

A Review of Social Assistance Grants in Swaziland

A CANGO/RHVP CASE STUDY ON PUBLIC ASSISTANCE IN SWAZILAND

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LIST OF ACRYNOMS

ADB	African Development Bank
CANGO	Coordinating Assembly of NGOs
CBO	Community Based Organisation
CFSAM	Crop & Food Supply Assessment Mission
CSO	Central Statistical Office
EU	European Union
FAO	Food & Agricultural Organisation
FODSWA	Federation of the Disabled in Swaziland
GDP	Gross Domestic Product
GOS	Government of Swaziland
HDI	Human Development Index
ILO	International Labour Organisation
MEPD	Ministry of Economic Planning & Development
MOAC	Ministry of Agriculture and Cooperatives
MOHSW	Ministry of Health & Social Welfare
MP	Member of Parliament
MVA	Motor Vehicle Accident Fund
NDS	National Development Strategy
NERCHA	National Emergency Response Council on HIV&AIDS
NGO	Non-Governmental Organisations
NMC	National Maize Corporation
OVC	Orphaned and Vulnerable Children
PAP	Public Assistance Programme
RHM	Rural Health Motivator
RHVP	Regional Hunger & Vulnerability Programme
SADC	Southern African Development Community
UNICEF	United Nations Children Fund
VAC	Vulnerability Assessment Committee
WFP	World Food Programme

EXECUTIVE SUMMARY

Introduction

This study is an assessment of social assistance in Swaziland, with specific focus on the Old Age Grant (OAG) and the Public Assistance Grant (PAG) which constitute the country's two largest cash-based social transfers. Social assistance refers to state funded social security benefits which are targeted to people in needy situations. The OAG provides for the elderly who are above the age of 60; and the PAG covers all vulnerable groups below the age of 60 who are not beneficiaries of any other grant or source of income. Prominent beneficiaries of the PAG grant are the destitute as well as persons with disabilities.

Both social assistance grants are an outcome of policy responses aimed at addressing income poverty. 69% of the Swaziland population are assumed to be living below the poverty line of US \$ 1 per day. This staggering statistic is a stark reflection of the hunger and vulnerability afflicting the nation. The key factors that underpin Swaziland's social vulnerability are the devastating impact of the HIV& AIDS pandemic with national HIV prevalence estimated at 39% in 2006; increasing food insecurity due to persistent drought conditions in certain regions of the country; low economic growth levels (below 2% in 2006/7); shrinking agricultural output and rising unemployment. In 2002 the unemployment rate was 34.2 %.

The outcome of the unfavourable socio-economic conditions has been a steep decline in the quality of life for the bulk of the population as well as increased vulnerability for children, the elderly and the urban and rural poor. The impact of HIV&AIDS, unemployment and rising poverty and the corresponding decrease in purchasing power exposes many households to food insecurity. These conditions made it imperative for the state to provide social assistance aimed at addressing income poverty. In the words of the Prime Minister, 'the payment of social grants was in line with government efforts to fight poverty' (Swaziland Today, No 24, 2006: 3).

An Overview of the Old Age and Public Assistance Grants

State provision of social security is impelled by a rights framework which defines social assistance as a socio-economic right. The right to social assistance obligates states to provide adequate standards of living to everyone; and this implies providing need-based forms of social benefits in cash or in kind to anyone without adequate resources.

In Swaziland both social assistance grants were instituted by the state and social assistance entitlements are enshrined in the constitution under sections 28, 30 and 31 of the Bill of Rights; which obligate the state to provide towards the welfare of the elderly, children and persons with disabilities respectively. A rights framework is crucial for enforcing the provision of social assistance benefits as well as protecting its beneficiaries from administrative injustice.

The Old Age Grant was a policy adopted by the government in response to the worsening plight of the destitute elderly, largely as an indirect consequence of HIV& AIDS. The loss of remittances from young family members and the increasing phenomenon of the elderly being care-givers for orphaned children as well as chronic drought conditions in certain parts of the country are key variables that informed the policy response. In the absence of enabling legislation, the regulatory framework for the Old Age Grant is a Cabinet resolution of 2005 and its operations are supervised by a Cabinet Subcommittee on Social Welfare. The grant is administered by the Department of Social Welfare. Social assistance for the elderly is widely accessible in Swaziland due to the fact that the OAG is disbursed through community centres (*Tinkhundla*) and social welfare offices. Local Parliamentarians, Headmen and Rural Health Motivators (RHMs) are responsible for ensuring that the destitute elderly can access the grant.

The Public Assistance Grant covers all vulnerable groups below the age of 60 who are not beneficiaries of any other grant or source of income. Grant beneficiaries are subjected to a means test and this ensures that the grant is effectively targeted towards its intended beneficiaries. A key strength of the grant is that it covers both medical and social disability. The PAG is directly supervised and administered by the Department of Social Welfare. The provision of this grant is subject to the availability of state funds and because it is discretionary, its budgetary allocation tends to fluctuate and this creates a precarious social security situation for its target beneficiaries. A related challenge is the limited number of beneficiaries that 'graduate' from the grant; particularly those (i.e. destitute youth) who have a higher potential for acquiring employment and self-sufficiency in the long term. This is largely due to the lack of corresponding employment and empowerment programmes that are linked to the grant. The grant is disbursed at regional social welfare offices in the country's four districts. Beneficiaries therefore incur significant travel costs in order to access the grant.

Table. Summary of the OAG & PAG

Type of Assistance	Target Beneficiaries	Number of Beneficiaries (2006)	Grant per person per month	Eligibility	Selection Criteria
Old Age Grant (Permanent)	Elderly	43,830	E 100 (US\$ 15)	Income poverty, age 60 and above	Universal
Public Assistance Grant (Temporary)	Destitute, Disabled, Chronically ill, mentally ill, widows	7,000	E 80 (US\$ 12)	No other source of income	Means Test

An Evaluation of Social Assistance Grants

In preparing to establish the Old Age Grant, the Ministry of Health & Social Welfare (MOHSW) carried out a situation analysis survey on the plight of the elderly poor, registered the elderly and developed procedures for issuing the grant. Thus the Old Age

Grant is operating as a universal scheme to address income poverty among the elderly. The Public Assistance Grant (PAG) on the other hand operates as a targeted scheme aimed at meeting the needs of the vulnerable who are below the age of 60. The enforcement of its target beneficiaries is much more effective due to the use of a means test.

An estimated two-thirds of Swazi rural households suffer some unusual shock during a given year, and these shocks tend to limit their ability to eat, live and retain assets in the manner which they were accustomed. Common shocks included high food prices, high costs of farm inputs, livestock diseases, bad weather, depletion of income, death or illness and violence. Strategies for coping with shocks mainly include extreme and non-extreme dietary changes (decrease portion sizes, decrease number of meals per day, eat less preferred foods and consume more wild foods) and asset disposal (spending savings; sale of household assets, agricultural implements, building materials, furniture or livestock, increase debt). Therefore both the Old Age and Public Assistance Grants play a significant role in shock mitigation. The grants are particularly significant for its beneficiaries in urban settings and drought prone regions where most households rely on food purchases for their main source of food. In the wake of escalating prices, the grants empower more people to afford their annual food requirement.

In Swaziland the poverty crisis is exacerbated by a distorted pricing and marketing regime for grain and cereals. Grains are traded in a monopolistic framework by the state owned National Maize Corporation (NMC), which has a monopoly over the importation of maize and is the main purchaser of maize from farmers. The milling companies are required to purchase their stocks from NMC rather than directly from farmers or externally. In 2005/6 NMC had a fixed price for purchasing maize from farmers and its price is double the SAFEX price for maize in South Africa which was R598/tonne).

Non-market regulated food prices are prone to unreasonable price escalations. For example in March 2007 maize prices doubled, thus undercutting the ability of most households to adequately meet their food requirements. Therefore the social assistance grants enable poor households afford meeting their annual food requirements.

