Final Report

Qualitative Assessment of Conditional Cash Transfer and Complementary Components under the Productive Social Safety Net Project: Institutional, Capacity, and Strategic Issues

August 2013

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ACKNOWLEDGEMENT

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ABBREVIATIONS

CB-CCT	Community-based conditional cash transfer
CCT	Conditional cash transfer
CHF	Community Health Fund
CMC	Community Management Committee
DFID	Department of International Development
HH	Household
IFMIS	Integrated Financial Management Information System
IMED	Institute of Management and Entrepreneurship Development
LGA	Local Government Authority
MIS	Management Information System
MOU	Memorandum of Understanding
MVC	Most Vulnerable Children
NGO	Non-Governmental Organization
PAD	Project Appraisal Document
PSSN	Productive Social Safety Net
PTS	Project Tracking System
SP	Service poor
STI	Sexually transmitted infection
TASAF	Tanzania Social Action Fund
TMU	TASAF Management Unit
Tsh	Tanzanian Shilling
USAID	United States Agency for International Development
UTC	Unconditional cash transfer
VA	Village Assembly
VC	Village Council
VCT	Variable cash transfer
WFP	World Food Program

EXECUTIVE SUMMARY

Background

The Productive Social Safety Net (PSSN) has been initiated with the aim to establish a nationwide social safety net in Tanzania. PSSN activities target the poorest of the households—those with one meal a day or those who may not have any cash. The core activity of PSSN is a community-based cash transfer (CB-CCT) program, whose initial phase in the form of a pilot program has already gone into effect. While the pilot CB-CCT has included only three districts, the plan under PSSN is to eventually cover the entire target population across the country. The cash transfer scheme will be further complemented by a set of community and infrastructure development initiatives covering the same households.

Objective

This report examines the institutional capacity and structure of the community-based cash transfer program (CB-CCT) as it is being scaled-up under the Productive Social Safety Net (PSSN) project; probes the delivery of social services in rural communities in relation to PSSN; assesses the institutional capacity of carrying out activities complementing CB-CCT under the project; analyzes PSSN's strategic challenges; and provides a set of recommendations for the enhancement of PSSN activities and ensuring its success.

Methodology

The study has been carried out through a desk review of all project documents, a review of cash transfer literature, field research in project communities, and interviews with project stakeholders.

Summary of Findings

The results of the assessment conducted on the pilot CB-CCT show that a very basic social safety net has been established for the beneficiaries and that the conditionalities are more or less effective. They further indicate excitement for and sensitization to the program as well as improved consumption, increases in non-bank savings, better school attendance/enrollment, and more visits to dispensaries. The assessment further shows that the pilot CB-CCT program has been run well, that community management committees (CMCs) have been developing their capacities, and that TASAF has demonstrated a great deal of competence in supervising the project, building capacity at the districts and in the villages, improving targeting and other procedures, and overcoming program obstacles.

Realizing the full impact of the program arguably hinges upon the delivery of complementary activities to the beneficiary communities—a public works program, a savings program, a livelihood enhancement program, and infrastructure development program, and potentially a grant program targeting the same cash transfer beneficiaries. Moreover, the administrative costs relative to total costs as well as relative to benefits will most likely decrease if complementary high impact activities are delivered to the target communities or if more beneficiaries are targeted in each community. Delivering a set of programs complementary to BC-CCT is indeed a major component of PSSN's strategy in order to ensure the graduation of its beneficiaries (that

is, lifting them out of poverty). While the cash transfers may have the potential to act as disincentives to work, the public works, savings, and livelihood enhancement programs stimulate productive activities and can make graduation possible.

The implementation of the public works program is not expected to face any major hurdles. However, there is some indication that the saving program may have to be modified to match the needs of the poorest households. The issue of including a grant scheme in the set of initiatives, whether targeting the saving groups as seed money or otherwise, does not seem to have been settled.

The assessment of the pilot CB-CCT found instances of overcrowded and understaffed schools as well as dispensaries without adequate means to provide quality services. The main tool to address socioeconomic infrastructure needs is a supply-side assessment. While TASAF has a relatively extensive experience in delivering socioeconomic infrastructure in service poor communities, inadequate financing has acted as an obstacle to its activities in the past. Furthermore, as no specific budget for infrastructure has been earmarked under PSSN, its (adequate) provision is uncertain and contingent upon availability of funds from the government and donors.

Although the livelihood enhancement program is mentioned in passing in the PSSN PAD, TASAF has developed a detailed and innovative plan for it. Extension and livelihood enhancement activities are difficult to implement and to monitor for performance. They are however quite necessary for ensuring the graduation of the beneficiaries.

Summary of Recommendations

1. Since the program is scaling up, it is necessary to reanalyze the experience under the pilot CB-CCT to identify areas that have unnecessarily pushed its costs up.

2. It is also necessary to thoroughly analyze the impact of large-scale social infrastructure/service provision on the sectors and prepare a plan concerning the sources of funding, needed human resources, and additional legal commitments.

3. Extension and livelihood enhancement activities necessitate a major change of attitudes, operational modes, and much enhanced capacity at the district and ward levels. Yet, addressing these challenges and delivering PSSN with the livelihood enhancement activities is highly important in lifting the poorest households out of poverty and ensuring that they graduate from the cash transfer program after a certain period of time.

4. Whereas a CCT program may be successful in lifting a group of critically poor people out of poverty, another vulnerable group may replace them when they are exposed to shocks that cause decapitalization and other harms. As a suggestion, the program can identify two groups at the time of targeting – the poorest and those who are vulnerable to becoming the poorest in face of shocks (perhaps be adding a set of vulnerability indicators to the existing ones used for selection). Whereas the first group starts receiving cash transfers, the second is placed on a potential eligibility roster. In case those on the eligibility roster are exposed to shocks they can then be covered by the cash transfer

program with minimal verification and without waiting for the three-year retargeting time. The second group should also be allowed to participate in the saving and livelihood enhancement program from the outset.

5. While the CB-CCT has been able to improve school attendance and enrollment and visits to health centers, it is still possible to leverage the lessons learned from other cash transfer programs to further enhance education and health outcomes. One suggestion is to withhold part of the transfer amounts to eventually reward students' graduations. Another suggestion is to consider the experience of a successful pilot cash transfer initiative implemented elsewhere in Tanzania with the aim to affect sexual behaviors and reduce STI risks.

6. PSSN may not become as successful as expected due to the rapidly changing demographics and land situation in rural areas. While almost everyone in the villages visited for this study have access to land, high rates of fertility currently experienced in the villages are bound to place increasing pressure on land, with adverse consequences for the economic wellbeing of the households. A firm commitment to controlling fertility rates through a dedicated family planning program is thus required to significantly increase PSSN's chances of ultimate success.

7. The project should make links with other World Bank initiatives as well as projects that are being carried out in its target communities.

1. INTRODUCTION

1.1. Context

Tanzania's respectable economic performance in recent years has not necessarily to improvements in the lives of the poorest households, the majority of whom live in rural areas and are engaged in agriculture. Most agricultural activities in which rural households engage are performed at subsistence levels and may be at the mercy of variable rainfalls and underdeveloped produce markets. Off-farm work in rural areas is generally scarce. Food insecurity and malnutrition with their adverse consequences for health, education, and productivity are major issues, particularly in the so-called lean seasons. While primary school enrollment has been relatively high and improving in recent years, it remains less than universal. Furthermore, attendance is often irregular and dropout rates are high. Health indicators in rural areas across Tanzania are also in want of significant improvement.[1]

1.2. TASAF and PSSN

Against the above background, the Government of the United Republic of Tanzania has launched the First and now the Second National Strategy for Growth and Reduction of Poverty. The government recognizes that a large percentage of poor households may require direct support and has in the last decade sought assistance from the World Bank through two phases of Tanzania Social Action Fund (TASAF I and TASAF II) to address this issue. The Productive Social Safety Net (PSSN) has just been initiated as a follow-up project with the aim to establish a nationwide social safety net.

PSSN activities target the poorest of the households—those with one meal a day or those who may not have any cash. The number of such households, comprising one third of the poor population, is estimated to be about 1 million. The core activity of PSSN is a community-based cash transfer (CB-CCT) program, whose initial phase in the form of a pilot program has already gone into effect under TASAF II. While the pilot CB-CCT has included only three districts, the plan under PSSN is to eventually cover the entire target population across the country. The cash transfer scheme will be further complemented by a set of community development initiatives covering the same households.

PSSN is a continuation of TASAF I and TASAF II. One would therefore expect PSSN to be named TASAF III. However, TASAF III and PSSN are not identical. PSSN is the World Bank/Government of Tanzania project described above. TASAF III, as planned by the government includes PSSN components and subcomponents, but further emphasizes infrastructure development and livelihood enhancement activities as well as a possible seed grant scheme.

[1] World Bank, "Tanzania: Poverty, Growth, and Public Transfers: Options for a National Productive Safety Net Program," Report No. AAA62 – TZ, 2011.

1.3. Objectives of the Study

This study focuses on PSSN's institutional and capacity issues and its strategy and strategic prerequisites as it builds on TASAF I and TASAF II activities and structures—in particular the pilot CB-CCT—to create a nationwide social safety net in Tanzania. It probes the shortcomings and challenges of the pilot CB-CCT already initiated under TASAF II; analyzes the institutional and capacity issues of scaling up the cash transfer scheme as the central activity of PSSN; and critically examines CB-CCT's relationships with other (potential) project activities and PSSN's strategy of implementing a complementary set of initiatives—including the provision of social infrastructure and services—for the same households and communities. Scrutinizing these issues, the study provides a set of recommendations for improving the effectiveness and ensuring sustainability of program.

1.4. Organization of the Report

The next section provides a literature review of conditional cash transfer programs. Section 3 assesses the performance of the pilot CB-CCT initiated under TASAF II, whose scaled-up activities will constitute the core of PSSN. It starts with a review of evaluation studies already conducted on the pilot program and then discusses findings from field visits (including a beneficiary assessment and an assessment of service delivery) made to two pilot CB-CCT districts. Leveraging the results of the literature review and the assessment of the pilot CB-CCT program, section 4 focuses on the central issues of the study, namely, assessing PSSN's institutional and capacity issues as it scales up CB-CCT activities and uses a set of complementary initiatives, including the provision of social infrastructure, to achieve its strategic goals. It begins with a description of PSSN/TASAF III's objectives and components. It then discusses institutional and capacity issues of scaling up CB-CCT as the project's core activity against the background of its strategic goals—including poverty alleviation, graduation from the cash transfer scheme, and sustainability. It argues that PSSN will be successful in alleviating poverty, facilitating graduation from the cash transfer program, and justifying its cost if it also succeeds in carrying out the public works, savings, infrastructure development, and livelihood enhancement initiatives complementing CB-CCT. The last part of section 4 then focuses on capacity, institutional, and budget aspects of carrying out these complementary initiatives. Section 5 draws the study's conclusions and offers a set of recommendation aimed at ensuring the success of PSSN. Annex 1 contains the original interview questions used for assessing the pilot BC-CCT in the field while Annex 2 provides field visit reports of pilot BC-CCT in Bagamoyo and Chamwino as well as a saving group in Ilala near Dar es Salam.

1.5. Study Methodology

This study has benefited from a review of project-related documents and conditional cash transfer literature, field research on the pilot CB-CCT activities as well as the group savings scheme, and meetings and interviews with local, regional, and national project stakeholders (in particular TASAF management).

For the desk review, all available project-related documents, such as PAD, impact evaluation, process evaluation, mid-term reviews, surveys, reports on pilot CB-CCT targeting assessment, and manuals prepared by TASAF for scaling up its activities were probed. A further review was conducted on the conditional cash transfer literature, focused on CCTs' success factors and on how lessons learned from elsewhere can help the program in Tanzania scale up its activities and strengthen its institutional set-up and targeting.

For the field visits to two pilot CB-CCT districts, based on project-specific documents and the CCT literature review, draft individual and group interview guides were developed which targeted pilot CB-CCT beneficiaries as well as project technical staff/facilitators at the districts, community management committee members, village council members, staff of dispensaries, and staff of schools. The research instruments were finalized in consultation with TASAF specialists, incorporating their needs and concerns before being used in the field (original individual and group interview guides are provided in the Annex 1). With assistance provided by TASAF and district officers the instruments were used in the districts of Bagamoyo and Chamwino during May 28-June 1, 2013 (their villages having been selected at the suggestion of TASAF management, taking into account time constraints and attempting to probe a diverse set of situations). The individual and group interview guides were refined iteratively after each session and refocused on the issues of interest. The interviews were augmented by field observations and accessing additional written information gathered through the exercise. Furthermore, a savings group was visited in Ilala near Dar es Salaam where group activities and experiences were discussed with some of its members as well as with local government and TASAF representatives.

For the analysis of CB-CCT/PSSN's institutional, capacity, and strategic issues, a set of meetings and semi-structured interviews were held in Dar es Salaam and in the districts. Meetings were held with the World Bank team leader for the project, Director of TASAF, and the representative of DFID (development partner for the project). Semi-structured or group interviews were conducted at TASAF with the head of research and CB-CCT specialists as well as the officers and managers responsible for monitoring and evaluation, operations/infrastructure, finance, audit/internal audit, ICT, MIS, and livelihood and savings activities. In the field, PSSN coordinators in Bagamoyo and Chamwino as well as the acting executive director in Chamwino were interviewed.

