, foster care grant and care dependency grant; the Kenya cash subsidy for children affected by HIV and AIDS; and transfers to former child soldiers in Burundi. In some cases, households qualifying for the transfer through other criteria are eligible for a higher level of transfer because they have children (eg, Mozambique, Zambia). Benefits for children in the region tend to be made in kind rather than in cash, and are often linked to basic services such as education or health care. Some of these in-kind transfers are made directly to the child. Many children (as this study will show) also benefit indirectly from other transfers aimed at older people or poor households more generally.

Humanitarian relief versus long-term assistance

The rationale for all of these cash transfer programmes is that the state, often supported by and/or driven by other external agents such as donors or NGOs, must take some responsibility for the precarious situation of vulnerable citizens. This is increasingly recognised to be the case not only in an emergency context, but also in situations of chronic poverty and illness. During humanitarian crises, such as those triggered by drought or conflict, emergency relief should be provided. The powerful synergies between humanitarian crises and chronic poverty drive many cash transfer interventions. Examples include grants for reintegration of (child) soldiers in Burundi and Rwanda, and the

[6] Other global, regional and national social protection databases are being developed (see, for example, Barrientos and Smith, 2005).

establishment of the Office for Assistance to the Vulnerable Population (GAPVU) for households made destitute by the civil war in Mozambique.

However, social assistance must be delivered even in 'normal' times, due to the inability of certain groups of people to maintain a viable livelihood. An encouraging trend is found in countries that are prone to emergencies (like Ethiopia) striving to reduce their dependence on humanitarian plus project food aid, and ***shifting from food towards predictable cash transfers*** as a means both of protecting household assets against livelihood shocks and reducing their chronic vulnerability. The need to look to regular, predictable transfers has increased in the region as HIV and AIDS rates escalate, creating a long-term humanitarian crisis.

Most governments in east and southern Africa lack the financial resources or administrative capacity to implement fully fledged social security systems, so a variety of social assistance programmes are being put in place instead, some with a view to expansion. As a generalisation, ***state-funded social security*** is better institutionalised in the wealthier countries of southern Africa (Botswana, Namibia and South Africa) than in the extremely poor countries of east Africa (Ethiopia and Tanzania). In the former case, cash transfer programmes operate within a fairly coherent policy context – a national social protection strategy, or social security budget – while in the latter case, social assistance is more limited and *ad hoc*. Encouragingly, however, the trend is towards a deepening institutionalisation of social assistance, and its status is gradually becoming upgraded, from 'charitable benevolence' towards 'right of citizenship'.

Scheme coverage, management and transfers

Cash transfer programmes implemented by governments tend to operate at national level, while those sponsored by donors and NGOs are usually small scale and benefit fewer people who live in a defined programme area (such as a rural district or an urban centre). These programmes often have more beneficiary involvement (eg, in design, targeting and monitoring) as NGOs invest in community mobilisation to improve local ownership of the programme (as in Malawi and Rwanda).

Recent government-donor partner programmes that focus increasingly on community processes are included in the outline below for interest, despite the fact that they do not fit the definition of unconditional cash transfers completely. For example, with increased decentralisation, community cash transfer programmes are evolving that are then used in various ways to address poverty and vulnerability (for instance, in Rwanda and Tanzania). There is limited evidence of private sector involvement in social transfers, but several contributory schemes now involve parastatals (eg, the National Social Security Fund in Uganda) and southern African social security systems are working with the private sector to deliver payments to beneficiaries.

2.2 Programmes by Country

Botswana

There are four main programmes which are funded and implemented by government in Botswana. The main formal cash assistance is the universal, non-contributory old age pension scheme. This is a non-contributory scheme, targeted at all citizens over the age of 65, that started in October 1996. The scheme has 80,000 direct beneficiaries, reaches between 65 and 74 per cent of the target group, and benefits an estimated 42 per cent of the total population. The value of the monthly cash transfer is US$ 27, and the overall budget is P110m per month. The second programme is the Orphans' Allowance, which is targeted at orphans, and reaches 25,000 orphans. The monthly cash grant has a value of US$ 49. The third cash transfer programme is the World War II Veterans' Allowance, and also has a value of US$ 49 per month. The fourth programme, the Destitute Person's Policy, started in 1980 and has an annual budget of P40m. Targeted at the poor and vulnerable, its targeting criteria are: people with less than 4 livestock units (LSU) or earning less than P120 per month; those unable to work due to disability; any child under 18 without parental support and not receiving orphan support; and people affected by an emergency declared a natural disaster or by a temporary emergency. This monthly cash support has a value of P90 and reaches 37,000 direct beneficiaries.

There seems to be little direct cash support from the NGO sector. Burial societies are the major informal source of cash transfers, particularly because they have extensive geographical reach into rural areas. While there is no sense of total membership (and with the caveat that these are often informal savings schemes), burial societies are proliferating in size, as the number and costs of burials rise – a reflection of the increase in HIV and AIDS in the country. The variety of services they provide is also expanding. The increase in microfinance and savings schemes (such as the Letlole National Certificate Saving Scheme) may help burial societies become more financially viable. Also on a community basis are *ad hoc* emergency registers, which respond to emergency needs, although again, there is no estimate of their number of beneficiaries. An interesting range of public-private partnerships (PPPs) is emerging in Botswana. The government contracts out service delivery to NGOs for its orphans and vulnerable children (OVC) scheme. National HIV and AIDS policy is co-ordinated between the public and private sector, with private companies now having to provide welfare to employees and their families. This may suggest future opportunities for the use and delivery of cash transfers.

