The Malawi Social Cash Transfer Pilot Scheme,

Preliminary Lessons Learned

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Bernd Schubert: Schubert@teamconsult.org/ + 49 30 80 582 821

Mayke Huijbregts: mhuijbregts@unicef.org/ + 265 1 770 788/ 265 9 332 578

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The photo on the front page is showing the first child-headed beneficiary household, receiving a cash transfer during the Design Phase of the Social Cash Transfer Scheme pilot, Kachamba Village, Mchinji District, on 9 June 2006. This photo was taken by Mayke Huijbregts

ABBREVIATIONS AND ACRONYMS

CSPC	Community Social Protection Committee
DAC	District AIDS Coordinator
DAS	Development Assistance Strategy
DC	District Commissioner
DCD	District Community Development
DEC	District Executive Committee
DEM	District Education Manager
DoF	Director of Finance
DoPDMA	Department of Poverty and Disaster Management Affairs
DPD	District Planning Director
DSWO	District Social Welfare Officer
HBC	Home Based Care
LA	Local Assembly
MGDS	Malawi Growth Development Strategy
MoWCD	Ministry of Women and Child Development
MPRSP	Malawi Poverty Reduction Strategy
NPA	National Plan of Action
OVC	Orphans and other Vulnerable Children
PS	Principal Secretary
PSS	Psychosocial Support
SCTS	Social Cash Transfer Scheme
SP	Social Protection
SPSC	Social Protection Steering Committee
SPSC	Social Protection Sub-Committee (under the DEC at district level)
SPTC	Social Protection Technical Committee
SWA	Social Welfare Assistant
VDC	Village Development Committee

1.0 INTRODUCTION

Over the last ten years, poverty levels have remained stagnant with 52% of the 12,608,000 people of Malawi living under one dollar per day. Of the 52%, 22% are ultra-poor, living under USD 0.20 per day. This group lives under severe conditions of chronic poverty and is unable to meet their daily needs. A proportion of this group, around 10%, is not able to participate in productive activities because they are destitute and labor constrained, as seen in the elderly, child-headed households, disabled or the chronically ill. The latter group has largely been ignored and never been meaningfully targeted by any kind of social protection intervention, and as a consequence, experience severe destitution.

Vulnerability in Malawi is increasing. The extent to which people are vulnerable depends largely on their ability to cope with shocks and changes to their livelihoods. Malawians are more vulnerable today because they are less able to deal with changes than they were in the past. For example, repeated shocks mean that people's assets have declined, savings have been eroded and informal networks are less willing or able to provide assistance.

The purpose of this paper is to share experiences and information about the Mchinji Social Cash Transfer Pilot Scheme in Malawi and its role as the Malawi Social Protection Policy and Framework is being developed. Lessons learned in the process of designing and initiating the Pilot Scheme are presented to stimulate debate as to why different categories of vulnerable people require different types of social protection interventions, with Social Cash Transfers in particular.

Social Protection in Malawi is defined as:

"Social Protection constitutes policies and practises that protect and promote the livelihoods and welfare of people suffering from unacceptable levels of poverty and/or are vulnerable to risks and shocks."

To date, Social Protection is gaining momentum in Malawi, as the Government has established a national level Social Protection Steering Committee and a Social Protection Technical Committee. It has also committed more staff in favour of managing, guiding and coordinating Social Protection interventions and it has committed themselves to set aside a certain percentage of the annual budget for social protection. Government's Social Protection vision is "To eliminate extreme poverty" and its goal is "to empower the poor to contribute to social and economic growth."

The purpose of the Mchinji Pilot Scheme is to verify the hypothesis that social cash transfers implemented by the District Assemblies are a feasible, cost-effective and quick impact mechanism to provide Social Protection to households that are ultra poor and at the same time labour constrained.

It is estimated that approximately 10% of all households in Malawi are ultra poor and labour constrained (250,000 households). If all these households were to be reached by a National Social Cash Transfer Scheme, the current national ultra poverty rate of 22% would be reduced to 12%. The annual costs of such a national scheme are approximately USD 41 Million. Considering that during the last 10 years ongoing poverty reduction and social protection interventions have not been able to reduce the ultra poverty rate at all, social cash transfers are seen as a promising new approach that needs to be explored.

This paper consists of two components: 1) the description of the Pilot Scheme and 2) the process that led to the design of such a Scheme.