Conclusion

The grant amounts are relatively small and therefore their effectiveness largely depends on a significant level of cross-subsidisation from other schemes and supplementary sources of income. Therefore the absence of a regulatory framework for social assistance remains a key challenge. A social assistance policy can provide an institutional structure that can help synchronise all social assistance programmes and maximise the cross-subsidisation benefits of various public transfers. At present the grants are subject to the vicissitudes of public budgeting and in the absence of a defined social assistance policy, their continued availability becomes highly uncertain. A key area that needs to be defined through the social assistance policy is the modality for grant increments to accommodate cost of living adjustments. A clearly defined policy prescribing standards and guidelines for access is also necessary for imposing much needed transparency to the grants.

A social assistance policy can also address the interventions that are required to empower the poor. For example, one of the key shortcomings of the PAG is that while it is designed to be transitory, there is a limited number of beneficiaries (especially the destitute) that actually 'graduate' from the grant; particularly those individuals (e.g. destitute youth) who have a higher potential for self-sustenance in the long term. This is largely due to the lack of corresponding employment and poverty alleviation programmes that are linked to the grant; as well as a lack of inter-agency collaboration on programmes that address skills development and employment creation for the vulnerable. Therefore the economic empowerment of destitute people is a key programmatic intervention that can be addressed through a social assistance policy. However such an effective policy can only come into effect through positive engagement in mutual partnerships and consensus building processes that allow for the participation of all relevant stakeholders. Swaziland has an activist Parliament that has clearly positioned itself to stand with the poor in challenging administrative injustice and bureaucratic practices that deny poor and vulnerable people access to their means of livelihood..

CHAPTER ONE

INTRODUCTION

This study is part of a CANGO/RHVP ‘Regional Evidence-Building Agenda’ (REBA) on vulnerability and social protection in southern Africa. The objective of the programme is to assemble evidence drawn from the range of different social transfer projects and programmes in the region, and to distil this evidence in order to yield useful insights and lessons for the design and implementation of scaled-up social protection in southern African countries. The emphasis of evidence-gathering by the REBA is towards types of social protection that involve social transfers of cash, food, farm inputs or other resources.

In this instance this study is an assessment of the social assistance programme in Swaziland, with specific focus on the Old Age Grant and the Public Assistance Grant which constitute the country’s two largest cash-based social transfers. Although the two grants are mutually exclusive, one has been tailored on the other (i.e. the Old Age Grant is tailored on the Public Assistance Grant) and the key qualitative difference has been in their scale and targeting criteria.

The objective of the study is to examine social assistance with specific reference to the following aspects:

- Targeting criteria used, their appropriateness in addressing relative vulnerability within target communities/households/individuals (e.g. what kinds and severity of vulnerability are associated with orphan status and other criteria used for this programme), and how effectively the targeting criteria are applied;
- Institutional framework for implementation of the grants;
- The cost effectiveness of social assistance grants;
- The scope for asset building created by the grants;
- Market impacts of the scheme;
- Views of beneficiaries and other stakeholders on scheme implementation and impacts;
- How the social assistance grants in question relate to the local and national institutional and political context for hunger and vulnerability, including links with government, civil society, and aid actors, and their complementarities with other social protection initiatives.

Report Structure

The report is structured into six chapters. Chapter one is the introduction. Chapter 2 outlines the legal framework underpinning social assistance in Swaziland. Chapter 3

examines the socio-economic context for social assistance. Chapter 4 is a detailed discussion of social assistance in Swaziland, with specific analysis of the flagship programmes. Chapter 5 represents an evaluation of these social assistance programmes and encompasses coordination, targeting, asset building and cost effectiveness aspects and chapter 6 is the conclusion.

CHAPTER TWO

THE LEGAL FRAMEWORK FOR SOCIAL ASSISTANCE

Social assistance is defined as that form of social security which is received by people in needy situations through non-contributory forms of support (Mashava, 2000: 1). Social assistance is also defined as a basket of direct, means tested financial benefits/services to the public which are funded from state revenues (ILO, 2001). Thus social assistance mainly targets vulnerable groups outside the labour market i.e. older people, people with disabilities, the destitute or the chronically ill, who cannot count on family support (ILO, 2001). In industrialised countries social assistance is generally used to plug the gaps left by other social protection schemes whereas in developing countries it is less prevalent (ILO, 2001). Social assistance whose benefits are financed through taxation complements the statutory (contributory) social insurance schemes common to formal sector employees. Statutory schemes are legislated schemes that draw supplementary contributions from both employers and employees and they include such benefits as pensions, unemployment insurance and medical assistance.

According to the ILO, social security strives best in open systems of government where vulnerable members of society are given ‘voice’ (ILO, 2001: 21). Therefore ‘the relative paucity of social assistance schemes in developing countries can be attributed not merely to the low levels of national income, but to the manner in which governments prioritise social assistance whose beneficiaries are normally of limited political influence’ (ILO, 2001: 25). Social assistance seeks to address asset, income and capability poverty. These types of poverty are each alleviated through specific measures:

- (a) Capability poverty: through education and health;
- (b) Income poverty: through sources of income;
- (c) Asset poverty: through access to resources.

Table 1. Beneficial Effects of Social Assistance

Economic	Social	Political
Makes people capable of earning an income	Promotes social cohesion and a sense of security	Represents a reflection of a strong state and effective government
Increases people’s productive potential (i.e. the disabled)	Facilitates the provision of adequate health and nutrition	Demonstrates a robust social development framework
Helps maintain effective demand (purchasing power)	Creates more secure environments for raising children	Promotes social justice
Maintains business confidence	Helps keep children at school (through child support grants)	Facilitates social inclusion; Upholds human dignity

Source: ILO, 2001

Social security systems respond to demographic challenges such as ageing and changing family structures. 'In sub-Saharan Africa and South Asia, statutory social security personal coverage is estimated at 5-10 per cent of the working population and in some cases decreasing; whereas in industrialised countries, coverage is close to 100 per cent (ILO, 2001:2). According to the ILO, a key reality of the globalisation era is that an increasing proportion of the world population (workers and dependants) are excluded from any type of statutory social security protection (2001:2). Such exclusion which is particularly pronounced in developing countries, is attributed to low levels of economic development; coupled with unfavourable economic conditions; as well as the labour market impact of globalisation; leading to a rise in precarious forms of employment such as casual work. Workers in precarious forms of employment enjoy limited social security protection and their vulnerability has a negative ripple effect on their dependants who are in turn exposed to greater levels of insecurity.

The increasing predisposition towards tax financed social assistance is also occasioned by the fact that most developing countries particularly in Sub-Saharan Africa have experienced a downward trend in their Human Development Index (HDI). The HDI is a composite index which measures achievement in three basic dimensions of human development, namely: a long and healthy life, knowledge and a decent standard of living. In Swaziland, the increasing population that is vulnerable is reflected by the country's Human Development Index trend which shows a decline from a medium to low human development since the 1990s.

Table 2. Swaziland HDI Ranking

Ranking	1990	1995	2000	2003
Swaziland-HDI	0.624	0.603	0.534	0.498
Lesotho HDI	0.571	0.573	0.520	0.497
South Africa HDI	0.735	0.742	0.696	0.658
Botswana HDI	0.681	0.659	0.596	0.565

Source: Human Development Report 2005, UNDP; 9th National HIV Serosurveillance Report, Government of Swaziland, 2004

International Instruments that Provide for Social Security

State provision of social security is impelled by a rights framework which defines social assistance as a socio-economic right. Socio-economic rights are justiciable to a limited extent and therefore the obligations they impose on the state are neither absolute nor unqualified. The right to social assistance obligates states to 'provide adequate standards of living to everyone; and this implies providing need-based forms of social benefits in cash or in kind to anyone without adequate resources' (Mashava, 2000: 5). Mashava argues that the right to social security is an 'access right' and this implies that the state is not necessarily the sole provider (Mashava, 2000: 13). The onus on the state is principally to provide adequate conditions for access to social security.

Swaziland does not have specific legislation on social assistance, though the Ministry of Health and Social Welfare (MOHSW) is in the process of drafting a Social Assistance Bill. However in spite of this limitation, Swaziland's social security framework and obligations can be located and subsumed through relevant key international instruments which the country has ratified. The rights to social security are further enshrined in Swaziland's constitution through specific provisions in the Bill of Rights and these are outlined below.

