

Government Social Cash Transfers Pilot Scheme Malawi



For every child
Health, Education, Equality, Protection
ADVANCE HUMANITY





Presentation on Malawi's experiences with social cash transfers systems

Children and HIV/AIDS: Action now, Action how

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Profile on Poverty and Vulnerability in Malawi

- 52% of 12,6 million Malawians are absolutely poor below MK 44 per day;
- 22% of those are ultra-poor, living under MK 22 per day;
- 10% of the total population is not able to participate in productive activities because they are destitute and labour-constrained
- Adult HIV prevalence is 14.4%, nearly 990,000 PLWA
- 44% children under five are stunted



Overview on Social Protection

- In the current Malawi Growth and Development Strategy (MGDS) the second theme is Social Protection (SP)
- Government national social protection policy submitted to Cabinet in June 2008
- The design of a national Social Protection Programme (by end 08)



Overview on Social Protection

- To be funded out of a Social Protection Fund (1.5% GDP plus development partners funding)

- In the Policy, Social Protection is defined as:

*‘all public and private initiatives that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of the marginalised, with the overall objective of reducing ultra poverty as well as the economic and social **vulnerability** of poor, vulnerable and marginalised groups.’*



Implementing the scaling up of the pilot

- Pilot was endorsed by Cabinet on 8 November 2006 and rapid scale up was requested to 6 additional districts by the end of 2008;
- Scaling up of the pilot has started in June 2007 in Likoma, in September in Machinga and in Salima in November. Preparations are underway for the scaling up to 3 other districts in 2008, May Mangochi, July Phalombe and Chitipa in September;

Key parameters of cash transfer pilot scheme

Objectives

- To reduce poverty, hunger and starvation in all households living in the pilot areas who are ***ultra poor*** and at the same time ***labour constrained***;
- To increase ***school enrolment and attendance*** of children living in target households and ***invest in their health and nutrition status***;
- To ***generate information*** on the feasibility, costs and benefits, and on the positive and negative impacts of a Social Cash Transfer Scheme as a component of a national Social Protection Programme for Malawi.

