

About REBA

What is RHVP?

The Regional Hunger and Vulnerability Programme (RHVP) supports improvements in policy and programme approaches to hunger and vulnerability in southern Africa with particular emphasis on the role of social protection.

The Regional Evidence Building Agenda (REBA)

Evidence-building, together with capacity-building and policy change, is one of RHVP's three interlinked activities. The Regional Evidence Building Agenda (REBA) is a cohesive framework that has guided the Programme's cross-country evidence-related activities between April 2006 and September 2007. The REBA consists of individual case studies of 20 ongoing social transfer programmes together with thematic studies covering cross-cutting design and implementation issues. The studies were carried out by locally commissioned researchers, mostly working through national research and consultancy institutions, in the six southern African countries covered by RHVP (Lesotho, Malawi, Mozambique, Swaziland, Zambia and Zimbabwe). All the case studies involved close collaboration with the agencies – government departments and government-appointed bodies, local and international NGOs, UN agencies and communities – that were implementing the social protection schemes under review. The research was supported and guided by a core team of international mentors which included Stephen Devereux (IDS, Sussex), Frank Ellis (ODG, University of East Anglia) and Lionel Cliffe (University of Leeds) and was coordinated and managed by Philip White (ODG).

REBA Aims

The REBA aims to support RHVP's efforts to promote improved policy and programme approaches to social transfers as a means of addressing hunger and vulnerability. REBA findings are feeding into a range of policy, advocacy and research outputs and processes, including policy briefs, best practice guidelines, national and regional learning events for policymakers, practitioners and civil society, a film series and research publications. In addition, by working through a network of national consultants, the REBA aims to increase national capacity to carry out analytical research on hunger and vulnerability within the six countries.

REBA Thematic Briefs

This series of briefs was prepared by Stephen Devereux, Frank Ellis and Philip White, and provides a regional synthesis of findings of both the 12 thematic studies and the 20 individual case studies undertaken under the REBA. The themes explored in these briefs are those addressed in the respective REBA thematic studies, but include additional themes that have emerged during the implementation of the REBA work as being of particular interest and policy relevance.

Delivery of Social Transfers

Overview

The purpose of this paper is to explore the different delivery methods deployed by the 20 social transfer schemes included in case study research undertaken in the southern African region in 2006-071. Delivery of social transfers has several different interesting dimensions for lesson learning about good practice. First, there is the form of the transfer that is being delivered to beneficiaries, and here four categories are more or less exhaustive of the main forms that delivery can take: cash, food, inputs and assets. Second, nevertheless important variations can occur within each of these main categories: for example, cash can be delivered as bank notes or in the form of a voucher with a given cash value; while farm inputs can be delivered as a pack (seeds & fertilisers) or be purchased with a coupon representing entitlement to a particular quantity of a particular input.

Third, the technology of the delivery can vary, with electronic technologies offering the scope for entirely new ways of effecting social transfers, especially for cash transfers. Fourth, the organisation and logistics of social transfers can vary considerably in terms of the institutions and channels that are used. Fifth, and closely related to the preceding dimension, the scale of the delivery task varies very considerably between national programmes and sub-national or local projects and schemes. Finally, there are potentially significant issues around the incentives and motivation of the personnel involved in delivering social transfers, especially when those personnel do not see themselves as all that much better off than the recipients of the transfers.

The effective delivery of social transfers evidently overlaps with other themes explored in this series, particularly coordination and coverage, cost effectiveness and targeting. This paper focuses specifically on the delivery angle, but connections to other themes are made where appropriate. The first section of the paper looks at the variation in forms and sub-forms of delivery represented by the 20 case studies. The second section selects a sample of the case studies to illustrate points of interest arising for one or other of the six major dimensions identified above. The third section considers the difficult and sensitive issue of incentives and motivation in the delivery of social transfers. The final section seeks to draw out some lessons from the case studies about strengths and weaknesses in delivery systems for social transfers, again linking these to the six delivery dimensions listed above.

1 Briefs on individual REBA case studies, numbered 1 to 20, are available at http://www.wahenga.net/index.php/evidence/case_study_briefs/

Classification of the REBA case studies by delivery mechanism

Cash transfers

The list of REBA case study social transfer schemes is provided in Table 1, together with a brief description of the main form of transfer represented by each scheme. A total of nine schemes involve cash transfers to beneficiaries, and within this collection, five deliver bank notes to beneficiaries, one utilises smartcards that can be used for cash withdrawal, and three involve vouchers of a given cash value that can be spent either on groceries (Urban Food Programme, Zimbabwe), or on farm inputs (Input Trade Fairs, Mozambique), or on educational materials or school clothes (Education Material Fairs, Mozambique).

