

Social Cash Transfer (SCT) Programme

Overview

The main objective of the Social Cash Transfer (SCT) Programme is to reduce extreme poverty and the intergenerational transfer of poverty among beneficiary households. The SCT Programme has been operating in Zambia since 2003 and is implemented by the Ministry of Community Development, Mother and Child Health (MCDMCH). In October 2013, when the programme was reaching over 60,000 beneficiaries in 19 districts, the Government of Zambia (GRZ) announced a 800% increase in its funding to social cash transfers. The increased funding will allow the programme to expand to almost 190,000 recipients in 50 districts in 2014, with plans to further scale up nation-wide in the future.

SCT Targeting: Moving Towards a Harmonized Approach

The SCT has been implemented using four different targeting models in the past. These targeting approaches are;

10% Inclusive Scheme, which targets incapacitated and destitute households in order to reach the 10% poorest people in each community;

Child Grant Programme (CGP), which targets households with at least one child under the age of five or disabled child under 14 years;

The Multiple Categorical Targeting (MCT) Scheme, which targets households satisfying one of the following conditions: a) households headed by women with at least one orphan, b) households headed by an elderly person with at least one orphan; and c) households with at least one disabled member.

The Social Pension Scheme, which targets individuals who are sixty -five (65) years and above.

A review of the targeting models was undertaken and a decision to harmonise these approaches for a national programme was taken in 2013. As per the new harmonized targeting methodology, eligibility criteria include i) residency; ii) incapacitation and iii) welfare level. For more detail on the new eligibility criteria and targeting process, see [SCT Eligibility and Targeting factsheet](#).

Beneficiaries enrolled in the SCT programme under the four old targeting approaches will continue to receive cash transfers until the next round of targeting is administered in their communities, at which time their eligibility for the programme will be re-evaluated using the new criteria.

SCT Payments

The programme provides cash transfers to incapacitated and destitute households in Zambia. Beneficiary households are entitled to 70 Kwacha per month which they receive on a bi-monthly basis as a sum of 140 Kwacha. Beneficiary households with persons living with disabilities receive double the amount i.e. 280 Kwacha. The payments are made manually by appointed Pay-point Managers at selected pay points within the community. The pay points are usually schools or rural health centres. Payments are received by the main recipient in the household or an appointed deputy. For more details on the payments and payment process, see [SCT Payment System factsheet](#).

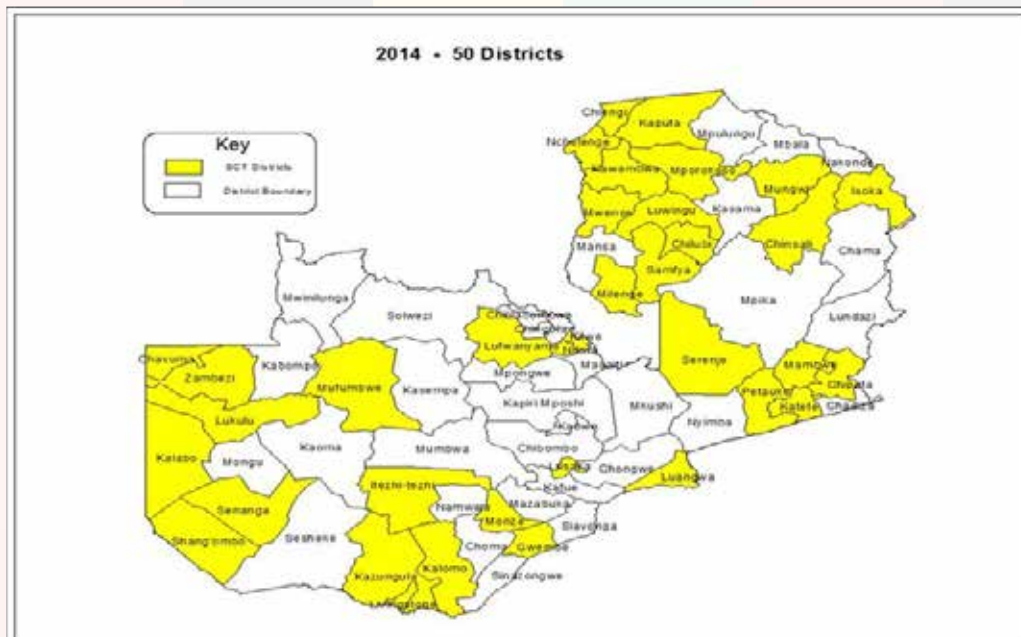
SCT Impacts

The SCT programme has been subjected to extensive evaluation and its impacts have been documented. Several positive impacts have been demonstrated to date including reduced poverty, increased food security, improved child wellbeing, improved living conditions and greater productivity and asset ownership. For more details on impacts, see [SCT Impacts factsheet](#).

