

TANZANIA SOCIAL ACTION FUND



PRODUCTIVE SOCIAL SAFETY NET III

PAYMENT HANDBOOK

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Acronyms and Abbreviations

DED	-	District Executive Director
MoU	-	Memorandum of Understanding
PSSN	-	Productive Social Safety Net
PSSNC	-	Productive Social Safety Net Coordinator
PSSNA	-	Productive Social Safety Net Accountant
HHs	-	Household(s)
PAA	-	Project Area of Authority
PCT	-	Productive Cash Transfer
PMT	-	Proxy Means Test
TF2	-	Affidavit of Integrity
TF2B	-	List of Implementers
TF3	-	Preliminary List
TF4	-	Final List
TASAF	-	Tanzania Social Action Fund
VEO	-	Village Executive Officer
VA	-	Village Assembly
VC	-	Village Council

1 INTRODUCTION

Social protection payments under TASAF involve a structured process for determining benefit amounts, generating payment lists, approving payments, disbursing funds, and delivering transfers to beneficiaries in a timely, secure, and transparent manner. These processes rely on robust systems, including the TASAF Registry, the TASAF Management Information System (MIS), and the Government electronic Payment Gateway (GePG), alongside clearly defined roles at national, regional, PAA, and community levels. Payments are primarily delivered through electronic means, with limited use of cash-based modalities for beneficiaries facing digital access challenges.

This chapter has been developed to provide standardized guidance on the end-to-end social protection payment process under TASAF. It documents key procedures, responsibilities, timelines, controls, and risk-mitigation measures in line with the Total Quality Delivery Model. By harmonizing payment practices across stakeholders and delivery levels, the chapter aims to enhance consistency, accountability, predictability, and service quality in the delivery of cash transfers, thereby ensuring that social protection payments effectively contribute to poverty reduction and improved well-being of beneficiary households.

2 OBJECTIVE OF THE PAYMENT PROCESS

The objective of the Payment Process is to ensure the timely, predictable, and secure delivery of cash benefits to eligible beneficiary households on a bimonthly basis through a transparent and reliable payment mechanism. It stipulates the various processes to be implemented and the responsible parts, time and conditions.

3 DEFINITION AND PARAMETERS

Under PSSN III, the payment process is defined by clearly established parameters that determine the level, eligibility, and regularity of cash transfers to beneficiary households. The benefit amount is determined in accordance with the approved PSSN III benefit structure and varies based on household composition and specific vulnerability characteristics, including the presence of children, pregnant women, infants, and persons with disabilities.

Entitlements are assigned to enrolled households that have been validated in the TASAF Registry and remain active in the program, subject to verification of their

participation in community sessions. Payment to households is contingent upon compliance with program requirements, particularly attendance at required community sessions, as captured and verified through the program’s monitoring and information systems.

Frequency of payments is bimonthly, ensuring predictable and timely income support to beneficiaries. The benefit structure under PSSN III combines fixed and variable transfers designed to address immediate consumption needs while promoting human capital development and resilience among poor and vulnerable households (*see table below*).

Benefit Structure under PSSN III per month (in TZS)

Fixed/ Variable	Transfer category	Base (TZS)	Max (TZS)
Fixed	Direct support	14,000	14,000
Fixed	Disability	5,000	5,000
Variable**	Pregnant women & infants	7,000	21,000
Variable**	Primary	5,000	15,000
Variable**	Secondary	8,000	24,000

** Transfers are capped at three children for any given household, including infants.

4 RESPONSIBILITIES OF MAIN AGENCIES INVOLVED IN THE PAYMENT PROCESS

The payment process under PSSN III involves multiple institutions operating at national, district and community levels. At the national level, the process is led and overseen by TASAF through its relevant technical and management units; at the district level, Local Government Authorities / Program Area Authorities (PAAs) are responsible for coordinating and facilitating payment operations; while at the community level, Community Management Committees (CMCs) support the execution of payment activities. Payments to beneficiaries are primarily delivered through approved Payment Service Providers, including banks and mobile money operators, using secure and reliable electronic payment mechanisms. Each stakeholder has clearly defined roles and responsibilities, which are implemented in accordance with the procedures outlined in this chapter.