2.0 THE MCHINJI PILOT SOCIAL CASH TRANSFER SCHEME

2.1 Policy background and Institutional Framework

The Government of Malawi has stressed the importance of Social Protection (SP) as second theme under the Malawi Growth and Development Strategy (MGDS), the successor of the Poverty Reduction Strategy Paper, and the related Development Assistant Strategy (DAS). Social Protection (SP) is recognized as a key element of Malawi’s national policy to reduce poverty and protect human capital and the goal of the SP chapter is defined as follows: “The long-term goal under this theme is to improve the social-economic indicators for the most vulnerable. This is designed that the most vulnerable with limited factors of production are sufficiently cushioned. This encompasses the expectation of improved health and nutritional status for children under five, school age children, orphans, pregnant and lactating mothers, as well as destitute families. To address the challenges and constraints outlined, a goal has been designed to decrease income inequality.”

The National Plan of Action for Orphans and other Vulnerable Children (NPA for OVC), 2005-2009, is another key instrument that provides commitment and guidance for the establishment of meaningful social protection interventions, esp. in support of households hosting OVC.

To more effectively design, coordinate and implement Social Protection interventions, the Social Protection Steering and Technical Committee have recently been put in place, of which the Secretariat is hosted by the Department of Poverty and Disaster Management Affairs (DoPDMA). Both Committees are responsible for guiding and overseeing the design of a National Social Protection Framework and Policy. In order to achieve this, the Committees will evaluate the various ongoing safety net programs, such as:

- Direct Welfare Transfers
- Targeted Inputs Programme
- Public Works Programme
- Disaster Management and Preparedness
- Targeted Nutrition Programmes

These Committees have also identified new and innovative approaches to Social Protection, such as Social Cash Transfers, and will determine their role in support of such programs in the evolving National Social Protection Policy and Framework. There is, however, little experience and no guidelines for such a

Government-led institutionalized Social Cash Transfer Programme in Malawi. It is in this light that the Government of Malawi, with UNICEF's support, decided to conduct an Operations Research from April 2006 – August 2006 to design, test, evaluate and adapt the methodology for the Cash Transfer Pilot Scheme. This was followed by a pilot scheme to the test the feasibility, cost-effectiveness and impact of Social Cash Transfers targeting the most vulnerable households.

Institutional Framework

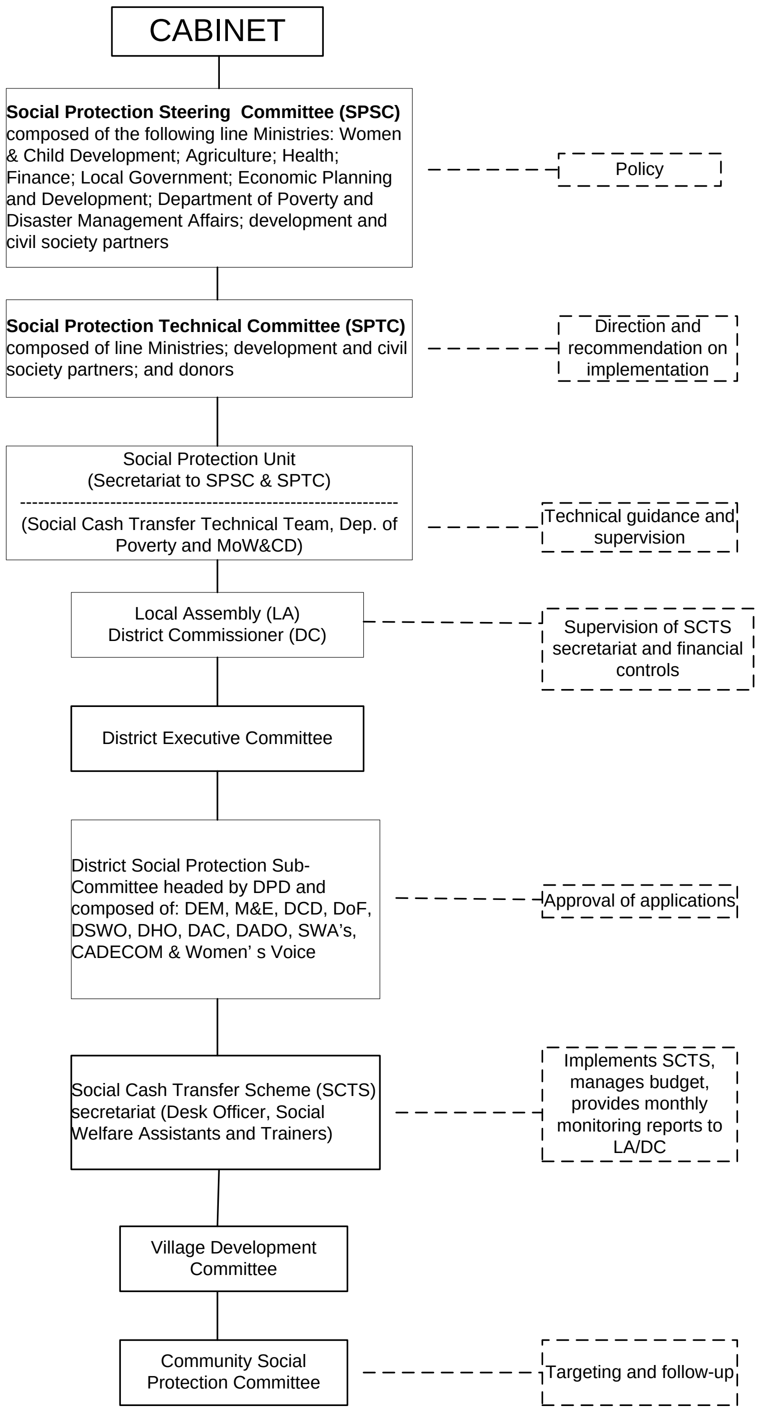
At national level, the Social Protection Steering Committee comprises of Principal Secretaries (PS) from key line ministries and representatives of key development partners such as the World Bank, DFID and UNICEF. This Committee is presided over by the PS from the Office of the President and Cabinet. The core function of this body is to provide oversight and guidance to the development, implementation, coordination and monitoring of SP interventions.