SCT Coverage

As of 2014, the SCT programme is being rapidly scaled up so that it reaches all districts and about 15% of the population nationwide by 2016. In 2014 alone, 31 new districts are now implementing the programme, which in addition to the 19 that were previously implementing brings the total number of implementing districts to 50.

Note: The 50 districts are not all distinctly visible below since some of them are newly created off-shoots from older districts.



Factsheets are available on several specific aspects of the SCT Programme. These include:

SCT – Payment System

SCT – Glossary of Key Terms

SCT— Our Voices

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Eligibility and Targeting

The Social Cash Transfer (SCT) is a Government of Zambia programme aimed at reducing extreme poverty and the inter-generational transfer of poverty. The target population for the programme is incapacitated (labour-constrained), extremely poor households. A methodology for identifying and registering potential beneficiaries has been developed, along with a pre-agreed step by step guide on how households can be identified and enrolled in the programme.

Who Qualifies?

In order to be eligible for the Social Cash Transfer, a household must meet all the following criteria:

- a) **Residency** - the household must have been living in the same catchment area for at least six months.
- b) **Incapacity** - the household does not have any fit-for-work members or has a high dependency ratio (equal or greater than three). This means that there are three or more dependents per fit-for-work member. A person is considered a dependent (or unfit-for-work) if he/she is: i) younger than 19; ii) older than 64; or 19-64 years of age AND chronically ill or disabled.
- c) **Welfare** - the household's estimated welfare is below a certain pre-determined threshold based on the Household Living Conditions Index in the country. Welfare levels are estimated by the Social Cash Transfer Management Information System (MIS) using information collected from households. The purpose of this criteria is to ensure that well-off households are not included in the programme.

Note: In urban areas, during the initial phase, the programme only targets those households which have persons with disabilities, in addition to meeting the three criteria above.

How are Beneficiaries Selected?

The targeting or selection process for the programme entails identification of potentially eligible households by the Community Welfare Assistance Committees (CWACs) according to the residency and incapacity criteria and an administrative selection using information collected from the households. There are three phases of targeting: i) the main phase; ii) periodic targeting; and iii) re-targeting.

i) The main phase

The main phase refers to the extensive targeting process undertaken when the programme is first introduced in a community. It entails 4 main stages, each of which is explained in greater detail in the diagram below.

Stages of the targeting process

Identification. CWACs, with the support from local leaders, identify households that meet the first two eligibility criteria: i) residency and ii) incapacity.



Enumeration. Enumerators visit households identified in the identification stage to collect more information about the households.



Welfare Estimation. The SCT MIS checks residency and incapacity and uses information collected in the enumeration stage to determine the eligibility of households as per the welfare criteria.



Community Validation. The list of eligible households generated by the MIS is shared with the community, allowing community members to propose to remove better-off households from the list.

ii) Periodic Targeting

Households that become eligible between targeting phases can still be considered for enrolment in the programme through the periodic targeting mechanism. This is anticipated for cases in which:

- a) the household meets the dependency and residency criteria but was not identified by the CWAC;
- b) the household composition changes, resulting in potential eligibility as per the dependency criterion;
- c) the passage of time results in a household that had moved to a new catchment area becoming eligible after six months of moving, as per the residency criterion.

iii) Re-targeting

Re-targeting, which entails all the stages of the targeting process in the main phase, is done every three years to assess that all households in the community are still eligible for the programme and that those which have become eligible are captured if they were not captured in through the periodic targeting mechanism. For the re-targeting process, training and enumeration materials are revised as needed, all actors involved in the selection of beneficiaries are re-trained, and the Household Living Conditions Index used by the MIS is also updated.

Social Cash Transfer (SCT) Programme

Payment System

The Social Cash Transfer programme provides cash to poor households to reduce extreme poverty and intergenerational transfer of poverty.

Payments are made to identified beneficiaries through Paypoint Managers at designated paypoints. Designated paypoints are typically local schools or health posts.