a) TASAF Management Unit (TMU)

The payment process will be managed by the TMU in coordination with PAAs and CMCs from areas participating in the programme. TMU responsibilities are detailed below:

- Ensure that the payment process is carried out effectively according to programme manuals.
- Verify the exact amount to be paid to beneficiaries.
- Ensure that the funds are being used efficiently and for the earmarked purposes.
- Coordinate and verify that financial operations by the TMU Financial Department are applied through the use of tools established for this process in order to carry out the various disbursements and controls involved.
- Ensure payments are received by the beneficiaries on a timely manner through a periodic monitoring process.
- Coordinate the investigation and solution of complaints presented in payment process.

b) Project Area Authorities (PAAs)

Under PSSN III, Program Area Authorities (PAAs) operate at the district level and play a coordination and oversight role in the electronic payment process. Their principal responsibility is to support the verification of beneficiary information, monitor compliance with program requirements, and ensure the accurate capture and validation of payment-related data in the TASAF Management Information System (MIS). Payments to beneficiaries are executed exclusively through approved electronic payment channels, and PAAs do not handle or disburse cash.

PAAs facilitate the implementation of electronic payments by coordinating with TASAF, Payment Service Providers, and community structures, as well as by supporting beneficiary sensitization and readiness for e-payments where required. Following each payment cycle, PAAs are responsible for reviewing payment reports, supporting reconciliation processes, and ensuring that payment-related information, including claims and updates, is accurately reflected in the MIS. The activities for the PAAs are the following:

- Support generation, review, and dissemination of electronic payment lists and summaries at district level
- Coordinate payment schedules and implementation arrangements in line with the PSSN Master Calendar

- Facilitate communication between TASAF, Payment Service Providers, Community Management Committees (CMCs), and beneficiaries
- Support beneficiary sensitization and troubleshooting related to electronic payments
- Review payment execution reports and support reconciliation processes
- Validate and capture payment-related information, claims, and updates in the MIS, or submit them to TASAF where direct system access is not available

c) Community Management Committees (CMCs)

Community Management Committees (CMCs) work directly with beneficiary households at the community level and support the effective implementation of the PSSN III payment process. An administrative and operational linkage is maintained between CMCs and the Local Government Authorities / Program Area Authorities (PAAs) to ensure smooth coordination during payment cycles.

Under PSSN III, CMCs do not handle or disburse cash, as all beneficiary payments are executed through approved electronic payment channels. CMCs play a facilitative and oversight role by supporting beneficiary verification, compliance monitoring, communication, and feedback related to electronic payments. Each CMC designates members responsible for assisting beneficiaries during payment periods and for liaising with PAAs on payment-related matters. The activities for the CMCs are the following:

- Support verification of beneficiary information and active status at community level
- Facilitate monitoring and confirmation of beneficiary participation in required community sessions
- Support timely submission of payment-related information, claims, and updates to the PAA
- Receive and disseminate payment information and schedules to beneficiary households
- Support beneficiaries in understanding electronic payment modalities and addressing basic payment-related challenges
- Report payment-related issues, complaints, and exceptions to the PAA for follow-up
- Support community-level monitoring, transparency, and accountability mechanisms related to the payment process

d) Payment Service Providers

Under PSSN III, payments to beneficiaries are delivered exclusively through electronic payment channels in collaboration with approved Payment Service Providers (PSPs), including commercial banks and mobile money operators, operating within Tanzania's national payment system. These entities are engaged through formal agreements with TASAF and play a central role in ensuring the secure, timely, and accurate transfer of funds to beneficiary accounts.