Variations in implementation are rather more diverse than is suggested in such a summary description of the cash category. Amongst those schemes that end up with cash-in-hand for beneficiaries, some involve withdrawal

at designated bank branches (some beneficiaries in the Zambia Social Cash Transfer pilots), some involve pay points placed in post offices, schools or other public buildings on a designated day, perhaps once a month or quarterly (pensions in Lesotho and Swaziland, some Zambia Social Cash Transfers), some involve a cheque that must be cashed (some pensions in Swaziland), and some involve cash paid at the end of a specific work shift of 4 or 8 hours (cash-for-work schemes).

Vouchers are a variant of the cash transfer delivery mechanism that can work well in circumstances where cash is for some reason problematic, or the intention of the social transfer is to direct beneficiary expenditure to a limited range of items. The urban food programme run by Action Aid International in Zimbabwe utilises vouchers that represent entitlement over a designated 'basket' of groceries as a means of overcoming the rapidly declining value of cash in a situation of hyperinflation. The input trade fairs in Mozambique provide vouchers with a cash value that can only be exchanged for farm inputs or implements supplied by designated traders at the fairs. The same model is used for the education material fairs project implemented by Save the Children UK also in Mozambique. In both

Table 1: Delivery methods in the REBA case study social transfer schemes

Case Study No.	Country	Social Protection Scheme	Social Transfer Delivery Methods
1	Malawi	Dowa Emergency Cash Transfer	Cash using smartcards & mobile ATMs
2	Zambia	Social Cash Transfers	Cash using paypoints & smartcards
3	Lesotho	Old Age Pension	Cash using post offices & other paypoints
4	Mozambique	Input Trade Fairs	Voucher (cash value) for use at single fair
5	Malawi	Input Subsidy Programme	Coupons exchanged for inputs at depots
6	Swaziland	Old Age Grant	Cash or cheque, quarterly at paypoints
7	Mozambique	Food Subsidies Programme	Cash using payment team
8	Zimbabwe	Urban Food Programme	Voucher (cash value) at supermarkets
9	Mozambique	Food Assistance Programme	Food rations for collection at health centres
10	Zambia	Food Security Pack	Farm input packs, delivered to villages
11	Malawi	Public Works Programmes	Cash or food ration paid for work unit
12	Mozambique	Education Material Fairs	Voucher (cash value) for use at single fair
13	Lesotho	Burial Societies	Subscriptions for funeral cost insurance
14	Swaziland	Neighbourhood Care Points OVC	Community caregivers, food rations OVC
15	Swaziland	School Bursaries for OVC	Official waiver of school fees for OVC
16	Swaziland	Chiefs' Fields for OVC	Collective access to land and inputs
17	Swaziland	Farm Inputs for CHHs	Individual land access and farm inputs
18	Zimbabwe	Small Livestock Transfers	Small stock transfer or via fairs, 'pass on'
19	Lesotho	School Feeding	Food rations for primary school children
20	Zimbabwe	Rural Micro Finance	Savings and investment group formation

instances, the goal of the scheme is different from providing a basic consumption capability to destitute beneficiaries, rather it is to encourage improved farm input use for higher outputs (ITFs), or education supplies (including uniforms) in order to encourage children from vulnerable households to attend school (EMFs).

Security is clearly a critical issue in cash transfers. The advantage of using the private banking system for withdrawals is that the cash can be assumed to be reasonably safe up to the point of withdrawal. The same holds true for the use of smartcards, that can only be cashed against a fingerprint at an ATM (the DECT scheme in Malawi, detailed below). Paypoints are more difficult, and therefore more variable in experience. In Lesotho, the use of post offices to deliver pensions to older people has worked well, but in Swaziland the same concept proved such a disaster that responsibility was taken away from the post office network within months of trial implementation, being replaced by paypoints in other public buildings run directly by the Department for Social Welfare. Paypoints require clerical verification and a police presence on payout days, which can add up to significant additional delivery costs. In most instances, the whole process of ensuring that cash has been transferred to a withdrawal point, the withdrawal itself, and the disbursement to beneficiaries is a multi-layered bureaucratic and costly exercise (the Programa de Subsidio de Alimentos run by INAS in Mozambique).

Low cost of delivery compared to food is purportedly one of the great attractions of cash transfers, but the REBA case studies suggest that this advantage remains somewhat elusive in many cases, the security of cash transfers constituting the greatest barrier to its realisation. It is clear that innovative technologies for cash transfer (smartcards, mobile phones) have considerable future potential in this regard, but amongst the case studies only one instance of this approach features, therefore representing something of an isolated pilot. The same goes for using the private banking system to effect cash transfers in conjunction with either traditional withdrawals (in person, at the counter) or using new technology for this purpose.