The Technical Committee is responsible for the policy development, direction, coordination and monitoring of SP interventions. The members of this body comprise of technical staff from Government line ministries, development partners, UNICEF and WFP as well as from civil society and the private sector. Government line ministries, led by the Department of Poverty together with key development partners, the UN and civil society form the core partnership in developing the Social Protection Policy and Framework, both instruments expected to be finalized by the beginning of 2007.

These two bodies are supported by the Social Protection Unit, which is hosted in the Department of Poverty and Disaster Management Affairs. In this same Unit, also the Social Cash Transfer Technical Team from national level is hosted, with the main task to provide support, technical assistance, guidance and monitoring to the Pilot Social Cash Transfer Scheme.

The Scheme is implemented by the Local Assembly in Mchinji, the pilot district, where under the District Executive Committee, the Sub-Committee on Social Protection has been formed consisting of officers from various line ministries. The Secretariat of the Scheme, however, falls under the Social Welfare Office with an established secretariat and desk officer for the Scheme.

INSTITUTIONAL FRAMEWORK FOR THE MCHINJI PILOT SOCIAL CASH TRANSFER SCHEME



The Mchinji District was identified for the pilot as it has a strong District Team and average poverty levels (it ranks as 14 poorest district out of 28 districts) and it is not more than 100 kilometers away from the capital Lilongwe, allowing policy makers and decision takers to frequently visit the Scheme to learn lessons. At the community level, Community Social Protection Committees were formed under the Village Development Committee and consist of volunteers.

2.2 Key parameters of the scheme

Objectives

The Objectives of the scheme are:

1. To reduce poverty, hunger and starvation in all households living in the pilot area which are ultra poor and at the same time labour constrained;
2. To increase school enrolment and attendance of children living in target group households;
3. 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 Social Protection Programme for Malawi.

Targeting criteria

The targeting criteria used for this pilot scheme are ultra poor and labour constrained. Eligible households must meet these two criteria in order to qualify for the scheme:

1. Ultra poor

   This means that they are in the lowest expenditure quintile and live below the national ultra poverty line (receive only one meal per day, are unable to purchase essential non-food items like soap, clothing, school utensils, must resort to begging, have no valuable assets).