2. LESSION LEARNED FROM OTHER CCT PROGRAMS

Conditional cash transfer as a tool for poverty alleviation

Conditional Cash Transfer has become a popular tool for poverty alleviation and a major area of focus for development organizations, practitioners, and researchers in recent years. CCTs transfer cash to the poor on the condition that they invest in the human capital of their children and seek health services—especially for their infants and pregnant women. The stipends are usually given to women based on the premise that they put funds to better use as compared to men. CCT programs have a criteria system to establish eligibility of the beneficiaries and a mechanism to pay them the benefits. They are considered demand-side initiatives aimed at longer-term investments in human capital that are complementing supply-side programs providing or enhancing educational and health services. One reason for their popularity is the

conditions or co-responsibilities they attach to their cash transfers, which emphasize good behavior and the welfare of mothers and children. These conditions or co-responsibilities make the transfers more acceptable to donors or taxpayers on the one hand and can have real poverty alleviation impacts beyond their income effects on the other.[2]

General outcomes of CCTs

A number of CCTs in Latin America have quickly scaled up to cover sizable portions of their poor households.[3] CCT programs are also rapidly expanding in Africa and elsewhere across the developing world (and even in advanced countries).[4] Available evaluation studies on some of these programs have provided evidence for increases in consumption, improved composition of consumption, reduced poverty, improved nutritional levels, increases in health care visits and immunization rates, decreases in child labor, increases in school enrollment and attendance, and reduced gender gaps in education.[5] Furthermore, investments in health and education of the very poor can have important externalities that benefit their respective communities as a whole. By emphasizing strong monitoring and evaluation systems, CCTs may also have positive institutional externalities.[6]

Contingencies in relation to objectives and compliance costs

Yet, CCT effects on final education and health outcomes seem to have been modest due most likely to both service delivery limitations (quality and quantity) and household level constraints (such as bad parenting and insufficient information). Concerning the former, a main question is whether contingencies are appropriate in cash transfer programs against a background of deficient or nonexistent service delivery observed across many deprived areas, such as in Africa. In such places, school attendance or visits to health facilities may increase without relevant improvements in education or health indicators. Even worse, CCT conditionalities may negatively impact the quality of services. Yet, conversely, demand and pressure may also stimulate the development of the service delivery sectors.[7] Furthermore, it is not a foregone conclusion that the positive impacts of CCT programs should be attributed to their

[2] A. Fiszbein & N. Schady, "Conditional Cash Transfers: Reducing Present and Future Poverty," Policy Research Report, The World Bank, Washington, DC, 2009; L. Rawlings & G. Rubio, "Evaluating the Impact of Conditional Cash Transfer Programs." *The World Bank Research Observer,* Vol. 20, No. 1, pp. 29-55, 2005.

[3] *See* Rawlings & Rubio, 2005; D. Sridhar & A. Duffield. "A Review of the Impact of Cash Transfer Programmes on Child Nutritional Status and Some Implications for Save the Children UK Programmes," Save the Children, 2006; M. Lagarde, *et.al.*, "Conditional Cash Transfers for Improving Uptake of Health Interventions in Low- and Middle-Income Countries: A Systematic Review," *JAMA*, Vol. 298, No.16, pp. 1900-10, 2007.

[4] *See* C. Medlin & D. de Walque, "Potential Applications of Conditional Cash Transfers for Prevention of Sexually Transmitted Infections and HIV in Sub-Saharan Africa," *Policy Research Working Paper 4673*, World Bank Development Research Group, Human Development and Public Services Team, 2008.

[5] Lagarde, *et. al.*, 2007; Medlin & de Walque, 2008.

[6] Fiszbein & Schady, 2009.

[7] Fiszbein & Schady, 2009; E. Schuring, "Conditional Cash Transfers: A New Perspective for Madagascar?," Unpublished World Bank Report, 2005, cited in Medlin & de Walque, 2008; N. Kakwani, *et. al.*, "Conditional Cash Transfers in African Countries," UNDP International Poverty Centre Working Paper No. 9, 2005.

contingencies.[8] Nor do the relatively high costs involved in administering and monitoring the conditionalities automatically justifiable. Taking these issues into account, DFID has produced a toolkit containing a set of procedures (most with limitations of their own) for its country offices to measure value for money in cash transfer programs.[9] Concerning the ratio of administrative costs to total costs, it quotes a World Bank report as stating that anything beyond 12-15 percent of total costs "bears close examination to see why administrative costs are relatively high."[10]

Unintended consequences of CCTs

CCTs may also have unintended consequences depending on how they have been designed and the context in which they are implemented. Some studies for example have recorded increased pregnancy or family size as a result of the cash transfers when the cash stipends increased with larger numbers of children.[11] One study conducted in Columbia records positive educational spillovers affecting peers of CCT beneficiary students but also negative educational spillovers within households.[12] Concerning the latter, the study shows untreated siblings of CCT beneficiary students are more likely to engage in the labor market, suggesting increased inequality within households. CCTs may also lower private transfers (interfamily transfers, remittances, gifts, etc.). A comparison of private transfers to households before and after they became CCT beneficiaries in Nicaragua and Honduras shows some crowding out effect as a result of the former program but not the latter.[13] Presumably higher levels of transfers in Nicaragua as compared to Honduras have crowded out private transfers.

Possible disincentives and ways to enhance outcomes through better program design

One concern voiced on CCTs is their potential to create disincentives to work among their beneficiaries. Taking up this issue, one study[14] has examined the case of PROGRESA in Mexico to probe whether and the extent to which the conditional cash transfer affect the participation of adults in the labor market as well as their leisure time. It finds that the program did not reduce participation in the labor market but may have in some instances induced the recipients engaged in household enterprises to find employment in salaried activities elsewhere (a weak effect as it

[8] P. Gertler, "Do Conditional Cash Transfers Improve Child Health? Evidence from PROGRESA's Control Randomized Experiment," *The American Economic Review*, Vol. 94, No. 2, pp. 332-341, 2004; Medlin & de Walque, 2008; Lagarde, *et. al.*, 2007.

[9] A. Hodges, et. al., "Guidance for DFID Country Offices on Measuring and Maximising Value for Money in Cash Transfer Programmes: Toolkit and Explanatory Text," DFID, 2011.

[10] M. Grosh, *et. al.*, *For Protection and Promotion: The Design and Implementation of Effective Safety Nets*, The World Bank, Washington, D.C., 2008, p. 391.

[11] N. Palmer, *et. al.*, "Health Financing to Promote Access in Low Income Settings: How Much Do We Know?," *The Lancet*, No. 364, pp. 1365-70, 2004; Medlin & de Walque, 2008.

[12] F. Barrera-Osorio, *et. al.*, "Conditional Cash Transfers in Education Design Features, Peer and Sibling Effects Evidence from Randomized Experiment in Colombia, Working Paper 13890, National Bureau of Economic Research Working Paper Series, http://www.nber.org/papers/w 13890.

[13] P. Olinto and M.E. Nielsen, "Do Conditional Cash Transfer Programs Crowd Out Private Transfers?," in P. Fajnzylber & J.H. López, *eds.*, *Remittances and Development: Lessons from Latin America*, Washington, DC: World Bank, pp. 253-98.

[14] E. Skoufias & V. di Maro, "Conditional Cash Transfers, Adult Work Incentives, and Poverty," Impact Evaluation Series No. 5, World Bank Policy Research Working Paper 3973, 2006.

disappeared over time). The study further shows that PROGRESA conditional cash transfer recipients did not use their money for additional leisure.

Results of the above study notwithstanding, the impact of any CCT program on labor force participation will depend on a number of variables including the amount transferred, the availability of jobs that can be accessed, and indeed the program design. There is a desire to design CCTs in a way to ensure an eventual graduation of beneficiaries. Some possibilities include the use of time limits on benefits or gradual reduction of benefits as households lose their eligibility status.[15] Furthermore, CCTs may be combined with workfare and economic development initiatives that result in skill and capability enhancement including those related to saving and investment. It is also desirable that the design of a CCT program not only respond to the dynamic goals set for the initiative (e.g., eventually targeting older in addition to younger children) as well as potential moral hazard, but also strive to innovate on getting more value for money. As an example of the latter, it has been shown that when CCT disbursements are spread in such a way to reward not only school attendance but also graduation of student, they may encourage better attendance, higher rates of graduation, and higher rates of enrollment in the next educational levels. [16]

Targeting the vulnerable versus the poor

While a CCT program may be successful in lifting a group of critically poor people out of poverty, another group of vulnerable non-poor may move into poverty as they are exposed to shocks that cause decapitalization and other harms. Addressing this issue, one study has explored ways to modify the design of CCTs to act as a safety net for the vulnerable non-poor.[17] According to this study, identifying potentially eligible non-poor who are vulnerable to shocks may be achieved ex-ante using a set of risk vulnerability (including shock-specific) indicators. Persons or households placed on the potential eligibility list ex-ante will automatically become eligible if they are exposed to shocks. However, an ex-post verification of eligibility is easier and may be achieved using the same or modified indicators of CCT beneficiary selection. Yet, it may not be quick in its response. The point is to deliver benefits to the eligible persons quickly enough to avoid decapitilization and other damages. Furthermore, if the program is announced in advance through widespread publicity and with clear rules and rights and if it is managed in a way to address moral hazard, it can also prevent ex-ante damages inflicted on the vulnerable non-poor as they are exposed to shocks but strive to avoid becoming poor.

Other targeting issues

CCTs have limitations in terms of reaching the poor. Some households who are critically poor may not have pregnant women or children in the targeted age range. Elderly households in dire need of the cash stipends may not be targeted by conditional transfers programs. Conversely, attaching conditionality to transfers for the elderly or investing in their human capital is not

[15] Fiszbein & Schady, 2009.

[16] F. Barrera-Osorio, *et. al.*, "Conditional Cash Transfers in Education Design Features, Peer and Sibling Effects Evidence from Randomized Experiment in Colombia, Working Paper 13890, National Bureau of Economic Research Working Paper Series, http://www.nber.org/papers/w 13890.

[17] A. de Janvry, *et. al.*, "Uninsured Risk and Asset Protection: Can Conditional Cash Transfer Programs Serve as Safety Nets?," World Bank Social Protection (SP) Discussion Paper No. 0604, 2006.

justifiable. Needless to say, the same transfer program may be used to target poor elderly households but without the co-responsibilities.[18]

Alternative conditionalities

CCT goals have not been confined to increasing rates of immunization, school attendance, health check-ups, and/or participation in workshops on health and nutrition. There are programs in India that offer cash incentives to parents who have daughters. In Haryana's Apni Beti Apna Dhan program for example, transfers are provided after a girl is born as well as for her education and for her 18th birthday provided that she is not married. A study conducted on this program shows a positive impact on sex ratio as well as investment in daughters' post-natal health and longer-term human capital, although it also records some mixed results of the cash incentives.[19]

CCT potentials in reducing risky behavior

Some have explored CCT potentials in reducing risky behavior resulting in sexually transmitted infection (STI) and HIV/AIDS. A World Bank working paper on this issue suggests that if a CCT program were to use its conditions to affect behaviors toward reducing risk of STI and HIV/AIDS, it would benefit from the lessons learned in the use of contingency management to discourage risky behaviors with negative health consequences.[20] In fact, a large randomized trial involving cash incentives used to reduce sexually-transmitted infections in Tanzania has proven relatively successful. Adult participants in the scheme were offered cash transfers as long as they tested negative for STIs. The study which has entailed discouraging (versus encouraging) a certain behavior shows that cash incentive can have an effect on the behavior of those receiving it when the transfers are large enough.[21]

3. ASSESSMENT OF THE PILOT CB-CCT

3.1. Description of Pilot CB-CCT

The pilot CB-CCT program was initiated in 2009 in selected villages of mainland Tanzania located in the districts of Bagamoyo (70 km from Dar es Salaam), Chamwino (500 km from Dar es Salaam), and Kibaha (35 km from Dar es Salaam). The pilot program has covered 5000 households across 40 villages. Another 40 villages have been targeted as control communities for the purpose of the ongoing impact evaluation but are now being covered by the program as well. The pilot program has been implemented as a community-based initiative and a social fund, which makes it somewhat different from most CCT programs implemented elsewhere. The

[18] Fiszbein & Schady, 2009.

[19] N. Sinha & J. Yoong, "Long-Term Financial Incentives and Investment in Daughters Evidence from Conditional Cash Transfers in North India," *Policy Research Working Paper 4860*, World Bank Poverty Reduction and Economic Management Network, Gender and Development Group, 2009.

[20] Medlin & de Walque, 2008.

[21] D. de Walque, *et. al.*, "[The RESPECT study:] Evaluating Conditional Cash Transfers for HIV/STI Prevention in Tanzania," unpublished report, a summary of which provided in *DIME Brief 75718*, "The Effects of Conditional Cash Transfers on the Prevention of STIs in Tanzania," www.worldbank.org/dime; L. Packel, et. al., "Sexual Behavior Change Intentions and Actions in the Context of a Randomized Trial of a Conditional Cash Transfer for HIV Prevention in Tanzania," Impact Evaluation Working Paper Series No. 53, *Policy Research Working Paper 5997*, World Bank Development Research Group, Human Development and Public Services Team, 2012.

program has provided a fixed cash stipend to target households as well as a variable cash transfer if they satisfy basic conditions of school enrollment and attendance for children between the ages 7 and 15, participation in health and nutrition classes, and health clinic visits for pregnant women, children under 5 years of age, and men and women over 60 years of age.

For the purpose of the pilot BC-CCT, in each beneficiary village, a community management committee (CMC) has been formed by the village council (VC) on behalf of the village assembly (VA) to manage payment and compliance. Three VC members who deal with CCT issues are responsible for verifying documentation, receiving complaints, and data updates. The village executive officer ensures safety and security during payment days, facilitates VA meetings, and acts as a liaison between the district and the village. The executive officer collects compliance forms and gives them to the coordinator of the project at the district. The 14-member CMC receives training from district project facilitators. Each CMC is composed of two rotating 7-person teams. Each team has payment, cashier, calendar follow-up, beneficiary welfare, and compliance positions.

Household selection in the pilot has been achieved through community targeting combined with a proxy means test. Identification, selection, and targeting were performed in 2008. The first payment was transferred by December 2009 and was received by households on January 10, 2010. Payments have been made to households on a bimonthly basis Recertification of beneficiaries is supposed to take place once every three years and include a fresh round of community identification of the poor, a proxy means test, and community validation. A complaint and grievance mechanism has also been developed under the pilot project.. The program is now being expanded modestly and will be scaled up significantly in the months to come under the PSSN. The verification and targeting system has been modified slightly in response to the findings of a process evaluation (see below).