Food transfers

Food deliveries feature in four of the 20 case studies. These are the food assistance programme to AIDS patients beginning anti-retroviral therapy (ART) in Mozambique, school feeding to primary school children in Lesotho, meals provided to orphans and vulnerable children (OVC) at neighbourhood care points (NCPs) in Swaziland, and food-for-work under public works programmes in Malawi. With the exception of the last of these, plausible arguments can be advanced to support food rather than cash delivery given the purposes of

each scheme in the other three cases. In the case of food rations for ART patients, the purpose is to provide a fortified diet in support of the physiological adaptation of patients in the early months of starting ART. In the case of school feeding, it is thought that meal provision is an effective way of keeping children in school, as well as ensuring a balanced diet and improving attention span in classes. Meal provision at NCPs appears to be essential for the social inclusion goals that they set out to achieve, since in the absence of food OVC just stop turning up.

Delivery of food raises important issues to do with procurement and effects on local markets. It is now increasingly well recognised that social transfers should support rather than undermine local markets, and therefore food procurement should in most cases take place in the domestic economy rather than relying on food aid imports. Delivery costs are also reduced if distribution happens locally as compared to shipment and importation costs for external supplies, especially for beneficiary locations remote from ports.

While WFP is becoming more sensitive to these considerations, its own history is so steeped in food aid deliveries that its default position tends to be towards reliance on external supplies. In the case of the FAP, this reliance had adverse effects on the continuity of delivery due to disruptions in external supply lines. In the Lesotho school feeding case, delivery responsibilities are split between government and WFP channels, with the government scheme entirely reliant on locally procured ingredients in the vicinity of schools. However, here a different problem comes to light, and that is the risk of inferior or insufficient quantities of ingredients being purchased if the money allocated for purchase per pupil turns out to be insufficient to comply with the mandatory composition of rations.

Input transfers

Five of the REBA case studies are concerned with tackling vulnerability by raising yields and outputs in agriculture via the use of improved inputs (seed and fertiliser), crop diversity, and cultivation practices. Two of these are national programmes: the input subsidy programme in Malawi and the food security packs in Zambia. Others are smaller scale schemes and include two OVC initiatives in Swaziland that involve free input deliveries, and the ITFs in Mozambique, already discussed above in relation to voucher transfers. At national scale, delivering inputs is a very substantial logistical undertaking (see the Malawi case study below).

Each of these schemes takes a very different approach to delivery. The Malawi ISP involves purchase of coupons by beneficiaries at a cost that is about one third of the

import price for that quantity of fertiliser. The coupons are then exchanged for seed or fertiliser at depots. The Zambia FSP originally involved physical delivery of a diverse pack of inputs comprising maize and pulse seeds, cassava roots, and two fertiliser types, for which farmers paid a token price. However, this scheme contained many other delivery features including required adoption of particular cultivation practices by farmers, and reclaiming of a proportion of subsequent outputs in the form of 'recoveries' and seedbanks. Many components of the original scheme have disappeared in subsequent years so that now a more modest pack comprising maize seed and one type of fertiliser is delivered, and the seedbank idea has long since been abandoned.

Timeliness is a critical issue in input transfer projects. If the inputs arrive too late for the onset of the rainy season, then the beneficial effects on yields and output are reduced or lost altogether depending on the degree of lateness involved. All the case study input schemes examined here have at one time or another, or for particular parts of the country, failed to deliver on time with adverse consequences for project effectiveness. Interestingly, some of the worst performers in this regard are the smallest schemes, with the OVC schemes in Swaziland widely reporting late input delivery, resulting in only a fraction of targeted land being cultivated and very poor output results (other factors are also implicated in these outcomes).

Asset protection or building

The final category of forms of delivery comprise projects that protect or build livelihood assets, of which there were three in the case study set. Of course, all types of social transfer can indirectly result in asset protection or building by relieving the pressure on household budgets to be spent wholly on securing enough to eat; however, here we are concerned with schemes or projects that do this rather more specifically. These three are the burial societies in Lesotho (that protect assets by covering funeral costs); the small livestock transfer scheme in Zimbabwe (that provides small stock like goats or chickens as transfers or for purchase with a coupon at a livestock fair); and the rural microfinance project in Zimbabwe (that uses a variant of the group rotating savings and credit idea to help people build savings and purchase investment items).