Burundi

Burundi's Poverty Reduction Strategy Paper (2002) indicates a general shift in government emphasis from food aid and food-for-work schemes towards cash aid. Information from Burundi was difficult to obtain, but some limited cash transfers are provided by the government to older people, children and people with disabilities. Targeted at demobilised child soldiers, the National Children in Distressing Situations Scheme is funded by UNICEF and provides cash allowances to 12,000 direct beneficiaries. The third programme, funded and implemented by World Vision, is also targeted at demobilised child soldiers, providing a monthly grant equivalent to US$ 20 to some 150 children.

Ethiopia

Cash transfers are a highly politicised issue in Ethiopia, but have become a major component of the Government of Ethiopia's Productive Safety Net Programme (PSNP). The PSNP was developed in 2004, a collaborative effort between the Government of Ethiopia and a joint donor group including the Canadian International Development Agency (CIDA), the UK Department for International Development (DFID), Development Co-operation Ireland, the European Commission (EC), the US Agency for International Development (USAID) and the World Bank. It marks a move from relief-oriented safety nets to a development-oriented approach. The programme is targeted at the chronically food insecure and transfers a combination of cash and/or vouchers through a cash-for-work scheme, with direct grants being given to those ineligible for work. However, 30 per cent of the safety net programme will continue to transfer food. While the programme is funded by the federal government and additional support from the World Bank (through Adaptable Programme Loan 40040 (2004-06)) and other donors, it is led by the *Woreda* Council and Cabinet, and implemented by organisations (working to guidelines of the PSNP) and local government (supervised by the Community Food Security Task Force in the Food Security Bureau) (GOE, 2004). While the PSNP should have started in 2004, implementation was delayed by policy and political debates; it is planned to run for five years.

The programme aims to reach 5-6 million direct beneficiaries (for the cash-for-work and cash relief components together), scaling up to 15 million people in an inter-year emergency programme. The target groups are: rural food-insecure households in any of the 262 chronically food insecure *woredas* (ie, those who are known to have faced continuous food shortages – usually at least a three-month food gap in the last three years, and received food assistance); those who do not have labour to participate in public works and who cannot participate in, or contribute to, other community-based activities or initiatives (eg, lactating and pregnant mothers, orphaned teenagers, labour-poor households); households without family support or other means of social protection; those suddenly vulnerable due to a drastic loss of assets and unable to be self-supportive (in the last two years). Eligibility is assessed by administrative and community knowledge, while community identification is through established food security task forces. Eligibility for the unconditional cash component depends on a person's ability to work. The government sets an 80 : 20 ratio for cash-for-work to gratuitous relief, but it is likely that fewer than 5 per cent receive the gratuitous relief. The value of the cash transfer amounts to about 30 Birr per person per month. During the hungry period, the transfer is a (100 per cent) cash/coupon payment for immediate redemption. During the post-harvest period, 50 per cent is for immediate payment, while 50 per cent (cash) is deferred payment (in the form of a coupon) for redemption in the hungry period.

Support for cash transfers has waxed and waned according to changes in development practices, and there is currently a renewed interest in cash transfers within the non-governmental sector. Save the Children has been operating a cash transfers project, the Livelihood Development Project for Meket *Woreda* (MLDP) in North Wollo Zone, Amhara National Regional State, since 2003. This is a safety net programme that is funded by the Royal Government of the Netherlands. This programme aims to provide cash transfers to vulnerable households to meet 'essential food expenditure' in bad years and invest in assets in better years; to learn lessons and advocate for change of policy, funding and practice in the linking of relief to development and child nutrition development; and to stimulate local markets and the economy through cash distribution and other related interventions. Targeted at able-bodied and vulnerable food-insecure households, it has 46,600 beneficiaries, around 11 per cent of whom receive the unconditional cash transfer, having been identified as vulnerable and unable to work. This programme is explored in more detail as a case study for this report (see Section 3.2) and has recently been assessed for its impact on the caring practices of mothers in Meket (Save the Children, 2005).

There are other small-scale cash transfer initiatives among local and international NGOs – notably from SOS Sahel, ACCORD, HelpAge International and World Vision. One example is a child sponsorship project that provides welfare assistance (according to donor funds) to orphaned and destitute children, without separating them from their extended family or native community. Implemented by Integrated Family Service Organisation, an NGO, the project reaches 1,128 children who were identified through a baseline survey. It started in *Kebele* 10 in *Woreda* 16 (known as *Yeka Woreda*) and expanded into other *woredas*, with an agreement between donors and government to increase the number of beneficiaries in the 2004-07 period. The monthly cash transfer is between 130 and 150 Birr (depending on the donor) to be spent on basic needs.