3.2. Pervious Evaluation Studies on the Pilot CB-CCT

Two evaluation studies have been carried out on the pilot CB-CCT—a process evaluation and an impact evaluation using a rigorous methodology augmented by a community score card exercise and a set of focus group discussions. The process evaluation provided early suggestions to the pilot program's management on issues such as targeting and accessibility, which have been incorporated in the project's operations. The results of the randomized survey, community score cards, and focus groups of the ongoing impact evaluation indicate that the benefits accrued to the beneficiary households may be increased by better targeting and ensuring that there is access to the services for which the people to whom the cash transfer are provided. Overall, the program has shown positive impacts in some areas and a range of other, modest impacts. More details on the findings of the two evaluations are provided below.

The process evaluation, carried out in the fall of 2011, assessed targeting, enrolment, coordination with health and educational facilities, compliance verification, payment process, and case management process. It identified two sets of issues and recommendations. The first set concerned the procedures and mechanics of CB-CCT while the second set had to do with the institutional arrangement of program delivery.

On the procedures and mechanics of CB-CCT, the process evaluation noted a general perception that the program was achieving its expected results and that TASAF, local government authorities, and CMCs/VCs had developed the capacity to manage the project. Furthermore the management information system had become fully functional. The process evaluation recorded delays in payments due to the logistics and time cycle, although nine rounds of payments had been made without major complications by the time the study was conducted. It also noted the need to adapt the targeting procedures to the situation in Tanzania. Both of these issues, payment delays and the need to modify targeting procedures, have been subsequently taken up by the project management. A minor related issue noted by the evaluation was the procedure to return uncollected payments. The study recommended customization of the operations manual and operations handbook, strengthening of the management information system (including operational indicators reports and district office reports in the monitoring activities), and creating data entry hubs in district offices.

Concerning the institutional aspect of CB-CCT, the process evaluation found that coordination with the health and education authority were only made for the supply-side assessment whereas the subsequent involvement of line agencies was highly important in delivering appropriate services to the target communities. Another important issue raised by the process evaluation was the fact that the pilot initiative was being carried out by the research and development department of TASAF with a small team. This team, according to the evaluation, would eventually need to become fully dedicated to the task and fully develop its capacity and human resources. The study further noted that the district offices and the district TASAF officers had few mechanical tasks to perform, perhaps suggesting that they should be more proactively and programmatically involved in the project. The main recommendation of the process evaluation on the above was that local government authorities must assume new responsibilities, enhance their supervisory roles, and be more engaged in the project. The evaluation highlighted the CMC capacity enhancement needs to accurately fill out the enrollment forms, to address the enrolment difficulties in general, to make sure the compliance forms would by filled out accurately at the health and education facilities, and to use informal update forms systematically in order to generate accurate data on a regular basis. It also stressed that CMC capacities should be enhanced so that they can simultaneously carry two responsibilities, namely, community participation and program administration.

The available impact evaluation is based on baseline and midline surveys conducted in 2009 and 2011 (18-20 months later) respectively. The surveys have covered 80 villages (40 treatment, 40 comparison). The midline initiative was also augmented by a community scorecard exercise carried out in 20 treatment communities and focus group discussions conducted in 6 treatment communities. The baseline survey established the comparability of the treatment and control group in terms of household size, access to financial services, school enrollment, health-seeking behavior, and involvement in community activities. The impact of the program on the treatment group as identified by the midline survey included more visits to health facilities especially for the elderly (although not lower illness rates), fewer days lost from school, higher literacy, higher school enrollment, higher rate of grade progression (but not frequency of school attendance), increased spending on some children's and women's goods, increased non-bank savings, increased trust in community leaders (but not in other members of the community), and increased perceptions of quality of education and health services. Most positive changes were

found to be rather modest while the impacts of health conditionalities were much more pronounced as compared to educational conditionalities. The midline evaluation found some evidence that program stipends had crowded out private transfers (reducing the value of the stipends by 13 percent). The community scorecard exercise recorded significant deficiencies in health and education service delivery as well as lack of responsibility for effecting change. The focus group participants had conveyed a general need for improved transparency in household selection. More importantly, in contrast to the relatively modest impacts recorded through the surveys, findings focus group discussions suggested significant effects for the program including various ways the cash stipends had been put to use.[22]

3.3. Assessment of Pilot CB-CCT Based on Recent Field Visits to Bagamoyo and Chamwino

For the purpose of this study, two district centers and a sample of their villages were visited during May 28-June 1, 2013. Individual and group interviews were conducted with the district authorities, including project beneficiaries, project facilitators, members of village councils, community management committee members, and the staff of schools and health facilities. Schools and health dispensaries of four pilot villages were inspected and those of another village were visited quickly. Field visit findings summarized here allow for a general assessment of how the pilot CB-CCT has been run, although they are based on limited field work. Original interview questions used in the field are provided in Annex 1 and a more detailed report of the field visits is given in Annex 2.

Beneficiary Assessment

General conditions of the villages: Visited villages comprise a number of hamlets or sub-villages which may be very far from each other and from the public services available at their center. None of them has piped water, electricity from the grid, or paved roads to highways or in between its hamlets. Such is the case of even a visited village near the capital. This village has nonetheless attracted some government investment for the establishment of industrial estates in its vicinity as well as customers in search of land for vacation homes or intensive agriculture. For the time being, traditional agriculture and keeping goats and chicken remain the main means of subsistence in the villages. Almost everyone has access to land in the visited villages, which may not necessarily be cultivated due to lack of inputs or draught. Household sizes are large, which is a reflection of high fertility rates in rural areas. Furthermore, there is little evidence of significant out-migration or receipts of migrant remittances in the villages.

Beneficiary satisfaction: Beneficiaries are highly satisfied with CB-CCT benefits. They believe that the program, including its conditionalities, has allowed households to send their children to school and cover their schooling needs as well as to better benefit from the health facilities. In particular, according to them, many households did not have the means to buy school uniforms

[22] This difference between the reality revealed through the quantitative survey and the perception offered through the focus group discussions may actually point to the positive impact of the program on the attitudes, externalities of the program affecting the whole communities, or simply a longer time required for the impacts to show themselves statistically.

and supplies for their children. (Yet, a main reason they were reluctant to use the dispensaries for children and the elderly in the past was that they did not know it was free.) There are a few areas of dissatisfaction as well. For some, the stipends are not enough. Distances between hamlets mean that picking up the payments may involve some costs. Similarly, for some elderly, who live in faraway places, visiting the health facilities may be costly. Furthermore, beneficiaries believe that although households with secondary school children incur more costs as compared to those with primary school children, the program does not take this into account. Some beneficiaries think that there remain people who are quite deserving of being on the program but are excluded. Finally, while beneficiaries see some improvements in their lives (in household consumption and health care and education of children) and highlight some economic activities they have been able to undertake using their cash stipends, they do not believe to be ready to go off the program without plunging back into their previous situation.

Use of stipends: Beneficiaries generally claim that the stipends provided to women have been used wisely for the benefit of the households—on purchasing uniforms and supplies for children, buying food, transport (including sending children to school in some instances), purchasing insurance (CHF), acquiring local chickens and goats, improving homes, and cultivating or paying someone to cultivate their lands.

CMC/VC member perspectives: Interviews with CMC members indicate that they have developed their capacities through the project and are enthusiastic to learn and do more. Overall, CMC members, the three VC members who work on CB-CCT in each village, and the village executive officers seem to be happy about the tasks they must perform in conjunction with the program. In many cases, the reason a CMC member has volunteered for the job is that some of the very poor are related to him/her. The job also carries certain prestige and they are getting some minimal allowance. Some state that because of CCT they have developed some skills in leadership as they are performing payment, cashiering, beneficiary welfare (proper use of funds, compliance, making home visits) and other tasks. Interviewed CMC members believe that few people resist compliance and a spirit of cooperation prevails in the villages. Some of them think that they should receive additional benefits as well (in addition to the minimal compensation they receive now). In two of the visited villages, some beneficiary households live very far away and it is often difficult to inform them and give them their stipends. CMC members would like to see TASAF provide them with some means of transport (for example bicycle). While CMC members collect compliance records from the dispensary and schools, they are not in a position to ensure the accuracy of these data.

Perspectives of technical staff at the districts: Pilot BC-CCT coordinators at the visited districts have been selected among district development officers and have been trained for the purpose of the project. The coordinators have several staff members at the district centers. Periodic data entry is mostly done by them (as well as some hired persons) while the initial data entry at the time of targeting was done by hired persons. Interviewed coordinators believe that while there were some capacity issues in the past, over time these issues have been addressed and the program is run more or less smoothly now. The facilitators interviewed at the districts are community development officers or health development officers (or similar) hired by the districts and have been involved in the CCT since 2008. They state that they have received several rounds of training and have been supported by TASAF throughout the project. They claim that while the

work has been challenging, they have learned to do it better over time and are now in a position to train others when the project is scaled up. They believe the remoteness of some villages and the fact that some beneficiaries may actually move to faraway places[23] are major challenges. One of the issues they face is accommodation when they travel to remote areas. Risks involved in carrying cash for the transfers are also mentioned as a challenge (see below). In their opinion, on the average half of the beneficiaries have put their money to some productive use or repaired their homes. According to the interviewed officers, there is no district computer server which makes storing the entered data and communication with the central server problematic at times. They feel that it would be expedient to equip them with laptops so that they can enter data directly rather than carry bulky papers back and forth. Cameras to record housing situation of households can also increase targeting accuracy, according to them. Finally, increased allowance would be welcome by the facilitators.

Delays in payments and security: Beneficiaries have experienced payment delays (in particular the last payment at the time of field visit).[24] Furthermore, interviewed VC/CMC members and district staff believe that payment security is an issue when considering the distances.

Overall observations on the pilot CB-CCT: The examples of improvements provided by the interviewed beneficiaries should be interpreted as excitement and sensitization to the program as well as improved consumption (for example for the children who are going to school) rather than final health, education, and poverty alleviation outcomes. Furthermore, the examples of economic activities cited by beneficiaries are basically non-bank savings. These findings are more in line with those of the quantitative part of the impact evaluation cited above. The findings indicate that a very basic social safety net has been provided to the beneficiaries both psychologically and in reality and compliance with conditionalities are also more or less welcomed by them. Facilitators have been able to improve their capacity and organization over time and they have in turn been able to create a grassroots management structure at the villages quite capable of doing its job and willing to enhance its capacity.

Assessment of Schools

General conditions: Each visited school has 8 classes (preschool through 7th grade). Since some sub-villages are in considerable distances, there are also satellite schools in some (but not all) places, which provide up to the 2nd grade education. Still, as a result of the distances between hamlets, some students may come to school one day but not the next. The physical condition of none of the schools visited is optimal. Furthermore, they all lack water, sanitary toilets, and electricity, which is a reflection of the general situation of the villages. Some of the schools have been repaired or even totally rebuilt by TASAF recently. In one school, everything has improved, from classes to books, according to the interviewed teachers. Some teachers' accommodations have also been built in recent times, but there is a general shortage of housing for the staff. Overall, despite certain recent improvements, some teachers think the schools are inadequate in terms of library, electricity, teachers' toilets, staff housing, and computers. The

[23] Some of the villages are quite large in terms of area and some households may actually move about within the villages. Some evidence of this has been recorded through the field visits for this study.
[24] Reasons behind payment delays will be discussed later in the report.

children of one head teacher do not attend his own school due to its unsatisfactory condition; they are staying elsewhere with relatives.

Positive impacts of CB-CCT conditionalities: Interviewed teachers believe that the program has had a positive impact on the enrollment and attendance of students. Some teachers believe that the cash stipends provided to families under CB-CCT to keep their kids in school is too low to really provide for all the needs of a school-going child. Yet, according to them, because of the program, attendance and performance have improved while dropout rates have decreased. They think that, as a result of the program, differences between students have diminished (everyone looks the same) and tensions have decreased. The reason for lower enrolment rates before was that some students could not buy uniforms, shoes, or notebooks. Also, some children lived with grandparents who might pull them out of school if they failed one year.

Overcrowded classes, staff shortages, and students' performances: Some of the visited schools are very overcrowded. In one school there are more than 100 students for every class on the average. A large number of students at this school are CB-CCT beneficiaries. Furthermore, there are staff shortages at most of the schools which is partly the result of shortages of teachers' housing. The students' performances in the national examinations (4^{th} and 7^{th} grades) are highly unsatisfactory in the overcrowded schools and those facing staff shortages.

Recording compliance: In relation to CB-CCT, the job of the head teacher is to monitor compliance and fill out the appropriate forms. The head teacher also provides support to facilitators and TMU during supervision. There is no evidence that filling out the compliance forms is placing too much burden on the schools' staff. The school teachers think it would be expedient to have computers to be able to better monitor compliance (although the school has no electricity, it is possible to charge laptop batteries using solar energy).

Need for food program and support for secondary schools children: Some schools have food programs supported by WFP/USAID. Elsewhere teachers also believe that a food program should be introduced for their students. Some have tried to start one on their own but have not been successful. They hope for some support and feel that since distances are long children really need to eat at the school (and cannot bring food from home either considering the heat). Furthermore, some school teachers believe that CB-CCT should also support secondary school enrollment.

Health Dispensaries

General conditions of health facilities in the districts: Each district has 1 hospital (staffed by medical doctors) and a few health centers (headed by assistant medical officers). Each village should theoretically have a dispensary (headed by a clinical officer). Yet, currently, dispensaries may serve up to three villages while a village may have anywhere between 100 and 1000 households. Also, some villages have sub-villages which may be far from each other. There is an outreach program for children under 5 in some areas without immediate access to health facilities. Only a small percentage of the health centers and dispensaries have electricity (grid or solar panel) and water. Some of the dispensaries have been repaired under TASAF in recent times and new dispensaries are being built in villages in which none exits. In some dispensaries

there is a bed for patients for potential overnight stays. There is a shortage of housing for the staff of the health facilities. However, the relevant budget is prioritized and the pace of adding staff housing or solar panels is slow. The range of medicines available at the dispensaries is limited which means that some of the medicines must be bought elsewhere.