In coordination with TASAF and relevant government payment platforms, Payment Service Providers are responsible for the following:

- Open and maintain bank or mobile money accounts for beneficiary household representatives in line with regulatory requirements
- Execute bimonthly electronic disbursements directly to beneficiaries' bank or mobile money accounts as instructed by TASAF
- Receive and process electronic payment instructions generated through the TASAF Management Information System and routed via the Government electronic Payment Gateway (GePG)
- Ensure accurate routing of payments based on validated beneficiary identifiers and account details
- Provide transaction confirmations, reports, and reconciliation data to support monitoring, audit, and financial accountability
- Comply with all contractual, regulatory, and reporting requirements applicable to the PSSN III payment process

e) Government electronic Payment Gateway (GePG)

The Government electronic Payment Gateway (GePG) serves as the central platform for routing, controlling, and monitoring electronic payment transactions under PSSN III. Its key responsibilities include:

- Routing approved payment instructions from TASAF systems to authorized Payment Service Providers in a standardized and secure manner
- Enforcing validation checks on payment files, including account details, amounts, and authorization status, prior to execution
- Providing real-time or near real-time visibility of payment transactions to authorized government stakeholders
- Supporting automated reconciliation between TASAF, Payment Service Providers, and the government treasury systems
- Maintaining detailed transaction logs to support audit trails, financial reporting, and exception handling

- Enhancing transparency and accountability in the flow of public funds through end-to-end digitization

5 PAYMENT PROCESS AND PROCEDURES

Under PSSN III, the payment process encompasses the determination of benefit amounts, payment frequency, and the secure electronic transfer of funds to eligible beneficiary households. The process is designed to ensure predictable, timely, and transparent delivery of cash transfers through fully electronic mechanisms supported by robust systems and controls. Electronic payments under PSSN III are executed within a systematic and secure framework that enables accurate processing, monitoring, reconciliation, and reporting of payments to program beneficiaries.

Payment amounts for beneficiary households are calculated based on records of active and enrolled households maintained in the TASAF Registry, together with verified information on beneficiary participation in required community sessions. All payments are generated and processed through the TASAF Management Information System and routed electronically to approved Payment Service Providers (PSPs) via the Government electronic Payment Gateway. PSPs then credit the approved benefit amounts directly into beneficiaries' registered mobile money wallets or bank accounts.

5.1 Total quality delivery model.

Total quality delivery model is the process of delivering services efficiently and effectively according to conditional cash transfer procedure. It describes steps of events, responsible personnel and better use of resources. Under PSSN III, the e-payment mode is highly recommended except for beneficiaries with digital access challenge.

5.2 Payment generation process

The first payment is generated in the TASAF-MIS at TMU after the completion of targeting and enrollment, once the final list of eligible beneficiaries by Village/Shehia/Mtaa has been established in the TASAF Registry. Household enrollment takes place during the first community session, where information required to facilitate payment delivery is verified and any additional necessary details are collected. Enrolled households are those identified as extremely poor through the PSSN targeting process, which combines community-based targeting with verification using the Proxy Means Test.

Prior to payment generation, TMU conducts comprehensive data validation to confirm beneficiary eligibility and active status, completeness and accuracy of records, verified participation in required community sessions, and correctness of benefit calculations based on household composition. Any identified discrepancies or anomalies are documented and referred to the relevant units for resolution before payment files are finalized.

5.2.1 Functional Payment List Database

Under PSSN III, the Functional Payment List Database consists of electronic payment records generated and maintained in the TASAF-MIS and forms the basis for fully electronic benefit disbursement through approved Payment Service Providers.

Electronic versions of:

- i. Beneficiary Payment List per Village/Mtaa/Shehia, containing the names of Household (HH) Representatives, unique beneficiary identifiers, registered payment accounts (mobile money or bank), and the amount to be paid to each beneficiary.
- ii. Summary per PAA, showing the total amounts for each Village/Mtaa/Shehia and the aggregate amount for the PAA, used for electronic payment authorization, reconciliation, and reporting purposes.
- iii. Summary per Village/Mtaa/Shehia, indicating the total payment amount, number of beneficiary households included, and amounts related to payment reissuance, approved claims, and validated data updates.
- iv. Electronic Payment Receipt for each HH Representative, generated automatically in the TASAF-MIS as proof of payment execution and available for verification and audit purposes.