2. Labour constrained

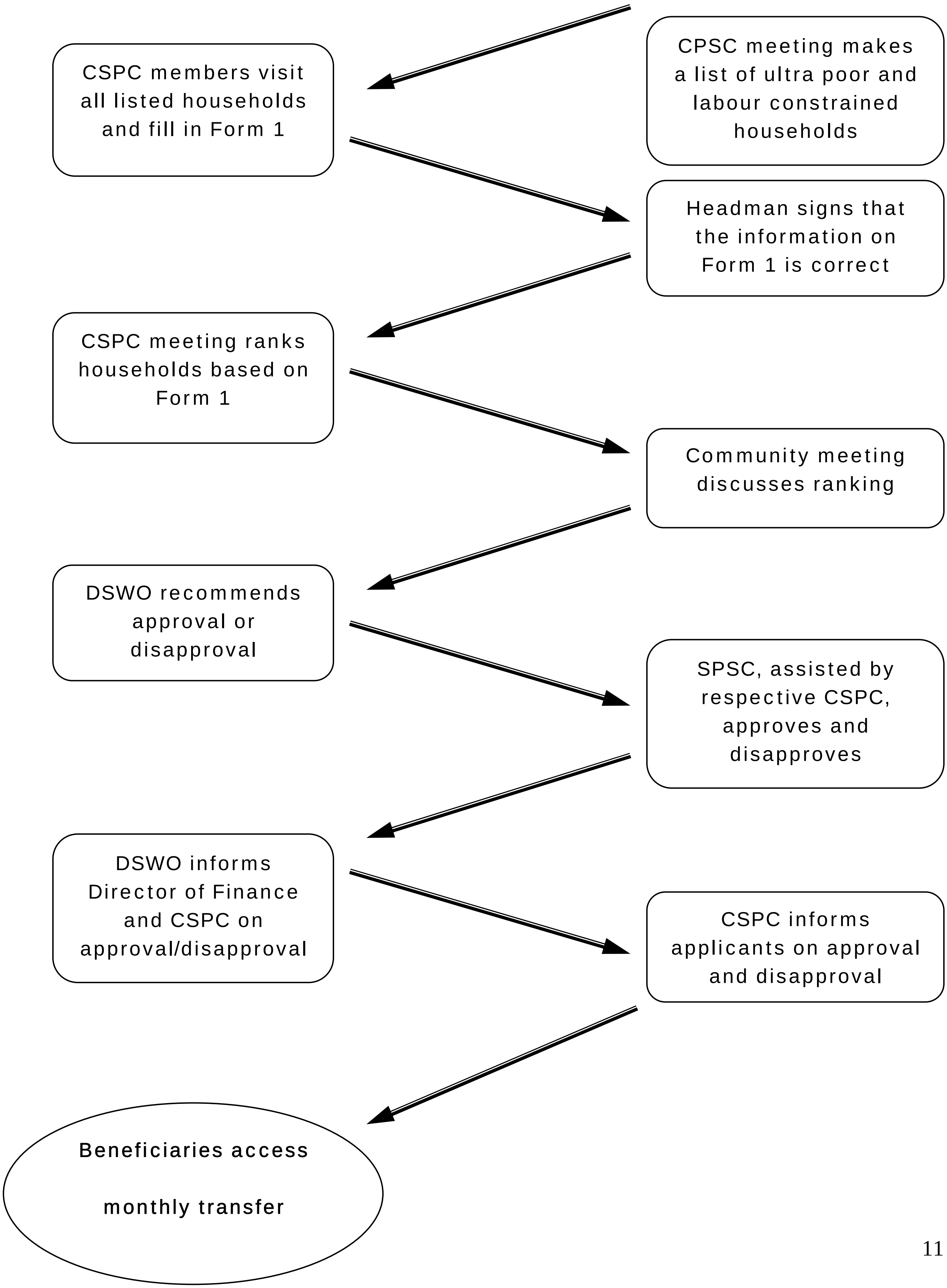
   A household is labour constrained when it has no able bodied household member in the age group 19 to 64, who is fit for work (because they are chronically sick, or disabled), or when one household member in the age group 19 to 64 years, who is fit for work, has to care for more than 3 dependents. In other words, households are labour constrained when they have a dependency ratio of more than 3. According to the 2004/2005 Integrated Household Survey the average dependency ratio of households in the lowest income quintile is 1.5. This criterion is used in order to focus on those households that are not able to access or to benefit sufficiently from labour based interventions like public works or from piece meal work.

Targeting process

The targeting criteria are used in a multi-stage participatory targeting process:

1. Community Social Protection Committees (CSPCs) at Village Group level (sub-committee of the VDC) record, visit and interview all households that seem to meet the targeting criteria. They then rank all households that have a dependency ratio of more than 3 according to neediness.
2. The CSPCs present the households selected and their ranking at a community meeting in order to ensure that no households meeting the criteria are left out, that undeserving households are deleted from the list, and that a consensus on the appropriate ranking is achieved. The community meeting is also there to facilitate that the Scheme and the targeting process are as transparent as possible.
3. A Social Protection Sub-Committee (SPSC) at district level (sub-committee of the DEC), assisted by extension workers, checks if the targeting process has been fair and transparent and if the results are correct. The SPSC then approves the 10% most needy households. The 10% cut off point is based on the assumption that on average, less than 10% of the households meet both criteria. Further research to verify this assumption is underway.