Key Features of Payment System

- Households receive bimonthly payments
- Beneficiary households are entitled to 70 ZMW per month but receive 140 ZMW every 2 months
- Beneficiary households with disabled members are entitled to 140 ZMW per month but receive 280 ZMW every 2 months
- The "main recipient" is a pre-identified member of the household (preferably female) who receives the payment on behalf of the household
- The "deputy" is a pre-identified person who can collect the payment on behalf of the main recipient if he/she is unable to do so
- If the main recipient or deputy are unable to visit the paypoint within the stipulated time the household will forfeit the payment for that 2 month period
- MCDMCH is exploring options to improve efficiency of the payment system

Requirements for Collection

- NRC as a means of identification
- Signature and thumbprint
- Verification of amount before leaving designated paypoint

Payment Process



MCDMCH HQ disburses funds to the district social welfare offices



The district social welfare office informs Paypoint Managers about the arrival of funds



Paypoint Manager disburses funds to beneficiaries at local paypoints (schools or health posts)



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Impacts



The SCT Programme provides cash to poor households to reduce extreme poverty and inter-generational transfer of poverty. Results from the Impact Evaluation of the SCT programme indicate that benefits of the programme include reduced debt, more latrines, more mosquito nets, purchased lighting systems, cement floors and an increase in the number of children enrolled in and attending primary school.

SCT Increases Food Security

- Household eating > 1 meal/day 19 percentage points (pp)
- Households eating \geq 2 meals/day 8 pp
- Households not severely food insecure 18%

SCT Reduces Poverty

- 10 pp more reduction in the Poverty gap among recipient households (HHs) compared to non-recipient HHs
- 10.5 pp reduction in having an outstanding loan

SCT Increases Production and Asset Ownership



- Land Operated 18%
- Value of Harvest 283 kwacha
- Maize Produced 8%
- Rice Produced 4%
- Livestock Owned 21%

SCT Improves Living Conditions

- 15 pp recipient HHs own a latrine
- 9 pp recipient households own more mosquito nets than non-recipient HHs
- Households with purchased lighting 26 pp
- Households with cement floors 3 pp

SCT Improves Child Wellbeing

- 5 pp in prevalence of diarrhea in the previous 2 weeks
- 22 pp in number of children 6-24 months receiving minimum feeding requirements
- 30 pp in all child material needs met (shoes, clothing, blanket)
- 10 pp in children attending primary school



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Our Voices



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"My child looks better; she has clothes and now has food to eat. Our life is better than before. We've been empowered through this program. The kids have clothes on their bodies and something to eat," says 25 year old Elizabeth Lemba, Odelia's mother.

Odelia is a beneficiary under the child grant scheme of the social cash transfer programme. With the bimonthly amount Elizabeth gets, she buys food and clothes for Odelia and uses part of the money to buy beans and maize which she repackages for selling to help sustain Odelia's other siblings. "The scheme has restored dignity into our livelihoods," she adds.



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"This programme has helped me a lot. I used to brew and sell 'kabanga' (local but illegally brewed spirit) for my living. But I have now stopped because of the help I get from the social welfare department through the programme. This programme has not only benefitted me financially but has taught me how to budget and plan for my family," says Esther Nyamphande, 76, of Gashi Compound in Chipata District, 600km east of Lusaka.



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"I used to depend on well wishers to give me food but can now hire people to till land in my maize field. I also afford to buy maize seed and fertilizers. I usually have enough food for my family," says Elina Tembo, 87, of Katete district, 500 kilometers east of Lusaka and a beneficiary under the pension scheme of the social cash transfer.

Social Cash Transfer (SCT) Programme

Frequently Asked Questions

Q. What is the Social Cash Transfer (SCT) Programme?

The SCT Programme is a Government of the Republic of Zambia programme whereby selected households receive cash transfers of 70 Kwacha per month (paid bi-monthly as 140 Kwacha).

Q. What are the objectives of the SCT Programme?

The objectives of the SCT Programme are to reduce extreme poverty and the inter-generational transfer of poverty by enabling poor families to invest in better food, necessary healthcare and basic education so that their children will be more likely to be non-poor in the future.

Q. Who benefits from the SCT Programme?

Extremely poor, incapacitated (labour-constrained) households in 50 districts of Zambia are currently enrolled in the programme. Apart from the beneficiary households, the benefit of the SCT programme has also spilled over, in the form of greater economic activity, to communities as a whole. Coupled with the greater investment in human capital by beneficiary households, this will lead to greater economic growth for Zambia in the future.

Q. Who pays for the SCT Programme?

The SCT programme is financed primarily by the Government of the Republic of Zambia. Cooperating Partners are providing technical support for the programme.

Q. Who implements the SCT Programme?

The SCT programme is implemented by the Department of Social Welfare under the Ministry of Community Development, Mother and Child Health. At the community level, Community Welfare Assistance Committees (CWACs) and Pay Point Managers (PPMs) implement the programme.