Key parameters cont'd

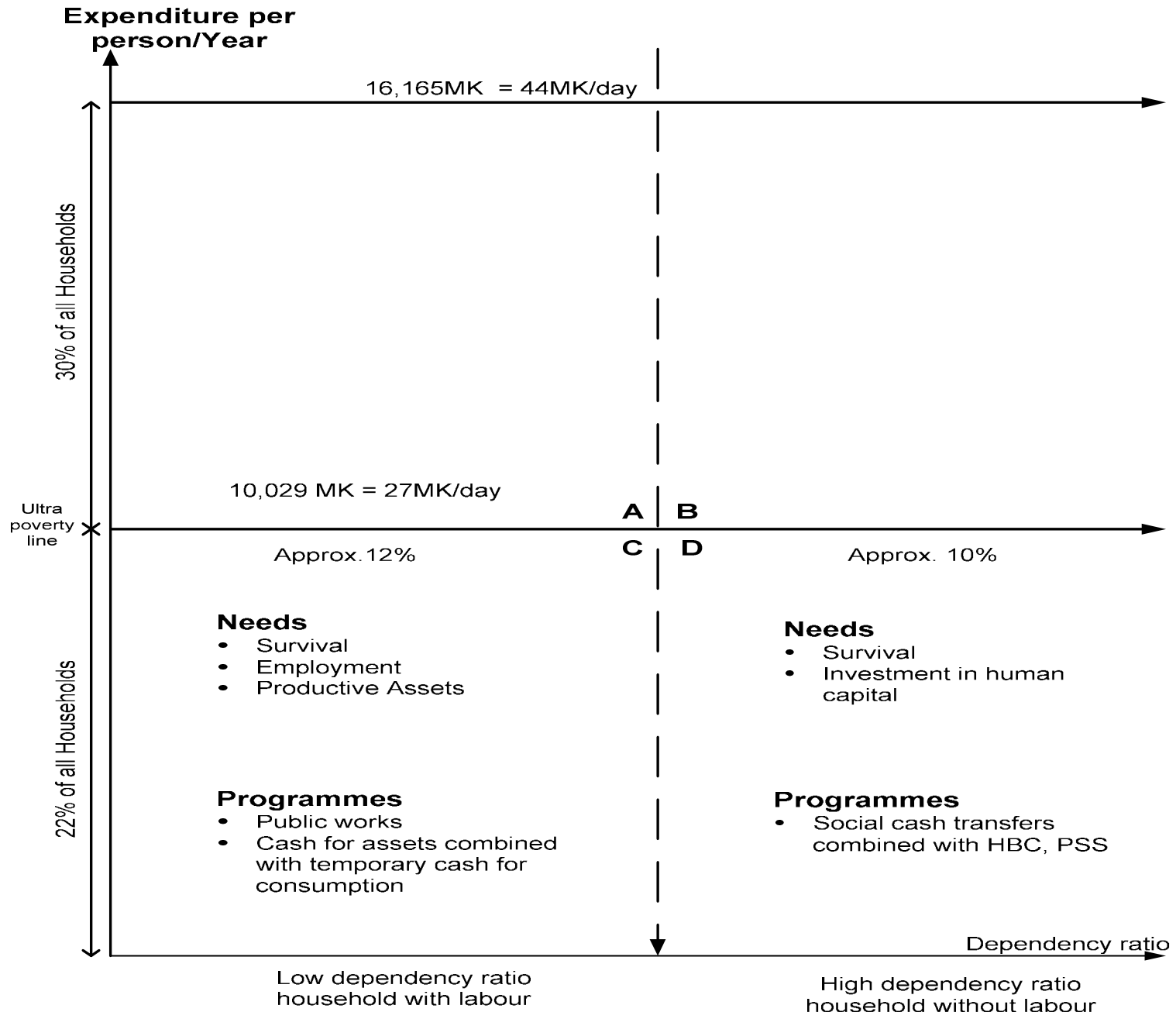
Targeting Criteria

- Ultra poor: living below the lowest expenditure quintile and below the national ultra poverty line (only one meal per day, no valuable assets)

and at the same time

- Labour constrained: a household is labour-constrained when it has no able bodied household (HH) member in the age group 19-64 who is fit for work (elderly, child-headed, chronically ill, disabled,) or when a HH member who is fit but has a dependency ratio of more than 3.

Targeting the ultra poor



Levels of cash transfers

- 1 person household (HH): MK 600 / app. 4 USD
- 2 person HH: MK 1,000 / approx. USD 7
- 3 person HH: MK 1,400 / approx. USD 10
- 4 person HH: MK 1,800 / approx. USD 13

Bonus for primary school going children of MK 200 and for secondary school going children of MK 400.

Average cost per HH p.m. is USD 13, annually USD 156 plus 20 USD for operational costs.

Implementation structures

At the national level:

- Social Protection Steering Committee (chaired by Chief Secretary)
- Social Protection Technical Committee
- Division for Poverty Reduction and Social Protection (EP&D)
- National Social Cash Transfer Secretariat (MoWCD)

At the district level:

- District Assemblies
- District Social Protection Committees
- DSWO with social cash transfer secretariat

At the community level:

- Village Development Committees
- Community Social Protection Committees

Payments deliveries



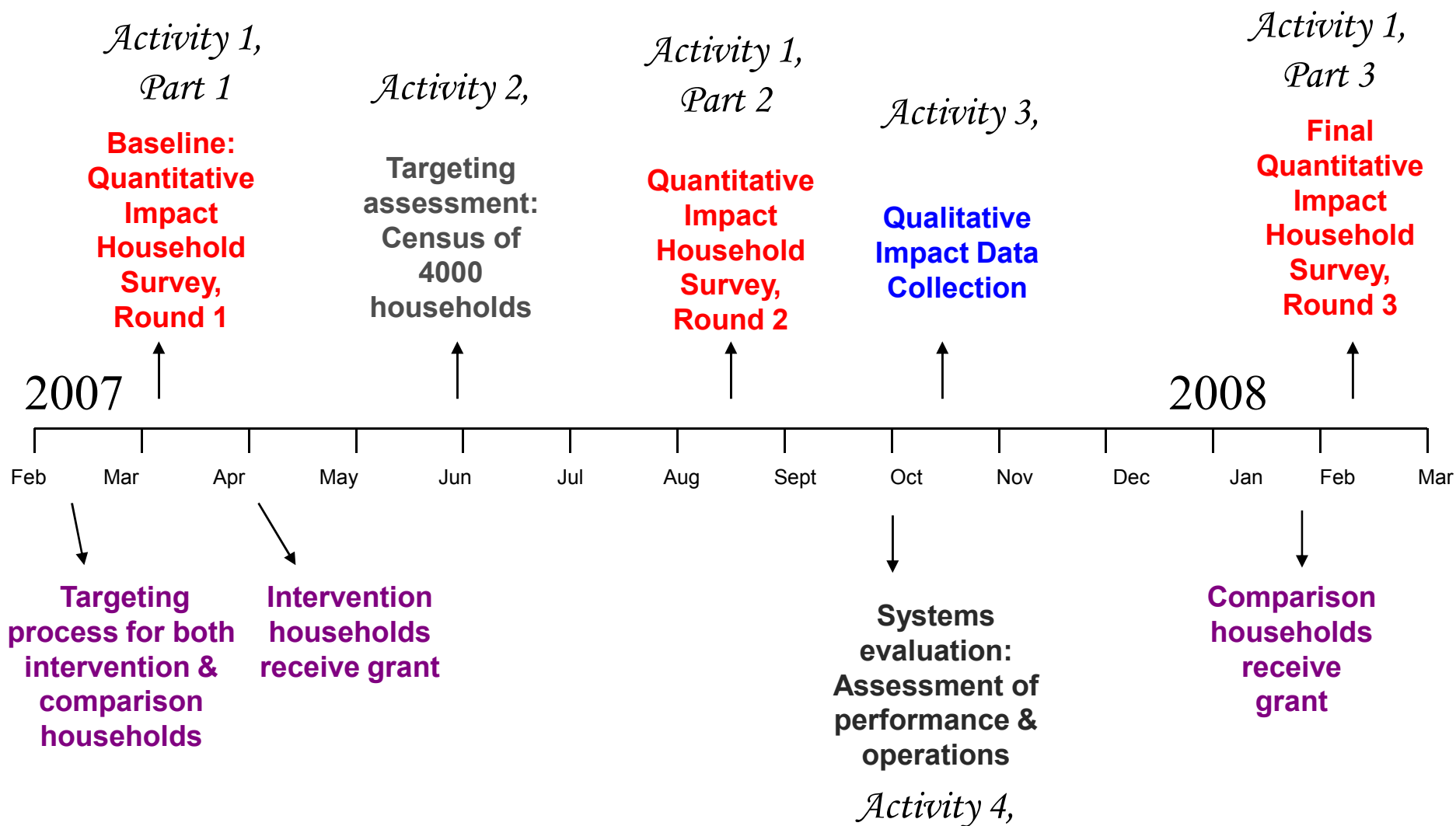
COVERAGE

District	Mchinji	Likoma	Machinga	Salima	Totals
<i>Benef'y HHs</i>	2,971	193	1,663	717	5,544
Elderly HHs	1,911	137	1,005	458	3,511
Child HH's	33	1	26	12	72
Benefici aries	13,259	732	6,944	3,218	24,153
Children	9,349	483	4,939	2,166	16,937
Orphans	7,675	370	3,062	1,647	12,754
Disabled	313	50	16	45	424

FINANCING

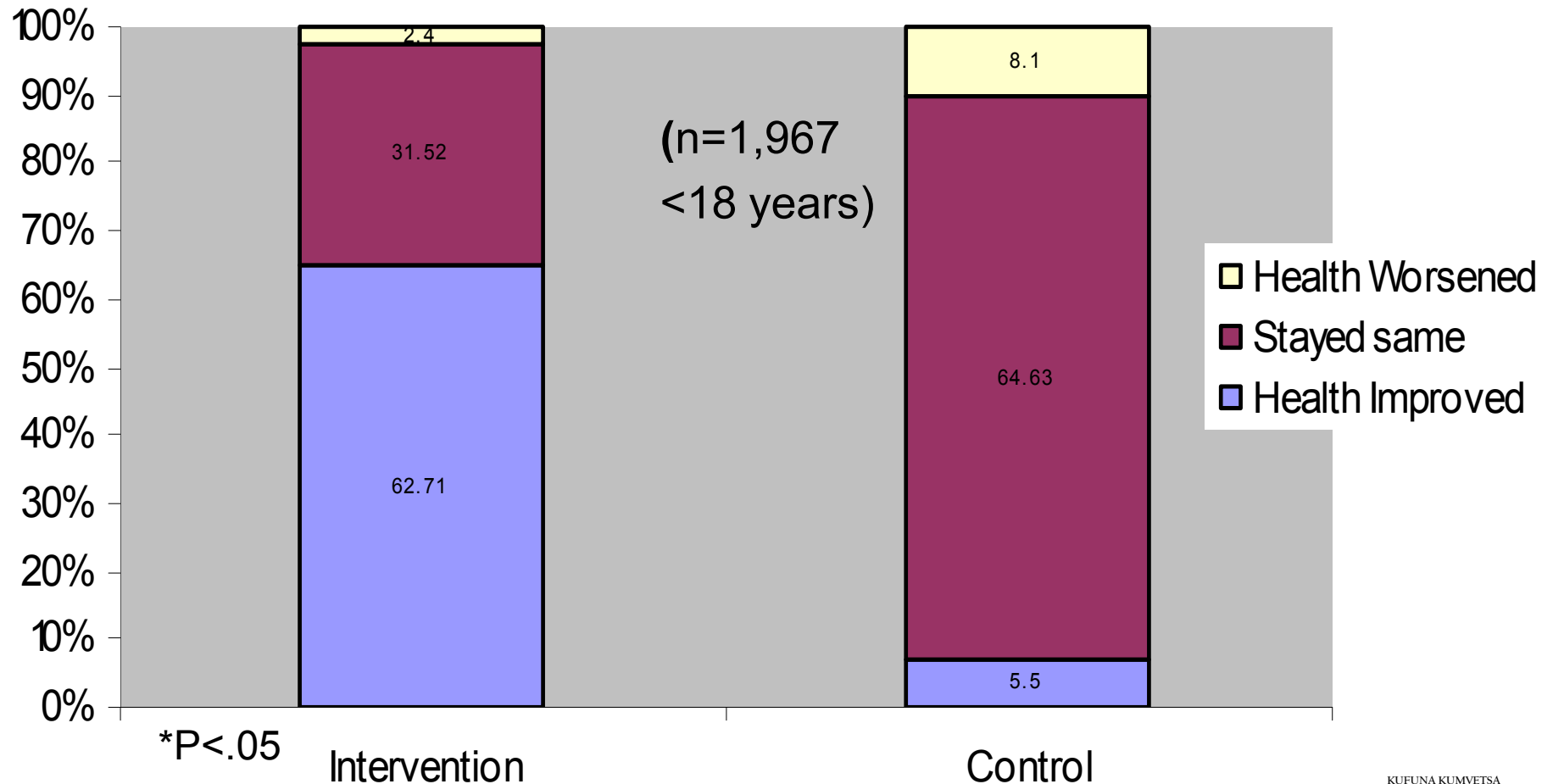
- GoM human resources at national and district level
- UNICEF has provided funds for TA to design and test the methodology for the scheme, for the cash transfers, the operational cost and the initial scale up to 6 additional districts;
- The Global Fund has committed USD 9 Million USD for the pilot in all 7 districts from 2007 till end of 2009 with the pool fund donors (WB, DFID, CIDA and NORAD);
- USAID, Child and Family Applied Research Grant, UNICEF New York and Boston University School of Public Health are funding the external evaluation.