5.2.2 Merging of Databases According to Program Parameters

The payment generation process begins with the systematic merging of relevant electronic databases in accordance with PSSN III program rules and parameters. The following databases are integrated within the TASAF-MIS:

- Payment Corrections Database, generated from the claims and grievance resolution sub-process;
- Data Update Database, capturing validated beneficiary information updates; and
- Payment Reissuance Database, generated from payment execution and reconciliation reports.

No later than the last day of the seventh week of each bimonthly period, designated compliance and payment officers of the PCT Unit, merge and validate these databases within the TASAF-MIS to produce a final payment file for authorization and electronic disbursement.

5.2.3 Recurrent Non-Collection (Electronic Payments)

Under the fully electronic payment system of PSSN III, non-collection refers to situations where beneficiaries fail to access or withdraw electronically transferred benefits within the defined timeframe. In collaboration with Payment Service Providers (PSPs), a structured monitoring mechanism is established to track such cases. PSPs regularly submit to TASAF a list of households that have not withdrawn their payments within 120 days from the date the funds were credited to their accounts.

Upon identification, these households are flagged in the Management Information System (MIS) for follow-up. An assessment is then conducted to determine the appropriate course of action. Follow-up may be undertaken through PAA and CMC structures to verify the beneficiary's status and identify possible challenges, including account-related issues, SIM registration problems, identification constraints, or discrepancies regarding the legitimate household representative attending community sessions.

If non-withdrawal persists for two consecutive payment periods, and no valid justification is established, subsequent payments may be temporarily suspended in accordance with program guidelines. Suspension serves as a control measure to safeguard program resources while verification is undertaken.

Reinstatement and reissuance of payments are subject to confirmation of valid reasons and completion of the required claims and validation procedures within the system. Where reinstatement is approved, any eligible unpaid benefit will be processed electronically together with the subsequent payment cycle. This structured approach protects public funds, and ensures that electronically transferred benefits are accessed by the rightful beneficiaries timely

5.2.4 First and Second Payment Case

The first payment takes place immediately after enrollment. The PCT Program Officer generates the initial electronic payment list for newly enrolled beneficiaries directly from the enrollment database. The first payment does not

require merging with other databases, as enrollment is treated as initial compliance. The enrollment database triggers the first payment and is finalized by the eighth week of each bimonthly period.

The amount transferred is determined by household composition in accordance with the approved PSSN III benefit structure, including fixed transfers (direct and disability support where applicable) and variable top-ups linked to household characteristics such as pregnant women, infants, and enrolled students.

From the second payment onwards, payment generation incorporates validated data updates, approved claims, and reissuance records through the database-merging process described above.

The finalized payment list is automatically processed in the TASAF-MIS to generate electronic payment files, beneficiary payment records, and summary reports per Village/Mtaa/Shehia and PAA, which are then routed through the Government electronic Payment Gateway for disbursement by Payment Service Providers.

5.3 Payment documents verification

The verification process is conducted in a sequential manner across different levels, as outlined below.

First, verification at PAA level is carried out by the PSSN Coordinator (PSSNC), focusing on the completeness and consistency of payment information. This includes verification of the number of Wards and Villages/Mtaa/Shehia covered, assessment of any unusual variations in beneficiary numbers, review of payment amounts, and confirmation that approved updates and corrections have been appropriately accommodated.

Second, verification at TMU level is undertaken to review consolidated payment data across Regions and PAAs. This level of review focuses on identifying significant variances in beneficiary numbers, abnormal payment amounts, and overall consistency of the payment data against approved program parameters.

Third, the TMU Internal Audit Unit conducts an independent verification and validation of the payment documents, including the use of audit and data-analysis tools such as ACL software. Internal Audit assesses the integrity,

accuracy, and compliance of the payment data and provides clearance or advisory feedback based on the verification results.

