

CASH TRANSFERS IN ZIMBABWE

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Due to national problems of hyperinflation prior to dollarization, it is only since 2009 that there has been a significant growth in the use of cash transfers in Zimbabwe. Since that period, a significant number of NGOs have been involved in piloting cash transfer schemes.

Most programs in Zimbabwe have, to date, involved hand to hand delivery of cash, due to limited outreach of the banking sector, and poor mobile phone and connectivity coverage in rural areas. However other delivery mechanisms in use in 2010 / 11 included:

- Cash cards, linked to point-of-sale card readers or to individual bank accounts and ATMs
- Payments into bank accounts, building societies, and Post Office Savings Bank
- E-vouchers redeemable at private retail outlets (e.g. Spar, OK). In general, these retail outlets require at least a percentage of the transfer to be spent in the outlet.

CONTEXT

Zimbabwe today can be viewed as having largely moved out of the emergency phase experienced in the recent past and into a process of early recovery. Consequently, the majority of cash transfer programs operating in Zimbabwe are linked to and supported by other interventions aimed at promoting livelihood development and early recovery processes. In this context, the primary interest in cash based interventions in Zimbabwe is in relation to longer duration recovery orientated objectives to address chronic rather than acute situations. Emergency relief is now being replaced by wider developmental objectives in cash transfer programs.



The implementation of humanitarian programs in Zimbabwe, including cash transfer programs, is to some extent influenced by the political environment. Nearly all donor funded interventions are channeled through non-state-actors. These programs have contributed greatly to the wellbeing of Zimbabweans, but face a number of challenges in terms of coverage, fragmentation, coordination, predictability, reliability, transparency and coordination (Schubert, May 2010). However, as long as donors are not directly funding Government, humanitarian activities may have to be implemented to some extent through non-state-actors.

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Early international responses to the humanitarian situation in Zimbabwe included a variety of programs, including the UNICEF managed Program of Support (PoS) to the National Action Plan (NAP) for OVC and the Protracted Relief Program (PRP).

CASH TRANSFER PROGRAMS IN ZIMBABWE OPERATING IN 2010-2011:

- Government of Zimbabwe Harmonised Social Cash Transfer Program
- UN / World Food Program Cash For Cereals Program
- The NGO Joint Initiative (JI) in Zimbabwe
- Protracted Relief Program (PRP)
- Independent NGO-led Cash Transfer Programs

ZIMBABWE HARMONISED SOCIAL CASH TRANSFER PROGRAM (ZHSCT)



The Ministry of Labour and Social Services (MoLSS), Department of Social Services (DSS) is currently rolling out a major social cash transfer program for labour constrained extremely poor households as part of the revised National Action Plan for Orphans and Vulnerable Children (NAP II for OVCs) 2011-2015. This is being technically and financially supported by UNICEF. A key program pillar of the NAP II for OVCs will be cash transfers to labour constrained households that live below the poverty line.

It is estimated that 250,000 households (with approximately 750,000 children) are food poor and have insufficient labour to undertake productive work (Team Consult Baseline Survey, Nov. 2010). The Harmonised

Social Cash Transfer will aim to target 55,000 of these households with unconditional social cash transfers. The first year of the program (2011) will focus on designing and establishing the national cash transfer system, but will include cash transfers to up to 23,000 households, rising to 55,000 households in Year 3. Very poor labour constrained households will receive from \$10 a month for a 1 member household, up to \$25 for a 5 member household, with an average payment of \$20. Payments will be made bi-monthly.

In 2011 the programme will cover the 10 poorest districts in each of the country's 10 provinces. Targeted districts for the first year include: Makoni, Chivi, Mangwe, Rushinga, Kariba, Goromonzi, Umguza, Zvishavane, Harare Epworth, and Bulawayo Urban. Each subsequent year ten additional districts will be selected to give a total of 30 districts by 2013. The government has made a budgetary provision of US\$4 million for 2011, complemented by a donor contribution of US\$6 million. The total program budget is US \$ 336 million.

UN / WORLD FOOD PROGRAMME CASH FOR CEREALS (CFC) PROGRAM



From November 2009 to March 2010 WFP operated a cash-transfer pilot, the Zimbabwe Emergency Cash Transfer Program (ZECT), in cooperation with Concern Worldwide). This targeted 59,000 beneficiaries as part of Vulnerable Group Feeding (VGF). Although ZECT improved cereal consumption among beneficiary households, beneficiaries were found not to have bought the full amount of oil or pulses, choosing instead to buy more grain. Also, the local prices of the higher value foods (oils and pulses) was higher than the cost of obtaining the food transfer at the international prices paid by WFP, due

mainly to the high prices of beans in local markets, because beans are neither widely demanded nor widely available in rural Zimbabwe.

Based on the above experiences under ZECT, in January to March 2011, WFP implemented a Cash-for-Cereal (CfC) activity in selected districts under the framework of Seasonal Targeted Assistance (STA) program. This large scale cash transfer program targeted 16,000 households (approximately 77,000 individuals) and was implemented by WFP through 3 partner NGOs – Concern Worldwide, Oxfam and GOAL. Beneficiaries received cash to access cereals whilst pulses and vegetable oil were provided in-kind. The amount of the transfer was based on WFP's 'food basket' for in-kind distributions, and a mixture of payment levels was evaluated, with flat rate of \$20 / household being used in the GOAL Wards, whilst in the Concern Worldwide Wards the amount is adjusted for household size, up to \$50 / household/month for a 10 person household. In all wards, the cash is being delivered and handed out using a Cash-in-Transit company, Safeguard, who use armed personnel. This Cash for Cereals program is now complete, and is currently being evaluated.