Prevalence of health insurance: The CB-CCT program has advocated the purchase of a health insurance scheme (CHF) by project beneficiaries so that entire households can benefit from free services at the dispensaries. Receptiveness to CHF varies in the villages visited for this study. In some, a large number of beneficiaries have purchased CHF, which has also meant increased visits to the dispensaries, while in others CHF is taking off more slowly. While visiting the health centers should be free for young children and the elderly even if they are not project beneficiaries or are without CHF, there is some indication of additional costs.

Services provided at the dispensaries by the staff: There are between 3 and 7 staff at the visited dispensaries—minimum of a clinical officer and two nurses to maximum of a clinical officer, some nurses and some malaria specialists. Other than regular checkups and baby deliveries, the staff can test for HIV and malaria but they cannot keep a range of vaccines that require refrigeration or perform other types of lab work without refrigerators. Some dispensaries have refrigerators that use gas cylinders (supplied every 2-3 months by the district) and can thus provide a wider range of medicines. The dispensaries seem to have enough medicines which are resupplied every three months. If medicines arrive late, in some cases there is revolving cash available to get them otherwise. Birth control is also available at the dispensaries. The dispensaries are giving each pregnant woman a sanitary delivery kit provided by the government. Water is a major challenge to providing adequate service at the dispensaries. Yet, some dispensaries with solar panels and refrigerators are run very well and look tidy and organized, despite being under difficult water circumstances.

Impact of CB-CCT and compliance: None of the dispensaries visited seem to be under immediate pressure from the increased visits induced by CB-CCT. This said, some may eventually need more staff if everyone in the community purchases the CHF. With the staff housing shortages as well as the general underdeveloped conditions of the villages, it may not be easy to attract new staff to these dispensaries. Keeping compliance records does not seem to have put serious burden on the staff of the dispensaries. In some cases, compliance is not required of those who are living truly far away.

Overall observations: Not all village residents have easy access to a health facility yet, which means that it is difficult for some among the beneficiaries to comply with the cash transfer co-responsibilities (transport costs may take up a big chunk of the stipends). There are some outreach programs to un-serviced villages and hamlets but the scheme does not exist everywhere. Dispensaries without electricity (solar panel) and refrigerator are not up to the task of providing good services to patients. Furthermore, access to water is a major problem everywhere. While the dispensaries do not seem to be under immediate pressure from increased number of patients as a result of the CB-CCT, they may eventually need more staff if everyone buys CHF.

3.4. Summary of Pilot CB-CCT Assessment

Comparing data from its baseline and midline surveys, the cited impact evaluation had found modest health and education improvements as a result of the CB-CCT. However, the results of focus groups discussions conducted in conjunction with the quantitative evaluation had suggested dramatic improvements caused by activities of the program. Individual and group interviews held during field visits to Bagamoyo and Chamwino indicate a great deal of enthusiasm for the program on the part of the beneficiaries as well as council members, community management committee members, and the staff of schools and health facilities. Yet, findings from field visits are more balanced regarding the project's impacts, although they are based on limited field work. They nonetheless also indicate that the pilot project has been run well and has addressed many of its challenges over time.

Both the impact evaluation and the process evaluation had revealed significant inadequacies in the provision of health and education services. Findings from field visits to the villages of Bagamoyo and Chamwino also reveal instances of overcrowded and understaffed schools as well as dispensaries without adequate means to provide quality services. Larger impacts may be captured for the program when these inadequacies are addressed over longer periods of time (perhaps more pronounced effects are already being revealed through the ongoing final survey of the impact evaluation).

Leveraging the results of the above assessments of the pilot CB-CCT, the next section focuses on the central issues of the study, namely, assessing PSSN's institutional and capacity issues as it expands CB-CCT activities and uses a set of complementary initiatives, including the provision of social infrastructure, to achieve its strategic goals.

4. CRITICAL EXAMINATION OF PSSN'S INSTITUTIONAL/CAPACITY ISSUES IN RELATION TO ITS STRATEGIC GOALS

4.1. Objectives and Components of PSSN

Project Objectives and Strategy

PSSN's general objectives, according to its PAD,[25] are to increase income and consumption levels of the most vulnerable households living in the poorest villages, reduce their vulnerability to shocks, and enhance the human capital of their children. The main strategy is to coordinate multiple interventions and use the same unified targeting mechanisms to cover the extreme poor and food insecure groups. The project provides target households with a combination of basic and conditional cash transfers made regularly as well as a complementary set of community development initiatives. Specifically, the project is to build a safety net through: selecting the poorest households as the target population; offering the target population with a core cash transfer program and gradually complementing it with as set of complementary community development initiatives; results-based monitoring of the program; and coordinating and establishing links among various interventions and social protection activities to minimize overlaps and optimize targeting. The core of the community development activities to be carried out in conjunction with the cash transfer initiative consists of a workfare program and a savings

[25] World Bank, "Project Appraisal Document on a Proposed Credit in the Amount of SDR 141.9 Million to the United Republic of Tanzania for a Productive Social Safety Net Project," 2012.

scheme. Yet, there are additional activities, described at the end of this section, which may be undertaken through the project. The two main components of the project are described below.

Component 1 of PSSN

The project's main component under the general title of "Consolidation of Integrated Social Safety Net Interventions for Extremely Poor and Food Insecure Households" is a US$140 program consisting of a cash transfer scheme (Component 1A) and a labor intensive public works (Component 1B) scheme. Pilot versions of both of these schemes have been implemented under TASAF II. Under PSSN, these schemes will be scaled up gradually to include all districts nationwide. The cash transfer program, the central activity of PSSN already initiated as a pilot scheme under TASAF II, offers two sets of benefits. Under the pilot, a fixed unconditional cash transfer (UCT) has been made to every eligible registered household. Furthermore, an additional variable cash transfer (VCT) has been provided to households with young children, pregnant woman, and/or elderly members.[26] A slightly modified structure (in response the experiences gained during the early stages of the pilot) is used under PSSN, with the following co-responsibilities for the variable cash transfer recipients (households with pregnant women or children):

- Pregnant women must attend at least four prenatal and a postnatal check-ups at a dispensary or health center.

- All children younger than 2 must have at least one check-up per month at a dispensary or health center while children between the ages of 24 and 60 months should have check-ups every six months. All children under five must be immunized (provided for free).

- At least one parent or guardian of children in any VCT recipient household must attend monthly workshops on nutrition, child care, home hygiene, water usage, child education, and the like.

The public works program consists of a guaranteed 15 days of work for a four month period during the leans periods (when labor demand for agricultural activities is at its lowest) to be offered to households already targeted for the cash transfer scheme. Wages are set slightly below the market rate for unskilled labor to attract those without any alternatives—which is the purpose of the initiative. A community savings scheme is also augmenting the cash transfers and public works. Under PSSN, beneficiaries will be mobilized to form savings groups. PSSN will offer them technical assistance and advice on managing the group and on the best ways to use the savings to invest in productive activities. The savings groups may eventually be connected to formal financial institutions. A pilot savings scheme has already been implemented under TASAF II (not specifically covering the beneficiaries of the CB-CCT pilot scheme or the public works scheme). PSSN will use the experiences gained from this exercise to build a nationwide program targeting households covered by the scaled-up CB-CCT and public works programs.

[26] The cash transfer program is really made up of an unconditional cash transfer and a conditional cash transfer. To avoid confusion, from now on, the term variable cash transfer is used for the conditional part of the transfer and the whole program is called community based conditional cash transfer (CB-CCT) in this report.

Component 2 of PSSN

The second component of PSSN under the title "Institutional Strengthening" (worth US$93.9 million) is to support the Government in the process of institutionalizing the PSSN as part of a national social protection framework. It will provided ongoing support to TASAF and other relevant organizations (e.g., Department of Social Welfare) in the scaling up of PSSN activities under the current structure as a basis for subsequent permanent, transparent, and accountable institutional arrangements at the national, local and community levels within a national social protection framework. Some of the main activities include financial and technical assistance for operational, management, and supervision reforms including capacity building and the development of human resources as well as strengthening of the management information systems (e.g., a unified registry of beneficiaries of social programs, management information systems, and information education and communication campaigns), beneficiary selection and supply-side assessment, and monitoring and evaluation (comprehensive impact evaluation, regular process evaluations, beneficiary surveys and qualitative, evaluation of grievance mechanism, field-based sampling verifications, and audits).

Additional Activities

PSSN's PAD, as developed by the World Bank and the Government, is the official document of the project explaining details of activities and budget allocations among other important issues. TASAF III operations manual and TASAF III Program Design Document have also been developed by TASAF/Government as internal guides for project activities.[27] The TASAF III operations manual describes two complimentary activities of the project, namely an infrastructure development and a livelihood enhancement initiative as well as a grant scheme. These additional initiatives are potentially important in ensuring success for the activities as a whole, since as mentioned the main strategic goal of PSSN/TASAF III is to coordinate multiple interventions and use the same unified targeting mechanisms to alleviate poverty among the extremely poor. Yet, whereas PSSN's components are financed by World Bank/Government/other development partners, it is not automatically clear whether or not the additional activities under TASAF III will be financially supported. Nor is it a foregone conclusion that TASAF's capacity enhancement activities for the purpose of undertaking PSSN has made it ready to carry out these additional activities.

While the above issues will be a main subject of the report in subsequent sections, here, infrastructure development and livelihood enhancement activities as well as the seed grant scheme are briefly introduced through comparing TASAF III and PSSN.

The livelihood enhancement initiative is to support savings groups by providing them with business development skills and technical training as well as grants. While the PAD covers business development skills for the savings groups it does not explicitly mention technical training. Furthermore, while there is a mention of seed grant for the savings program in the

[27] United Republic of Tanzania President's Office, "Productive Social Safety Net Project Operational Manual," Tanzania Third Social Action Fund, 2013; United Republic of Tanzania President's Office, "Program Design Document," Tanzania Third Social Action Fund, 2012.

beginning of the PAD, the issue is not picked up again anywhere in the document. TASAF III operations manual however mentions seed grant in conjunction with the savings scheme.[28]

The operations manual of TASAF III also describes an infrastructure subcomponent of project activities as supporting the development of health, education, and water-related infrastructures, including: construction/rehabilitation of classrooms, teachers' houses, toilets, water points, teachers' offices, libraries, laboratories and dormitories for primary and secondary schools; construction/rehabilitation of dispensaries and maternal child health centers including staff houses, toilets, and incinerators; and construction/rehabilitation of potable water access points.The issue of infrastructure development, however, is taken up in the PSSN PAD in the following way: "Under a complementary project within the sector, the Government of Spain through the Plan Africa Trust Fund has made available US$6.078,243 for construction of teachers' houses and water facilities….The Government of the United Republic of Tanzania has wider TASAF program through which it has provided US$30 million for a complementary project. The Government's project includes the construction of health, education and water and sanitation infrastructure for closing service gaps in the villages that will be reached by the PSSN."

4.2. Institutional and Capacity Issues of Implementing PSSN in Relation to Its Strategic Goals

Plans for scaling up pilot CB-CCT

Under PSSN, the pilot CB-CCT will be scaled up to eventually cover the whole country. There are 159 LGA/districts in the mainland Tanzania and Zanzibar (an island being equivalent to an LGA/district). LGA/districts (islands in Zanzibar) act as project area authorities and provide the needed technical support, including training and follow-up on implementation, for BC-CCT and other project activities. The project has a national steering committee while TASAF administration is providing support to sub-national entities and disburses the allocated funds. The project works through district, ward, and village levels.[29] The cash transfer program is expanding gradually. The number of districts covered will be 10 in the first year and 30 in the second year; all districts will be covered in the following two years.

The implementation unit is a village (also potentially urban areas, and shehia in Zanzibar). That is, as in the pilot, selection of beneficiaries and overall implementation is achieved through village institutions. In the villages, village councils (VCs) and community management committees (CMCs) are the main B-CCT managers, representing the village assemblies (VAs). Local level actors of the program are then the coordinator and facilitator (at the LGA level) as well as CMC and VC members, teachers, and the staff of dispensaries. Teachers and staff of the dispensaries track compliance. VCs are directly involved with the work of CB-CCT, as the chair

[28] Furthermore, the savings scheme piloted under TASAF II did not benefit from any seed grants, although TASAF II did have a separate grant program of significant amounts for groups. However, the grant program targeted neither the pilot CCT beneficiaries nor participants in the savings scheme.

[29] Activities have evolved from TASAF I through TASAF II and now PSSN. Under TASAF II, district involvement as well as VCs and CMC became possible while in PSSN there will be ward level activities.

of the village council and especially the village executive officer (not elected, paid by the local government) are important CB-CCT stakeholders.[30] The one-time operations (targeting, enrolment, etc.) of the activities are performed with the help of facilitators who are allocated at the district level for this purpose. CMC members are responsible for the day-to-day work of the program in the villages (collecting compliance records, disseminating information, and acting as payment agents).

Each pilot CB-CCT district has a coordinator with some staff. Training and other aspects of CB-CCT have been and will be handled by facilitators with support provided by TASAF. Bagamoyo has 53 facilitators while Kibaha and Chamwino have 40 and 60 facilitators respectively (the TASAF Management Unit or TMU has 35 people as of now whom can be used for training). Many or most of them are supposed to act as future trainers (when the program is scaled up). Interviewed district coordinators in Bagamoyo and Chamwino believe that with further training at least half of their facilitators can act as CB-CCT trainers in other districts. In fact, the program has been modestly expanding. In Chamwino for example, 20 facilitators have been provided refresher training for this purpose. Some of the TASAF officers working on the modest expansion were met during the field visit to Chamwino for this study. TASAF II did not include ward officers in the trainings which has been a shortcoming. They could now provide an added pool of potential facilitators under PSSN.

Based on interviews conducted for this study, TASAF is preparing a detailed human resource development plan for its own organization. It has also prepared plans for expanding its activities in a gradual manner including how it will coordinate with various entities and how it will utilize resources at its disposal. Its monitoring and evaluation plans are described below.