Some results from the ongoing external evaluation/ timeline



Changes in child's health status

(reported by household head from March to September 2007)



*Anthropometric scores measuring differences in the rate of growth between Round 1 and Round 2 will be available by late December 2007.

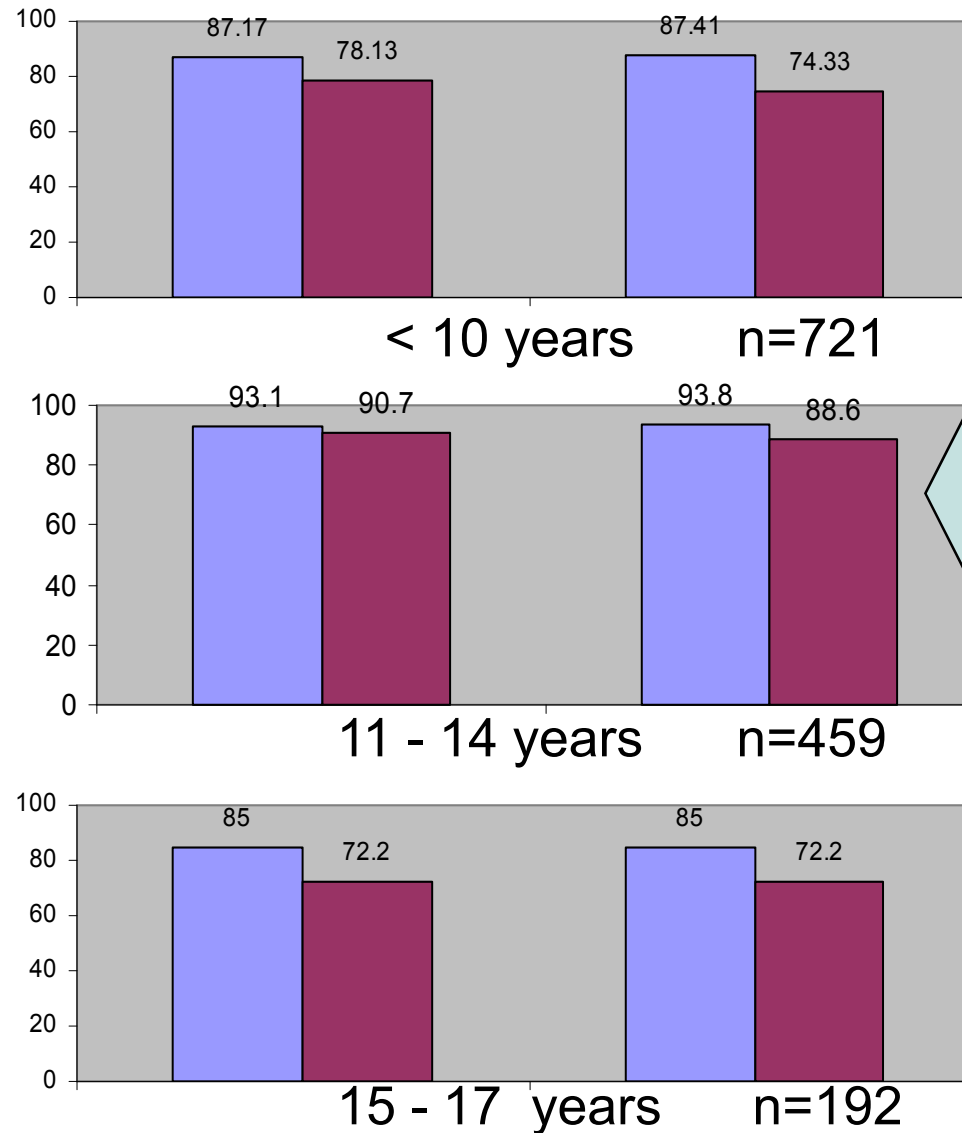


School Enrolment and Retention

March 2007

September 2007

Intervention
Comparison



Little change
In intervention
households,
but decline in
enrolment
in comparison
households,
Cash has
protective
effect.