Diagram 1: Flow Chart of the Targeting, Approval and Payment Process



2.3 Level of transfers and costs of the Scheme

The monthly cash transfers vary according to household size and take into account if the household has children enrolled in primary and/or in secondary school:

- 1 person household MK 600 (approx. USD 4)
- 2 person household MK 1,000 (approx. USD 7)
- 3 person household MK 1,400 (approx. USD 10)
- 4 and more persons MK 1,800 (approx. USD 13)

For children enrolled in primary school, a bonus of MK 200 is added, and a bonus of MK 400 for children in secondary school. This bonus is meant to encourage school enrolment and attendance and to discourage child labour and premature drop outs. It assists caregivers in meeting school related child needs such as food, clothing, soap, exercise books and pencils. On average, the transfers amount to MK 1,700 per household per month. This amount is sufficient to fill the gap of MK 1,343 between the ultra poverty line of MK 6,447 per month for a 5.8 person household and the average monthly expenditure of MK 5,103 for households in the lowest income quintile.

The costs per household are USD 12 per month amounting to USD 144 per year, plus USD 20 for operational costs. The costs for the Pilot Scheme for a period of one year amounts to USD 371,000. In the event the Scheme is extended to all 250,000 ultra poor and labour scarce households in Malawi (10% of all households), the annual costs of such a national scheme is estimated at USD 41 Million.

2.4 Financing of the Scheme

To date, UNICEF has provided a total of USD 275,000 funds for the development, design and initiation of the Operations Research and the Pilot Scheme. These funds have been distributed according to the following areas:

- Technical assistance to design, test and evaluate the methodology of the Scheme and to assist Government in furthering Social Cash Transfers as a potential Scheme for Malawi under Social Protection.
- Operations/logistics support in establishing the Scheme (transport, communication, stationery, supplies, Mchinji office renovation, allowances for District Officers during community orientation meetings, field visits).
- Actual Cash Transfers.
- Learning experiences and awareness raising through international study visits for high level Government representatives to Brazil and Zambia (Kalomo and Chipata), as well as national level workshops and field visits to Mchinji.

Further funding is pending from the National AIDS Commission under The Global Fund to Fight AIDS, Tuberculosis and Malaria under Round 1, leading up to USD 371,000 for the pilot during year 1 (this depends on Cabinet endorsement of the Pilot Scheme) and USD 8,8 Million from Global Fund Round 5 for the scale up of the Scheme in 2008 and 2009. The EU has committed itself to fund the external M&E component up to a ceiling of EURO 200,000. It is hoped that once the Social Cash Transfer Scheme is endorsed by Cabinet and enclosed as a component of the National Social Protection Policy, development partners will align themselves in support of Social Protection interventions through Basket Funding. Government has committed an annual budget for Social Protection and is putting in place a Social Protection Levy on fuel.

2.5 Coverage and Size

On 9 June 2006, the first 64 cash transfers were distributed at a pay point in Kachamba Village to the identified and approved beneficiary households. This component was part of the Operations Research, the design phase of the methodology for the Pilot Scheme.

By the end of August, the methodology was tested, evaluated and adapted repeatedly and documented in an Operation's Manual. The implementation of the pilot programme started in September, including the rolling out of the Scheme. To date, around 561 households are being reached with cash transfers in four Traditional Authorities in Mchinji District.

By year's end, it is planned that 2,000 households will be reached and by end February 2007, 3,000 households. Sufficient information will be available to allow Government policy makers to determine key parameters of the scheme, study methodology used, and the impact and cost-effectiveness of the initiative by the end of 2006. Based on the outcomes, the Government can take an informed decision whether to include this component within the National Social Protection Policy, Framework and budget for continuation and potential scale up to other districts.

2.6 Implementation, capacity and scaling up

The Operational Research phase prior to starting the implementation of the Pilot Scheme was extremely important because during the research not only was the methodology for the scheme design tested and evaluated, and district and community members trained on that methodology, but also other key elements relevant for implementation of the pilot scheme became known and were addressed. These included the institutional framework, political commitment, human and material resources, basic management, administration and financial skills of district staff. At national and district levels, different processes were therefore addressed in parallel.

For future scale up as indicated in Table 1, the following assumptions should be considered:

- The Pilot Scheme will verify the hypothesis that a Social Cash Transfer Scheme implemented by a District Assembly is a feasible, cost-effective and quick impact intervention for providing Social Protection to ultra poor and labour constrained households.

- Government of Malawi and partners will reach a consensus that Social Cash Transfers implemented by District Assemblies will become a core component of the Malawi Social Protection Policy and Programme.