In the Ethiopia Rapid Assessment, Analysis and Action Plan (RAAAP) there is little information on small transfer schemes. UNICEF also worked on estimating financial costs of various types of service provision, including cash transfers. A National Action Plan for OVC was launched in April 2005. No information was available as to whether there would be any direct cash component. A similar situation prevails with the multi-sectoral HIV and AIDS programme that has just been drawn up to provide prevention, treatment and care. A grant provision is included under this US$ 63.4m, three-year project. Until now, donors have tended to focus direct assistance on food aid rather than financial assistance, but this may change with the shift in the Ethiopian Government's outlook. As in Botswana, the role of informal support systems is increasing. In its 'best approach' to OVC, UNICEF now targets informal social protection mechanisms (though not cash), such as *idirs* (burial societies) and district *kebele* orphan committees, to administer its HIV and AIDS programme. Family Health International (FHI) is training *idir* members in home-based care, and SOS Sahel also works through *idirs*. Thus, the role of burial societies is expanding, as they provide counselling, home-based care, and support for income-generating activities (USAID, 2004).

Kenya

Informal support from the community and extended family is still arguably the most effective response to economic and social crises in Kenya. While there is no government national social safety net provision, draft legislation (the National Social Security Fund Act Amendment Bill) has been prepared to convert the current contributory pension scheme into a national social insurance pension scheme, with universal membership to those with a monthly or seasonal income (ILO, 2004). It is planned that the restructured National Health Insurance Fund will provide health insurance for all Kenyan citizens, with funding from the International Labour Organization (ILO), the World Health Organization (WHO) and German Technical Cooperation (GTZ). The Kenyan Government also provides social safety nets to its constituencies (KSh.50-70 million, or US$ 620,000–880,000, available annually to every constituency) through several funds that can then be used locally.

The Government of Kenya has recognised a need for state provision of a safety net to catch those OVC who fall outside the scope of organisations already assisting vulnerable children, especially given the high number of double orphans (estimated at 500,000). In response, an interesting cash subsidy project run by the Government and UNICEF was trialled in 2004 (see Box 3 below) (UNICEF/ GOK, 2005).

Box 3: Cash Subsidy for Children Affected by HIV and AIDS

The Kenya scheme appears to be one of the few government-led (with strong donor support) orphan and vulnerable child-oriented cash schemes outside South Africa. Kenya now has over one million orphans as a result of HIV and AIDS, and there is increasing awareness at all levels of the need to respond adequately to their economic and social requirements. Particularly important, and the central objective of this cash scheme, is the desire for families and communities to be able to care and support the increasing numbers of vulnerable children: for childcare and protection, institutionalisation is a last resort.

The cash subsidy for children affected by HIV and AIDS is just finishing its pre-pilot stage. It has been distributing cash since December 2004 (January 2005 in Nairobi). To date, it has reached 500 children from 410 households in three districts: Nairobi, Kwale and Garissa, distributing KSh.500 (US$ 6.25) per child per month. Seventy-five per cent of beneficiaries are orphans, while 25 per cent are other vulnerable children. Selection of families is organised by the District Children's officer (using a questionnaire that assesses the situation of each child) and involves active participation of community committees. The process by which families are selected is being reviewed during the pilot phase. There has been pressure to keep the scheme focused on orphans, but the design tries to ensure that other vulnerable children who would benefit from cash support are also included (eg, those living with a single mother who is chronically ill, or the poorest children).

Families and communities are encouraged to make some contribution to demonstrate ownership of the initiative – in cash, kind, food, clothing, time, awareness raising and advocacy activities (eg, on fostering). In addition to the cash transfer, to try and reach more vulnerable children while recognising the different social protection interventions required to ensure positive outcomes for children, the scheme also supports community-based organisations working to support OVC. It will also develop the capacity of communities to mobilise additional resources. The pre-pilot scheme cost US$ 60,000 and funding is now being secured for the next stages.

At the time of this research, the Government of Kenya and UNICEF were in the process of scaling up to reach 2,500 children in the three pre-pilot districts, and discussions were underway to expand into the west of the country (where HIV rates are higher). This involves making it a conditional cash transfer, mainly due to community requests for this. Substantial reviews and (re)design efforts are still underway: this report draws on lessons gained from pre-pilot work, focusing on lessons regarding targeting.

According to a World Bank survey carried out in 2003, at least 300,000 voluntary associations and community groups are operating in Kenya, with between 5 and 17 different types found in each village. These provide a range of support, including some cash assistance, and frequently target the needs of the poor specifically. Among international NGOs, World Vision International, which has the largest budget and widest coverage in Kenya, operates the most extensive cash transfer scheme identified in this research. It manages a child sponsorship programme for 94,000 children and also runs 19 grant programmes. A much smaller example is the KUUWINDA Adopt-a-Granny Programme, started in 1991, a sponsorship programme funded by HelpAge International and implemented by a convent of Incarnate Word Sisters. Its 38 beneficiaries, who are the 'most needy' (though the way in which 'most needy' is defined is unclear) are mainly single, some with grandchildren. The sum received appears to vary according to the availability of funds.

There are cases emerging of private businesses engaging in social responsibility, such as the parastatal Kenya Roads Board, which has given cash donations to two children's homes. However, there seemed to be an underlying sense of scepticism regarding safety nets in Kenya on the part of many actors, including the extent to which their benefits may be undermined by institutional corruption.