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Voices of children on School

- *“We go to school frequently these days because our parents buy food, and our progress in class has really changed because of cash transfer...Before we were doing ganyu the whole day without going to school.”* (10 year old boy)
- *“We have stopped going to garden everyday. We have started to concentrate on education only these days.”* (9 year old girl)
- *“Now we are able to attend more classes because we are not sick and we are performing well in classes I myself first term I was number 42 but second term I was number 5.”* (15 year old girl)



Child labour

Percent of Households reporting that children in the household work for income	March 2007	September 2007
Intervention	53%	18% *
Comparison	39%	40%

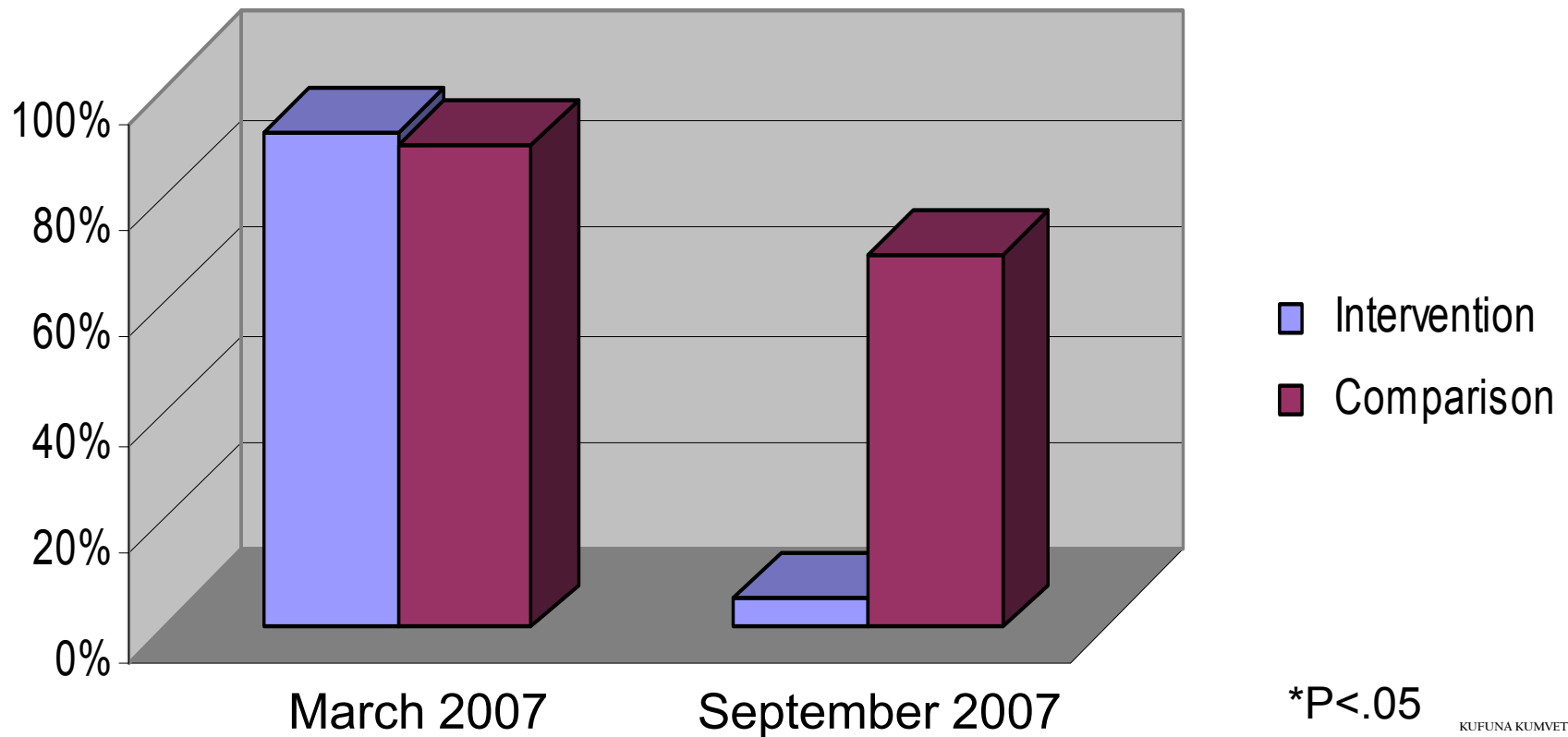
*P<.05

- 67% of households said that children are less likely to work because of cash transfer