Monitoring and Evaluation

M&E under TASAF II and the need for software integration and collecting information on capacity enhancement: Under TASAF II, three systems/software were utilized: PTS (project tracking system); CB-CCT MIS (an application supporting CCT); and IFMAS (Financial Management Accounting System) including Epicor (used for procurement). These software which were either purchased from the market, developed by hired consultants, or created in-house were used for targeting, enrollment, payments, compliance, cash management, etc. PTS provided subproject information on infrastructure and grants program. Epicor was used for financial purposes both for projects/subprojects and for TASAF administration. Savings and economic development activities were also followed by in-house software. The utilized software were not integrated and functioned separately. Furthermore, capacity enhancement information was not collected, despite the existence of relevant MIS modules.

Development of a new system and addressing earlier shortcomings: A completely new set of software is being developed for PSSN. A consultant is currently developing a unified registry of beneficiaries (URB) software. A new PSSN MIS and upgraded Epicor are also being developed. However, in the meantime, PTS and the old MIS are being used. Note that the new system is required since many things are different between TASAF II and PSSN. Furthermore, the issue of disconnections in the districts is being addressed by buying electric generators and fixing many

[30] If someone is a member of CMC, s/he should not be a beneficiary or a member of the village council.

other shortcomings. The above information gathered through interviews with TASAF specialists as well as progress reports[31] and the M&E handbook[32] indicate a relatively strong commitment on the part of TASAF to develop its M&E hardware and software capacity. Periodic checks and evaluations are also planned under the project. Needless to say, success in developing and sustaining a strong M&E system when the project is scaled up to a large extent hinges upon how information is managed by actors in the field, including those related to capacity enhancement. The success of program activities in turn depends on how responses are developed to issues raised by the M&E system.

Addressing challenges

Supporting local institutions and addressing earlier process shortcomings

The process and impact evaluations cited earlier had found capacity gaps in administering CB-CCT, at the districts, and with CMCs. Findings from field visits conducted specifically for this study and discussed in the previous section also reveal that the districts have required support from TASAF at every step of program implementation, that enhanced CMC capacity for more substantive supervision of compliance is required, and that there has been delays in making payments to the beneficiaries. Yet, field visit findings as well as further interviews with TASAF management also indicate that the program has been run well, that CMCs have been developing their capacities, and that TASAF has demonstrated a great deal of competence in supervising the project, building capacity at the districts and in the villages, improving targeting and other procedures, and tackling bottlenecks and obstacles. Furthermore, the pilot CB-CCT process evaluation had found a number of issues with regard to supervision of compliance and other procedures of CB-CCT that needed to be changed or improved. A review of TASAF III manual as well as discussions with TASAF staff indicates that most of the changes have indeed been made.

Recent project documents further indicate that the local government authorities did not completely fulfill their duties to provide technical and financial support to implementation at the grassroots level and that TASAF specialists at the center have continued to support them at every step. This has also resulted in increased costs. The overall picture gathered from the interviews with TASAF management is that while the capacity to carry out CB-CCT activities have been developed over time, a great deal of effort on the part of TASAF is still required to bring everyone up to task.

Payment delays

There have been payment delays in the past, noted in the reviewed project aide memoires and the main project web page and also revealed through the field visits. More specifically, last year the government decided to consolidate all bank accounts into six in each local government authority which resulted in payment delays. Based on interviews conducted for this study, TASAF is

[31] Tanzania Second Social Action Fund, "Third Quarter Implementation Progress Report," January-March 2013; Tanzania Third Social Action Fund/Productive Social Safety Net Project, "Quarterly Implementation Progress Report," January-March 2013; Tanzania Social Action Fund, "An Update of Implementation Status from the Last Mission of 17th September 2012," June 2013.

[32] Tanzania Social Action Fund, "Monitoring and Evaluation Handbook," TASAF III Programme, June 2012.

striving to address the issue of payment delays as well as the difficulty some beneficiaries are facing in picking up their payments due to long distances. In particular, TASAF is working on a new way of transferring the cash stipends directly to beneficiaries using cell phone technology.

Social infrastructure

Accepting that the pilot CB-CCT has been administered in a satisfactory manner and it can further enhance the capacity of its actors to address problems, a set of other issues must be tackled with regard to the scaled-up PSSN. The first issue is the provision of social services which in the previous section were found to be deficient despite TASAF's efforts. TASAF managers recognize that service provision is a challenge. The main tool to address the demand for services caused by CB-CCT conditionalities is the supply-side assessment to be carried out in every village covered by the program. However, the supply-side assessment does not forecast the future demand. TASAF also recognizes that water and electricity are major issues in the villages. The main response is to provide solar panels in the dispensaries and to dig boreholes for water. Yet, according to TASAF managers, due to resource constraints, there was not enough money to cover all needed infrastructure in the past under TASAF II. If all the needed money for infrastructure were available, through a supply-side activity the missing infrastructure would become known – a very quick process according to them.

Addressing increased demand for social services

A related issue is the impact of increased demand on the budgets and human resources of the sectors which have their own standards and codes for the facilities. It may be the case that additional MOUs between TASAF and the sectors should be signed to ensure full cooperation (there are MOUs between TASAF and the districts). TASAF officials think that the line agency budgets are in fact there to hire the required staff for the facilities (one reason some facilities are understaffed is hitherto unfavorable conditions in the villages). Under the decentralized system, before the final approval of a project, the districts must write to the ministry/line agency to seek its commitment. That is, the districts are supposed to be in communication with the sectors to ensure they are on board and they will own the newly constructed facilities.

Administrative costs

Another issue which is of an overarching nature is whether the cost of administering the cash transfers is justified by their benefits. The administrative expenses of running the community-based cash transfer program (considering among other things the need to build local capacity and to strictly monitor compliance) have been high in the past[33]—although upon building the required capacity in the districts and villages the costs would decline. They should be kept within the 12 to 15 percent of total cost range based on international norms. It is important to cite concerns voiced on the above issues by the Social Policy Advisor at DFID (development partner of the project) in a meeting held for the purpose of this study: The administrative and monitoring costs of the CB-CCT activities, including those related to targeting and supporting VCs and CMCs, are high. Thus, taking into account the value one gets for the money being spent, areas that push costs up should be identified. Furthermore, target groups are small, there may be some

[33] For example the report prepared in 2011 on "Improving the targeting of the Community Based Conditional Cash Transfer (CB-CCT) program in Tanzania" (by Phillippe G. Leite) indicates high costs of the pilot in the initial stages.

exclusion, the cost of picking up payments may be high for some beneficiaries, and the activities naturally put pressure on the services. It is also not clear whether the cash transfer program can be sustained over time, whether it will be a social pension or a cash transfer program (government should develop one system), or whether PSSN will be included in the government budget as a line rather than a one-time investment. DFID is thus open to the project, if the scaled-up activities reaches many more beneficiaries and reduces costs and if the government takes up the issue with complete certainty and commitment. The activities must be sustained even after donor money runs out.

Ensuring sustainability

A major challenge facing CB-CCT is sustainability. In fact, a main theme emphasized in the meetings held with TASAF managers has been the need for CB-CCT beneficiaries to graduate from the program at some point—considering that the program is being scaled up to eventually cover all the districts. The government wants beneficiaries to preferably graduate every three years so that the program can retarget. The various components of PSSN have been put together so that people can eventually graduate from the program. As suggested in the literature review in the earlier part of this report, the cash transfer itself may actually act as a disincentive to work. However, the conditionalities of the program potentially enhance human capital which can help graduation in the long run. More importantly, realizing the full impact of the program, ensuring graduation, and succeeding in poverty alleviation arguably hinges upon the delivery of complementary activities to the beneficiary communities as explored below.

4.3. Institutional, Capacity, and Budget Issues of Activities Complementing CB-CCT

This section leverages the results of interviews with the project's national level stakeholder as well as information gathered from available project documents and findings from field research to discuss major issues and challenges of activities complementing CB-CCT under PSSN.

Public Works and Savings Programs

The public works under PSSN provides temporary employment in labor intensive activities during lean periods to adults covered by the CB-CCT. Any material needed for these labor intensive activities, such as cement, is to be covered by the program. The aim is both to enhance the living environment in the villages and to allow CB-CCT beneficiaries to earn extra money in periods when there is no agricultural activity and no access to other jobs. The public works program was actually initiated under TASAF II, but it was not implemented in conjunction with CB-CCT. Interviews with TASAF managers indicate that much experience has been gained through the public works activities so far conducted, that the program has already been relatively large, and that it can be scaled up in a straightforward manner under the PSSN project. A consultant has worked with some communities to learn what types of public works would be feasible in the lean season. A multi-year program has been devised based on the findings. Some examples of the activities include rehabilitation/construction of water-related infrastructure and rehabilitation/construction of foot paths, bridges, etc.

A savings program was also initiated under TASAF II that did not target the CB-CCT communities. It has been relatively successful. According to the early results of an assessment

conducted on the savings program,[34] 1,719 voluntary savings groups have been formed across 49 districts in mainland Tanzania and in Zanzibar with a total of 21,796 members. In Unguja and Pemba alone a total of Tsh 159,540,594 had been accumulated by the time of the assessment and Tsh 90,651,190 had been loaned out. Targeting 42 groups, the assessment has found the performance of the initiative to be relatively satisfactory. Yet, some of the savings groups have become dormant or defunct due to various reasons, including lack of seed money and the slow pace of savings. The assessment has also found that the groups need close follow-up and extensive support and suggests that they should be provided with some kind of financial help.

TASAF is strategizing on the following general scheme to scale-up savings and livelihood enhancement activities. Based on the interviews, it has provided a great deal of training at the district level to treat the livelihood activities as businesses (not as the old government activities). Staff of local service providers will provide training in the villages on group management, saving and intra-group loan management, entrepreneurship skills, and specialized technical training based on demand. The saving groups will also be provided saving kits which include financial stationeries and safe boxes. TASAF is also planning to help successful saving groups be linked to financial institutions where they can access financial services. Forming associations the savings group is also planned. TASAF is also considering the provision of seed money to support the groups in improving the operations of their businesses. However, as noted below, it is not clear if this money in fact is going to become available. Furthermore, some at TASAF think that seed money is needed, but others think that while taking off with own savings requires time and a great deal of efforts, in the long run it is both feasible and highly fruitful.

For the purpose of this study, a savings group in Ilala near the Dar es Salaam was visited (field visit summary report provided in Annex 2). The group was initiated with the help of the municipal council and received several rounds of training on group management, loan management, and entrepreneurship. Several of the group members have started a business together and have received help from the local government/TASAF on participating in exhibitions to market their products. The group has been successful increasing its total savings and in generating significant income for its members. The group has not received any seed grant although it has had a great deal of access to inputs, market, and training. Yet, Under PSSN, the saving groups are to be formed among the poorest community members in rural areas—which will be very different from the example just cited. In fact, according to interviewed TASAF managers, another study on the savings scheme shows that the poorest households may not be attracted to the program because of its requirements (for example meeting frequently).

Provision of Infrastructure and Services

Before starting the pilot CB-CCT a supply-side assessment was conducted in each target village to determine service deficiencies. The expectation was that these deficiencies would be addressed as the program progressed so that there would be no obstacle to complying with the conditionalities of the program and improved services would become available in the villages not only for the beneficiaries but also for the whole communities. TASAF has indeed improved the

[34] Results of the assessment provided in a slide presentation prepared by Achird, Ltd., "Impact Assessment of Service Poor and Capacity Enhancement (COMPSIP and Training) under TASAF II Project: Preliminary Findings, Conclusions, and Recommendations."

conditions of some of the facilities. Yet, significant deficiencies with regard to service provision in some of the cases remain. In fact, under TASAF II, a relatively large component concerning service poor (SP) localities was implemented. The table below provided from an ongoing assessment of the program shows the large number of projects completed under TASAF II.

Table 3: Projects in Service Poor (SP) Localities Conducted under TASAF II

Type of Subproject	# of SPs Approved	# of SPs Completed	% of SPs Completed	# of SP Certified	% of SP Certified
Water Supply	457	376	82.3	301	80.1
Education	2,756	2,392	86.8	1,692	70.7
Health	628	521	83.0	334	64.1
Others	528	438	83.0	367	83.8
Total	**4,369**	**3,727**		**2,694**	
Percentage			**85.3**		**61.7**

Source: Slide presentation prepared by Achird, Ltd., "Impact Assessment of Service Poor and Capacity Enhancement (COMPSIP and Training) under TASAF II Project: Preliminary Findings, Conclusions, and Recommendations."

Furthermore, as indicated by TASAF managers, US$500 million was required for the delivery of all the TASAF II subprojects. However, only US$150 million and then an additional US$65 million were provided in practice. Not all funds from partners materialized, and the infrastructure projects were not implemented to the extent desired. A total of 120,000 expressions of socioeconomic infrastructure needs were received, but only 13,000 of them were delivered in the end. The early assessment results on the above initiatives show that while some projects have not been completed or are dysfunctional due to design errors, lack of funding, etc., the majority have had positive impacts on their target communities.

Lack of infrastructure, especially schools, dispensaries, and water will be a major issue for PSSN. According to interviewed TASAF managers, they have gained valuable experience through the infrastructure program of TASAF II and are able to carry out similar infrastructure projects for PSSN. Their response to the service deficiencies observed in the CB-CCT pilot villages is that original supply-side assessments adhered to community priorities against a background of limited funds. The design of CB-CCT was such that the VCs would ask for infrastructure. In the CB-CCT villages, in many cases the VCs did not ask for certain infrastructure. Thus, in the villages where the deficiencies are observed, community priorities had not included those specific services.

In the meeting held for the this study, the Social Policy Advisor at DFID (partner in the project) stated that thought should be given to the removal of the conditionalities of CB-CCT, since they may not only place undue burden on households and are very costly to monitor, but also put pressure on schools and health facilities. However, if the provision of these services is planned, the communities will get the needed services and the poorest households are also encouraged to use them. These can have significant development impacts. The issue then is whether these facilities will actually be provided under the PSSN project.

