

MINISTRY OF COMMUNITY DEVELOPMENT, MOTHER AND CHILD HEALTH



Ministerial Statement on the scale up of the Social Cash Transfer programme

PRESENTED BY THE CABINET MINISTER HONOURABLE EMERINE KABANSHI, MP

MARCH, 2015

MR. SPEAKER,

THANK YOU FOR ACCORDING ME THIS OPPORTUNITY TO GIVE A MINISTERIAL STATEMENT ON THE PROGRESS MADE IN SCALING UP THE SOCIAL CASH TRANSFER PROGRAMME.

SIR, ALLOW ME FIRST TO GIVE YOU GENERAL INFORMATION ABOUT THE SOCIAL CASH TRANSFER PROGRAMME IN ZAMBIA BEFORE I GIVE AN ACCOUNT ON THE SCALE UP.

1. BACKGROUND

THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA HAS SINCE 2003 BEEN IMPLEMENTING THE SOCIAL CASH TRANSFER (SCT) PROGRAMME THROUGH THE MINISTRY OF COMMUNITY DEVELOPMENT, MOTHER AND CHILD HEALTH. THE PROGRAMME HAS MADE POSITIVE IMPACT ON THE LIVES OF BENEFICIARIES RECEIVING THE CASH TRANSFERS ON A BIMONTHLY BASIS. THE SOCIAL CASH TRANSFER PROGRAMME STARTED AS A PILOT IN KALOMO DISTRICT THROUGH SUPPORT FROM THE GERMAN GOVERNMENT AND HAS BEEN SCALED UP TO OTHER DISTRICTS IN A PHASED MANNER AND WAS UNTIL 2013 IMPLEMENTED IN 19 REALIGNED DISTRICTS SUPPORTING 62,240 HOUSEHOLDS (23,117 MALE AND 39, 123 FEMALE HEADED HOUSEHOLDS).

2. OBJECTIVES OF THE SOCIAL CASH TRANSFER PROGRAMME

2.1 THE OVERALL OBJECTIVE IS:

TO REDUCE EXTREME POVERTY AND INTERGENERATIONAL TRANSFER OF POVERTY. THIS IS TO REALISE IMPROVED WELLBEING IN HOUSEHOLDS COVERED BY SOCIAL CASH TRANSFER;

MR. SPEAKER, THE PROGRAMME ALSO HAS THE FOLLOWING SPECIFIC OBJECTIVES:

2.2 SPECIFIC OBJECTIVES ARE:

- i. **INCOME:** TO SUPPLEMENT AND NOT REPLACE HOUSEHOLD INCOME.
- ii. **EDUCATION:** TO INCREASE THE NUMBER OF CHILDREN ENROLLED AND ATTENDING PRIMARY SCHOOL EDUCATION.
- iii. **HEALTH:** TO REDUCE THE RATE OF MORTALITY AND MORBIDITY AMONG CHILDREN UNDER 5 YEARS OLD.
- iv. **FOOD SECURITY:** TO INCREASE THE NUMBER OF HOUSEHOLDS HAVING A SECOND MEAL PER DAY.
- v. **LIVELIHOODS:** TO INCREASE THE NUMBER OF HOUSEHOLDS OWNING ASSETS SUCH AS LIVESTOCK.
- vi. **LESSON LEARNING:** TO PROVIDE LESSONS AROUND IDENTIFYING WHAT WORKS BEST FOR ZAMBIA IN THE IMPLEMENTATION PROCESS.

3. SCALE UP IN 2014.

MR. SPEAKER, AT THE END OF 2013, THE GOVERNMENT MADE A BOLD DECISION TO INCREASE THE FUNDING TO THE PROGRAMME BY MORE THAN 700% THAT IS, FROM K17.5 MILLION TO K150 MILLION FOR THE YEAR 2014. WITH THIS INCREMENT IN FUNDING THE MINISTRY AND ITS COOPERATING PARTNERS EMBARKED ON A RAPID SCALE UP AND IN 2014 ADDED 31 NEW DISTRICTS BRINGING THE TOTAL NUMBER OF DISTRICTS IMPLEMENTING THE PROGRAMME TO 50 WITH 145, 698 BENEFICIARY HOUSEHOLDS COMPRISING 56, 527 MALE AND 89, 171 FEMALE HEADED HOUSEHOLDS.

4. ELIGIBILITY CRITERIA

MR. SPEAKER, IN ORDER TO BE ELIGIBLE FOR THE SOCIAL CASH TRANSFER, HOUSEHOLDS MUST MEET THREE CRITERIA AND THESE ARE:

- A) RESIDENCY;
- B) DEPENDENCY; AND
- C) WELFARE LEVEL.