Lesotho

A universal non-contributory pension came into operation as recently as November 2004 (Kingdom of Lesotho, 2004a, 2004b). This entitles all citizens over 70 years of age to M150 (US$ 25) per month. Although the high age criterion could be seen as a barrier to the pension's potential impact on poor households and older people in Lesotho, there are an unexpectedly high number of eligible recipients. By May 2005, the pension was reaching 69,046 direct beneficiaries. Older citizens must register with the district administration and present a passport, voter's registration card or affidavit as proof of age. This new pension has a budget of M124,286,400 (which is the cost of the transfer) and M3,000,000 (for administration costs). The University of Lesotho is financing a national multi-disciplinary study on the pension, and HelpAge International is supporting their study on the impact of the pension on household poverty. This programme is explored in more detail as a case study for this report (see Section 3.3).

The Department of Social Welfare also administers monthly cash grants of M100 (US$ 16.60), including medical expenses for the destitute. The Ministry of Finance operates a cash transfer of M150 to ex-World War Servicemen and their spouses. There are approximately 5,100 citizens claiming this pension, which will be merged with the Old Age Pension over time.

Most other support reaching MVC is in-kind. The Government of Lesotho intends to implement a scholarship fund for schoolchildren. The Catholic Bishops' Conference recently received a grant of around M1.6m from The Global Fund to fight AIDS, Tuberculosis and Malaria (henceforth the Global Fund) to run income-generating activities, education and HIV and AIDS awareness programmes for OVC in Lesotho's three highland areas. This illustrates the reach of religious organisations into remote rural areas. However, the main source of social assistance – primarily cash in emergency situations – is still from family and neighbourhood networks. A review of HIV and AIDS initiatives is underway in Lesotho.

Malawi

Two small schemes were documented in the review. The Public Assistance Fund is a small cash grant to individuals, including OVC, with the objective of providing economic and material assistance. Funded and implemented by the government, it will run until 2009. By 2005, it had reached just 650 direct beneficiaries; it is important to note that there are 2.1 million MVC in the country. The transfer is made three times a year in response to requests from individuals.

The Dedza Safety Nets Pilot Project, started in 2001 and ended in 2002, was planned to be replicated country-wide as part of the National Safety Nets Strategy (NSNS). It was implemented by an international NGO, Concern Universal, at a total cost of MK 5,809,597. It reached around 1,000 households who were part of the target group of work-constrained and disadvantaged people, such as people with disabilities, orphans, orphans caring for fellow orphans, and older people caring for orphans (Levy et al, 2002). The monthly transfers were either cash or vouchers. Cash transfers were given directly to each beneficiary, while vouchers were to be spent at selected retailers. Two hundred and seventy eight households received cash (MK 550), 371 households received vouchers worth MK 550, while in-kind transfers of goods to the value of MK 3,750 were also provided. One of the project's purposes was to learn lessons in order to overcome some of the difficulties in the design of the National Safety Nets Strategy. The internal end of project evaluation concluded that vouchers were unfavourable, while there was not a large distinction between the benefits of cash versus in-kind assistance (Nyasulu and Kuyeli, 2002).

The policy and programming context for these schemes is arguably more developed in Malawi than many other places in the region (UNDP, 1999). Malawi's National Safety Nets Strategy was drawn up in 2002 although, since its inception, it has been hampered by conflicting views regarding its design, and a lack of financial as well as management capacity. There is no regular, formal provision of cash transfers by the government; however, a number of other programmes are being piloted – or have been piloted – that provide grants and financial support. The Malawi Social Action Fund (MASAF) operates both 'cash for assets' schemes and cash-for-work projects. The Social Safety Nets programme provides block grants to districts, who in turn will target these to vulnerable households. This will be in place in six districts by 2006, and will be extended to 28 districts by 2009. Programmes in operation are mostly *ad hoc,* small scale and mainly short-run, reaching only a few thousand or tens of thousands of beneficiaries.

OVC guardians identified economic and household support as the most effective way to generate income-earning activities in communities. The National Action Plan for OVC, which is indirectly supported by a wide variety of external donors (through the Global Fund), may potentially target OVC through cash transfers.

Mozambique

One consequence of Mozambique's long civil war was that it became experienced at dealing with vulnerable groups, and there is a variety of assistance available for OVC and women. The Government of Mozambique has provided monthly cash transfers to registered 'destitutes' in urban areas since the mid-1990s through GAPVU, which had a stated aim of improving household food security and assisting households to invest in small-scale trading activities (ODI, 2004). Cash transfers have also been provided to demobilised soldiers and flood victims. After GAPVU was closed due to corruption scandals, the National Institute for Social Action (INAS) was set up in 1997 under what is now called the Ministry of Women and Social Action. INAS provides a monthly cash transfer (called a food subsidy) of MT70,000–140,000 (US$ 3-6) per household, dependent on household size (GOM, 2004). Targeted households are those living in absolute poverty where the household head is unable to work and the head is an older woman (55+) or older man (60+), physically 'handicapped' over 18 years old, or chronically sick over 18. Malnourished pregnant women are also targeted. The programme initially focused on urban areas but has moved to peri-urban areas, including district towns. The Council of Ministers has recently approved expansion to rural villages. Although the programme is running in each province of the country, coverage is low (targeting approximately one per cent of the population). This reflects stringent targeting (see above) and registration criteria (beneficiaries and registered dependants require identity cards or birth certificates). Management capacity and insufficient funding are also constraints limiting coverage. INAS also provides direct social support, which can include cash (for example, to cover travel expenses for medical treatment), psycho-social support and support to income-generating projects.