As discussed earlier in this report, currently the provision of infrastructure and services does not have a budget line from the PSSN project. They are supposed to be funded by the government or donors. A more serious effort is therefore required to realize them. Furthermore, supposing that the needed funds become available, any future supply-side assessment in the target PSSN villages should not leave service facilities in a deficient state when CB-CCT compliance requires them to respond to a higher level of demand. In fact, the supply-side assessments should take into account increased demand due to the conditionalities, the fact that the project is encouraging the purchased of CHF, and the existence of a positive feedback loop through better services.

Another issue is the ownership of line agencies. Line agencies must be in a position to staff the facilities and provide quality services through them. Interviewed TASAF managers believe that laws have already been passed regarding for example the provision of teachers and health workers. That is, if the infrastructure is there, it will be staffed. Yet, it is clear that much more efforts and coordination is required for such a scenario to materialize. For example, findings from the pilot CB-CCT indicate that the project was only able to coordinate with line agencies at the time of the supply-side assessment without any follow-ups. Similar issues are noted in the early results of the SP assessment mentioned above. Furthermore, general conditions in the villages, including scarcity of staff housing, may not be attractive enough to the new staff. Providing quality services through a large number of facilities at the same time, as foreseen under PSSN, may be beyond the current capacity of the line agencies and requires careful planning.

Grants Program

As noted earlier in the report, while there is only a passing mention of seed grant for the savings program in the PAD, TASAF III operations manual includes a seed grant subcomponent in conjunction with the saving scheme. Furthermore, the pilot saving schemes under TASAF II did not include any seed grants. Yet, TASAF II did have a separate grant program not targeting CB-CCT beneficiaries.

Grant program activities administered under TASAF II were discussed in Chamwino for the purpose of this study and again with TASAF managers. According to TASAF managers, while the grants have been provided to groups under TASAF II, if they are to be given to CB-CCT beneficiaries they should target individuals as well. The general perception is that the grants program under TASAF II has been less successful than the savings program. It has been much more costly than the savings program and has disbursed a great deal of money. Anecdotal evidence gathered in Chamwino for the purpose of this study also indicate that while the grants have been put to use in businesses, their benefits do not necessarily outweigh their costs.

Livelihood Enhancement Activities

Based on field observations and interviews with CB-CCT coordinators in the districts, one reason grassroots livelihood enhancement activities are slow to take off among the beneficiaries of the pilot program is lack of knowledge, skills, and capital. The savings program and perhaps the grants program discussed above are attempting to address lack of capital in conjunction with cash transfers. Some economic enhancement opportunities may be available in the villages that

are not difficult to facilitate. For example there are simple methods and materials available in most villages for raising local chicken (e.g. manure to grow ants to feed the chickens and local plants for their medicine) that can easily be learned. Another example is growing Cassava.

Concerning knowledge and skills, as noted in the earlier part of this report, whereas the PAD mentions business development skills for the savings groups (general in nature), it does not explicitly note technical training (specific to a livelihood activity). Yet, TASAF III operations manual is more explicit on the latter. More importantly, TASAF commissioned the Institute of Management and Entrepreneurship Development (IMED) to prepare a strategy and a detailed plan for livelihood enhancement activities that will target CB-CCT beneficiaries. IMED has probed potential livelihood enhancement activities that may be undertaken in the villages and has come up with an innovative strategy and plan with the following characteristics. Since the number of CB-CCT beneficiaries is large whereas a rather small number of potential facilitators exist at the districts and wards (community development officers, extension officers, etc.), CMC members will be trained by district and ward facilitators (supported by TASAF and consultants hired for this purpose) to act as the main community facilitators for livelihood enhancement activities. Activities will be further coordinated through district councils. IMED has also created a detailed action plan covering all the training needs of actors at various levels.[35]

Almost all CMC members interviewed for the purpose of the present study have 7th grade education and for the most part are cultivating their own land. Some have other basic skills. Several of the interviewed CMC members held jobs elsewhere, laboring on farmland or in other activities to get extra money during the draught. For example, one person worked in the public works of WFP. A woman had gone to the mountains to work and trade. Yet another woman worked in another village which had not been hit hard by the draught. Many of them believe the reason some beneficiaries are so poor is that they don't have the ability to cultivate their land holdings or to labor elsewhere. IMED's proposed plan would probably have a positive impact on CMC members and they seem enthusiastic about having additional duties. Yet, <u>while the role of CMC is central to IMED's plan, it is the capacity of the district and ward facilitators supported by TASAF that determines the effectiveness of livelihood enhancement activities.</u>

Facilitating livelihood enhancement activities require capacity additional to that required by CB-CCT at the districts (and wards). Based on inquiries in the field visit for this study, extension officers do not have a visible presence in the villages at the present time. Furthermore, CB-CCT is a rather straightforward operation. Cash is transferred and compliance is sought. Forming savings group and measuring its performance is also relatively easy. In contrast, extension and livelihood enhancement activities are much more difficult to implement and to monitor. Their

[35] IMED has submitted several reports, proposals, and plans to TASAF including a "Final Report" and "Training Strategy and Program for TASAF CB-CCT Program Beneficiaries to Develop Sustainable Livelihood Enhancement Activities" as well as "Survey of Household Enterprises and Group Economic Activities," "Training Manual on Entrepreneurship, Financial Literacy and Group Organisation," "Facilitators' Guide," and "Training Strategy and Program for Empowering TASAF Conditional Cash Transfers Beneficiaries to Engage in Sustainable Income Generation Activities."

performance is also more difficult to measure. The role of extension officers has been highlighted in the economic development/livelihood sub-component in the reports prepared by IMED (cited above). Yet, implementing the program requires a major change of attitudes, operational modes, etc. at the district and ward levels.

5. DISCUSSION AND RECOMMENDATIONS

Following an introduction and a discussion of international experience with conditional cash transfer programs, this study first provided an assessment of the pilot CB-CCT initiated under TASAF II which is now being scale up to form the core activity of PSSN. It was noted that an earlier evaluation study on the pilot CB-CCT had identified a set of positive although modest effects of the pilot program on health and education indicators. It had also found more pronounced health than education impacts. Furthermore, the qualitative part of the impact evaluation had suggested more significant effects for the program as compared to the results of its quantitative surveys. Findings form visits to Bagamoyo and Chamwino made specifically for this study, while based on limited field work, were more balanced. They showed that a very basic social safety net has been established for the beneficiaries and that the conditionalities have been more or less effective. They further indicated excitement for and sensitization to the program as well as improved consumption, increases in non-bank savings, better school attendance/enrollment, and more visits to dispensaries. Findings from field visits to the pilot villages of Bagamoyo and Chamwino also upheld the observations of earlier evaluation studies that educational and health facilities were in many instances inadequate with respect to CB-CCT conditionalities.

The study then turned to the institutional and capacity issues of PSSN in relation to its strategic goals. Based on the observation that the pilot cash program has been administered well and it can further enhance the capacity of its actors to address challenges as well as TASAF's strategies and plans, it concluded that CB-CCT can be scaled-up in a satisfactory manner. However, it was argued that the success of PSSN hinges upon addressing a number of important issues and implementing a set of complementary initiatives for the target communities.

First, delivery of adequate social infrastructure and services under the scaled-up PSSN is bound to be a major challenge. While TASAF has a relatively extensive experience in delivering socioeconomic infrastructure in service poor communities, inadequate financing has acted as an obstacle to its activities in the past. Furthermore, as no specific budget for infrastructure is available under PSSN, its (adequate) provision is uncertain and contingent upon availability of funds from the government and donors. A related concern is the effect of increased demand (as a result of co-responsibilities) on the budgets and human resources of the sectors. It is true that adequate laws and regulations on (for example) staffing the facilities exists, a set of MOUs have been signed with the districts, and under the decentralized system the districts will seek the commitment of the ministry/sector before the final approval of projects. Yet, social infrastructure/service needs under PSSN will be quite significant and previous experience with both inadequate service delivery in the pilot CB-CCT villages and insufficient funds to deliver all desired infrastructure to service poor communities under TASAF II suggest a great deal of uncertainty. It is thus highly necessary to thoroughly analyze the impact of large-scale social infrastructure/service provision on the sectors and prepare a plan concerning the sources of

funding, needed human resources, and additional legal commitments. The impact analysis and plan should recognize the dynamic nature of demand. The current unmet demand will increase as a result of project conditionalities and higher quality of services (if they materialize) as well as CHF advocacy. The plan should also proactively recognize that village committees may not be in a position to determine and prioritize, from the outset, social service needs of their communities (as suggested in the findings of the study).

The second important issue is the cost of administering the cash transfers relative their benefits. The costs have been high, the benefits have been accrued to a small number of people in each village, and the impacts have been modest (although more pronounced effects may be captured by the ongoing final survey of the impact evaluation). Since the program is scaling up, it is necessary to reanalyze the experience under the pilot to identify areas that have unnecessarily pushed its costs up. Moreover, the administrative costs relative to total costs as well as relative to benefits will most likely decrease if complementary high impact activities are delivered to the target communities or if more beneficiaries are targeted in each community.

Delivering a set of programs complementary to CB-CCT is a major component of PSSN's strategy. The ultimate goal of creating a social safety net is addressing extreme poverty. To realize this goal, CB-CCT is to be complemented by a public works program, a savings program, most likely a livelihood enhancement program, and possibly a grant program targeting the same cash transfer beneficiaries.

TASAF has already gained experience with the public works program and the saving program although neither scheme has been implemented in the (pilot) CB-CCT beneficiary villages. The implementation of the public works program is not expected to face any major hurdles. Based on information provided by TASAF managers, the localities already covered by the public works program (under TASAF II), a multiyear program has been designed based on input from the communities and after identification of feasible activities during lean periods. Similar plans are to be developed for the scaled-up public works program under PSSN targeting CB-CCT beneficiaries.

However, based on interviews with TASAF specialists, there is some indication that the saving program, as it is designed, will not necessarily be successful with the poorest households targeted by the cash transfer scheme. While the saving program may be modified to address the needs of the poorest households, as participation in the groups is voluntary, the idea to cover those who are not the poorest in the target communities can also be contemplated (of which more later). The inclusion of a grant scheme in the set of initiatives, whether targeting the saving groups as seed money or otherwise, does not seem to have been settled by the program's managers. The saving program initiated under TASAF II has been relatively successful without any seed money (which may not necessarily be the case when targeting the poorest households) whereas the grant program of TASAF II was of a different nature and was costly in absolute terms and relative to its benefits.

Although the livelihood enhancement program is not elaborated in the PSSN PAD, TASAF has developed a detailed and innovative plan for it. In the plan, CMC members will be trained by district and ward facilitators (supported by TASAF and consultants hired for this purpose) to act

as the main community facilitators for livelihood enhancement activities. As observed in this study, extension and livelihood enhancement activities are difficult to implement and to monitor for performance. They necessitate a major change of attitudes, operational modes, etc. at the district and ward levels. Furthermore, it should be remembered that the capacity of the district and its facilitators has developed slowly (and through step-by-step assistance provided by TASAF) while running only the cash transfer scheme. Implementing another set of schemes, particularly the livelihood enhancement program, will undoubtedly require additional extensive TASAF support to the districts. TASAF has shown competence in managing a well-run program and in addressing capacity challenges at the districts. It is striving to enhance its human resources for the scaled-up activities under PSSN. The above challenges are then not insurmountable for TASAF, but they require very careful planning. Furthermore, addressing them and delivering PSSN as a complementary package of programs is highly important in lifting the poorest households out of poverty and ensuring that they graduate from the cash transfer program after a certain period of time.

One way of ensuring graduation is also to set a time limit for transfers, as mentioned in the literature review provided at the beginning of this report. While retargeting every three years is planned by the project, this does not mean there will be a time limit to transfers. Indeed, termination of the transfers to the elderly and for the purpose of the health and schooling of children, as long as the need exists, may not be wise. In fact the program should contemplate targeting households with children in secondary school as well. This issue notwithstanding, the point is to make sure beneficiary households, and in particular their children, are not exposed to shocks, after losing their eligibility status due to retargeting. Loss of cash benefits should therefore be gradual, perhaps starting first with the unconditional or fixed transfers.

The project seems to have accepted that many of the elderly will permanently depend on the transfers. The pilot CB-CCT's conditionality and variable transfer for the elderly is not included under PSSN. As suggested earlier in this report, on the one hand, the reason the elderly did not visit the health facilities before the program was that they did not know it was free, and on the other hand, compliance with the conditionality for some of the elderly who live far away from the dispensaries places an undue burden on them. Better information dissemination can then replace the conditionality, while the elderly can still qualify to receive the unconditional transfer. In this sense, the elderly (or the disabled) will be provided with a social pension (while the rest of the program continues to act as a social safety net).

Returning to the issue of graduation, while the cash transfers may have the potential to act as disincentives to work, the public works, savings, and livelihood enhancement programs stimulate productive activities and can make graduation possible. Yet, as noted in the literature review, whereas a CCT program may be successful in lifting a group of critically poor people out of poverty, another vulnerable group may replace them when they are exposed to shocks that cause decapitalization and other harms. This scenario is very possible in connection with PSSN since it targets the poorest households (which means that there are still poor households who are not covered by the program). A set of related suggestions can be provided to address this issue. The program can identify two groups at the time of targeting—the poorest and those who are vulnerable to becoming the poorest in face of shocks (perhaps by adding a set of vulnerability indicators to the existing ones used for selection). Whereas the first group starts receiving cash

transfers, the second is placed on a potential eligibility roster. In case those on the potential eligibility roster are exposed to shocks they can then be covered by the cash transfer program with minimal verification and without waiting for the three-year retargeting time. More importantly, this second group should be allowed to participate in the saving and livelihood enhancement program (or perhaps even the public works program) from the outset. On the one hand, as noted above, it is not clear whether all or a significant number of the very poor households covered by the CB-CCT component of the project will opt to join saving groups. On the other hand, by allowing a second group into the saving and livelihood enhancement program, the number of project beneficiaries will increase. This, apart from acting as a safety net against shocks, will potentially result in higher project impacts at little additional cost as well as larger community externalities.

Furthermore, while the goal is for the beneficiaries to graduate *from* the program, they should graduate *into* something. In the above suggested scheme, graduates of the cash transfer program can join the roster of the second group (vulnerable to shocks) and continue to benefit from the saving and livelihood enhancement programs. While a saving group can theoretically continue to function forever on its own, its members can further graduate from the livelihood enhancement program as well as the roster of those potentially vulnerable to shocks.