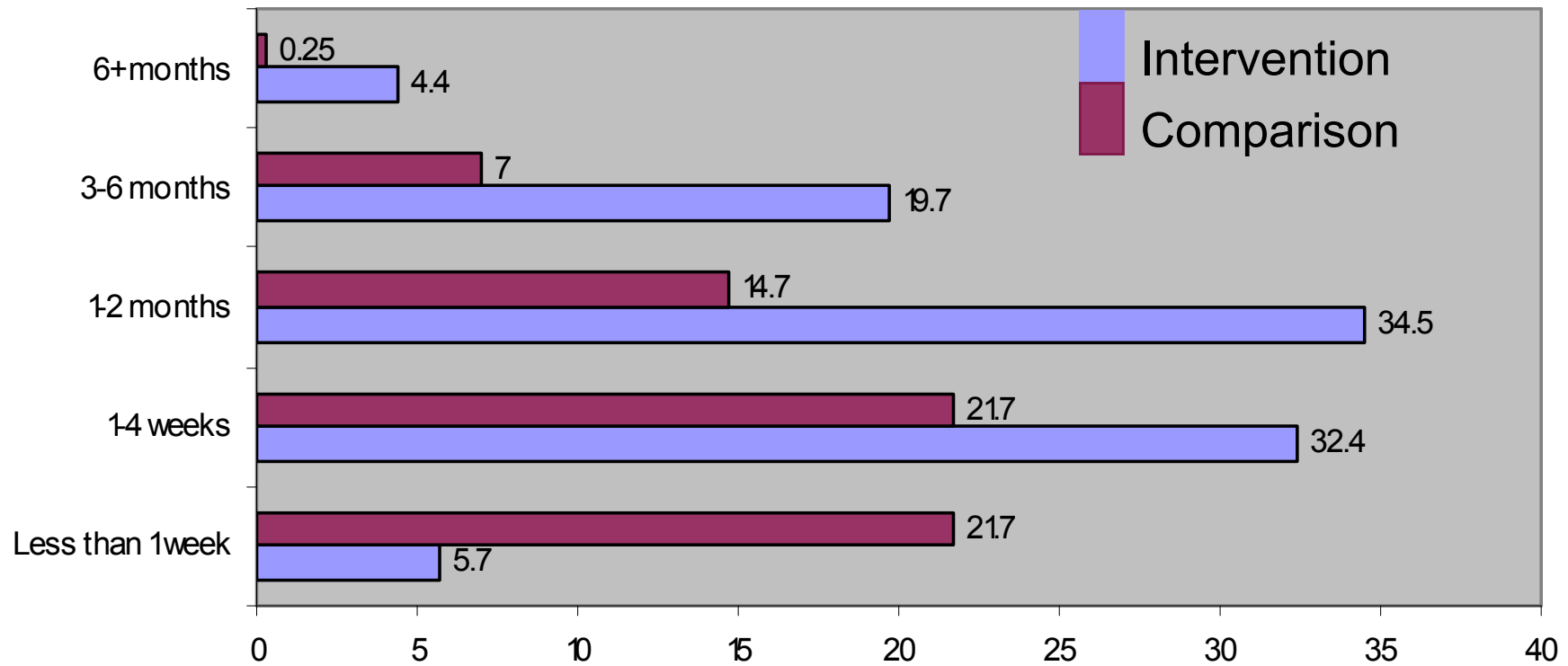


Households reporting on food $n=789$

Households reporting inadequate food



Food stores n=789



*P<.05



Changes in diet over time

	Intervention (n=789)		Comparison (n=811)	
	March 07	Sept 07	March 07	Sept 07
Dried fish ^Δ	12%	63%	5%	9%
Fresh fish ^Δ	11%	19%	6%	4%
Beef	2%	8%	1%	<1%
Goat	2%	21%	1%	2%
Pork	1%	24%	1.5%	3%
Chicken ^Δ	3%	18%	1%	5%

Asset ownership: n=789

Minimal differences in Round 1, By September 2007, recipients more likely to own:

	Intervention (=387)	Comparison (n=401)
Metallic plates	91%	56%
Pounding mortar	52%	31%
Pails, buckets	90%	59%
Hoes	92%	84%
Axes	48%	17%
Sickles	54% (26%**)	13% (17%**)
Knives (panga)	38%	9%
Metallic pots	91%	72%
Mats	96%	72%
Chickens	56%	<1%
Goats	43%	0%
Pigs	16%	*P<0.05

Cash Transfer: An extension of Food Security, Agricultural, Health & Education programs

- Recipients have more food stores, greater dietary diversity, spend more on food, go fewer days without food, are more likely to feel satisfied after meals
- 50% of recipients are more likely to produce crops; many have purchased productive assets
- Recipients report better health among themselves and children; they are more likely to access healthcare and higher quality care
- Children report being able to focus on studies more, miss fewer days of school, and be sent home less

Impact on poverty and vulnerability

- All beneficiary households have been lifted out of ultra poverty, thus reducing the ultra poverty rate in the district
- Well-being of beneficiaries has improved. Beneficiaries now access essential services (social development)
- Economic growth promoted through the positive economic multiplier effect on the community
- Resilience to acute risks and shocks has been strengthened
- Coping ability has increased as this social protection instrument is predictable and reliable.

What would it cost if the pilot were to become a national prog?

Year	Districts covered	Beneficiaries reached by end of year				Funds required in million US\$
		House holds	persons	OVC	elderly	
2008	Mchinji	10,000	45,000	32,000	9,000	3.0
	6 other districts	15,000	68,000	48,000	13,000	
	All 7 districts	25,000	113,000	80,000	22,000	
2009	7 distr. covered	60,000	270,000	189,000	51,000	11.5
	6 districts starting	30,000	135,000	95,000	26,000	
	all 13 districts	90,000	405,000	284,000	77,000	
2010	13 distr. covered	120,000	540,000	378,000	103,000	24.0
	6 districts starting	30,000	135,000	95,000	26,000	
	all 19 districts	150,000	675,000	473,000	129,000	
2011	19 distr. covered	180,000	810,000	567,000	154,000	37.0
	8 districts starting	40,000	180,000	126,000	34,000	
	all 27 districts	220,000	990,000	693,000	188,000	
2012	All 27 districts fully covered	260, 000	1,170,000	820,000	222,000	52.0

Challenges and bottlenecks

- Government capacity at both national and district level/ high turnover in gvm staff;
- Lack of government leadership preventing harmonization of partners
- Delays due to bureaucracies, NAC, Government;
- Perceived distrust in capacity of District Assemblies;
- Other SP interventions for other ultra poor households;
- Delay in design of Social Protection Policy due to different understanding by stakeholders of what should social protection constitute.