THE NGO JOINT INITIATIVE (JI) IN ZIMBABWE

The NGO Joint Initiative for Urban Zimbabwe (JI) is a consortium of 5 NGOs: Oxfam GB, Care International, Catholic Relief Services, Africare and Mercy Corps (lead agency) who came together in 2005 after Operation Murambatsvina, when the government destroyed 'illegal' homes and market stalls displacing an estimated 700,000 people.

The Joint Initiative (JI) Phase 2(b) started in January 2010 and is seeking to revitalize high density urban areas to improve resilience and well being of vulnerable households through innovative market-orientated and social protection measures. To date the JI has been implemented in Bulawayo, Mutare, Harare, Gweru, Masvingo and Chitungwiza, and assisted over 21,000 households with access to food, support for HIV/AIDS affected households and access to education to Orphans and Vulnerable Children (OVC) and out of school children in target areas.



An important element of the program is the distributing of a US \$ 20 cash transfer each month to vulnerable households in six urban areas to ensure food security. With a target of 2,400 households (c. 12,000 beneficiaries) the cash is distributed through various methods such as direct, electronic and voucher systems. Direct cash distribution is targeted at elderly headed households and those with bedridden members. The majority of JI partners have adopted electronic transfer mechanisms as being safe and cheap, particularly given the urban and peri-urban locations in which the program operates. Other elements of the program include income generating activities (IGAs), Internal Savings and Lending (ISALs), home based care, market linkages, and urban gardening.

PROTRACTED RELIEF PROGRAM



Due to the unprecedented decline in the Zimbabwe economy from 1999 which resulted in a huge loss of livelihoods for the majority of the population, donors introduced the Protracted Relief Programme (PRP I). This was a nationwide programme aims to stabilize food security and protect livelihoods of vulnerable households, particularly households affected by HIV/AIDS.

Phase 2 of the Protracted Relief Program (PRPII) began in 2011, and is a multi donor funded programme with a five year budget, extending to 2013, of over US\$ 120 million. PRP II will have an increased focus on rural areas within Zimbabwe. It is being implemented by 28 International and Local Non-Governmental Organisations and Technical Partners, with a consultant agency responsible for management and coordination. PRP operates within three areas, namely Social Protection, Food Security and Livelihoods Promotion.

Although cash transfers were introduced in urban areas during the first phase of Protracted Relief Program (PRP) launched in 2004, these came to a halt as hyperinflation took hold in 2008. Food vouchers were piloted in Zimbabwe in 2005 (using TN and OK supermarkets and cash transfers were piloted in 2007, both through PRP partner Action Aid. Following dollarization in 2009 PRP partners were able to revive cash transfer activities and beneficiary numbers have

since been growing. In the first half of 2011 6832 households in 10 rural and urban districts were receiving regular monthly cash disbursements provided by 6 PRP partners. Partners have piloted a range of different models of cash transfers making use of alternative avenues for delivery such as banks and supermarkets.

Since 2009 numbers of beneficiary households are growing month by month as the economic situation stabilises and cash or subsidies become a more appropriate intervention for many households. PRP endeavours to ensure that:

- Direct distributions of food or inputs do not undermine market structures;
- Cash or voucher program reinforce market effectiveness;
- Savings and loan schemes build and reinforce social networks;
- Block grants to schools provide access for poor and vulnerable children;
- Community home-based care (CHBC) strengthens the capacity of families to cope with impacts of HIV & AIDS.

OTHER INDEPENDENT NGO INITIATIVES

NGOs implementing cash transfer programs in 2011 include CAFOD, Save the Children, Christian Aid, World Vision International, Action Aid, Mercy Corps, Africare, CARE, Help Age Zimbabwe, Farm Community Trust of Zimbabwe, Zimbabwe Community Development Trust and Catholic Relief Services (CRS). These NGOs have projects which cover districts within the following provinces:

- Manicaland
- Mashonaland East
- Midlands
- Matabeleland South
- Matabeleland North.

Projects active in January 2011 had a combined coverage of 16 districts of Zimbabwe. The target number of beneficiary households was 33,398.

CASH TRANSFER WORKING GROUP

In order to generate and promote on-going collaboration and learning, in 2009 the PRP members formed a Cash Transfer Working Group which meets bi-monthly. This group later became a working group of the UN led Early Recovery cluster, now the Livelihoods, Infrastructure and Institutional Capacity Building (LICI) Cluster. Membership includes, NGOs implementing the PRP, UNICEF, the World Food Program (WFP) and donor agencies.

Objectives of the Cash Transfer Working Group include to:

- Create a platform for sharing lessons learned.
- Synthesize and package the lessons learned for wider sharing beyond CTWG & LICI Cluster
- Develop a database of who is doing what where as programmes scale up (the 3W tool).
- Share information on studies conducted so the group
- Establish a repository of studies to learn from
- Harmonise approaches used in cash transfer projects.

Recent work of the CTWG includes:

- Sharing of information on cash transfer projects
- Sharing of indicators used in cash transfer projects, and the development of agreed minimum common indicators for use in monitoring and evaluation.

Future priorities of the CTWG include:

- A review of how the value of the cash transfer is / should be determined
- A synthesis of learning from previous and current cash transfer projects in Zimbabwe
- Development of country specific best practice guidelines for the use of cash transfers.

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