1. **The ILO Philadelphia Declaration (1944).** The declaration recognised the need for 'extension of social security measures to provide a basic income to all in need of such protection as well as comprehensive medical care' (ILO, 2001)
2. **The Universal Declaration of Human Rights (1948).** The declaration states that every member of society has the right to social security. It specifies that this refers to the right to medical care, to income security in the event of sickness, maternity, disability, widowhood, old age, unemployment and to social protection in respect of children' (ILO 2001: 19)
3. **International Covenant on Economic, Social and Cultural Rights.** According to Mashava, the right to social security constitutes a socio-economic right and Article 9 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) guarantees this right. States are hereto required to guarantee adequate standards of living to everyone; and this implies providing need-based forms of social benefits in cash or in kind to anyone without adequate resources (2001:5). However he argues that the right to social security is an access right'and this implies that the state is not the sole provider (2001:13). Elements of a rights based approach to social security include which are prescribed by the covenant include:
 1. Principles of Solidarity (public)
 2. Universality
 3. Adequacy and appropriateness (minimum standards of subsistence)
 4. Equality
 5. Administrative Justice

6. The African Charter on Human and Peoples' Rights

The charter obligates state parties to provide special measures of protection for the aged and disabled. According to Mashava, this provision may be interpreted as requiring state parties to provide old age pensions and disability grants to individuals, both of which are needs based grants from public funds' (2001:12-13).

7. The SADC Charter of Fundamental Social Rights

In article 56, member states commit to create an enabling environment for protecting the elderly. Protection relates to **retirees** and also to every other person not entitled to a pension and is without means of subsistence. The charter stipulates the provision of adequate social assistance covering basic needs and medical care. The also charter provides for additional concrete measures for the benefit of disabled persons (Olivier, 2001:11).

8. Convention on the Rights of the Child 1989.

The convention is a key framework for addressing the social security needs of children. The age group 0-11 years constitutes 33% of the Swaziland population and the convention acts a key voice for this vulnerable cohort. Below is a summary of the key articles that address the social security rights of children with respect to foster care (Article 6); disability (Article 23); social insurance (Article 26); child support for nutrition; shelter and clothing.

Article 6:

State parties shall ensure to the maximum extent possible the survival and development of the child.

Article 23

State parties recognise that a mentally or physically disabled child should enjoy a full and decent life, in conditions which ensure dignity, promote self-reliance and facilitate the child's active participation in the community.

Article 26

State parties shall recognise for every child the right to benefit from social security, including social insurance, and shall take the necessary measures to achieve the full realisation of this right in accordance with their national law.

Article 27:

State parties recognise the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development. Therefore State parties in accordance with national conditions and within their means shall take appropriate measures to assist parents and others responsible for the child to implement this right and shall in case of need provide material assistance and support programmes, particularly with regard to nutrition, clothing and housing.

Swaziland Constitutional Provisions on Social Security

Section 28 (Family Protection)

'Subject to the availability of resources, the Government shall provide facilities and opportunities necessary to enhance the welfare of the needy and elderly.' This provision establishes a constitutional basis for the Old Age Grant.

Section 30 (Rights of the Child)

'A child has the right to the same measure of special care, assistance and maintenance as is natural for its development from its natural parents, except where those parents have effectively surrendered their rights and responsibilities in respect of the child in accordance with the law'. This provision establishes the constitutionality of child welfare and foster care grants.

Section 31 (Persons with Disabilities)

- (1) *'Persons with disabilities have a right to respect and human dignity and the Government and society shall take appropriate measures to ensure that those persons realise their full mental and physical potential.'*
- (2) *'Parliament shall enact laws for the protection of persons with disabilities so as to enable those persons to enjoy productive and fulfilling lives.'*

Section 34 (Right to Administrative Justice)

- (1) *'A person appearing before any administrative authority has a right to be heard and to be treated justly and fairly in accordance with the requirements imposed by law including the requirements of fundamental justice or fairness and has a right to apply to a court of law in respect of any decision taken against a person with which that person is aggrieved.'*
- (2) *'A person appearing before any administrative authority has a right to be given reasons in writing for the decisions of that authority.'*

CHAPTER THREE

THE SOCIO-ECONOMIC CONTEXT FOR SOCIAL ASSISTANCE

According to the ILO, ‘the sustainability of social security programmes depends on a viable balance between and across national economic, social and development policies i.e. labour market, economic growth, investment, food production etc’ (ILO, 2001). In order to attain this balance, social security programmes have to be developed on a sound empirical basis that takes into consideration the key structural variables that underpin a society. A key objective of social assistance is to plug the gap for those who fall outside the social safety net, namely the vulnerable. Therefore an effective assessment of the social security framework in Swaziland requires an understanding of the socio-economic context of vulnerability. We focus on the three major dimensions of vulnerability in Swaziland, namely, HIV & AIDS, unemployment and food insecurity, including a presentation of key socio-economic data. Table 3 below presents some of the key socio-economic indicators for livelihoods; and table 4 depicts a snap demographic profile of households in Swaziland which informs us about the size of the household as well as the burden of responsibility on heads of households.

In the words of the Finance Minister: ‘69% of our people are languishing in poverty. The problems of hunger and homelessness persist, and the living standards of a number of Swazis, particularly in rural and peri-urban areas, continue to deteriorate’ (Ministry of Finance, 2007). The key factors driving this negative socio-economic trend are the devastating impact of the HIV& AIDS pandemic with national HIV prevalence estimated at 39% in 2006; increasing food insecurity due to a persistent drought in certain regions of the country, shrinking agricultural output and rising unemployment. The outcome has been a steep decline in the quality of life for the bulk of the population as well as increased vulnerability for children, the elderly and the urban and rural poor. These factors have combined to force a decline in the economic growth rate from 2.8% in 2002 to just over 1% in 2006/7. This is in stark contrast to economic growth on the African continent which has been at an average of 5% for the past three years (Government of Swaziland, 2007b). Similarly the country’s biggest trade partner, South Africa, grew by 4.4% in 2006. The government estimates that Swaziland’s economy requires growth rates of 5% and above in order to achieve the Millennium Development Goal of reducing poverty by half by 2015 (Ministry of Finance, 2007).

Table 3 Macroeconomic Indicators affecting Livelihoods

Indicator	1990	2004	2005	2006
Inflation	n/a	3.4	4.8	5.3
GDP Growth	n/a	n/a	2%	1.7%
Share of Agriculture in GDP	13.9%	6.9%	16%	n/a
Unemployment	n/a	n/a	30%	29%
Poverty Level (Population Below \$ 1 a day)	n/a	n/a	n/a	69%

Maize Production (tons)	n/a	74,000	82,240	67,130
Dependency Ratio	n/a	91.3%	n/a	n/a

Source: FAO/WFP 2005, CSO, 2005& 1995, VAC, 2006

Table 4 Swaziland Demographic Profile

Indicator	1995	2006	<i>Urban</i>	<i>Rural</i>
	%	%	%	%
Population Proportion of elderly (60+)	4.5%	5.3%	2.8	4.9
Population Proportion of elderly (65+)	2.2	2.7		
Male headed households	72.6%		77.8	69.9
Female Headed Households	27.4%		22.2	30.1
Single person households	10%		90%	10%
Households with no children	25%		50%	11%
Elderly headed households (65+)	13.5		6.7	17
Average Household size	6.3 persons		3.8 persons	7.6 persons
Average size of elderly (65+) headed households	7.7 persons		4 persons	8.5 persons

Source: SHIES 1995, UNDP

Unemployment

The rate of unemployment was 34.2% in 2002 with 37% and 31.3% for males and females respectively. This situation is believed to have worsened recently, as a result of high business closures in the textiles industry and the continued decline of sugar prices in the world market. In 2005 the manufacturing sector shed some 10,000 jobs, representing 11% of formal sector employment. The unemployment trend is aggravated by the contraction of the Swazi economy, recording 2% and 1.7% GDP growth rates in 2005/06 and 2006/07 respectively. In stark contrast, the labour force has been growing at an average of 5.2% per annum. A key challenge facing households, especially elderly-headed households, is youth unemployment which is estimated at 60% in spite of their literacy rate of 91% which is high by African standards (ADB, 2005). In the 20-30 age

groups the unemployment rate is 40% and in rural areas it averages 34%, reaching 52% in Shiselweni district (Ministry of Finance, 2007). Youth unemployment is further compounded by their exclusion from existing social safety nets and the dearth of empowerment and employment generating programmes.