Delivery mechanisms evidently differ greatly between these schemes. Lesotho burial societies are self-organising and their success or failure is determined by how well they are seen to perform by their members in providing adequate coverage of funeral costs in

relation to the subscriptions they charge. The livestock transfer scheme in Zimbabwe contains the innovative delivery idea of 'pass on', whereby initial beneficiaries transfer some of their multiplied livestock numbers to secondary beneficiaries, thus widening the circle of total beneficiaries at low cost. A similar innovation is found in the rural microfinance scheme whereby individuals in communities initially supported for savings group formation by outside facilitators are trained as motivators (known as Community Based Trainers) for further group formation in their own or adjacent communities.

Selected examples of delivery from the REBA case studies

In this section, six of the REBA case studies are selected in order to describe their delivery processes in greater detail. This selection is inevitably rather arbitrary, but is made where it is thought that individual case studies provide particularly clear examples either of good delivery practice, or of poor delivery practice that should be avoided in the organisational design of social transfer projects and programmes.

Dowa Emergency Cash Transfer, Malawi

The northern part of Dowa district was selected for the DECT intervention, following a report of the Malawi Vulnerability Assessment Committee (MVAC) in June 2006 that identified the Madisi and Bowe Extension Planning Areas (EPAs) of the district as having been adversely affected by rainfall failures in the previous crop season. Building on previous experience of delivering cash to large numbers of social transfer beneficiaries, Concern decided to explore the potential of electronic technologies to lower the cost and increase the security of making such transfers. It therefore entered into partnership with a commercial development bank, the Opportunity International Bank Malawi, to trial the use of smartcards for DECT. Under this arrangement, recipients of transfers (in this case designated women within households registered as beneficiaries) would be issued with a smartcard in their individual names, that could be charged up each month with the appropriate credit, and used to draw cash as required from a mobile ATM. As extra security, a fingerprint reader was incorporated into the card issuing process, so that future cash draw-downs would be against a fingerprint as well as the smartcard.

Not surprisingly, given the innovative character of the collaboration between Concern and OIBM, there were a few teething problems in the deployment of the technology. This resulted, for example, in long queues for registration due to fingerprint reading defects, confusions in beneficiary lists between Concern (who listed households under male names) and OIBM (who listed them under recipient women's names), and failure by OIBM and its partners to mobilise the ATMs properly, resulting in reversion to manual payout methods. Smartcards were successfully issued and charged up each month by a roving cohort of bank tellers, but cash withdrawals remained manual for most of the project. Nevertheless, the rapid acceptance of the smartcard technology by recipients who had no previous experience of modern banking was impressive (see Box 1), and considerable potential for stimulating a rural financial market (involving saving as well as drawing down cash) was revealed by individual behaviours amongst beneficiaries observed during the DECT implementation.

Old Age Pension, Lesotho

The Lesotho Old Age Pension is funded by the Ministry of Finance. In order to minimise delivery costs, the government chose to use the existing Post Office network as its principle institutional mode of delivery. Each month, the Ministry of Finance deposits the pension funds in the Post Office bank account at the Central Bank in the capital, Maseru. Post Office officials withdraw the money and distribute it to around 300 pay points throughout the country. In addition to Post Offices some of these pay points are in other public buildings such as chief's offices, schools and health centres. The Lesotho Defence Force and Lesotho Mounted Police accompany the Post Office officials to ensure security.

Box 1: Acceptability of the smartcard to beneficiaries in the DECT scheme

"The card is the thing that has our money. It is safe because nobody is allowed to draw money apart from the owner..." (widow, mother of 4)

"To be honest with you, the card is good and safe. Nobody can steal this money from me. In addition to this, I heard that the card can be used at a later date, after the project has ended..." (61-year-old, married, mother of 6)

"...The card is convenient. If one misses payment now, they can withdraw the take money in the next month or one can follow the bank field workers at another centre where cash can be collected..." (FGD)

Source: Mvula (2007, p.15)

Pensioners must be registered in order to receive their payment, and pension registration represented one of the most difficult challenges in introducing the scheme and ensuring its coverage of all eligible citizens. This is because many elderly people in Lesotho did not have documentation to prove their age, and relied on memories of particular historical events to locate their approximate birth date. As a result, registration was based on an officially recognised document that most citizens already possessed, which was their Voter Registration card. These had been used in the 2002 general election and exhibited the name, date of birth and village of residence of the holder. These details had been certified by Independent Election Commission (IEC) registrars who had collected it in personal interviews with each elector. The Old Age Pension registration, also done on a village by village basis between May and November 2004, was mainly a matter of updating the IEC certified data, and amending it where necessary, attested by local chiefs.