Several initiatives making use of credit are also worth noting, although these are on a small scale and are dispersed. Provision of credit through credit committees has been used to encourage children to attend school, while HelpAge International provides credit to vulnerable groups and funds children's birth registration and identity documents. World Relief and CARE run a Village Bank programme – a savings and loan scheme among small, often church-based groups. Since 2002, some 5,000 loans have been made, with repayment rates close to 100 per cent; however, the programme tends to focus on low-risk, short-term borrowers, so has limited outreach to the most vulnerable. Save the Children UK has initiated two projects: vouchers for educational materials, and support to community-based organisations (CBOs) to strengthen their capacity to assist vulnerable members of the community. One CBO used its allocation to enable children to get birth certificates, to increase their access to the government's food subsidy scheme.

Namibia

There are four types of social security scheme in Namibia. The newly independent Government of Namibia introduced a National Pension Fund in 1992, continuing the South African-administered social pension scheme that was introduced in the 1970s (Devereux, 2001; Schleberger, 2002). The, now means tested, old-age grant (to be replaced by the Basic State Grant Scheme) is a social pension that provides a flat-rate non-contributory pension to all Namibians over 60 years old who are eligible, currently to the value of N$200 per month (US$ 30.50). By March 2001, it had reached 96,767 direct beneficiaries (from a total of 105,000 people over the age of 60). The second scheme is the Disability Grant that has a value of US$ 25. The third scheme is the Child Maintenance Grant (for households with one to three children). By 2001, it had reached 1,632 households (with one child), 987 households (with two children), and 801 households (with three children). The monthly value is N$200, N$300, or N$400 (depending on the number of children). The fourth scheme is the Foster Parent Grant, and is for households fostering between one and seven children. By 2001, it had reached a total of 547 households. The value rises by N$100 per child, from N$200 for households with one child to N$800 for households with seven children. These two child-oriented grants have coverage of only 10 per cent, possibly because awareness is extremely low. Together, these four grants had a budget of N$252m in 2001/02, with administration costs and salaries absorbing about 15 per cent of the allocated budget. Delivery of the transfers has been mostly outsourced to United Cash Pay Masters (UPM). Grants are collected from UPM using electronic ID cards. It can take three months to be registered for the scheme.

There are other small-scale cash transfers. Since 1997, Catholic AIDS Action has assisted over 1,500 families with one-off grants in cash or kind to provide support to several thousand orphans. In April 2005, churches and NGOs in Namibia launched a coalition to lobby for the introduction of a safety net for the country's poor through an unconditional basic income grant ('BIG'). It was proposed that N$100

(US$ 15) should be allocated monthly to every citizen from birth to 60 years old, when citizens become eligible to claim the social pension. The objective is to redistribute resources to the estimated 76 per cent of the population living below the poverty line and thus help overcome Namibia's high level of inequality. In 2002, the Namibian Government explored the possibility of financing a national basic income grant through an increase in value added tax.

Rwanda

The need for a comprehensive social security system in Rwanda is particularly acute. The Government of Rwanda provides support to returning soldiers, recognising their need for financial assistance and the importance of their security for broader peace and security in the country. A total of RwF 5.9 bn (US$ 9.9m) was allocated to the demobilisation programme in the country's PRSP of 2002, financed by donors through a UNDP-administered fund and implemented by government. The first phase, ending in 2001, had reached 18,692 soldiers. The second phase is the demobilisation of 20,000 RPA soldiers and 25,000 members of armed groups. It provides a 'basic needs kit' and cash to the value of 50,000 RwF (approximately US$ 120).

As yet, there are no other identified projects that include a direct, unconditional cash transfer component for individuals or households. Although it does not fit our definition of an unconditional cash transfer, the *Ubudehe* community grant scheme is worth noting. The European Commission provides 1,000 euros in cash to every cellule in the country under the *Ubudehe* programme, the national decentralisation process underway in Rwanda.[7] Although it is externally funded, the cash transfer programme is 'on-budget' and integrated into decentralisation strategies. The significance of this programme, started in 2003, is the level of control the local community have over the cash grant and the participatory process – each cell undertakes to communally identify the poor in the community. The poorest one or two households may receive a cash loan or grant for income-generating activities, while the bulk of the cell's grant is used for community projects to be decided by the community. The money can be spent on a range of community priorities, and could include support to OVC. Operating rather like a social action fund, to access the cash, the communities submit a report in which they list their priorities. Each cell opens a bank account at the local district level with Banque Populaire. The money is then sent to the district to implement the proposed activity. The cash that goes directly to households within this scheme reaches just one or two households in each of the communities. The households identified as the poorest in the cell are given 150 euros to set up a business – eg, buying goats – with an obligation to pay it back to the community. Sometimes, a social welfare payment is paid to the poorest in the cell, with no obligation to pay it back. All decision-making about who should benefit and how the money is spent is done at local level. Ownership of money is also at the community level.