Table 1: Costs and Time Frame of Scaling Up

Phase	**Time span**	**No of beneficiary Households**	**One-off costs for capacity building (in USD)**	**Annual costs of transfers and operational costs (in USD)**
Pilot phase (4 TAs of Mchinji)	Sept 2006 to Dec 2007	3,000	60,000	480,000
1st extension (all of Mchinji plus 3 more districts)	July 2007 to Dec 2008	32,000	180,000	5,380,000
2nd extension (6 additional districts)	Jan 2009 to Dec 2010	80,000	360,000	13,440,000
3rd extension (8 additional districts)	Jan 2011 to Dec 2013	144,000	480,000	24,200,000
4th extension (last 12 districts)	Jan 2014 to Dec 2015	250,000	720,000	42,000,000
All districts covered	From 2016 onwards	250,000	Annual costs of replacement 250,000	42,000,000

The cost estimates given in Table 3 are based on the following assumptions:

- Initial investment for a vehicle, computer, printer, photocopier, digital camera, bicycles for the CSPCs and for training are USD 60,000
- Costs for replacing equipment are on the average USD 10,000 per district starting from 2016
- Costs for transfers are USD 144 per beneficiary household per year plus USD 24 for operational costs (14% of total costs)
- The total number of ultra poor and labour scarce households in Malawi in 2006 is estimated to be approximately 250,000 (10% of all households). This is a rough estimate based on limited

information only. Population growth and the impact of HIV /AIDS could lead to an increase of the number of ultra poor and labour scarce households to 300,000 by 2016. This would increase the annual costs to USD 50 million.

2.7 Implementation, capacity and scaling up

Guidelines for an Internal Monitoring System for the Mchinji Social Cash Transfer Scheme have been developed and these are being used by the Social Cash Transfer Scheme Secretariat in Mchinji to monitor the activities, costs and cost-effectiveness. The Secretariat will submit monthly reports to the District Commissioner who in turn passes it on to the national level Social Protection Technical Committee. So far, the first report from September has been prepared.

An External Monitoring and Evaluation Component has been designed with the aim to cover a wide range of issues, including the verification of programme goal and outcome level indicators. The Government has submitted these ToRs to the EU, which has committed funding and is in the process of launching a tender.

However, random visits to beneficiary households indicate that the effectiveness of targeting is high. All households visited fulfilled the targeting criteria. Monthly payments have been delivered regularly and timely except for one case where payments were delayed one week. Beneficiaries use the monies received for meeting their most basic needs in terms of food, clothing, education materials and access to health services. Some have invested in improving their shelter and in acquiring small livestock. Preliminary results also show that people living with AIDS who are on treatment are better able to cope with the intake of drugs as now their nutrition has improved. Community leaders and relatives of the beneficiaries welcome the Scheme because it reduces the overwhelming burden of social obligations. It also brings much needed relief and peace to the communities as child- or female-headed households no longer need to expose themselves to risky behaviours in order to survive. They are now assured of food and have the resources for the children in the household to attend school. Thus, the expected impacts will be an increase in school enrolment, attendance and completion rates of children from beneficiary households, an increased health status and a decrease in malnutrition. An increase in self-esteem and dignity of the most destitute and vulnerable household members is also expected.

3.0 TOUGH CHOICES

In the process of designing, piloting and scaling up Social Protection programs, Governments of low income countries and their partners have to make a number of tough choices. In Malawi UNICEF supports the Government in this process which starts at ground zero – the country so far has no organised Social Protection activities of any significance that target the most deprived sections of the population. The main choices that have to be made in this process are:

3.1 Priority Setting

Which categories of households should be targeted by Social Protection interventions? In Malawi a simple needs assessment of different categories of poor households facilitated the priority setting:

According to the 2004 Integrated Household Survey (IHS), 52% of the Malawian population fall under the national poverty line and 22% fall under the ultra poverty line. This means that approximately 7 million people living in approximately 1.3 million households are absolutely poor and approximately 3 million people living in 550,000 households are ultra poor.

The distinction between moderate poverty and ultra poverty is important. Persons living in ultra poor households suffer from severe hunger during most of the year, become physically weak, tend to sell or consume their productive assets (e.g. livestock, tools, seed), give up investing in their future (like sending children to school), and die from infections that other people survive. For these reasons ultra poor people are slow to respond to programs, which demand a certain amount of effort and contributions (like credit and saving schemes).

In the process of priority setting it was decided that Social Protection interventions should give priority to the ultra poor households. In fact the core objective of Social Protection will be to reduce and eventually eradicate ultra poverty.