Pensioners collect their cash by going to their designated local post office with a pension book, which includes a photograph for identification purposes. After the name and identity are verified, the Post Office teller pays out the pension amount, and the pensioner signs (or thumbprints) the pension book to acknowledge receipt. In cases where the pensioner sends someone else to collect the money on their behalf, a photograph of the delegate must be included in the pension book and a letter of verification must be produced, signed by the local chief. However, 85 per cent of pensioners collect the money for themselves, walking or taking a taxi to the pay point. Late pension delivery, that occurs from time to time, can obviously create problems for some pensioners who find it difficult enough to get to the Post Office once a month, let alone having to return on more than one occasion.

In the future, it is intended that local government in the form of Local Community Councils will take on the management role with respect to pensioner registration and payment centre procedures. Lesotho has 10 districts, 80 electoral constituencies, and 128 elected Local Community Councils.

Input Subsidy Programme, Malawi

Organisation of the ISP involves three main stages: coupon allocation and distribution, fertiliser procurement and distribution, and coupon redemption by recipient farmers. These stages clearly interact (e.g. fertiliser available must match coupon allocation) and operate at different scales (from centre down to the village level). The timing of the stages is critical if farmers are to take delivery of the fertiliser by the onset of the rains in late October or early November.

In both 2005/06 and 2006/07 coupons were initially allocated to each district according to a distribution matrix constructed by the Ministry of Agriculture. This matrix involved three main sequential decisions: coupons for maize fertiliser and seed were allocated in proportion to the maize area in each district; these proportions were then adjusted to reflect variations in expected demand in each district (for 2006/07 this was based on 2005/06 uptakes); then district level coupons were divided between Extension Planning Areas (EPAs) in proportion to each EPA's maize area.

Once in the district, coupon distribution is the responsibility of the District Commissioner acting through successively lower level committees from the District Coordinating Committee (DCC) to the Area Development Committee (ADC) and Village Development Committee (VDC). Each of these committees has a wide membership drawn from non-elected officials as well as elected representatives, for example, the VDC comprises group village headman, village headmen, extension officer, village police committee chair, local MP, and two male and two female small farmer representatives.

In 2005/06, fertiliser procurement was mainly by the Smallholder Farmers Fertilisers Revolving Fund (SFFRF) and both fertiliser and seed were exclusively delivered to outlets by the Agricultural Development and Marketing Corporation (ADMARC) and SFFRF. The role of private sector input suppliers was restricted to a share of the total importation required. In 2006/07, partly under donor pressure, the role of the private sector was widened, especially for procurement, and the private sector was made responsible for seed distribution, while ADMARC and SFFRF continued to be mainly responsible for fertiliser distribution. Initial delivery took place into three SFFRF depots located in Blantyre, Lilongwe and Mzuzu. From these depots, outward distribution occurred to storage and sales facilities at district and EPA levels. Delays in procurement and outward distribution are widely reported for both years, with some farmers not being able to exchange their coupons until January when crops are already in mid-growth.

The final stage of ISP organisation is redemption of coupons by farmers. In 2005/06, the printed coupons were fairly simple, and the same basic design applied to all the different types of fertiliser available for different purposes by different categories of farmers. This meant that coupons could easily be reassigned by their holders, for example, between tobacco and maize fertilisers, and, equally, could 'go astray' into different districts from those to which they had been allocated. Coupon redemption took place by holders turning up at sales points, paying the subsidised price, handing in the coupon, and walking away with the input.

In 2006/07, the design was more sophisticated, each coupon comprising a booklet in triplicate bearing a unique serial number including a district identifier, and different colour coupons for different inputs. In this instance, redemption required matching up the correct colour coupon against the type of fertiliser purchased, and copies of the coupon and sales invoice being held after the transaction by both the seller and the buyer. In theory, sellers would then need to submit invoices and associated coupons back to the logistics unit of the Ministry of Agriculture in order to secure payment, but since neither ADMARC nor SFFRF were funded for their participation in ISP in this way, this system for counter-checking actual distributions did not really work. For some of the less favourable aspects of an otherwise successful implementation experience see Box 2 below.

Old Age Grant, Swaziland

The OAG is funded by Ministry of Finance and implemented by the Department of Social Welfare (DSW). At its inception in 2005, the task of distributing the OAG was given to the Post Office (Swazi Telecom), however its assignment to this responsibility lasted just three months. The Post Office failed both to cover all the locations for grant disbursement and to distribute the grant on time. There was a public outcry, and DSW was obliged to assume responsibility for distribution itself. This placed a considerable strain on DSW, since no additional resources were allocated by the Treasury to this task. Moreover a proposal by the parent Ministry for the creation of a dedicated unit to deliver the OAG was rejected by government. The Ministry instead relies on using temporary staff for cash distribution activities, with corresponding risks regarding control and accountability over the funds that are handled.