Reform of the EU Sugar Regime through which Swaziland has been selling its sugar is expected to lead to a further cumulative decline of 36% in the price receivable for sugar over a four year period 2006-2010. The poor performance of the sugar industry has a devastating effect on the lowveld and middleveld economies and particularly for small-scale sugarcane farmers on both title deed and Swazi Nation Land. From the mid-1990s to the present a large segment of lowveld and middleveld communities made a switch from maize (mainly subsistence) to sugar (cash crop) farming, riding on expectations of high returns in the sugar industry. The full impact of the sugar crisis on livelihoods has not yet been studied; however there is already sufficient anecdotal evidence of business failure and growing indebtedness. One of the strategic responses by the state to the sugar crisis is the development of a Comprehensive Agricultural Sector Policy, which is under preparation.

The introduction of minimum wages for all workers of colour at independence, mechanisation and structural changes in the South African mining industry has led to high retrenchments also affecting Swaziland migrant mineworkers. The number of migrant workers declined from 16,000 in 1995 to less than 8,000 in 2002. The decline in the number of official migrants has impacted negatively on the inflow of remittances to Swaziland. Remittances are a major source of income and livelihood for many Swazi households and rural agriculture has largely depended on remittances for farm and agricultural inputs (ADB, 2005: 18).

Food Insecurity

Diminishing crop harvests over consecutive seasons has been a major cause of vulnerability. In 2005/06 the crop harvest was 6% below the previous five-year average and this is mainly attributed to due to poor rainfall, particularly in the Lowveld and Lubombo climatic regions (FAO/WFP, 2005). Generally, farmers have also been experiencing a steadily declining crop yield due to environmental degradation. Reduced income from the land has made it difficult for farmers to invest in necessary soil beneficiation interventions in response to the changing climate. MOAC efforts to encourage farmers to switch to more drought-resistant crops have had a limited impact. In 2005/06, an estimated 227,000 people faced severe food shortages (FAO/WFP).

The reduced per capita consumption of maize without cross-substitution with other foods indicates that households are consuming less food, which points to declining nutritional status. In Swaziland, all regions were found to be experiencing medium to high prevalence of malnutrition (Swaziland Vulnerability Assessment Committee, 2006). Such vulnerability is attested by the continuing decline in the country's Human Development Index (HDI). The HDI is a composite indicator of income, health and education which

measures changes in human well-being. The HDI dropped from 6% in 1995 to just below 5% in 2003 (UNDP, 2005).

According to the FAO/WFP Crop and Food Supply Assessment Mission Report, ‘time series data indicate that maize production is on a downward trend in Swaziland’ (FAO/WFP, 2005: 2). The total maize area planted in 2004/5 was 89% of the average derived from 1999/2000-2003/4. The report noted that food access remains precarious for many households (see Table 3) particularly in the Lowveld, Middleveld and Peri-Urban regions partly due to the impact of HIV&AIDS, unemployment and rising poverty which lead to low purchasing power and diminished livelihoods (FAO/WFP, 2005: 2). This diminished purchasing power comes against the backdrop of an increasingly high cost of farm inputs. In 2004/05 the Lowveld experienced a 50% crop failure due to chronic drought conditions (FAO/WFP, 2005: 9). Maize accounts for approximately 70% of the total cereal consumption and 63% of the calorie intake, per capita. Rising maize imports due to declining domestic production have led to a reduction in per capita consumption of cereal.

Table 5 Vulnerability Across Livelihood Zones

Region	Total Rural Population	Rate of Employment Opportunities	Average Yield (tonnes/ha)	Main source of food for		Average months with Food Deficit
				Better off households	Poorer households	
Lowveld (cattle, cotton, maize)	206,000	25% of normal	0.30	Own crop production (47%)	Purchases (59%)	4.5
Peri-Urban		50% of normal		Purchase		5
Dry Middleveld	138,000	25% of normal	1.20	Own crop production (48%)	Purchases (51%)	2
Moist Middleveld	129,000		1.80	Own crop production (48%)	Purchases (53%)	4
Highveld & Timberlands	326,000		2.25	Own crop production (41%)	Purchases (41%)	
Lubombo Plateau	24,000	Normal	0.50	Own crop production	Purchases	

FAO/WFP2005

The Impact of HIV& AIDS

In terms of demographics, it is estimated that by 2010 the population of Swaziland will be 25% less than it would have been without the disease (ADB, 2005: 23). Thus HIV has had a disproportionate impact on the most productive labour force and it has also struck a devastating blow to labour force participation as people become sick and the healthy relatives are drawn into care-giving roles. Table 7 starkly highlights the impact on farming patterns, land cultivation and farm production. In the wake of HIV& AIDS, household food production is severely hampered by the high morbidity and mortality

rates among women; particularly because women assume the roles of caregivers, caretakers and breadwinners. Additional effects of HIV& AIDS include increasing household expenditures to cater for illness related expenses and a change in income sources away from crop sales and remittances to non-farm casual labour and livestock sales (FAO/WFP, 2005). The diversion of labour from farms coupled with declining disposable incomes for purchasing agricultural inputs all works to exacerbate food insecurity.

Table 7 Impact of HIV&AIDS on Household & Farm Output

	No Deaths	Non-AIDS Related Deaths	Aids-Related Deaths
FARMING	PATTERNS %	%	%
Reduction in Area under cultivation	7.8	18	38.5
Increase in healthcare costs	10	13.9	22.1
Reduction in crop yield	14.8	21.3	47.1
Change in cropping pattern	20	30.3	42.3
School drop-out due to lack of fees	16.1	25.4	44.2
Diversion of labour to care giving for sick family member		23	30.8
Loss of remittances due to death of family member		19.7	38.5
	No Deaths	Non-AIDS Related Deaths	Aids-Related Deaths
IMPACT ON	FARM	PRODUCE	
Maize	35.06 bags	16.05 bags	19.01 bags
Cattle	13.61 herds	9.583 herds	4.027 herds
IMPACT ON	LAND	CULTIVATION	
Amount of land cultivated	84.2%	50%	34.2%

Source: ADB, 2005

CHAPTER FOUR

SOCIAL ASSISTANCE GRANTS IN SWAZILAND

There are two main types of social assistance in Swaziland, namely the Old Age Grant targeting the elderly, and the Public Assistance Grant which addresses a broader mix of vulnerabilities, namely, disability, destitution, illness and disaster. Table 5 is a summary of the social assistance framework in Swaziland.

Table 8. Summary of Social Assistance in Swaziland

Type of Assistance	Target Beneficiaries	Number of Beneficiaries (2006)	Grant per person per month	Eligibility	Selection Criteria
Old Age Grant (Permanent)	Elderly	43, 830	E 100 (US\$ 15)	Income poverty, age 60 and above	Universal
Public Assistance Grant (Temporary)	Destitute, Disabled, Chronically ill, mentally ill, widows	7,000	E 80 (US\$ 12)	No other source of income	Means Test
Pensions (Permanent)	Ex-servicemen	180	E 500 (US\$ 77)	Ex-serviceman	
Pensions (Permanent)	Ex-servicemen widows	800	E 200 (US\$ 31)	Ex-serviceman widow	
School Fees & Clothing (Temporary)	Destitute Children	100	Discretionary	Destitution	Means Tested
Fire & Disaster Fund (Once-off)	Fire & Poverty Victims	150	Discretionary	Disaster Stricken	Availability of funds
Institutional Grants (Temporary)	Voluntary Organisations		Discretionary	Provision of social assistance/ relief programmes	Availability of funds

THE OLD AGE GRANT

The Old Age Grant was a policy adopted by the government in response to the worsening plight of the elderly, largely as an indirect consequence of HIV& AIDS. The loss of remittances from young family members and the increasing phenomenon of the elderly being care-givers for orphaned children as well as chronic drought conditions in certain parts of the country are key variables that informed the policy response. The grant was also essentially a formalisation of emergency relief efforts already being provided by development agencies. Targeted assistance to the elderly was spearheaded by NGOs such as *Philani Maswati*, a charity organisation under the patronage of the Queen Mother. Other key stakeholders had also started calling for a more systematic mechanism for

addressing the plight of the poor. The Poverty Reduction Strategy called for a sustainable programme for enabling the elderly and orphans to feed and clothe themselves (MEPD, 2002: 29). In pronouncing the grant, His Majesty the King acknowledged the influential role played by *Philani Maswati* in respect to the grant and further challenged the nation to work out a programme and strategies to help the elderly people in society.