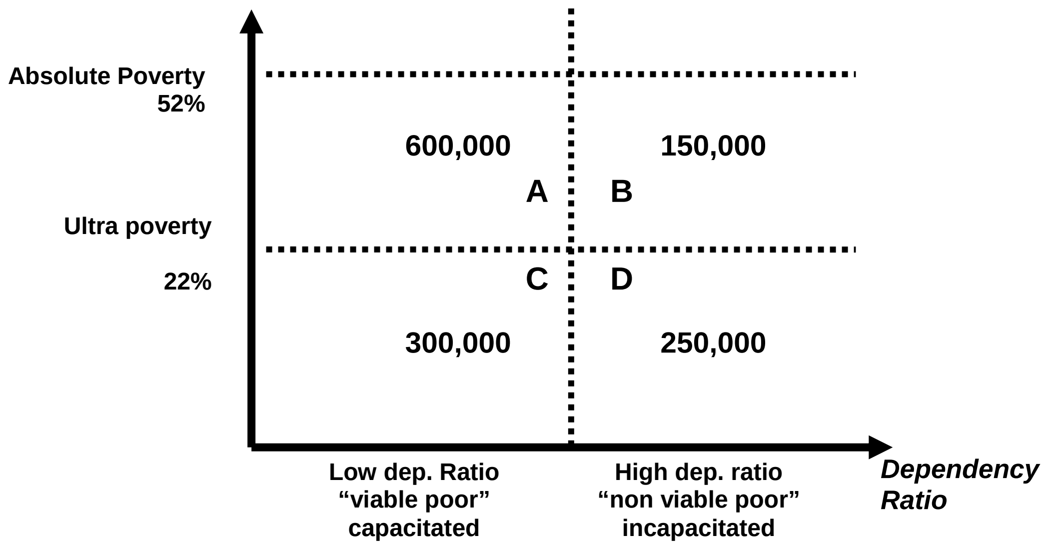
With regard to the causes of poverty, out of the 550,000 households suffering from ultra poverty in Malawi, approximately 300,000 are poor because of conjunctural factors. Conjunctural poverty is caused by unemployment or underemployment. It involves households with able-bodied adults who have no access to productive employment. If these households get access to credit, to employment, or to well designed public for work programs, they are able to escape from poverty.

The ultra poverty of the other 250,000 households is structural as it is related to the structure of the household. These households have few or no able-bodied adult household members. In statistical terms they have a high dependency ratio, i.e. relation between the number of dependent household members (not able to perform productive work) and the number of household members able to perform productive work. AIDS affects many of the households suffering from structural poverty.

The breadwinners have died leaving grandparents, who are too old to work, and orphans, who are too young. These households cannot react to self-help oriented or labour-based projects or programs**.**

Figure one summarizes the four categories of poverty described:

Figure 1: Number of Households Suffering from



The 600,000 households in Category A are in a relatively favourable situation. They are just moderately poor and include household members able to do productive work. They can respond to self-help oriented projects and programs in order to overcome their poverty and hunger.

The 150,000 Category B households are labour-constrained and are therefore unable to respond to labour-based interventions. However, in a very poor country like Malawi, they are not eligible for social welfare interventions because they are only moderately poor. Households headed by a pensioner, who receives a small pension, or households regularly supported by the extended family are typical for this group.

The 300,000 Category C households suffer from ultra poverty in spite of the fact that they have household members able to perform productive work. Many small-scale farmers and fishermen fall into this category. To improve the economic situation of these households they have to be targeted by programs specifically tailored for vulnerable but viable households.

The 250,000 households in Category D are in the most unfavourable situation. They suffer from ultra poverty. At the same time they cannot respond to development projects or programs because they have no household members able to perform productive work. They have no or little self-help capacity. This group – the 10% worst off households in Malawi – most urgently requires Social Protection interventions. More than 60% of the approximately 1.2 million Malawians living in Category D households are children.

In the process of economic development, which will be accompanied by increasing opportunities for employment and self-employment, a number of households in Category A and C will be able to escape from poverty. Category B and D households will, however, not automatically benefit from economic development, because they lack employable adults who can make use of such opportunities. Demographic trends (growing number of old people) and the impact of AIDS (more orphans and more generation gap households) could increase the number of incapacitated households within the next 10 years. This has to be taken into account when designing the Social Protection strategy for Malawi.

3.2 Exclusive or Inclusive

There is a natural tendency that each sector or sub-sector department or UN agency tries to come up with a Social Protection concept that is focused on their mandate:

- UNAIDS, GFATM and the National AIDS Commissions will focus on AIDS affected households
- Helpage International favours social pensions for all old people
- Other departments and agencies tend to focus on different groups of disabled people, on women and/or on OVC.

Some countries have started their Social Protection interventions by concentrating on one of these groups. Lesotho concentrates on the elderly. Kenya (with UNICEF assistance) concentrates on OVC. These approaches are exclusive.