The OAG is dispensed partly in cash and partly using cheques at designated pay points across the country. Pay points include community civic centres (*Tinkhundla*) and the four regional offices of DSW. This makes the grant widely accessible to its beneficiaries. However the differential treatment of beneficiaries in different places, some receiving cheques and others cash, creates additional costs for those who receive cheques as they have to then travel to a bank to cash the cheque. The reason for the cheque-cash discrepancy is simply the ad hoc institutional set-up associated with distributing the grant when the original Post Office trials collapsed. The cost and hindrances associated with cheques are significant. The beneficiaries are charged E5.00 per transaction; they have to queue up for long periods at the banks without facilities for older people (seats or rest rooms). They also incur travel costs to urban centres, and some beneficiaries report losing cheques along the way. Many older poor are not accustomed to

handling cheques, and some have failed to cash them because banks have refused to process cheques that were dirty, folded and crumpled.

The OAG is disbursed quarterly, partly as a means of reducing delivery costs; however, this can also cause confusion for older people. The quarterly periods do not have defined future calendar dates for reporting to designated pay points, and therefore recipients are kept guessing as to the exact date they should turn up at their pay point. The inability of the DSW to establish a fixed routine for disbursements means that announcements are made shortly before a distribution is made, and of course most older people do not have access to electronic or print media that would enable them routinely to hear such announcements. The quarterly disbursement has the additional disadvantage of delaying cash availability at particular points in the year when some of the cash might be used for productive purposes, for example at the start of the planting season in rural areas.

Urban Food Programme, Zimbabwe

Initially, Action Aid International (AAI) started with food deliveries, but then shifted to food vouchers that could be redeemed by recipients at local supermarkets. This switch reflected the comparative advantage of different institutions in procuring food and groceries in an unstable macro environment. AAI was essentially duplicating what supermarkets already do, however at significantly higher cost. AAI experienced considerable cost savings in the switch, although the extent of these gains was moderated by accelerated inflation, supply failures for particular voucher items, and rapid deterioration in the exchange rate. AAI continues to deliver directly to beneficiaries who do not live within reasonable proximity to the participating supermarkets, OK and TM.

AAI established a partnership with the OK supermarket chain in March 2005, and extended this to TM supermarkets for coverage reasons in March 2006. OK supermarkets cover the redemption of Harare vouchers. TM supermarkets cover vouchers for Bulawayo, Gweru and Chitungwisa. AAI liaise closely with the retailers as to the availability of voucher commodities and shopping days stipulated for the clients. This ensures that the supermarkets stock adequate supplies for the redemption of vouchers. The onus is on the retailers to ensure that all the items are available. However, due to the prevailing economic situation shortages do occur and the retailer either provides a substitute or shifts the shopping days in order to enable them to source the required items.

The relationship between AAI and the retailers is generally cooperative. AAI meets the cost of producing the vouchers. The supermarkets are given one per cent of the value of the voucher as a handling fee for their administrative costs. OK supermarkets produce the vouchers themselves, while TM supermarkets outsource the printing of the voucher.

School Feeding, Lesotho

Food delivery for school meals in Lesotho is shared between the government (GoL) in association with its Free Primary Education (FPE) policy, and WFP which has a long history of school feeding in Lesotho especially in highland schools.

Under GoL-FPE, school feeding is contracted out to caterers at school level, who procure the required ingredients and provide labour for a fixed fee of M2.30 (US\$0.33) per child per day². Caterers are typically local women who prepare the food off-site and bring it into the school. Each caterer provides meals for between 100 and 150 school children. Caterers must follow a weekly menu prescribed by the Ministry of Education and Training (MOET), and they must adhere to the stipulated menu throughout the duration of the contract.

WFP on the other hand procures food, typically adds mineral and vitamin supplements to flour, or fortifies maize with soya, and delivers these fortified supplies to local distribution points, from where they are distributed to schools by the government's Food Management Unit.

In the past, a considerable proportion of WFP procurement has been external to the region, with WFP being responsible for transport costs to Lesotho. More recently, however, WFP has focused on local procurement, either in Lesotho or in South Africa. At school level, cooks under the WFP scheme are paid M0.90 (US\$0.13) per child per day, since they are only required to supply their own salt, sugar and fuel. The menu for each child comprises 150g maize, 40g pulses and 20g vegetable oil. Meals are prepared at the school kitchen or premises using the WFP food supplies.

2. The currency in Lesotho is called the Maloti and is pegged at parity to the South African rand. In mid- 2007 the exchange rate was M7 = US\$1.