As mentioned when citing the results of the impact evaluation conducted on pilot CB-CCT, health impacts of the program have been more pronounced than those related to education. One reason for this may be the fact that educational facilities are already under pressure and understaffed in significant ways as compared to the dispensaries. For example, the dispensaries visited for the purpose of this study may not have all the means to provide quality service, but they are not overwhelmed by patients. Notwithstanding the need to address the inadequacies of the schools, as suggested in the literature review, it is possible to enhance educational outcomes by spreading the conditional transfers in such a way to reward not only students' attendance/enrollment but also their graduation. Innovative approaches for improving health outcomes can also be considered. An example is the relatively successful pilot cash transfer initiative implemented elsewhere in Tanzania with the aim to affect sexual behaviors and reduce STI risks (cited in the literature review).

PSSN is likely to become successful in providing a social safety net in the target villages and improve health and education. Yet, it may ultimately become less than successful in alleviating poverty due to the rapidly changing demographics and land situation in rural areas. In the villages visited for the purpose of this study, no significant land shortages were observed. Also, little evidence of large-scale out-migration (or receipt of significant remittance from migrants) was discovered. While the economies of nearby urban areas are growing, they do not seem to produce enough jobs whose attractiveness outweighs the benefits rural residents are realizing from their land holdings. In fact, villages close to Dar es Salaam are experiencing a surge in land transactions caused by an influx of urban buyers who want to use the land for either vacation homes or intensive farming. Rural residents can potentially find jobs in these mechanized farms, but there is also a possibility that they will become worse off on balance. Perhaps of more importance is the issue of high fertility rates in the villages. Rapid population growth (given improved health under PSSN) is bound to place increasing pressure on land, with adverse consequences for the economic wellbeing of the households. This can happen within one

generation. Workshops covered under the CB-CCT offer some family planning advice and some birth control is also available in the villages. Furthermore, CB-CCT is designed in a way not to encourage larger families with its combination of stipends and conditionalities (an issue raised in the literature review at the beginning of the report). However, these do not reveal seriousness in addressing the rural demographic issue. A firm commitment to controlling fertility rates through a dedicated family planning program will be required to significantly increase PSSN's chances of ultimate success.

Finally, it is important that the project makes links to other development activities and opportunities. Some NGOs and international donor are indeed active in Tanzania's rural areas (WFP, USAID, and MVC activities were noted in the villages visited for this study). Although saving groups to be organized under PSSN will remain in per-cooperative stages for long times, if successful they may eventually link to government-supported cooperative programs. There are several other World Bank projects that focus on development themes covered by PSSN activities. Linking to these projects may therefore be of potential benefit to PSSN. These projects are: Accelerated Food Security Project (includes improving access to agricultural inputs); Agricultural Sector Development Project (includes local level support to improve agricultural service delivery); Water Sector Support Project (includes supporting local governments in scaling up provision of water and sanitation); Zanzibar Basic Education Improvement Project (includes educational infrastructure provision and teachers training in Zanzibar); and Basic Health Services Project (includes supporting local government service delivery through annual grants).

ANNEX 1

Interview Questions and Discussion Topics for CCT Field Visits (May 28-June 1, 2013) in Bagamoyo and Chamwino District Councils

Purpose: Two issues will be addressed – the institutional aspect of the CCT delivery, including its strength and weaknesses, as well as existing service delivery in general, which can affect scaling up of PSSN.

Interview Topics/Questions for District Technical Staff/Facilitators

1. Please describe your responsibilities.
2. Explain how you carried out your responsibilities for the CCT.
3. What type of orientation and training did you receive?
4. What is your opinion about the labor (Public Works) program and savings and livelihood enhancement program to be tied to the existing CCT? Do you think there is enough capacity to do this?
5. What have been the major problems/challenges in the implementation of CCT? Do you think these problems and challenges have been overcome/addressed, please explain?
6. Would you do things the same way if you had the knowledge you have today? What would you change?
7. What do you consider as weaknesses in the relation to the capacity of LGA, VC, and CMC, teachers and staff in health facilities? What do you suggest to be done to address these weaknesses?
8. CCT has conditionalities (use of educational and health services). Do you think service provided in schools and health facilities are adequate enough? What are their problems?
9. What can we do the address some the problems of the services in schools and and health facilities?
10. In your opinion what can we do to improve the Program in general (better targeting, more efficient delivery, improving the lives of the very poor in a better way)?

Interview Topics/Questions for Teachers

1. Please provide basic information about the school:
    a. *Percent of children in village attending this school.*
    b. *Children from other villages attending this school? How many villages? What percent from each village.*
    c. *How many classrooms*
    d. *How many teachers and their educational levels*
    e. *Teachers housing available or not*
    f. *Grades, number of students, shifts, classrooms and teachers*
    g. *Students taking national examination*
    h. *Electricity, piped water, toilet, etc.*
    i. *Food program?*
    j. *Contributions from any sources (including TASAF)*

k. Educational levels of teachers

2. Please describe your responsibilities with regard to CCT. (Do you record education and attendance?)
3. What type of orientation/training have you received and for how long in connection with CCT?
4. What are the difficulties you are facing in fulfilling your responsibilities with regard to CCT? What are the difficulties you colleagues have been facing in fulfilling their responsibilities? What would you do to improve things?
5. What are the main deficiencies in relation to provision of services in this school (books, classroom conditions, etc.)?
6. What do think are the main problems children face in attending school and passing to a higher grade?
7. Do you think the CCT program has had an impact on the behavior of the children and their households? Why?, please explain
8. What do you think can be done to improve children's school attendance?
9. Overall, what do you think about CCT and how do you think it should be improved?

Interview Topics/Questions for Health Workers

1. Please describe your responsibilities with regard to CCT.
2. What type of training have you received and for how long in connection with CCT?
3. What are the difficulties you are facing in fulfilling your responsibilities with regard to CCT? What are the difficulties you colleagues have been facing in fulfilling their responsibilities? What would you do to improve things?
4. What are the main deficiencies of the health services (drugs, instruments, etc.)?
5. What do think are the main problems households face in accessing health services?
6. Do you think the CCT program has had an impact on the behavior of the households in accessing your services? Why?
7. What do you think can be done to improve households' access to health services (children and the elderly)?
8. Overall, what do you think about CCT and how do you think it should be improved?

Interview Topics/Questions for CMC members

1. Please describe your responsibilities with regard to CCT.
2. What type of orientation/training have you received and for how long in connection with CCT?
3. What are the difficulties you are facing in fulfilling your responsibilities with regard to CCT? What are the difficulties you colleagues have been facing in fulfilling their responsibilities? What would you do to improve things?
4. What do you think have been the major problems/challenges of CCT? Do you think these problems and challenges have been overcome/addressed?
5. Would you do things the same way if you had the knowledge you have today? What would you change?

6. What do you think are the capacity weaknesses of LGA, VC, and CMC? What can we do to address these weaknesses?
7. CCT has conditionalities (use of educational and health services). Do you think educational and health service provision are adequate enough? What are their problems?
8. What can we do the address some the problems of the educational and health services?
9. In your opinion what can we do to improve the program (better targeting, more efficient delivery, improving the lives of the very poor in a better way)?

Interview Topics/Questions for Village Council members (Chair, Village Executive Officer, other three members of the village council who are responsible for CCT)

1. Please describe your responsibilities with regard to CCT.
2. What type of orientation/training have you received and for how long in connection with CCT?
3. What do you think have been the major problems/challenges of CCT? Do you think these problems and challenges have been overcome/addressed?
4. Would you do things the same way regarding CCT if you had the knowledge you have today? What would you change?
5. What do you think are the capacity weaknesses of LGA, VC, and CMC? What can we do to address these weaknesses?
6. CCT has conditionalities (use of educational and health services). Do you think educational and health service provision are adequate enough? What are their problems?
7. What can we do the address some the problems of the educational and health services?
8. In your opinion what can we do to improve the program (better targeting, more efficient delivery, improving the lives of the very poor in a better way)?

Beneficiary Group Interview Topics/Questions

1. Which school are your children enrolled and attending?
2. Does the school have relatively adequate facilities and teachers? Please explain the situation of the school your children are enrolled and attending.
3. Please explain your understanding of CCT (especially with regard to school attendance).
4. Please explain the conditions (co-responsibilities) attached to CCT (especially with regard to school attendance).
5. What do you think the impact of CCT has been on your household?
6. Do you think as a result of CCT your children are better attending school? Why? Please explain. If they are now attending school better, what was the problem before?
7. What about other members of your community – what is the problem with children's school attendance? How can it be improved? What is the problem of the children in your community that hinders them from passing school exams? What can be improved?
8. What type of health facilities is available in or around your community? How far is it located from your home?
9. What types of services are available at the health facility? What is the quality of the staff at these health facilities?
10. Are you using these facilities on a regular basis?
11. What problems are you or other community members facing in accessing the services of the health facility in your area – for children and for the elderly?

12. What is the cost of going to the health facility?
13. Please explain your understanding of CCT and its conditionalities with regard to health facility.
14. Do you think as a result of CCT your children and/or the elderly are visiting health facility more often? Why? If they are now visiting health facilities more often, what was the problem before?
15. What are you major concerns with regard to the health facility? What do you thing should be done to improve service delivery at the health facility?
16. What are you major concerns with regard to the schools? What should be done to improve services in schools?
17. Have you been able to voice your concerns to CMC, VC and/or LGA? What has been their response?

ANNEX 2

1. Report of Field Visits to the Pilot CB-CCT Villages of Bagamoyo and Chamwino

General Conditions of Pilot CB-CCT Villages

Villages visited for the purpose of this study included Mataya and Fukayosi in Bagamoyo and Nkwenda and Ilewelo in Chamwino. These villages are made up of a number of hamlets or sub-villages which may be very far from each other and from the public services available at the center. None of the villages has paved roads, piped water, or electricity. This is the case of even Mataya which is only 12 km from Bagamoyo, has attracted government investment for the establishment of industrial estates, and is experiencing a surge in land transactions caused by an influx of buyers who want to use the land for either vacation homes or intensive farming. The central hamlet of Fukayosi is also located strategically on the major highway connecting Dar es Salaam and Dodoma. However, its other hamlets or sub-villages are scattered and one of them is reportedly 16 km from the center. While agriculture, which includes raising goats and chickens, constitutes the main economic activity in the area, its produce may be supplied to processing plants that operate in the area. Fukayosi is considered about average in terms of prosperity as there are some villages with better land and water. Its residents mostly buy water. Although there is a rain water reservoir/dam in the area, they cannot benefit from it during the dry season. No major scarcity of land is discernible in the visited villages. For example in Ilewelo, which has 578 households or 4535 persons, all CB-CCT beneficiaries seem to have access to land but because of the draught they have not been able to cultivate them. Also, the means they have at their disposal to cultivate their lands is quite traditional and not very productive. Household sizes in the villages are large, which is a reflection of high fertility rates in rural area. Furthermore, there is little evidence of large-scale out-migration, a significant urban pool, or receipts of migrant remittances in the villages. Finally, there are some instances of NGO activity on HIV/AIDS and most vulnerable children (MVC), WFP activity, water association, and cooperative arrangements in the villages.

Beneficiary Opinions in Pilot CB-CCT Villages

Based on the results of group interview conducted in Mataya (Bagamoyo), CB-CCT beneficiaries are satisfied with the quality of education and health care provided to their children by the school and at the dispensary. While they see some improvements in their lives as a result of CB-CCT and highlight some economic activities they have been able to undertake using their cash stipends (buying chicken and goats), they do not believe to be ready to go off the program without plunging back into their previous situation. Furthermore, they believe that the elderly should stay on the program as most of them may not have any means to engage in productive activities. They also think that there may be some people who are quite deserving of being on the program but are not (which means they are upset).

Group interview with beneficiaries in Fukayosi (Bagamoyo) reveals that most women are spending CCT money wisely. They are using their stipends on school supplies for their children,

food, transport (including student transport), and buying local chicken, but also to cultivate their lands or to pay others to cultivate their lands. CCT has created skills in households regarding accounting and budgeting. During payment day, beneficiaries have to come to the center which may cost some people up to Tsh 5000. Beneficiaries believe that while households with secondary school children must incur more costs as compared to those with primary school children, CCT does not cover them for that. Beneficiaries believe that the dispensaries are providing good service.

Comparing their situations before and after the program, beneficiaries of Nkewenda in Chamwino believe that the stipends have allowed all households to send their children to school and cover their schooling needs as well as to better benefit from the health facilities. The reason they were reluctant to use the dispensaries for children and the elderly in the past was that they did not know it was free. Beneficiaries had invested some of their money in buying goats and chickens as well as houses. In Ilewelo (Chamwino) beneficiaries have used their cash stipends to buy CHF, goats/chicken, school materials and food. In particular, all beneficiaries seem to have purchased the CHF.

The examples of improvements provided by the interviewed beneficiaries should be interpreted as excitement and sensitization to the program as well as improved consumption (for example for the children who are going to school) rather than final health, education, and poverty alleviation outcomes. Furthermore, the examples of economic activities cited by beneficiaries are really non-bank savings. These findings are more in line with those of the quantitative part of the impact evaluation. The findings indicate that a very basic social safety net has been provided to the beneficiaries both psychologically and in reality and the compliance conditionalities are also more or less welcome by them. As discussed later, for the full expected impacts to materialize both a longer period and complementary activities are needed.

VCs and CMCs

For the purpose of CB-CCT, in each beneficiary village, a 14 member CMC acts as the payment agent and collects compliance records. Three VC members who deal with CCT issues are responsible for verifying documentation, receiving complaints, and data updates. The village executive officer ensures safety and security during payment day, facilitates VA meetings, and acts as a liaison between the district and the village. The executive officer collects compliance forms and gives them to the coordinator.