Some lessons learned/ recommendations

- Address households, not individuals;
- Organise programmes as simple, as straight forward and as organisationally undemanding as possible – no frills!;
- Design programmes further to the needs of the various categories of the poor and vulnerable
- Design and test in a systematic, transparent, participatory and well documented process;
- Provide appropriate and long term capacity building assistance;
- Commit long term financial support to governments for social protection instruments to be reliable and predictable.

Voices of PLWHA

- *“The children too have benefited a lot. If it was not for the scheme, I could be dead by now. They would have nobody ...”* (41 year old male PLWHA, caring for 5 orphans)
- *“To these children [her grandchildren], they now take porridge each morning and they are in good health as you can see them unlike the past. To me it has helped me a lot because I use the money for ARV drugs while in the past I used to go on foot waking up 4 am and back around 8 pm each month but now that is history.”* (65 year old female PLWHA with 2 grandchildren)
- *“I can now have my garden cultivated because the money I receive from the scheme enables me to pay for labour. So nowadays, I am able to have at least half of my field cultivated....Generally, the frequency of falling sick has dropped now since the receiving of the transfers because I have something for food and painkillers. Now I fall sick less often.”* (Female PLWHA with 2 children -age unknown)

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FOR MORE INFORMATION

Malawi social cash transfers website address:

<http://www.socialcashtransfers-malawi.org>

Evaluation website:

<http://www.childresearchpolicy.org/mchinjicashtransfer.html>

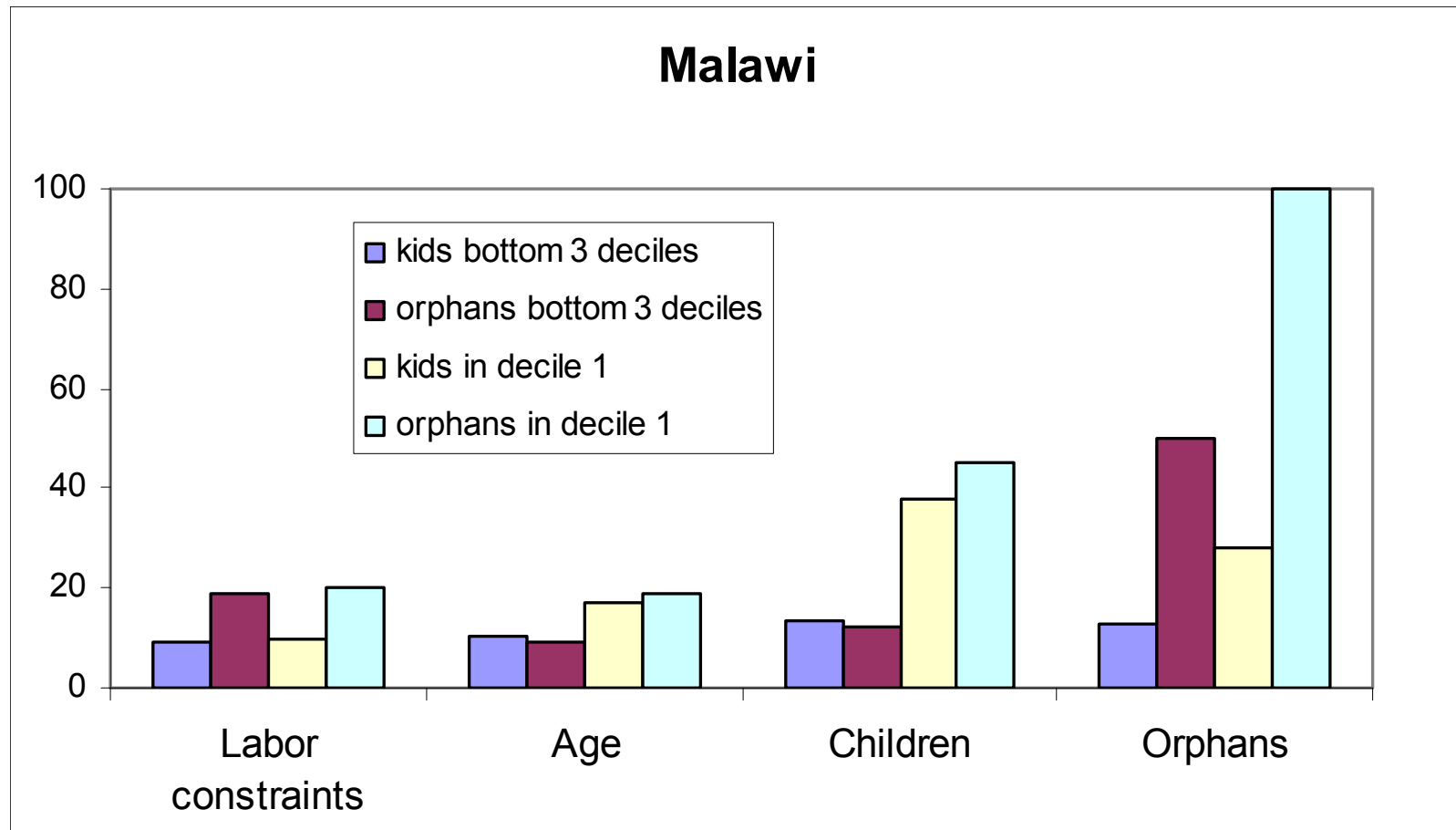
Micro-simulation analysis using data from Malawi, Uganda and Zambia (Scott and Handa, UNICEF ESARO 2008)