Motivation and incentives in delivering social transfers

As the preceding discussion has shown, much social protection in southern Africa is delivered by international NGOs, in partnership with local NGOs and personnel from government departments. The notable exceptions include the two social pensions (Lesotho and Swaziland) as well as nationwide agricultural input transfers (Malawi ISP and Zambia FSP). In the case of NGOs and partners, a high level of commitment to success at delivery is typically apparent. This does not only derive from the altruism of individuals attracted to work for NGOs (although that doubtless plays a part), it is also because failure is likely to lead to diminishing future funding for the NGO from donors or governments.

In some government-led schemes, and among government staff involved in implementing schemes led by international agencies, the motivation for effective implementation is less apparent. Most civil servants or local government officers are on the state payroll irrespective of the changing duties that they may be asked to perform. Moreover at lower levels of central government or in local government their remuneration is low and the incentive structures of their jobs are weak. When opportunities occur, 'siphoning off' is not an unusual characteristic of how public service works in practice.

Scattered evidence exists throughout the case studies regarding motivation and incentive issues around social protection delivery, where the time and energy of public officials, traditional leaders and community committees are concerned:

- in the Chipata social cash transfer scheme in Zambia, members of Community Welfare Advisory Committees (CWACs) reached agreement with beneficiaries to pack HHs with extra children in order to claim and share extra payments for children in school;
- also in the delivery of social cash transfers in Zambia, District Social Welfare Officers (DSWOs) and district-level committee members have several times raised with donors and NGOs the question of their 'unpaid' work in cash transfers, and desire to be remunerated for work performed;
- in the Malawi ISP, widespread diversions and leakages surround the delivery of coupons for subsidised fertiliser (see Box 2);
- in Malawi in the DECT project, some village headmen and group village headmen resorted to taking a cut from the recipients of cash transfers, justifying this because they were unremunerated for the time they spent organising payout days;
- in Lesotho school feeding, the cash allocation per child approach to funding food purchases by caterers is prone to the purchase of inferior supplies and the delivery of watered down rations to schools;
- in many projects across all countries, traditional leaders regard their presence on beneficiary lists as justified by the work that they put into helping with the delivery of social transfers.

This area is one of the least discussed aspects of social transfers, yet potentially the most prone to become unworkable under scaling up. The problems are mainly avoided in small, intensively-managed and monitored NGO schemes, thus giving a false impression of their manageability in the absence of such close scrutiny. Some 'incentives' are already built into pilot schemes cash transfer schemes, for example bicycles for members of CWACs in some Zambia schemes. Donors have not grappled with the cost implications of dealing with these incentive and remuneration issues, nor where to draw the line between legitimate remuneration for work performed and unstated recompense for inadequate government salaries.

Lesson learning from the case studies

This briefing paper has examined social transfer delivery methods as a cross-cutting theme across a set of 20 social protection case studies in the southern African region. Attention was drawn to a number of aspects of delivery that can be compared for lesson learning purposes across case studies. These were the form of delivery (cash, food, inputs, assets); variations of approach within each of these categories; the technology of delivery; the organisation and logistics of delivery; the scale of delivery; and incentives and motivation of the personnel involved in delivering social transfers.

Some patterns emerge. Irrespective of the form of delivery, good delivery involves attributes of reliability, timeliness, low cost, low opportunities for leakage and accessibility to beneficiaries. In the context of the high risks surrounding the livelihoods of the poor and destitute in southern Africa, some of these delivery attributes (predictability, timeliness, accessibility) are of great importance to beneficiaries. A contrast can be made, for example, between the generally regular monthly

Box 2: Experiences of the 2006/07 Input Subsidy in 4 Districts, Malawi

As part of the work underlying the Malawi ISP case-study, research was undertaken by an independent researcher on ordinary rural people's experience of the implementation of the 2006/07 fertiliser subsidy. This comprised interviews with 192 farm households, 17 focus group discussions and 16 key informants in the 4 districts of Chiradzulu and Machinga in the south, Kasungu in central, and Mzimba in the north of Malawi.