‘One outcome of the HIV&AIDS pandemic is the effect on our elderly. HIV and AIDS continues to kill a lot of our young people who leave behind orphans and uncared for elderly parents. Some of these elderly people sometimes go without basic support and yet they are expected to also care for the orphans. The nation recognised this problem at *Sibaya* meetings, and requested government to address the challenge.

We are happy that Her Majesty the *Indlovukazi* has already taken the lead, through *Philani Maswati*, to show us all that we must care for the elderly people and to ensure their last days are full of happiness and fulfilment. It is in the light of such difficulties, in which our elderly people live, that government has decided to increase the annual allocation to the social security fund to E30 million for the benefit of our elderly poor citizens.’

(HMK, Mswati III, 2005, Speech from the Throne)

In the absence of legislation, the regulatory framework for the Old Age Grant is a Cabinet resolution of 2005 and its operations are supervised by a Cabinet Subcommittee on Social Welfare. All elderly citizens above the age of 60 are eligible for the grant; the only caveat being that a person must not be in receipt of an employment pension. According to the 1997 census this age cohort was 5% of the entire population. In 2003 those aged 65 years and above represented 2.7% of the population. In terms of constitutionality, the grant is provided for in the Bill of Rights section 28(6) on Family Protection, which states that: ‘*Subject to the availability of resources, the Government shall provide facilities and opportunities necessary to enhance the welfare of the needy and elderly.*’

Application Process

The application procedure for accessing the grant is through registration which is carried out in communities. New beneficiaries are submitted on an ongoing basis by Members of Parliament (MPs) and community leaders.

Beneficiary Authentication Procedure

The primary proof required for authentication is an electronic ID which has a personal identification number (PIN). However the launch of the grant coincided with the process of issuing the new electronic IDs for all citizens. Delays in the ID issue process obliged the Department of Social Welfare allow the use of other identity documents such as passports and driver licenses as proof of identification. This flexibility led to a swelling number of beneficiaries and some people were believed to have increased their ages and applied for new passports. The use of different forms of identification is viewed as an avenue for ineligible people to take advantage of the Grant.¹ The identity of beneficiaries

¹ Interview with Director of Social Welfare, 27/02/07, Mbabane.

is authenticated using thumbprints which are corroborated by community leaders (*Bucopho*) in each constituency.

The number of beneficiaries increased from 43, 830 in 2005 to approximately 60,000 in 2006/07. The department believes that new beneficiaries actually include people who are drawing a pension from their former employees. For the department, it has been difficult to screen pensioners especially from the private sector, because the pension funds use different identification instruments which do not necessarily match with the ID PIN.

Access

Social assistance for the elderly is widely accessible in Swaziland due to the fact that the social assistance grants are administered through a community outreach arrangement. The facilitating role of MPs, community leaders and Rural Health Motivators (RHMs) plays a crucial role in reducing access costs for the vulnerable. MPs and RHMs carry out home visits in their respective areas to register candidates who are eligible for the grant. The grants are disbursed at civic centres (*Tinkhundla*) which are within close proximity to homesteads as well as at regional welfare offices. There are a total of 55 *Tinkhundla* centres across the country. The utilisation of community civic centres reduces the time and travel costs which grantees would have to incur in order to access the grant in towns and cities.

THE PUBLIC ASSISTANCE GRANT

The Public Assistance Grant covers all vulnerable groups below the age of 60 who are not already beneficiaries of any other grant or source of income. Prominent members of this category are the destitute as well as persons with disabilities. The grant includes a special item for purchasing prosthetic and assistive devices for the disabled. The PAG is subject to the availability of state funds and it further lacks the political currency enjoyed by the Old Age Grant. The total grant outlay therefore fluctuates across the years, sometimes declining. For example, the grant was E 4,794, 966 in 2005/6 but it decreased to E 2,165, 400 in 2006/7 (Ministry of Finance, 2007). However the temporary nature of the grant particularly in respect to particular categories of vulnerable groups such as the disabled, is questionable in light of section 31 of the Bill of Rights which provides that the '*Government and society shall take appropriate measures to ensure that persons with disabilities realise their full mental and physical potential.*'

Public Assistance Grant recipients are monitored through regular visits by Social Welfare Officers to monitor the level and status of vulnerability. The grant is a temporary relief measure to provide assistance to beneficiaries who are deemed to be in an acute state of vulnerability, and it is offloaded when the severity of such vulnerability is decreased. A key strength of the grant is that it covers both medical and social disability.

Application Procedure

The Public Assistance Grant is accessed through a means test. Applications are submitted at the four regional social welfare offices across the country. Applications are handled

through a rigorous means test, which includes a ‘vulnerability inspection’ by a social welfare officer to assess an applicant’s assets, meals, health and income to determine whether they should be considered eligible for public assistance. The assessment is normally validated by anecdotal evidence from community workers such as rural health motivators (RHMs). Satisfying the means test does not necessarily guarantee access to the grant, since final access ultimately depends on the availability of funds.

Access

The means test as well as the discretionary nature of the grant makes it potentially inaccessible to vulnerable individuals that are in dire need of social assistance. Because the grant is discretionary, its budgetary allocation tends to fluctuate and this creates a precarious social security situation for its target beneficiaries. The transitory nature of the grant is also an area for concern; for it is debatable whether all vulnerability or disability is of a temporary nature. Therefore a key challenge is to disaggregate it and have a clear targeting and benefits framework for its various constituencies. A guidepost could be the Swaziland Vulnerability Assessment Committee (VAC) framework, which identified six different types of vulnerable households, as outlined in Box 1 below (VAC, 2006: 38).

A related challenge is the limited number of beneficiaries (especially the destitute) that ‘graduate’ from the grant; particularly those individuals (e.g. destitute youth) who have a higher potential for self-sustenance in the long term. This is largely due to the lack of corresponding employment and poverty alleviation programmes that are linked to the grant; as well as a lack of inter-agency collaboration on programmes that address skills development and employment creation for the vulnerable. The dearth of social upliftment programmes targeting grant recipients is also partly a reflection of the fact that MOHSW is still operating within a ‘social welfare’ as opposed to a ‘social development’ paradigm. Thus at present the grant tends to perpetuate a dependency syndrome among its beneficiaries.

Box 1. VAC Typology of Vulnerable Households in Swaziland

1. ***Food insecure and poorest:*** These households could be characterised as being chronically poor and food insecure. They would most likely benefit from poverty reduction programmes as their food insecurity is usually linked to poverty.
2. ***Food insecure and poorest with very inadequate food consumption:*** These households are not only chronically poor, but also chronically food insecure as determined by their poor dietary intake. These households would benefit from a combination of longer-term poverty reduction programmes accompanied by short-term targeted food or cash assistance.
3. ***Food insecure and poorest with very inadequate food consumption and affected by shocks:*** These are the most vulnerable households as they are not only impoverished and do not have enough resources for the most basic consumption, but they are also affected by shocks – most likely drought or HIV & AIDS.
4. ***Food insecure and poorest and affected by shocks:*** These households are different from those in Group 3 in that their consumption is better yet they are still poor, food insecure and affected by shocks such as drought or HIV and AIDS. They would benefit also from poverty reduction programmes and targeted assistance (cash or food) that would last for

the duration of the recovery period. Then they could be enrolled into social protection/safety net programmes.