The CMC is composed of two rotating 7-person teams. Each team has payment, cashier, calendar follow-up, beneficiary welfare, and compliance positions. CMC members are appointed by VC and receive training from facilitators. Interviewed CMC members believe that few people resist compliance and a spirit of cooperation prevails in the villages. Some of them think that they should get some benefits as well (in addition to the minimal compensation they receive now). In other words, they think the workload is too big for the money they receive. In at least two of the villages, some beneficiary households live very far away and it is often difficult to get them their stipends. According to CMC members, informing them is difficult and also it is costly for them to come to the main area of the village to get their payments. CMC members would like to see TASAF provide some means of transport for them (for example bicycle).

As mentioned earlier the process evaluation report noted that while CMC members collected compliance records from the dispensary and schools they are not ensuring the accuracy of these data. Interviews conducted for the purpose of this study indicate the same – that CMC members are not in a position to make sure the compliance records are accurate. Despite this, interviews with CMC members indicate that they have developed their capacities through the project and are enthusiastic to do more. Overall, CMC members, the three VC members who work on CB-CCT in the villages, and the village executive officers seem to be happy about the tasks they must perform in conjunction with the program. In many cases, the reason a CMC member has volunteered for the job is that some of the very poor are related to some of him/her. The job also carries some prestige and they are getting some minimal allowance. Some state that because of CCT they have developed some skills in leadership as they are performing payment, cashiering, beneficiary welfare (proper use of funds, compliance, making home visits) and other tasks. As discussed later in the report, for CMC members to become true agents of change in the villages, they must develop their capacities further which in turn require further capacity development within the technical staff of local government authorities.

CB-CCT Technical Staff at the Districts

Two BC-CCT coordinators were interviewed for the purpose of this study. They have received training and provided training to facilitators with the help of TASAF specialists in several rounds. They nevertheless think that more training is always needed to get the concepts which take a bit of time since targeting and inclusion/exclusion are very sensitive issues. BC-CCT coordinators have about 4 staff at the center. Periodic data entry is mostly done by them (as well as some hired persons) while the initial data entry at the time of targeting was done by hired persons. Interviewed coordinators believe that while there were some capacity issues in the past, over time these issues have been addressed and the program is run more or less smoothly now.

The facilitators interviewed in Bigamoyo and Chamwino are community development officers or health development officers (or similar) hired by the districts and have been involved in the CCT since 2008. They state that they have received several rounds of the trainings and have been supported by TASAF throughout the activities. They claim that while the work has been challenging, they have learned to do it better over time and are now in a position to train others when the project is scaled up. They believe the remoteness of some villages and the fact that some beneficiaries may actually move to faraway places are major challenges. One of the issues they face is accommodation when they travel to remote areas. Risks involved in carrying cash for the transfers are also mentioned as a challenge (see below). In their opinion, on the average half of the beneficiaries have put their money to some productive use or repaired their homes. According to the interviewed officers, there is no district computer server which makes storing the entered data and communication with the central server problematic at times. They feel that it would be expedient to equip them with laptops so that they can enter data directly rather than carry bulky papers back and forth. Cameras to record housing situation of households can also increase targeting accuracy, according to them. Finally, increased allowance would be welcome by the facilitators.

Delays in Payments and Payment Security in Pilot CB-CCT Villages

There have been payment delays in the past noted in the reviewed project aide memoires and also in the main project web page. Specifically, last year the government decided to consolidate all bank accounts into six in each local government authority which resulted in payment delays. Interviews with the project staff and beneficiaries conducted for this study also indicate reveal delays in the last payment. Furthermore, interviewed VC/CMC members and district staff believe that on the one hand payment security is an issue considering the distances and on the other hand picking up payments is often costly for the beneficiaries again due to the distances. TASAF is working on a new way of transferring the cash stipends directly to beneficiaries using cell phone technology.

Condition of Service Delivery (Health and Education) in Pilot CB-CCT Villages

Deficiencies with regard to schools and health facilities were noted in the impact evaluation. They were also mentioned by interviewed district facilitators. In this connection, schools and health dispensaries of four villages were probed and those of another village were visited quickly. In this subsection, first, the conditions of these facilities are described. Subsequently, a discussion of the issues related to them is provided.

Condition of Schools Visited for the Study

The physical condition of none of the schools visited is optimal. They lack water, sanitary toilets, and electricity, which is a reflection of the general situation of the villages. Yet, some schools are in a better condition than others. There is no evidence that filling out the compliance forms is placing too much burden on the schools staff.

According to the head teacher of the pilot village of Mataya in Bagamoyo, the school has 8 teachers for 8 classes/levels, including preschool, and 264 students (6 of whom come from bordering areas of another village). Three teachers live in the village while others commute. Students go to school from 7:00 in the morning to 4:00 in the afternoon and they have a lunch break from 12:00 noon to 2:00 pm. The school has no electricity or piped water. Teachers interviewed for this study complain about inadequacy of housing/accommodation despite the fact that some new housing has been built for this purpose just a couple of years ago. This school was totally rebuilt around the time the program started. In fact, based on the interviews, in the past few years everything, from teachers to books to classrooms, had improved. As a result of all this, performances have improved year after year and in a dramatic way (in terms of passing the national exams). According to school records, last year all 4^{th} graders passed the national exam while only 2 out of 35 students failed the 7^{th} grade national exam. In relation to CB-CCT, the job of the head master is to monitor compliance and fill out the appropriate forms. He also provides support to facilitators and TMU during supervision. Interviewed teachers believe that the cash stipends provided to families under CB-CCT to keep their kids in school is too low to really provide for all the needs of a school-going child. Yet, according to them, because of the program, attendance and performance have improved while dropout rates have decreased. They think that, as a result of the program, differences between students have diminished (everyone looks the

same) and tensions have decreased. The reason for lower enrolment rates before was that some students could not buy uniforms, shoes, or notebooks. Also, some children lived with grandparents who might pull them out of school if they failed one year. The school teachers think it would be very expedient to have computers to be able to better monitor compliance. Although the school has no electricity, it is possible to charge laptop batteries using solar energy. Despite the above-mentioned improvements, the teachers still think the school is inadequate in terms of library, electricity, teachers' toilets, staff housing, and computers.

The school in Fukayosi (Bagamoyo) similarly has 8 levels (preschool to 7th grade) and teaches a total of 476 students (246 boys and 230 girls) with 9 teachers for various subjects. Since some sub-villages are in considerable distances, there are also satellite schools covering up to the 2nd grade educaiton. Overall, as a result of the distances, attendance is less than desirable. Some students come one day but not the next. According to the school head teacher, last year 98% of the 4th graders passed the national exam. The corresponding figure was 80 percent for 7th graders. School teachers, since they started enforcing CB-CCT attendance compliance, have seen a great deal of improvement. Going to the secondary school is more difficult because of the distance and the costs involved. The school teachers believe that the program should also support secondary school enrollment. It should be noted that several of the beneficiary families have been able to send their graduates of the 7th grade to the secondary school. Teachers also believe that a food program should be introduced in the school. They have tried to start one on their own but have not been successful. They hope for some support and feel that since distances are long children really need to eat at the school and cannot bring food from home either.

The head teacher at Nkwenda of Chamwino has just come to this village from another village. He has rented a room and is looking for a larger place for his family. The number of teachers' houses is limited. The school has 10 teachers and 777 students (365 are CB-CCT beneficiaries). There are as many female students in the school as males. As Table 1 shows, some of the grades are absolutely overcrowded.

Table 1: Students per grade in Nkwenda (Chamwino)

Level	Number of Students
Pre-school	116
1st grade	107
2nd grade	105
3rd grade	113
4th grade	173
5th grade	25
6th grade	84
7the grade	54

Furthermore, as Table 2 indicates students have an erratic record of passing the 4th and 7th grade national exams. Part of the reason for the 4th grade overcrowding is failure in the national exam which is also reflected in the low 5th grade enrollment. The head teacher believes the reason for the erratic rate of success at national exams is absence of teachers and low quality instruction in previous years.

Table 2: Success in National Examination

Ratio of 4th grade national exam success:
Year 2010: 47/51
Year 2011: 80/83
Year 2012: 25/82
Ratio of 7th grade national exam success:
Year 2010: 18/84
Year 2011: 15/63
Year 2012: 39/57

The children of the head teacher in Ilewelo Village of Chamwino, which also provides up to Standard 7 education, do not go to the school where he is teaching. They are staying with relatives somewhere else. There is a shortage of teachers. A total of 150 boys and 174 girls are enrolled at this school which may indicate the absence of some boys. The teachers are also of the belief that some children in the area are not fully attending school. Ten years ago the school had only 40 students – an indication of improvements. Yet, the school is facing many shortages, from desks to sit on, to books to teachers. There are only 5 teachers for all the grades (up to grade 7). According to the statistics provided by the school, 5 out of 14 students passed the 7th grade national exam in the previous year while all the 15 fourth-graders were successful in their national examinations. One teacher stays at a house provided by the school whereas others reside in private homes. WFP and USAID are supporting a Food for Education Program that provides maize, beans, and oil to the schools.

Condition of Health Facilities Visited for the Study

In the district of Chamwino, there are 1 hospital (staffed by medial doctors), 5 health centers (headed by assistant medical officers), and 57 dispensaries (headed by clinical officers). Only a small percentage of the health centers and dispensaries have electricity (grid or solar panel) and water. In some dispensaries there is a bed for patients to potentially stay overnight. There is an outreach program for children under 5 in many areas. Specfically, there are 6 villages not close to any health facility which are served by the outreach program. The district has asked for TASAF's assistance for an outreach program covering the elderly, considering the distances. There is a shortage of housing for the staff of health facilities as well as great needs for solar panels. However, the relevant budget is prioritized and the pace of adding solar panels is slow. While visiting the health centers should be free for young children and the elderly even if they are not CCT beneficiaries, there is some indication of additional costs. Furthermore, the range of medicine available at the dispensaries is limited which means that some of the medicine must be bought elsewhere. The CB-CCT program has advocated the purchase of a health insurance scheme (CHF) by project beneficiaries so that entire households can benefit from free services at the dispensaries. Receptiveness to CHF varies in the villages visited for this study. In some, a large number of beneficiaries have purchased CHF, which has also meant increased visits to the dispensaries, while in others CHF is taking off more slowly.

The Mataya Dispensary has two workers – a clinical officer and a nurse. Housing is more or less provided for them. The dispensary lacks water and electricity from the grid although solar panels provide some electricity. It is open 7:00-15:30 but must also provide services at other hours t in case of emergencies. The staff can test for HIV and Malaria but they cannot keep a range of vaccines that require refrigeration or perform other types of lab work. The clinical officer at the dispensary believes they would need periodic training to keep up with the changes in the medical procedures. He also thinks that because of the lack of housing it is not possible to attract more staff. At the same time, according to the clinical officer, they are getting around 5 patients per day only, which includes all the mothers/children and the elderly who are supposed to visit the dispensary to comply with the conditions of CB-CCT. The clinical officer is hoping to get piped water soon (in two months).

The dispensary of Fukayosi in Bagamoyo, which was repaired through TASAF assistance, employs 3 regular staff, a clinical officer and 2 nurses, as well as 3 malaria specialists. It sees 30-40 patients per day – including about 6 elderly and 10-15 children half of whom are beneficiaries of CB-CCT. CB-CCT compliance for 143 children under 5 years of age and 282 elderly persons is monitored among the 4512 village residents by the dispensary. One challenge is that, due to CB-CCT activities, more people are seeking health services which may place pressure on the dispensary in the long run– including laboratory testing services. At the time-being, the dispensary has enough medicine which is resupplied every three months. If medicine arrives late, there is some revolving cash available to get it otherwise. Water is bought and part of its cost is covered by the village council. Overall, getting water is very difficult for the dispensary and is a major challenge. There is a rain water reservoir but it is too small. While water and electricity are lacking, there is prize money the staff of the dispensary are hoping to win if they can significantly enhance health indicators of their area. The prize money can be used to get electricity, according to the interviewed staff. Around 10 beneficiary households have paid for the insurance scheme. The village health committee is trying to get more to sign up.

In the village of Nkewenda in Chamwino, there is a clinical officer and a nurse employed at the dispensary. The interviewed nurse is of the belief that they are short of staff. The dispensary was built in 2005 by the government and currently benefits from a solar panel. Water is fetched from a well and its quality is poor. Overall, skin diseases are common in the village because of the low quality of water. There is a gas refrigerator whose cylinder is provided by the district every 2-3 months. The solar panel is for light. The interviewed nurse cannot say with certainty whether or not CB-CCT has increased the number of patient visits to the dispensary. But she believes they can handle more. There is no outreach program in this village as the sub-villages are not very far. A government-provided delivery kit is provided to every pregnant woman. The dispensary is run very well and looks tidy and organized. It should be used as an example of how to run a dispensary under difficult circumstances.

At the central hamlet of Ilewelo in Chamwino, a dispensary is being built which is much larger than the other visited villages. Some elderly from this village have visited the dispensary in the neighboring village, but the trip is quite expensive for them. There is currently an outreach program for children and mothers (until the dispensary becomes functional).

2. Report of Field Visit to Ilala (Saving Group Example)

For the purpose of this study, a savings group in Ilala near the Dar es Salaam was visited. Group members had been contacted and trained by municipal council staff and initiated their activities in 2008. The group comprises 14 women and 1 man. They have received at least three rounds of training since they started– on group management, loan management, and entrepreneurship activities. They continue to get advice from the municipal government and are meeting them at least 3 times a year. They have a cash box for the purpose of saving and are not depositing their money in the bank because the bank charges a fee. They have been saving Tsh 5000 twice per month. After 6 months they had 900,000 Tsh and started giving loans to individuals. The value of the fund is about Tsh 3 million. They charge 20 percent per 3 months on the loans. Individuals are responsible for repaying their loans. Five of the individuals have put their money together and started a shoe-making business. The local government/TASAF is helping them participate in exhibitions to market their products. The rest of the group members are individually involved in food vending and other activities.

The above saving group is promising. It has not really needed any seed money although interviewed group members involved in shoe-making think that seed money would have helped them to move up the production ladder much more quickly. Yet, this saving group has a great deal of access to inputs, market, and training.