Both qualitative and quantitative data displayed wide variation between districts in household and community experiences of ISP implementation:

- some chiefs invented non-existent households so as to increase the number of coupons for their villages;
- coupon delivery was often less than registered households, resulting in coupon rationing, and households receiving just one coupon, or sharing one coupon;
- relatives and friends of chiefs and policemen were given preferential treatment during distribution of coupons, as well as in the subsequent procurement of the inputs;
- incidents occurred where police officers and ADMARC/SSRF staff demanded cash payments (MK200-500) in order to deliver inputs against coupons;
- in some communities, only one type of coupon appeared, and this was thought to have happened due to theft of the other coupon further up the system;
- some participants received invalid single parts of the multi-part coupon that could not be utilised;
- in some places coupon distribution occurred in a hidden manner (e.g. at night) and recipients were sold the coupons at MK1,000-1,500 instead of the stipulated MK950;
- a considerable secondary market in coupons existed in which the coupons were being sold at MK2,000-2,600;
- sales clerks at input distribution outlets routinely refused to give MK50 change for an MK1,000 note (the coupon price was MK950) ;
- in the quantitative survey, 78 per cent of sampled households received coupons; half of those received just one coupon (with wide variation across districts in this proportion); 62 per cent reported buying just one bag of fertiliser, while 32 per cent bought 2 bags and 5 per cent bought 3 or more bags.

Overall numerous minor instances of fraud, theft, nepotism, diversion of coupons, secondary markets, fake fees for delivery etc. were reported, with wide variation in experiences within and between districts.

Source: Kadzandira (2007)

cash transfers of the Lesotho pension scheme, and the irregular dates as well as burdensome character of quarterly transfers of cheques to a considerable proportion of pensioners in Swaziland. Timeliness is a problem in many schemes, but is especially deleterious for subsidised input deliveries to farmers that become increasingly pointless to deliver the later in the season delivery occurs. Overall, the following lessons about delivery can be inferred from the REBA case studies:

- (1) effective delivery seems independent of form of delivery – good and bad practice can be observed equally across cash, food, inputs or assets;
- (2) the same holds true for surrogates of these main categories, such as vouchers and coupons – there are instances where these work well due to the particular settings in which they are applied, and others where either the cash or the physical item that the voucher represented might have proved better than the voucher itself as a delivery mechanism;
- (3) while many social transfer schemes display imaginative innovations in what is delivered and how it is delivered, the use of contemporary electronic technologies is still relatively rare – yet these technologies (smartcards, mobile ATMs, mobile phones) hold tremendous promise for reliable, timely, secure and accessible social transfers;
- (4) as revealed by the Malawi DECT study (Box 1 above), beneficiaries in remote rural areas are amazingly adaptable to new technologies and very quickly understand how they function and what can be done with them;
- (5) the organisation and logistics of delivery vary widely in competence across different schemes, but there is no particular predictability to this across different main actors in social protection – governments, donors, NGOs can equally manifest themselves as star performers or bad organisers across the range of social protection instruments;

- (6) the same is also true with respect to the scale of the delivery operation – some of the biggest national programmes (Lesotho OAP, Malawi ISP) are amongst the most competently organised, as also are many of the smaller social transfer schemes where NGOs tend to excel. Equally, poor delivery can be observed at small scale as well as big scale;
- (7) a critical factor in relation to organisational competence in public sector schemes is the nature of the political commitment to the scheme – where this commitment is driven by electoral considerations and the government seriously feels the need to secure scheme success, then delivery is likely to be managed well; however, where the commitment is more to do with localised power and patronage motivations, then delivery can be very poor indeed;
- (8) motivation and incentives are important in all social transfer schemes and are ignored at peril to scheme success – it cannot just be assumed that all stakeholders who become involved are doing so for reasons of altruism or a proper sense of duty, and it is better to anticipate and consider ways of dealing with such issues in advance than to wait for them develop during scheme operation;
- (9) it is likely that many older schemes operated by semi-autonomous government agencies have been prone to leakages such that quite a considerable proportion of whatever is being delivered ends up in the ownership of other than the intended beneficiaries – this is an aspect of social transfer where new technologies offer considerable potential for improving the security of transfers, as well as lowering the cost of making them.

In summary, the REBA case studies represent an exceedingly diverse range of experiences in the delivery of social transfers to beneficiaries. They reveal that governments can be just as competent as delivering social transfers as anyone else, given the impetus of sufficient political will. They also reveal that strengths and weaknesses observed in different schemes are independent of the type of transfer that is being delivered, so it is not possible to say that one form of transfer is innately superior to another in terms of the effectiveness of its delivery. Nevertheless, it is clear that cash has more potential than other transfers for using new technologies to achieve low cost and secure deliveries, nevertheless, this potential has not received much exposure in southern Africa yet. Productive partnerships with private sector players (banks, cell phone companies) are indicated as a way forward for this kind of innovation. From the viewpoint of beneficiaries, reliability, timeliness, and ease of access are the key desirable features of

delivery; while from the viewpoint of delivery agencies, cost efficiency and security are important attributes. Social transfer schemes that achieve all these desirable attributes, and keep all their stakeholders happy, are likely to be doing a very good job of delivering social transfers indeed.

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