Malawi and Zambia have chosen to concentrate on ultra poor households because these households include the worst off cases of all types of vulnerable people (elderly, disabled, AIDS affected, women, OVC). This approach is inclusive.

3.3 Types of Interventions

Existing and potential programs have to be assessed in order to identify which programs reach which categories of needy households and to what extend each program meets the needs of the households. This is a touchy exercise because it may turn out that some of the programs implemented by influential stakeholders do not reach the priority target groups and/or do not meet their needs. In Malawi it was concluded:

- Category C households require interventions that are distinctively different from the interventions required by category D households
- Category C households need temporary transfers in order to meet their immediate basic needs (food first). In addition they require employment opportunities or self-employment promoting interventions that result in generating sustainable incomes
- Category D households require regular and reliable social transfers which will empower them to meet their basic needs and to invest in human capital (the health and education of their children)

For category D households the following hypothesis was formulated and has to be verified by the Mchinji Pilot Social Cash Transfer Scheme:

Social cash transfers implemented by the District Assemblies are a feasible, cost-effective and quick impact mechanism to provide Social Protection to households that are ultra poor and at the same time labour constrained.

3.4 “Projectized” or Institutionalized Interventions

This is again a touchy issue but it cannot be avoided. Social Assistance for category D households has to cover all regions of a country in a uniform and reliable manner and requires sustainable financing from public funds. Social Assistance has to be seen as a permanent service like education or health - not as a project with an exit strategy or a patchwork of many projects implemented by NGOs or CBOs.

For these reasons there seems to be a growing consensus that Social Assistance should be seen as a core Government function to be implemented by Government officers. This does not rule out that NGOs implement emergency related temporary transfer programs in cash or kind, or get involved in programs targeting category C households. But Social Cash Transfer Schemes for category D households should from the beginning – even in the pilot phase – be implemented by Government.

3.5 Choice of the Implementing Agency

Which Government agency has the capacity or at least the potential to eventually reach each and every village and to provide a reliable service to a large number of the poorest of the poor households?

- In Lesotho the new Social Pension Scheme is implemented by the Ministry of Finance. It has not yet been evaluated
- In Zambia the Kalomo Pilot Scheme is implemented by the Public Welfare Assistance Scheme (PWAS) of the Department of Social Welfare which has Social Welfare Officers on district level. Evaluations conclude that the Department is politically weak and its performance leaves much to be desired. Capacity problems will be the main bottleneck for scaling up
- Malawi has decentralized most Government services to the district level. For the Pilot Social Cash Transfer Scheme the Mchinji District Assembly has been chosen as the implementing agency. All activities of the Scheme are implemented by Assembly Officers from different departments (Social Welfare, Community Development, Planning, Finance, Police). Compared to Zambia the implementation capacity of the Malawi set up is significantly higher. However, this may vary from district to district.

In general, Government agencies in low income countries are weak and have been further weakened by two decades of structural adjustment policies. This should not be taken as an excuse for sidelining Government by working with NGOs. The most promising approach may be to select a Government agency which is politically well established and has potential that can be strengthened by systematic and long term capacity building.

3.6 Main Challenges

The task is to design, test and scale up - in cooperation with main stakeholders on national, district, community and household level – Social Protection Schemes that are:

- Integrated in a comprehensive Social Protection Strategy

- Owned and implemented by the partner Government and supported by main partner organisations
- Effectively targeted
- Cost-effective
- Provide a reliable service in terms of timely delivery of the transfers and
- Link the target group households to other Social Services which cater for needs that require more than access to cash (like home-based care).

In order to achieve this, the schemes should:

- Address households, not individuals
- Be organised as simple, as straight forward and as organisationally undemanding as possible – no frills!
- Be designed and tested in a systematic, transparent, participatory and well documented process
- Should receive appropriate and long term capacity building assistance

3.7 What about Children?

The neediest, most under privileged, deprived, socially excluded and vulnerable children are the children living in ultra poor households, irrespective if they are orphans or not. Lifting these households over the ultra poverty line empowers them to provide for all household members (the majority of household members are children!) better nutrition, access to health services, shelter, clothing and access to education.

This means that a Social Protection Scheme that targets ultra poor households is at the same time a large scale Child Welfare Scheme. By adding a school bonus to the transfers, the Scheme can ensure that children benefit more than other household members. Imposing conditions relating to school attendance and to using health services may - for a number of reasons - not be appropriate for low-income African countries. One of these reasons is the weak implementation capacity which calls for keeping the schemes as simple as possible. In addition empirical evidence suggests that "The poor are not irresponsible" (slogan of the Kalomo Pilot Scheme).

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