A. RESIDENCY CRITERION

IN ORDER TO BE ELIGIBLE FOR THE PROGRAMME, HOUSEHOLDS MUST HAVE BEEN LIVING IN THE CATCHMENT AREA FOR AT LEAST SIX MONTHS. THIS CRITERION IS FIRST VERIFIED BY THE COMMUNITY WELFARE ASSISTANCE COMMITTEES (CWACS), THE AREA COORDINATING COMMITTEES (ACCS) AND THE VILLAGE HEADMEN ON THE IDENTIFICATION FORM, AND SECONDLY BY THE MANAGEMENT INFORMATION SYSTEM BASED ON DATA COLLECTED ON THE APPLICATION FORM.

B. DEPENDENCY CRITERIA

MR. SPEAKER, A HOUSEHOLD IS ELIGIBLE IF:

- ALL ITS MEMBERS ARE UNFIT FOR WORK; THIS IS A HOUSEHOLD WITH MEMBERS THAT ARE EITHER CHRONICALLY ILL, CHILDREN BELOW 19 YEARS, ELDERLY PERSONS ABOVE 64 YEARS OLD AND THOSE THAT ARE DISABLED BUT VULNERABLE, OR

- HAS A HIGH DEPENDENCY RATIO (EQUAL OR GREATER THAN THREE). THIS MEANS THAT THERE ARE THREE OR MORE PEOPLE IN THE HOUSEHOLD BEING LOOKED AFTER BY ONE PERSON.

C. WELFARE CRITERION

MR. SPEAKER, A HOUSEHOLD IS ELIGIBLE IF ITS ESTIMATED WELFARE, CALCULATED BY THE MANAGEMENT INFORMATION SYSTEM BASED ON A WEALTH INDEX (THESE ARE DESIGNATED VARIABLES), IS BELOW A PRE-ESTABLISHED THRESHOLD. HOUSEHOLDS WITH ESTIMATED WELFARE LEVELS ABOVE THE CUT-OFF POINT ARE CONSIDERED BETTER-OFF AND ARE NOT ELIGIBLE FOR THE SOCIAL CASH TRANSFER UNLESS INDICATED OTHERWISE IN THE COMMUNITY VALIDATION PROCESS.

THE CUT-OFF POINT IS UPDATED BEFORE EVERY TARGETING PHASE BASED BOTH ON THE ESTIMATIONS CONDUCTED WITH THE LIVING CONDITIONS AND MONITORING SURVEY (LCMS) AND OTHER DATASETS AS WELL AS ON THE BUDGET AND CASELOAD PROJECTIONS.

5. IMPACTS

MR. SPEAKER, SINCE ITS INTRODUCTION THE FOLLOWING ARE SOME OF THE AREAS WHERE IMPACTS HAVE BEEN MADE AND MEASURED;

- **SOCIAL CASH TRANSFER INCREASES FOOD SECURITY**

THE NUMBER OF HOUSEHOLDS EATING MORE THAN ONE MEAL PER DAY INCREASED BY 19 PERCENTAGE POINTS AND THAT OF HOUSEHOLDS NOT SEVERELY FOOD INSECURE INCREASED BY 18 PERCENTAGE POINTS.

- **SOCIAL CASH TRANSFER REDUCES POVERTY**

EXTREME POVERTY AMONG SCT RECIPIENT HOUSEHOLDS REDUCED BY 5.4 PERCENTAGE POINTS AND THERE WAS ALSO 10.5 PERCENTAGE POINTS REDUCTION IN THE NUMBER OF HOUSEHOLDS HAVING AN OUTSTANDING LOAN. SCTS THEREFORE HELP HOUSEHOLDS PAY OFF THEIR DEBT.

- **SOCIAL CASH TRANSFER INCREASES PRODUCTIVITY AND ASSET OWNERSHIP**

THE SOCIAL CASH TRANSFERS CONTRIBUTE TO PRODUCTIVITY AND ECONOMIC GROWTH AMONG THE BENEFICIARIES. THERE WAS AN INCREASE IN THE SIZE OF LAND CULTIVATED, OVERALL VALUE OF HARVEST, MAIZE PRODUCTION, RICE PRODUCTION AND OWNERSHIP OF LIVESTOCK:

- **SOCIAL CASH TRANSFER CONTRIBUTES TO EDUCATION:**

BENEFICIARY HOUSEHOLDS ARE ABLE TO SEND MORE CHILDREN TO SCHOOL, WITH 10% INCREASE IN THE NUMBER OF CHILDREN ATTENDING PRIMARY SCHOOL.

6. FUNDING

MR. SPEAKER, THE PROGRAMME IS FUNDED BY BOTH GOVERNMENT AND COOPERATING PARTNERS. THE FUNDS ARE CATEGORIZED INTO TWO AS DIRECT

TRANSFERS TO THE BENEFICIARIES AND THE OTHER GOES TOWARDS ADMINISTRATION APPORTIONED AS 80% AND 20% RESPECTIVELY. IN THE YEAR 2015, THE TOTAL BUDGET ALLOCATED TO THE PROGRAMME IS K180 MILLION OUT OF WHICH K150 MILLION IS FROM GOVERNMENT AND THE K30 MILLION IS FROM THE COOPERATING PARTNERS.