5. ***Current food aid beneficiaries who are poor:*** These households are similar to those in Group 1 assuming that the food assistance has improved their consumption. If the food assistance is stopped, most would probably fall into the Group 2 classification. They would benefit from longer-term poverty reduction strategies plus shorter-term development activities, once the food assistance is terminated.
6. ***Current food aid beneficiaries who are poor and affected by shocks:*** These households are similar to those in Group 3 and would benefit from poverty reduction programmes and shorter-term development activities that are combined with enrolment in social protection/safety net programmes.

Grants to Voluntary Organisations

The department of Social Welfare also provides grant funding to voluntary organisations whose target beneficiaries are vulnerable groups similar to those within its social assistance mandate. The department's funding towards these organisations is very minute and is subject to the budget. The funding is random; does not target specific flagship programmes and in some instances it is once-off. This grant is also characterised by poor relationship between the department and beneficiary organisations. The department is of the view that these entities have poor accountability and a low throughput of critical programmes. However to the defence of the NGOs is the fact that the department does not have a clear programme and policy framework for collaborating with its development partners. Regular grant recipients include: The Salvation Army, Save the Children, Swaziland Federation of the Disabled (FODSWA), Cheshire Homes and CARITAS Orphan Aid.

MISCELLANEOUS GRANTS

Individual grants are dispensed to destitute persons who are not covered by any other social assistance scheme. These are once-off grants designed for providing emergency relief to individuals in specific situations (i.e. extreme poverty, natural disaster, fire disaster) and the grant amount is determined by the nature of circumstances. The number of beneficiaries is very few.

PHALALA SPECIAL CARE MEDICAL FUND

This fund, which falls within MOHSW's portfolio, was set up by the government in 2001 to provide funding for specialised medical referrals to South Africa for members of the public who cannot afford to pay for their medical fees. The fund has a significant impact in mitigating the impact of specialised medical care for the poor. The average cost of treatment is estimated at E 40,000 per person and in 2005/6 the fund was able to facilitate specialist medical care for 600 patients. The 10 top medical conditions for which patients have utilised the fund are: cancer, glaucoma, head injuries, hydrocephalus, rheumatic

heart disease, cardiac disease and eye injuries. According to MOHSW, most of the referrals through Phalala Fund actually emanate from road traffic accidents whereas the country has a Motor Vehicle Accident Fund (MVA). MOHSW has therefore resolved to harmonise the Fund with MVA and the Workmen's Compensation Fund; as well as to review the policy and regulatory framework for the Fund in 2007. The Phalala Fund was suspended in mid-2006 because the funds had dried up. However a budget allocation of E 40 million has been approved for 2007/8.

Subventions to NGOs

The ministry also provide regular subventions to approved non-governmental organisations some of which work within the social security sector. Beneficiaries include Hospice & Home, SOS Villages and Philani Maswati Charity.

CHAPTER 5

AN EVALUATION OF SOCIAL ASSISTANCE

Coordination & Coverage

PAG

A high opportunity cost is associated with access to the Public Assistance Grant as it is exclusively disbursed in the form of cheques which are distributed at regional social welfare offices in the country's four regions. Therefore the destitute and the disabled tend to incur greater costs in accessing the grant as they have to expend money on travel expenses. These costs are of great concern as the grant constitutes the principal income for its beneficiaries.² Accessing the grant can further become a traumatic experience due to the lack of disability friendly facilities in public transportation as well as in banks.

The quarterly disbursement of the Old Age Grant has been marked by a lot of confusion. The quarterly periods do not have defined dates and therefore elderly people are kept guessing as to the exact date. There are numerous reports of elderly people who rise up early and travel to designated pay points to receive the grants only to be turned back.³ This mishap is made possible by the fact that the Department of Social Welfare does not communicate the pay dates as well as the fact that most elderly rural people have no access to modern means of communication such as print and electronic media. Quarterly disbursements are also associated with the disadvantage of delayed income particularly during the crucial planting season (i.e. September-October) when income is required for the immediate supply of agricultural inputs. Monthly disbursements could be a more effective alternative particularly in view of the fact that most beneficiaries do not have supplementary sources of income to cushion them between quarterly pay periods.

OAG

Initially the task of disbursing the Old Age Grant was given to the Post Office (Swazi Telecom) in 2005 however its tenure lasted three months. The Post Office failed dismally; as not all the designated areas for grant disbursement were covered and the grant was not disbursed on time. As a consequence there was a huge public outcry and the Department of Social Welfare was obliged to assume charge of this responsibility. It had to mop up the work of the Post Office and henceforth assume full responsibility for grant disbursement with effect from the second quarter (August) of 2005. Therefore the scale-up of social assistance through the Old Age Grant was introduced without a corresponding improvement in the capacity of the Department of Social Welfare. These administrative shortcomings have severely constrained the department's ability to deliver all its services.

² Interview with R. Khumalo, FODSWA, 24/05/07, Mbabane

³ Interview with M. Zwane, Director – Umtfunti WemaSwati

Since the launch of the Old Age Grant, social welfare officers have been forced to lock up their offices and spend days on end attending to the disbursement of Old Age Grants.⁴ This concentration of human resources on the Old Age Grant has been at the expense of programmes targeting other vulnerable groups. A proposal by MOHSW for a dedicated unit to work on Old Age Grants as well as other programmes targeting the elderly was rejected by government. The proposal involved having a dedicated unit coordinator as well as additional accounting officers and data clerks.⁵ At present the Ministry mainly uses temporary staff which raises serious questions regarding accountability standards for the officers tasked with making grant payments. A clear testimony to this lack of an adequate legislative and institutional framework for the grant is reflected in the fact that the department has no institutional structure or capacity for handling the grant. The facilitation of payments has been dealt with through ad hoc arrangements that oblige the department to suspend other programmes in favour of the Old Age Grant.

In the 2006/7 financial year, beneficiaries of the OAG increased from 13,572 to 38,917 and the final figure for the financial year is projected at 49,000. This increase is 14% above the official figure of 43,830 which had been established through a national survey. This additional increase further requires the budget of E65 million for 2007 to be increased by approximately 20% to E78 million. There has therefore been a 239% increase in total funding towards the Old Age Grant from the 2005 outlay of E30 million; and this is an indication of overwhelming political commitment in favour of the grant. In his budget speech, the Minister for Finance conceded that ‘the E65 million still falls short of the requirement, given that the elderly are now burdened with the task of taking care of orphans left behind by victims of HIV& AIDS’ (GOS, 2007).

The Old Age Grant is dispensed in cash and though cheques at designated pay points across the country. Pay points include designated community civic centres (*Tinkhundla*) and regional social welfare offices. This makes the grant widely accessible to its beneficiaries. However the differential treatment of beneficiaries’, i.e. cheques versus cash, creates additional costs for those who receive cheques as they have to then travel to a bank to cash the cheque. The reason for the cheque-cash discrepancy is simply a function of the ad-hoc institutional set up associated with the grant. According to the Department of Social Welfare, efforts are being made to standardise the disbursement procedure. The issuing of cheques is associated with a lot of cost and hindrances. The beneficiaries are charged E 5.00 per transaction; they have to queue up for long periods at the banks without being provided with special facilities for the elderly (i.e. seats and rest rooms). Beneficiaries that are paid through cheques also incur travel costs to urban centres with banks and some beneficiaries would even lose cheques along the way. Most poor elderly people are not accustomed to handling and taking proper care of cheques and therefore some would fall into the misfortune whereby ‘the bank would sometimes refuse to process ‘their cheques which had been made dirty through unclean hands or folding and crumpling.’⁶

⁴ Interview with E. Maziya, Director of Social Welfare, 27/02/07, Mbabane.

⁵ *Ibid.*

⁶ Interview with M. Zwane, Director Umfuntli WemaSwati Organisation for the Elderly, 04/06/07, Manzini

In its performance review for 2006/7 MOHSW reported that the administration of the (OAG) had been punctuated by 'teething problems' (GOS, 2007d). However in view of the political outrage borne by MOHSW on account of the administrative bungles committed in disbursing the grant, 'teething' seems to be an understatement for describing the grant's service delivery problems in 2006. The following account of a political fallout arising from embarrassing discrepancies in disbursing the grant will help to shed some light on the nature and scale of the 'teething problems' encountered by MOHSW in 2006 as well as the significant policy outcomes that emerged.