There is a lot of support from donors and NGOs for HIV and AIDS programmes, primarily for prevention, education and social assistance. The objectives of the HIV/AIDS Multi-Sectoral National Programme state that economic support will be available for people living with HIV and AIDS (PLWHA), orphaned children, widows and families. The number of NGOs and CBOs that operate HIV and AIDS programmes is on the increase; however, the most extensive support is offered by religious organisations.

South Africa

South Africa has the most comprehensive system of cash transfer-based social protection in the east and southern Africa region. There are a number of state grants for older people, war veterans, people with disabilities, carers and for child support (Aliber, 2001; Devereux, 2001).

The non-contributory old age pension is the largest social security transfer programme in the country, has by far the widest reach across the population, and provides the most substantial welfare benefits (R740 per month, or US$ 111). Funded and implemented by the government, it is targeted at women over the age of 60 and men over the age of 65 (Samson, 2004). It is means tested through the government system: ie, those below the cut-off level are automatically entitled to a full benefit. The targeting system is generally regarded as effective as it excludes higher income households. By 1997,

[7] An evaluation report is available (KPMG, 2002)

the grant had covered 71 per cent of ‘African’ men and 77 per cent of ‘African’ women in the target population, and 61 per cent of men and 68 per cent of women of total eligible South Africans (Case and Deaton, 1998). It reached almost three times as many women as men (*ibid*). ‘African’ households with a pension income are likely to have more children than the national average (2.28 as opposed to 1.69). In 2005, the value of the monthly benefit was R780 per recipient. The transfer is paid by ATM on a pensions vehicle. Once registered, beneficiaries are identified by fingerprint. The pension has been assessed as reducing the number of people living below the poverty line by 5 per cent (Barrientos et al, 2003), and studies have demonstrated positive impacts on children’s health and nutrition.

The Child Support Grant and Foster Care Grant are considered in Box 4. The grant for war veterans is aimed at soldiers over the age of 60 who served in the South African army during certain wars. Funded and implemented by government, in 1999/2000 it had a budget of R61m, and reached 9,800 direct beneficiaries. In April 2004 it had a monthly value of R758.

Other government-funded and implemented grants aimed at carers and/or particular groups include:

- The Grant for Carers of the Aged. This had a budget of R10m in 1999/2000 and reached 8,300 direct beneficiaries in the same period. The grant value was R160 in 2005.
- The Care Dependency Grant, for carers of children with severe disabilities. This aims to support the primary care-giver of children with severe disabilities. It had a budget of R81m in 1999/2000 and reached 75,000 children with disabilities. In 2005, the value of the grant was R780 per month. When children turn 18, they move on to receive the Disability Grant.

Box 4: Child-Oriented Grants in South Africa: Child Support Grant and Foster Care Grant

The Child Support Grant

The Child Support Grant started in 1998 and in 2005 transfers 180 Rand per month to carers with a monthly income below a certain amount for every registered child below the age of 14 (Kruger, 1998). The grant has expanded gradually to include older children (it began targeting only those under 7). It is generally regarded as an almost universal grant as the eligibility criteria are not strictly upheld due to the widespread need for the transfer, however it still is not reaching all children in need. The grant is midway through a progressive increase in both the target age group and funding. Budget allocation for the grant will increase from R1.1 billion (US$ 173m) in 2003/04 to R6.4 billion (US$ 1bn) in 2005/06. These measures are indicative of the increasing problem of OVC, and also of the capacity of the South African state to finance such programmes. This grant and its impact on child poverty is reviewed more fully by Barrientos and DeJong (2004), highlighting the positive impacts. Case et al (2003) found that the grant does reach children in poorer households. Outstanding problems include:

- The absence of a mother in the household reduces the chances of the child accessing the grant;
- Children find it difficult to access to grants when they are heading households aged under 18;
- Many eligible children are still not registered.

The Foster Care Grant

The foster care grant in South Africa was intended to protect children in crisis situations that required state intervention. Children are placed through an intervention by the courts. It is not means tested. In light of the increasing numbers of children in the care of extended families and the high value of this benefit (R500) the foster care grant is now being used to support extended family care (in particular grandparents) following parental death (Meintjes et al, 2003). Key issues arising include:

- The grant is being used in place of the Child Support Grant because of its relatively high value.
- Accessing the foster care grant requires a magistrate to legally place the child with carers – this can be both practically and emotionally difficult when the carer is a close family member. In these situations, it would be useful to de-link the eligibility criteria from the courts, or establish a grant more specific to the situation, perhaps a kinship grant.

Source: Barrientos and DeJong (2004); and Save the Children UK experience in South Africa

- The Disability Grant, which in 1999/2000 had reached 671,800 direct beneficiaries with a budget of R4,192m. The target group are those classified as disabled by medical doctors. The grant had reached 0.3 per cent of the total population and 3 per cent of the target population by 1998, and had a maximum monthly value of R780 in 2005.
- A Grant-in-aid for carers of people with disabilities which had a budget of R4m in 1999/2000, and reached 3,000 direct beneficiaries with a monthly transfer valued at R160 (in 2005).

