



## IMPACTS OF THE CHILD GRANTS PROGRAMME ON COMMUNITY DYNAMICS IN LESOTHO

### THE PROGRAMME

The Child Grants Programme (CGP) is an unconditional cash transfer targeted at poor and vulnerable households in Lesotho and is run by the Ministry of Social Development (MSD), with financial support from the European Commission and technical support from UNICEF-Lesotho.

The primary objective of the CGP is to improve the living standards of Orphans and Vulnerable Children (OVC) so as to reduce malnutrition, improve health status and increase school enrolment among OVC.

CGP began in April 2009 and provides a regular fixed transfer of M360<sup>1</sup> (US\$36) every quarter to poor households with children. The households are selected through a Proxy Means Test (PMT) and community validation.

### THE EVALUATION

This brief presents analysis and findings from a qualitative research case study conducted in April and May 2013 in Lesotho on the economic impact of the CGP programme.

The objective of the research was to explore the impact of the CGP

programme from the perspective of beneficiaries, non-beneficiaries and community leaders in villages of four Community Councils in the districts of Mafeteng and Leribe.

The research used two principal qualitative methods, Focus Group Discussions and Key Informant

Interviews, as well as participatory tools such as social mapping, well-being analysis, livelihood scoring, institutional mapping and proportional piling for income and expenditure analysis. The research team also undertook several in-depth household case studies.

1. As of April 2013 the payment has been indexed to family size, as follows: 1-2 household members (M360), 3-4 members (M600) and 5 and above members (M750) per quarter.

## Research areas and key findings

The research study examined the impact of the cash transfer in three interrelated areas: household economy, local economy and social networks.

### Household economy impacts

CGP is mainly used as a safety net and, more specifically, for household food requirements and children's educational needs. Beneficiary households reported being able to buy greater quantities of more varied and better quality foods. Beneficiaries were able to consume more protein, particularly around payment dates. The transfer also covered the costs of schooling for children, particularly for school uniforms, school trips and in some cases examination fees and fees for pre-school education. However, from the perspective of the beneficiaries, the transfer had little impact on their livelihood strategies because the transfer amount was considered relatively small, was to be spent on children, and came infrequently and irregularly. Beneficiaries talked about "continuing to do what they did before." In only a few cases did beneficiaries report new investment activities.

Some beneficiaries did, however, report reducing the amount of piece-work and casual labour, though only marginally and only around payment dates. There was indication that in some instances remittances, an important source of livelihood in Lesotho, were reduced during the payment month. Some beneficiaries were afraid of telling their non-resident family members that they were receiving the transfer for fear of having their remittance cut or reduced.



### Local economy impacts

Though not an objective of the programme, the CGP appears to contribute to the local economy by promoting consumption rather than increased production. Beneficiaries reported spending most of their income locally, but this was moderated by context, and depended on factors such as proximity to larger towns, payment size and location.

The CGP payment was made in larger lump sums on a couple of occasions due to missed payment dates.

During such times households were more likely to make more of their purchases from main towns since the proportional cost of transport was reduced. Beneficiaries nevertheless reported always purchasing some of their (more immediate) needs within their communities, often because they were able to buy items on credit. Shopkeepers noted increased sales around payment dates, often higher than at the end of the month. The research did not identify opportunistic price increases in the communities researched.



## Social networks

The CGP seems to alter risk-sharing dynamics in the communities, reducing beneficiaries' reliance on friends and neighbours. Beneficiaries stated that because of the programme they were able to "borrow" (and not "ask" – indicating no expected repayment) both informally and through the shops, and were deemed more creditworthy. In a few cases the programme enabled beneficiaries to lend to others. This change in the nature of reliance has the potential over time to boost beneficiaries' self-esteem and sense of self-worth.

At the same time, beneficiaries reported that the CGP had not led to the creation of new networks or in changes in the membership of existing ones. This was because

many beneficiaries were already members of those networks, such as funeral societies, in which they were able to contribute small amounts, but remained excluded from informal organizations that required larger entry fees.

On the other hand, the CGP created tensions in the communities visited for the study, between beneficiaries and non-beneficiaries, due to people's limited understanding of the selection criteria, their own sense of entitlement and the perceived exclusion of many deserving households.

The tensions were exacerbated by the limited information provided at community level – in many of the researched communities

non-beneficiaries were unclear why and how some households were selected and others not.

Finally, the programme had no discernible impact on gender dynamics, which were shaped by deeper historical and cultural norms that are currently evident. The research corroborated this even where women were often the main decision makers within the household. However, in some cases the transfers appeared to affect the intra-household decision-making processes from the perspective of children. The CGP promoted child awareness and rights, and children seemed well aware that the CGP was meant for them.



## Operational recommendations

The study also explored how and why various CGP operational arrangements affected impacts, and generated a number of important operational recommendations informing future expansion of the CGP.

### Improve the timeliness of payments for beneficiaries

The timely payment of CGP has been a challenge, with entire payments being missed and community members not being notified. We recommend a review of the payment process to identify major bottlenecks in releasing payments on time and to improve the process for notifying beneficiaries on payment dates or of delays in order to enable them to plan and minimize potential negative effects.

### Provide support to the VACs and link them with formal community structures

The VACs are not fully linked to community and local government processes or decentralized systems, or to the ongoing implementation of the CGP programme. We recommend more regular and continuous contact between district officials and VAC members, including periodic capacity strengthening. In the longer term we also recommend

linking the VAC to other existing local government or community structures to ensure a more sustainable community-based approach.

### Review the regularity and distance to payment points

Most beneficiaries interviewed expressed a preference for more frequent payment because their needs were immediate and constant. Additionally, some beneficiaries travelled long distances and sometimes incurred expenditures equivalent to 2-3 percent of the total transfer value. We recommend a review of payment points to ensure they are within a reasonable distance for most beneficiaries and to ensure that they are not located in control communities of the impact evaluation study. Relocation of payment points may have significant cost implications, however, which would need to be balanced with other priorities of the programme.

### Improve communication and awareness-raising

CGP programme officials provide regular and consistent messages to beneficiaries on the purpose and use of the CGP at payment

points. However, there is little communication at the village level, resulting in strained community relations, particularly during payment days. It is recommended that the information campaign is reviewed and implemented more systematically and regularly, especially at the broader community level to ensure the general public has a clear understanding of the programme, including opportunities to voice views and even complain, and by doing so diffuse tension and resentment.

### Ensure complementarities among programme initiatives

The National Information System underpins the CGP and is envisaged to be used for all future social programmes. While representing a significant tool for implementing such programmes, important questions need to be answered at policy level, including what programmes to introduce, for what objectives and for whom. A harmonized programme is envisaged, providing different types of support to the same households. This is promising but may be viewed as non-egalitarian by policy makers, thus reducing potential synergies. These issues merit further discussion.

## REFERENCES

**Oxford Policy Management.** 2013. Qualitative research and analyses of the economic impacts of cash transfer programmes in sub-Saharan Africa. Lesotho country case study report. Rome, FAO.

## FOR MORE INFORMATION

**Please visit:** <http://www.fao.org/economic/ptop/programmes/lesotho> **or write to:** [ptop-team@fao.org](mailto:ptop-team@fao.org)



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