Non-Payment of Old Age Grant Sparks Parliamentary Activism⁷

The key challenges that have plagued the OAG since inception are its reliability and predictability. In November 2006, these two challenges manifested themselves simultaneously thus creating a crisis of national proportions. OAG beneficiaries were informed of their date of payment which happened to be the same date for most pay points. In most constituencies the elderly faithfully gathered to receive the grants only to be forced to wait for periods of up to ten hours. At the end of the long wait when MOHSW officials finally arrived, only a few people were able to receive their money due to the late start. In some areas recipients traditionally belonging to different pay points were advised to gather at one pay point thus swelling the number of recipients at certain pay points.

In Mbabane, recipients from Mbabane West and Hhukwini constituencies (pay points) were directed to move to Mbabane East. On 8 November 3000 people were thus gathered at one pay point, they waited for several hours and at the end of the day more than 1,000 were forced to return home without receiving their grants. In response to this debacle the Mbabane West MP, Hon. E. Sikhondze, described the 8th of November as 'the worst day for more than 1000 people' under his constituency. At another constituency in Nkhoba, north of Mbabane, a similar situation repeated itself and according to the MP Hon. T. Dlamini, 'the situation turned out to be bad because the people were hungry and some had to return home when they eventually discovered that their names had been omitted from the pay list.' The same MP drove to another area to check on the situation there and found that 2,000 elderly people whose names were omitted in the pay list were told 'to fetch their grants before Christmas.' At Mapahalaleni Inkhundla the MP, Hon. Siza Dlamini, said that only 50 out of 300 people had been paid and the others were told to come back at a later date. Most of the affected recipients claimed that it was not the first time they were receiving grants and therefore could not understand why their names had been omitted from the pay list. At Mbabane West Social Welfare officials 'arrived with another list which greatly reduced the number of people to be paid and a majority of the elderly went home empty handed.'

Some sick and bed-ridden elderly were recalled from hospitals to collect their grants because social welfare officers turned away their relatives, even though they were accompanied by Chief's Runners, Headman or MPs who testified that they represented sick beneficiaries. A large number of those recalled from hospitals were also turned back

⁷ Sources for this account: Times of Swaziland, Swazi Observer of 8, 9 10, 17 November 2006.

as their names were omitted from the pay lists. This trend replicated itself throughout the country and thousands of OAG recipients were not paid. This created a groundswell of anger against MOHSW.

In response to the widespread confusion and discontent across the country, Members of Parliament took umbrage at Cabinet, with the Health Minister at the centre of the storm. In an unprecedented moment of Parliamentary Activism, MPs took solidarity with the affected elderly and moved a motion to suspend the business of parliament (House of Assembly) until government (the Cabinet) had resolved the issue of non-payment of social grants to the elderly. The adjournment meant that all parliament business including pressing business affecting all ministerial portfolios was suspended; and Cabinet was forced into action mode over the plight of the elderly. An urgent E 100 million loan bill, piloted by the Minister of Finance on behalf of Swazi Telecom, was one of the prime casualties of the suspension. Parliament's action sent shockwaves in the Swaziland political establishment, particularly to the Executive arm of government which is responsible for service delivery.

Parliament's action drew plaudits both from the media and civil society: 'MPs who appear to have been enjoying the party all along have been sobered up by the wailing, fainting and curses of their mothers and fathers who have been duped into believing that their meagre social grants had finally arrived.'⁸ An incisive approval was made by the Swazi Observer which noted that '**there are issues that do not require negotiation such as denying people their right to a livelihood.**'⁹ Although some commentators placed a caveat on the action of MPs given the upcoming elections in 2008, however all in all there was consensus that parliament primarily acted in the public interest.

In its defence, MOHSW submitted that the confusion had arisen out of the following reasons:

1. A shortage of accountants;
2. A shortage of security vans to transport cash to all designated pay points to all areas and on time;
3. Challenges with computer software thus causing a repetition to some names and omission of others;
4. A complex accounting format for reconciling payments;
5. The absence of officers belonging to partner ministries. The payments of the grants involve a multisectoral effort that draws personnel from various government agencies such as the Police, Treasury, Central Transport Administration (CTA) etc. During pay days all the representatives from these agencies have to be present in order to ensure effective operations. The absence of one agency can potentially affect the entire process. For example the absence of police for security would stall the process.

⁸ Times of Swaziland, 9/11/06

⁹ Swazi Observer, 10/11/06

MOHSW did not have sufficient capacity to carry out these services on its own and the manner in which social grant payments were made was a labour intensive process. MOHSW efforts to acquire more staff had consistently been scuppered by the government's zero growth policy on the creation of new posts. The Minister of Health and Social Welfare conceded that: 'logistically we are not up to scratch and neither do we have the capacity to handle the money. We first needed to research on how other countries do it and see how we can localise it.'¹⁰ In view of these sentiments by the Minister, it is encouraging to note that MOHSW seems to have taken the bull by its horns. In its first quarter report for 2007/8 MOHSW reported to parliament that it had secured 'technical assistance' from RHVP to both expose it to international best practice and assist it with mainstreaming best practice in the administration of social grants (GOS, 2007c).

Cabinet responded to the action of Parliament by immediately appointing a high level task team comprising of Cabinet ministers from the portfolios of Health and Social Welfare, Enterprise and Employment, Home Affairs, Finance as well as the Accountant General and the Governor of the Central Bank. After seven days the task team came up with a comprehensive plan for addressing the problems of the OAG. The task team reported as follows:

1. Government would immediately appoint a special multisectoral committee to expedite the process of outsourcing the payment of social grants;
2. The committee would also assess the cost effectiveness of alternative methods of payments such as by cash, cheque or bank account;
3. Government Computer Services would work around the clock to synchronise the databases to ensure that pay points shared the same names as the Social Welfare Department;
4. Meanwhile payments of grants had been accelerated to ensure that those omitted would receive their money;
5. *Tindvuna TetiNkhundla* (community headmen) would be allowed to cash money on behalf of the elderly who could not walk to pay points;
6. More armoured vehicles had been procured to provide enough vehicles to carry the money;

In response to the report, Parliamentarians lauded their 'stay-away' as a success, citing that their action had jerked the Executive into action. It now remains to be seen how effectively MOHSW will now administer the payment of grants, pending implementation of the outsourcing framework.

Cost-Effectiveness

The Old Age and the Public Assistance Grants are both administered by the Department of Social Welfare using its own personnel, vehicles, communications, etc. The specific costs incurred towards administering these grants are not distinct from but are rather clustered together with the general running costs for all departmental programmes. Thus

¹⁰ Weekend Observer, 11/11/06.

a breakdown of the average cost per beneficiary, average overhead per beneficiary and average cost per US \$ benefit are not available. Table 6 illustrates a basic analysis of cost effectiveness for the two grants. Table 7 outlines the actual costs of all grants that are disbursed by the department.