HIV/AIDS Support is an example of a non-governmental cash grant to those affected by HIV and AIDS. It is implemented by an NGO, Aidslink, in Gauteng Province. However, while there is a widespread system of donor-supported NGO assistance, it focuses predominantly on training, awareness raising, service provision, income generation and in-kind assistance. Transfers are usually directed through CBOs and faith-based organisations (FBOs). Examples include the Nelson Mandela Children's Fund; HOPE Worldwide, which provides welfare grants to 9,800 OVC; and small-scale support from other local FBOs. However, the majority of financial assistance is channelled into business development and income-generating activities.

Swaziland

The Government of Swaziland runs a national social assistance programme that regularly distributes funds to older people. The MVC situation is addressed through a series of Neighbourhood Care Points (NCP) established by UNICEF and NGOs, including Save the Children. Approximately 1,500 children benefit from 70 NCPs that provide social assistance to meet critical needs. The objective is to extend the reach of the programme to over 13,000 OVC. The research did not highlight any unconditional cash transfers in Swaziland – this merits further exploration.

Tanzania

Tanzania is currently adopting a new National Strategy for Social Protection and has included social protection as a key pillar of its revised PRSP. This has clear objectives to target the vulnerable poor, including older people, MVC, disabled people and older-headed households with young dependants. This has prompted a discussion among stakeholders regarding cash transfers, although they are not yet well-established as a mechanism for providing social assistance in Tanzania (Lerisse et al, 2003).

Tanzania's recent Rapid Assessment, Analysis and Action Planning process (RAAAP) outlines a National Social Protection Framework for the Most Vulnerable Children. This builds on (and scales up) a Department of Social Welfare developed and UNICEF supported programme that provides community-based care and material assistance to poor and vulnerable children, US$ 10 per child being transferred to the MVC committee in the village through an innovative system of village funds. This occasionally, but rarely, involves a cash transfer to the carer/child. However, the MVC programme (see box 5) is currently limited to 17 Districts. The social protection framework also recognises the ongoing in-kind support and care provided by the local community.

Formal social protection programmes already in place include insurance schemes that are contingent upon employment in the formal sector. Tanzania's Social Action Fund (TASAF I) provided direct support through NGOs and CBOs to a pilot Social Support Programme (SSP) to improve the living standards of vulnerable and marginalised groups. This currently focuses on four districts, reaching a total of 2,715 beneficiaries including orphans, widows, older people and people with disabilities. This US$ 60m programme commenced in 2001. The launch of TASAF II in May 2005 is expected to scale up the programme to national level over the next five years. More detail should be sought on this programme that combines these activities with the development of community funds and investment in community assets.

Various FBOs, CBOs and NGOs provide support to vulnerable children and other groups, most in kind. Where they are given as cash, the payments may be irregular and dependent upon resource capabilities. Some notable organisations involved are CARITAS and the Social Action Trust (SATIF). Bakwata is an example of a religious support group that provides support to widows and single women with no income. The women, who must be Muslim, request support through the Imam at the Mosque.

Box 5: Tanzania's Most Vulnerable Children Programme
The Most Vulnerable Children (MVC) cash grant is a grant made to villages for supporting the most vulnerable children with largely material support. Funded largely by UNICEF and implemented by government, in 2003 it reached 120,000 of the most vulnerable children (as identified by communities in the local context). The grant is usually material support or fee waivers for the most vulnerable children, or sometimes cash to households. In other words, it is not strictly a cash transfer scheme, but does occasionally provide cash to households, depending on community decisions. There is no robust mechanism for knowing who is vulnerable, but communities identify those most in need of support, for example, those who have been ill for a long time, those out of school, those with poor nutrition levels, orphans. The district-based teams facilitate the planning and selection process. Communities map their locations and monitor their progress. An interesting, innovative component of this scheme is the village MVC fund system that it works through. Communities plan appropriate responses for the most vulnerable children and use the funds that are channelled through the districts down to village level to carry out activities and provide generally in-kind assistance. Communities also contribute to the funds. As such the mechanism – linked to the community-based processes of identifying vulnerable children – is a possible channel for other flows of resources to MVCs. The scheme started in 2001 with a pilot in six districts; it now operates in all villages in 17 districts with an explicit recognition of the increasing impact of HIV on children, although targeting is not HIV and AIDS focused. The government plans to scale up this programme across the country, although the availability of funds restrict the feasibility of this plan. The scheme is housed within the Department of Social Welfare with few links to more powerful ministries, although the increasing focus on OVCs by donors, NGOs and others is bringing the scheme more into the spotlight.

National reviews draw attention to some of the limitations of these range of NGO/CBO/FBO programmes. It notes that the most vulnerable and needy groups are not adequately targeted and that increasingly, older people and older children are providing the caring roles within poor and vulnerable households. However, without a monitoring mechanism in place, the impact of these programmes cannot be determined. The dialogue regarding the National Social Protection Framework and debates on the role of cash transfers, is ongoing.

Uganda

While there is an extensive variety of social assistance programmes in Uganda, access appears to be limited that very few vulnerable households benefit from organised social protection. There is no non-contributory pension scheme in Uganda, although there is a civil service pension scheme and a proliferation of personal pensions and savings schemes run by private companies. USAID provides a small cash component to vulnerable children as part of its Community Resilience and Dialogue programme (2002-2007). To date, 3,541 grants have been provided. Rather than providing direct transfers, donor and NGO support is mostly channelled into in-kind assistance and local microcredit and savings schemes. For example, the Uganda Women's Efforts to Support Orphans (UWESO) reaches 5 per cent of Uganda's orphans through credit loans to carers of OVC. The traditional informal social safety net system, *muno mukabi*, mainly assists with funeral expenses, which is an important mechanism for mitigating the financial consequences of HIV and AIDS.