- Simulate different targeting schemes for cash or in-kind transfer
 - Kenya: Families with children (OVC)
 - Malawi/Zambia: labor-constrained + dependency
 - Mozambique: elderly (female 55+, male 60+)
 - Botswana: households with orphans

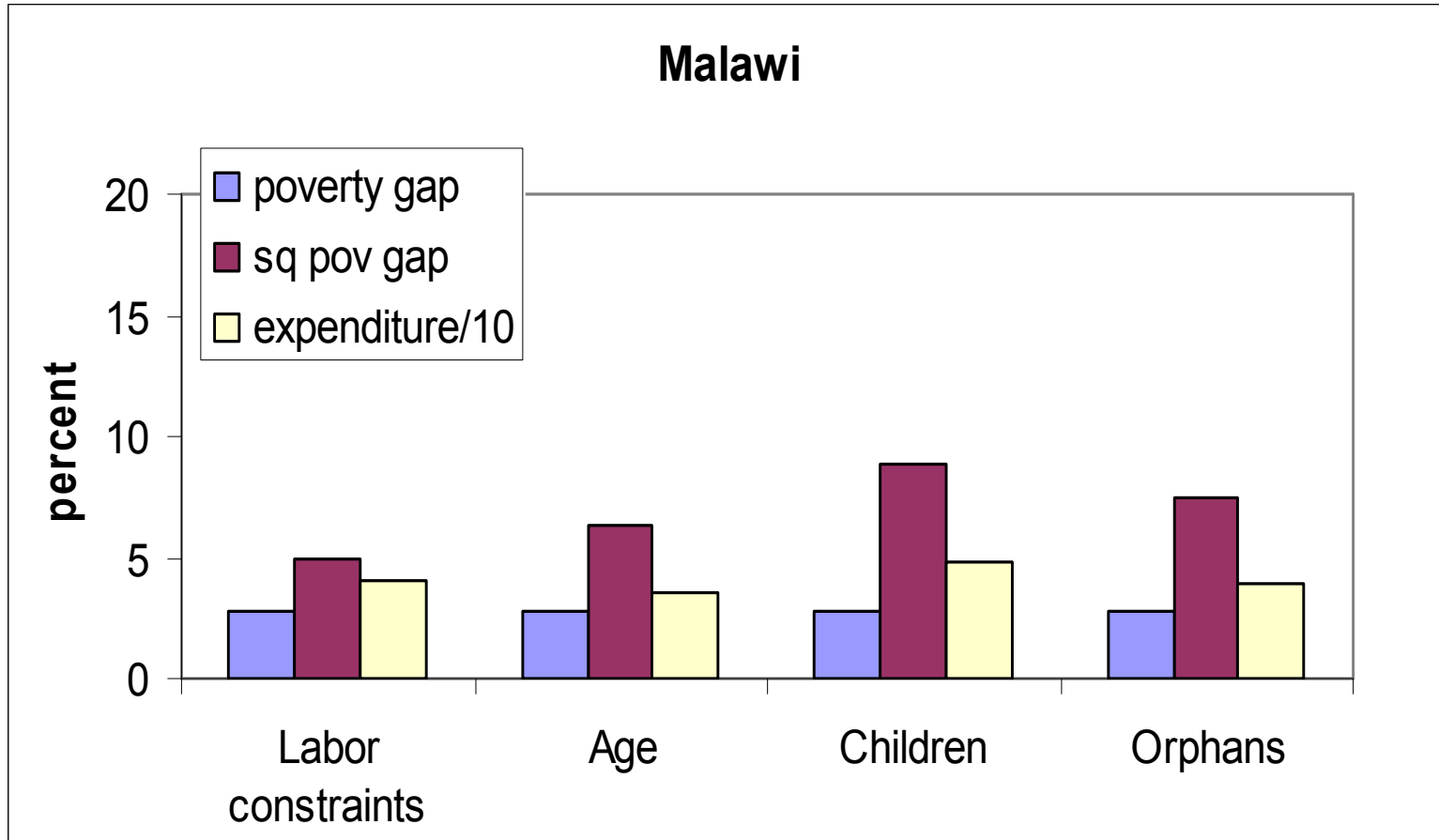
Key questions

- Questions
 - Do we get the poorest in general?
 - Do we get the poorest orphans w/o targeting orphans? How about the poorest children?

Targeting dilemma: Children or orphans?



Targeting children has a bigger impact on poverty and household welfare: orphans are not necessarily in the poorest households but the poorest households tend to have children



Suggested targeting strategy for cash or in-kind assistance to families

- Target poor families with children
 - Poverty is key underlying cause of child development failures
 - This strategy will reach the poorest orphans as well; this is where orphan/non-orphans disparities are greatest
 - This approach also captures the poorest children, who also need assistance
 - Use programme as an entry point for other social services, such as PSS for orphans