Any anomalies or discrepancies identified during the verification process are documented and communicated to the relevant units for correction prior to final approval and onward processing of payments.

5.4 Payment Approval

Payment approval process follows the following protocol;

The generated Payment documents which will be in TASAF-MIS will be verified its correctness by TMU payment team, as per payment Verification procedure requirement, before the PCT Unit allows the PAA payment team to verify the same document accordingly. After all necessary corrections from PAAs is done, the resident TMO/PSSNC will confirm the correctness of payment documents.

Once verification process is completed, the respective PAAs carry out approval of the electronic payment transactions for their areas within the TASAF MIS. After the approval at the PAA level is finalized, the PCT Unit undertakes approval of the same electronic payment transactions at the national level within the system. After all system-based approvals have been completed, the PCT Unit prepares and submits a request for approval by the Executive Director for the disbursement of funds. This step marks the completion of the approval process. At the same time, the e-Payment Unit is informed that the approval process has reached its final stage, enabling it to commence preparations for executing the electronic transfer of funds to the Payment Service Providers (PSPs) through GePG.

5.5 Fund Disbursement

Once approval for disbursement is granted by the Executive Director, the PCT Unit upload the electronic payment transactions to the Financial Management and Accounting System, which is integrated with the PSSN MIS. After this submission, the Finance Department verifies the accuracy of the uploaded payment schedule in the Financial Management and Accounting System by comparing it with the approved physical payment schedule authorized by the Executive Director.

Upon successful verification, the Finance Department proceeds to transfer the approved funds from the TASAF account to the till accounts of the Payment Service Providers (PSPs) in order to enable payment to beneficiaries.

5.6 Transaction Confirmation and Acknowledgment

A formal transaction confirmation and acknowledgment process is undertaken upon execution of electronic payment transfers under PSSN III to ensure that funds have been successfully credited to the intended beneficiary accounts. Once the payment batch file is transmitted through the Government electronic Payment Gateway (GePG) to the approved Payment Service Providers (PSPs), the PSPs process the transactions and generate a detailed transaction status report. This report indicates whether each transaction was successfully credited, rejected, pending, or failed due to specific technical or account-related reasons. The transaction status data is automatically transmitted back to the TASAF Management Information System (MIS) and reconciled against the approved payment schedule. Each beneficiary record is updated in the system to reflect its payment status (e.g., Successfully Credited, Failed, Reversed, or Pending). At the same time, beneficiaries receive an automated SMS notification confirming that funds have been credited to their registered mobile money wallet or bank account, including key details such as the amount transferred and transaction reference number.

In cases where transactions fail or are rejected, the system flags the affected accounts for follow-up and corrective action before the next payment cycle. This structured confirmation and acknowledgment process ensures transparency, strengthens accountability, provides an auditable trail of electronic transactions, and verifies that public funds have reached the intended beneficiary accounts in accordance with approved payment instructions.

5.7 Reconciliation

Reconciliation is carried out between the TASAF MIS, GePG and Payment Service Provider (PSP) transaction reports. This process verifies that the total amount approved matches the total amount transmitted, credited, and recorded in the system, while identifying any failed, reversed, or pending transactions. Any discrepancies detected during reconciliation are documented and addressed before the next payment cycle to safeguard public funds and maintain full traceability of electronic transfers.

5.8 Grievance Redress Mechanism (GRM)

Beneficiary households have access to a structured Grievance Redress Mechanism (GRM) to address any payment-related concerns. This includes

complaints related to non-receipt of funds, incorrect payment amounts, failed transactions, unauthorized deductions, or payments credited to the wrong account. All grievances are formally logged in the GRM System, investigated within a defined timeline, and resolved in accordance with established procedures. Where necessary, corrective actions, such as payment adjustments or reissuance, are processed electronically in the subsequent payment cycle. The details of how the GRM system works is described in the GRM Handbook.