Zambia

The Government of Zambia operates a Public Welfare Assistance Scheme (PWAS) that in principle targets the poorest 2 per cent of the population (Schubert, 2003). Approximately US$ 3m is budgeted to fund the scheme each year, but the amount released is erratic. The Ministry of Community Development and Social Services is implementing a Pilot Social Cash Transfer Scheme in Kalomo district, together with technical support and funding from GTZ. This targets the 10 per cent most needy and incapacitated households (where there are no members between the ages of 18 and 60 able to work). Fifty-four per cent of households are affected by HIV and AIDS, 61 per cent of beneficiary household members are children (of whom 71 per cent are orphans), 54 per cent of beneficiary households are headed by older persons (64+) and 66 per cent are female-headed households. It currently provides US$ 6 per month to 1,027 households, while households with children get an additional US$ 2 regardless of the number of children (this is being introduced during the annual re-targeting). A two-year pilot phase was launched in May 2004 and is subject to extension.

While food relief has been distributed in response to emergencies in recent years, the government-led Vulnerability Assessment Committee (VAC) reports for both 2003 and 2005 have also emphasised the importance of other interventions to support livelihoods, including cash transfers (Zambia VAC, 2005). Informal networks for social assistance are declining in Zambia, due to persistent poverty. NGOs and FBOs provide a variety of social protection assistance, including emergency food relief, school feeding, and seeds and tools distributions. In response to the present drought, Oxfam are designing an emergency cash transfer scheme in Choma district. Targeting of food relief was highlighted as problematic in both 2003 and 2005. The VAC 2005 report states “there was no sign of geographical or intra-community targeting”.

There are a number of organisations providing assistance to OVC and Aids-affected households in Zambia, eg, World Vision funds a child foster sponsorship programme for OVC, the SCOPE-USAID programme funded by USAID, WFP school feeding and take-home rations, and C-SAFE support to home-based care (HBC) programmes. It is widely believed that present interventions are insufficient to effectively address the scale of the problem.

Zimbabwe

Part of Zimbabwe’s Public Assistance Programme (PAP) is a cash grant for the chronically poor (Munro, 2003). Funded and implemented by government, it started in pre-independent Zimbabwe and became enshrined in the Public Welfare Assistance Act (1988). An earlier version, the Social Development Fund, merged into the PAP. It is the only government social safety net to target the chronically poor, defined as any of the following: those without known family to support them; those unable to work; those over the age of 65; children in especially difficult circumstances; and those with disabilities or who are chronically ill. Benefits are set very low and it is difficult for many to receive them due to distance from and inability to get to the District Social Welfare office, which may be over 100km away and require several journeys. The monthly value of the transfer differs for adults and children and rural and urban areas Recipients receive a cash allowance but also a medical card, and school and exam fees for dependent children. In urban areas, they also receive assistance with payments for rent, electricity and water. Thus, urban recipients could cost three or four times more than rural recipients. In 1998, 20,562 beneficiaries received the Maintenance Allowance (ie, less than 0.65 per cent of the population), and 2,613 received education fees. More up-to-date figures were difficult to verify but reports suggest that the allowance is minimal, the application process is exclusionary and assistance is biased towards urban areas. Local authorities receive an allocation to fund community-developed activities that address the needs of their vulnerable children.

A recent development has been some successful welfare support through voucher schemes. Although these are not cash transfers, flexible vouchers are an increasingly popular alternative to food aid in southern Africa. World Vision have organised seed vouchers and fairs, at which vulnerable households are given vouchers to purchase seed from retailers at a specially organised market. Catholic Relief Services (CRS) reached 25,000 households through seed vouchers and fairs in 2002-3, targeting HIV and AIDS-affected households in particular. These vouchers and fairs have been used to generate a market in areas previously unattractive to seed-sellers, and have been useful for creating farming networks and linkages.

Following a three-year cohort study of 1,000 children (comprising non-orphans, maternal, paternal and double orphans in roughly equal proportions) by Imperial College London, a conditional cash transfer is being planned that would be administered through UNICEF, conditional on receiving donor funding. If the findings of the study are followed through, cash transfers may partly be conditional on school attendance and meeting health requirements. (Atypically, following a finding that the highest student dropout rates were among teenage female students who lost a parent to AIDS, these cash transfers may be made conditional upon secondary school attendance.) The study is due to finish in September 2005 and will be followed by a feasibility study, after which a three to five-year pilot project is anticipated.

There is support from international NGOs for cash transfers, arguing that this enables a more rapid recovery of the economy. However, there is resistance from organisations that are well adapted to distributing assistance in kind. The majority of all assistance is through grain subsidies, livestock subsidies, food vouchers and in-kind transfers. A uniquely important consideration with respect to cash transfers in Zimbabwe is inflation rates, which are currently very high because of the economic crisis. This clearly inhibits the advantages of cash transfers. Informal systems of cash remittances from urban to rural areas are falling.

The next chapter considers four cash transfer schemes in more depth.