7. PROCUREMENT OF VEHICLES

THE MINISTRY IS AWARE THAT THE SOCIAL CASH TRANSFER PROGRAMME OPERATES IN THE MOST HARD TO REACH PARTS OF THE COUNTRY. IN THIS REGARD, MY MINISTRY RECENTLY PROCURED AND DISTRIBUTED 46 VEHICLES AT A TOTAL COST OF K9, 625,644.00. THE VEHICLES PROCURED WERE LAND CRUISERS FOR THE DISTRICTS AND FORD RANGERS FOR THE PROVINCES. THESE VEHICLES ARE FOR MONITORING THE PROGRAMME IMPLEMENTATION.

8. PROCUREMENT OF PAYMENT SERVICE PROVIDER

MR SPEAKER, IN ORDER TO REDUCE THE FIDUCIARY RISK ASSOCIATED WITH BULK LOW VALUE CASH PAYMENTS; MY MINISTRY IS IN THE PROCESS OF PROCURING A PAYMENT SERVICE PROVIDER. IN THIS REGARD, THE MINISTRY IS HOLDING MEETINGS WITH THE BANKING AND FINANCIAL SECTOR ON HOW THEY CAN PROVIDE THIS SERVICE TO OUR BENEFICIARIES.

9. FUTURE SCALE UP

MR. SPEAKER, THE MINISTRY INITIALLY PLANNED TO REACH FULL COUNTRY COVERAGE BY THE YEAR 2016 IN A PHASED MANNER BY ROLLING OUT TO THOSE DISTRICTS THAT ARE CHARACTERIZED WITH HIGH LEVELS OF POVERTY AND INEQUALITY IN THE YEAR 2015, THE MINISTRY INTENDS TO BRING ON BOARD

ELIGIBLE BENEFICIARIES WHO COULD HAVE BEEN LEFT OUT IN THE INITIAL ENUMERATION AS WELL AS REPLACING THOSE WHO COULD HAVE DIED OR RELOCATED TO OTHER DISTRICTS. MR. SPEAKER, WITH THESE MEASURES MY MINISTRY INTENDS TO REACH THE PROJECTED 189,000 BENEFICIARY HOUSEHOLDS FROM THE CURRENT 145,698 HOUSEHOLDS ON THE PROGRAMME. AS AT 1ST MARCH, 2015, THE BI-MONTHLY PAYMENT HAS BEEN PROCESSED TOTALLING K 25,442,556.00 PAID OUT TO THE CURRENT BENEFICIARIES.

MR. SPEAKER, IN CONCLUSION, I WISH TO URGE THE HONOURABLE MEMBERS OF PARLIAMENT WHERE THE PROGRAMME IS CURRENTLY BEING IMPLEMENTED AND ROLLED-OUT TO, TO SUPPORT THE PROGRAMME AND HELP GENERAL PUBLIC UNDERSTAND THE ELIGIBILITY CRITERIA OF THIS VERY IMPORTANT DEVELOPMENTAL INITIATIVE IN THEIR RESPECTIVE CONSTITUENCIES.

MR. SPEAKER I THANK YOU.

Appendix 1: social cash transfer Districts from 2003 to 2013

Table 01

S/N.	DISTRICT NAME	PROVINCE
	2003 To 2013 – Districts Added	
1	Kalomo	Southern
2	Zimba	Southern
3	Kazungula	Southern
4	Monze	Southern
5	Chipata	Eastern
6	Katete	Eastern
7	Sinda	Eastern
8	Kaputa	Northern
9	Nsama	Northern
10	Shangombo	Western
11	Sioma	Western
12	Kalabo	Western
13	Sikongo	Western
14	Luwingu	Northern
15	Serenje	Central
16	Chitambo	Central

17	Zambezi	North-Western
18	Milenge	Luapula
19	Chiengi	Luapula

Appendix 02: Social Cash Transfer scale up plan

S/N.	PROVINCE	Districts planned To Be Added - 2015	Projected caseload at full scale
1.	Eastern	Nyimba	3,401
2.	Muchinga	Chama	4,040
3.	Eastern	Lundazi	12,535
4.	Eastern	Chadiza	2,399
5.	Eastern	Vubwi	1,705
6.	Western	Limulunga	2,067
7.	Muchinga	Nakonde	5,143
8.	Western	Kaoma	2,429
9.	Western	Luampa	1,823
10.	Western	Nkeyama	3,618
11.	Southern	Sinazongwe	4,215
12.	Western	Mongu	5,249
13.	Northern	Mpulungu	3,678
14.	Southern	Namwala	3,734
15.	North-Western	Kabompo	1,599
16.	North-Western	Manyinga	1,743
17.	Central	Kapiri-mposhi	11,841
18.	Southern	Mazabuka	5,750
19.	Southern	Chikankata	2,014
20.	Northern	Mbala	6,771
21.	Luapula	Mansa	7,659
22.	Luapula	Chembe	1,359
23.	Muchinga	Mpika	6,403
24.	Central	Chibombo	9,471