Q. Do beneficiaries of the SCT Programme have to fulfil any conditionalities?

No, beneficiaries of the SCT programme do not have to fulfil any conditionalities, in terms of behaviours, practices or spending, to remain on the programme. Evidence has shown that implementing such conditionalities is difficult, expensive and unnecessary. By and large, beneficiary households do tend to spend the cash on improving livelihoods and human capital, as is intended by the programme, regardless of conditionalities.

Q. Does the SCT Programme create dependency?

No, to the contrary, the beneficiaries engage in economic activities that improve their livelihoods. Secondly, the transfer size is too small to make the beneficiaries forego other economic opportunities.

Q. Is the SCT Programme sustainable?

Yes, the SCT programme is sustainable because: i) it is increasingly financed by the Government (instead of Cooperating Partners); it is relatively affordable (it cost less than 1% of the Government budget in 2014); and iii) it is an investment in human capital which ultimately contributes to economic growth, thereby yielding even higher returns on investment in the future and also in a sense paying for itself.

Q. Do other countries have programmes similar to the SCT programme?

Yes, many countries worldwide are implementing cash transfer programmes as a strategy to reduce poverty and realize basic rights of their people. South Africa, Brazil and Indonesia are home to some of the oldest and largest cash transfer programmes. In Africa too, other countries are increasingly introducing or expanding cash transfer programmes, e.g. Kenya and Ethiopia.

Social Cash Transfer (SCT) Programme

Glossary of Key Terms

Area Coordinating Committee (ACC)

The ACC comprises of representatives from CWACs in the area it covers. ACC members are responsible for supervising CWACs in the implementation of the Social Cash Transfer programme in their respective areas.

Beneficiary households

These are households which meet all the eligibility criteria (residency, incapacitation and welfare), have been enrolled in the Social Cash Transfer programme, and receive the bi-monthly payments.

Community Welfare Assistance Committee (CWAC)

The CWAC comprises of volunteer members from the community it covers. Their role in the Social Cash Transfer programme is to assist with the implementation, in particular the identification of potentially eligible households and witnessing the payments.

Dependency ratio

This is the number of unfit-for-work household members divided by the number of fit-for-work household members. For example, a ratio of three indicates that there are three unfit-for-work members and one fit-for-work person in the household.

District Welfare Assistance Committee (DWAC)

The DWAC comprises of members from line Departments and other institutions in the district. The DWAC serves for a period of 3 years and it is the highest authority for the programme in the district. The District Social Welfare Officer serves as the secretary for the DWAC.

Eligibility criteria

Criteria which have to be met by the household in order to be selected for the programme. These are: i) residency in the area for at least 6 months; ii) incapacitation (explained below under incapacitated household); and iii) welfare level (estimated by MIS using the Household Living Conditions Index).

Eligible household

This is a household that meets the eligibility criteria.

Exiting the programme

A household will exit (or be removed from) the programme if the re-targeting process, which takes place every 3 years, reveals that it no longer meets the eligibility criteria.

Extreme poverty	A household is considered to be in extreme poverty when its members do not have adequate food, basic shelter and clothing to cover nakedness and to protect from the cold.
Fit-for-work household members	Household members aged 19-64 who are not suffering from a chronic illness or disability which permanently prevents them from working
Household	A household is defined as a group of people who live in the same dwelling, eat from the same pot and share expenses.
Incapacitated household	This is a household with a dependency ratio of 3 or more, or a household without any fit-for-work member.
Inter-generational transfer of poverty	The inheritance of poverty by the next generation, i.e. children in poor households remaining in poverty as adults.
Main recipient	This is the member of a beneficiary household (preferably female) who receives and administers the cash transfer on behalf of the household.
Social Protection	Policies and programmes that protect and promote the basic wellbeing and livelihoods of people suffering from critical levels of poverty and deprivation and/or vulnerable to risks and shocks.
Pay Point Managers	These are civil servants who have been identified from within the community to make payments to the main recipients (or authorized deputies) from beneficiary households.
Periodic Targeting	This is a process through which CWACs periodically identify potentially eligible households for the programme or through which households that believe they meet the eligibility criteria can apply to be considered for enrolment in the programme.
Re-targeting	This is the process of re-evaluating the status of previously targeted beneficiary households as well as other households in the community. It is conducted every three years.
Social Cash Transfer (SCT)	This is a social protection intervention whereby selected households receive a bi-monthly cash grant
Targeting	It is a process for selection of beneficiaries for the programme.
Unfit-for-work household members	A household member is considered to be unfit-for-work if he/she is: a) younger than 19, b) older than 64, or c) aged 19-64 AND suffering from a chronic illness or disability which permanently prevents him/her from working