Table 9. Quantitative Data on Cost Effectiveness of Social Assistance Grants

	Old Age Grant	Public Assistance Grant
Total Cost: <u>1/</u>		
Reference period 2006/07	E 60,000,000	E 2,165,400
Total Cost (US\$)	\$ 9,230,000	\$ 333,138
Exchange Rate Used	US \$ 1 = E 6.50	US \$ 1 = E 6.50
Actual No. of Beneficiaries <u>2/</u>	43,830	7,000
Cost per Beneficiary <u>3/</u>	n/a	n/a
Transfer Value or Amount per Beneficiary <u>4/</u>	E 960.00 pa	E 960.00 pa
Equivalent in Cash (US\$) <u>5/</u>	\$ 184.00	\$ 148.00
Average Overhead per Beneficiary	n/a	n/a
Average Cost per US\$1.00 Benefit	n/a	n/a

Table 10 Cost Details of Grants

Grant	2005/06 (Actual) E	2006/07 (Estimate) E	2007/08 (Estimate) E
Individuals	12, 200	26,100	26,100
Elderly	34, 095 700	60, 000	65,000,000
Children in Clinics	n/a	3,514,400	3,514,400
Fire Disaster	n/a	63,900	63,900
Voluntary Organisations	5,000	60,200	60,200
Public Assistance	4,794,966	2,165,400	6,165,400
Child Welfare Foster Children	132,240	102,200	102,200
Handicapped Children	8,430	51,900	51,900
Prosthetics Rehabilitation	39,000	39,100	39,100
Caritas Orphan Aid	289,200	385,600	385,600
Military Pensions	2,617,700	1,186,900	2,994,000
Administration Costs			
Personnel	2,377, 504	1,153, 652	1,917, 383
Travel & Communication	67,068	197,426	
Professional Services	1,013,670	40,332	42,349
Consumables	1,192,214	180,690	

Source: Ministry of Finance, 2007

Targeting and Exclusion

The Public Assistance Grant (PAG) is also effectively targeted towards meetings the needs of the vulnerable. The enforcement of its target beneficiaries is much more effective due to the use of a means test. However the overwhelming levels of poverty

whereby 69% of the population live the poverty line is a clear indication that the Public Assistance Grant is excluding a significant proportion of its intended beneficiaries. According to FODSWA, a significant proportion of their members are excluded from accessing the grant; and a key factor to this exclusion is the absence of a clear policy framework that regulates it¹¹. Lack of clarity on grounds of access as well as the apparently high level of discretion vested in social welfare officers point to the need for greater transparency in the administration of the grant. The PAG's programme is largely confined within a social welfare paradigm which is prone to perpetuating a dependency syndrome. This partly explains the fact that most of its current beneficiaries do not 'graduate' as expected. The PAG is also predominantly focused on the health dimensions of disability such as the provision of prosthetic aids at the expense of the social dimension dealing with the empowerment of the disabled. The bulk of the PAG's beneficiaries fall within the most productive age groups and therefore greater effort needs to be invested in vulnerability reduction programmes such as youth employment. In the same vein, the government needs to commit greater resources towards the Public Assistance Grant.

In launching the Old Age Grant in 2005, His Majesty the King expressly stated that target beneficiaries were the elderly poor. In a recent address to parliament, His Excellency the Prime Minister submitted that the payment of social grants was in line with government efforts to fight poverty' (Swaziland Today, No 24, 2006: 3). The Old Age grant was also in line with recommendations from the Government's Poverty Reduction Strategy calling for a sustainable programme for enabling the elderly and orphans to feed and clothe themselves (MEPD, 2002: 29). In preparing to establish the Old Age Grant, MOHSW carried out a situation analysis survey on the plight of the elderly, registered the elderly and developed procedures for issuing the grant. Thus the Old Age Grant is operating as a targeted scheme to address the plight of the elderly poor. However the experience with the scheme has been that, it has been open to some people who are not necessarily vulnerable. This was largely due to poor controls at inception, including the inability to apply and enforce one identification instrument. During the opening of parliament in 2007, His Majesty the King was mindful of this limitation and stated that 'government continues to deliberate on the best possible way for efficiency in the delivery of social security funds to the elderly' (GOS, 2007).

The Old Age grant covering a vulnerable group that constitutes less than 5% of the total national population absorbs 90% of the Social Assistance spending. This skewed distribution can partly be explained by the political complexion of the Old Age Grant. The Grant is both popular and simple and local politicians act as access points. This is in contrast to the complexity of the Public Assistance Grant, in which politicians have no say and access is decided through a means test. The PAG also involves a complex administrative procedure that requires monitoring its recipients to ascertain continued eligibility whereas the OAG simply requires efficient distribution. The political currency of the OAG is also attributed to the fact that it is a universal scheme (a social cushion) to

¹¹ Interview with R. Khumalo, FODSWA, 24/05/07, Mbabane

which ‘everyone’ is potentially eligible; and this has great appeal to the rural masses who constitute 70% of the populace.

The dramatic shifting of resources towards the elderly has seen a 20% increase in old age grant (in 2007) without corresponding compensation on other vulnerable groups and programmes (i.e PAG) including towards improving the general capacity of the Department of Social Welfare. Thus although the elderly constitute less than 5% of the total population, their social assistance outlay is 9 times that of lower age groups including the youth. However a more equitable approach is required to meet the needs of the young and adult poor. 63% of the population is within the age group 12-59 and through appropriate facilitation and skills development; most individuals in this cohort are capable of becoming productive and therefore graduate from poverty.

The Old Age grant also takes up the bulk of the department’s manpower. Social Welfare Officers are reported to have been away from office for months on end, working in the field to preparing and paying out the grant¹² to the detriment of efficient implementation in the other grants. The old age grant therefore constitutes a significant challenge to public policy (social assistance) on the merits of equality and administrative justice enshrined in the International Covenant on Economic, Social and Cultural Rights (ICESCR).

Asset Building and Protection

In its 2006 survey, the VAC reported that nearly two-thirds of rural households had suffered some unusual shock during the previous 12 months that had limited their ability to eat, live and retain assets in the manner which they were accustomed (2006). Common shocks included high food prices, high costs of farm inputs, livestock diseases, bad weather, depletion of income, death or illness and violence. Coping strategies include non-extreme dietary changes (decrease portion sizes, decrease number of meals per day, eat less preferred foods and consume more wild foods) and asset disposal (spending savings; sale of household assets, agricultural implements, building materials, furniture or livestock, increase debt). Among the households that suffered shocks, 42% were using changes in diet and another 42% were primarily engaged in asset disposal to manage shocks. Nearly 20% reported seeking loans or credit or engaged in additional income generating activities in response to shocks (VAC, 2006: 32).

Both the Old Age and Public Assistance Grants have a significant role to play in shock mitigation. The income derived from both grants can delay the involuntary disposal of assets as well as reduce occurrence of precarious dietary changes. The prospect of a guaranteed income, especially with respect to the Old Age Grant provides access to farm inputs on easy (concessionary) terms particularly through agricultural cooperatives and credit unions. A guaranteed income also reduces the incidence of poor families and individuals engaging in risky coping strategies. Public access to other socio-economic transfers creates a situation whereby transfers from different schemes can cross-subsidise

¹² Ibid

each other. The cross subsidisation impact of public transfers significantly contributes to the building and protection of assets.

Despite their merits, the Old Age and Public Assistance Grants face a number of limitations with respect to asset building and this point is made clear through a close examination of the OAG, which is relatively new. The policy process leading to the establishment of the Old Age Grant, failed to link the grant to national empirical vulnerability and poverty benchmarks. It appears that policy makers were unable to strike a balance between the imperative of emergency relief and asset building. The relief imperative in the public imagination became more urgent than a more systematic and discriminating approach that seeks to maximise the socio-economic impact of such a grant. Thus although it was sincerely set out to address poverty, the grant does not have the poverty level (US\$ 1) as its point of reference; and as a result it falls short of this benchmark. Table 11 demonstrates the discrepancy between the grant and the poverty level.

Table 11 Benchmarking the Old Age Grant to the Poverty Level

Year	Old Age Grant	Income Poverty Level	Break Even Level if it is benchmarked	Inflation	Basic Real Income Level p/m
2006	E 80 p/month = US \$ 0.4	< US \$ 1p/day (Rate = 6.5)	US \$ 1 p/day = <u>E 195</u> p/month	3.4%	<u>E 201.63</u>
2007	E 100p/month = US \$ 0.5	< US \$ 1p/day (Rate = 6.5)	E <u>201.63</u> p/month = US \$ 1.034 p/day	4.2%	<u>E 210.1</u>

The Old Age Grant therefore appears to fail the test in terms of the principle of adequacy espoused by the International Covenant on Economic, Social and Cultural Rights (ICESCR). In order for the grant to reach US \$ 1 per day which is the official poverty line experienced by 69% of the population, the grant would have to be increased by 100%. The Old Age grant has now swollen to an estimated 60,000 beneficiaries and given these numbers, it will be very difficult to take hard decisions towards adjusting it in line with real income; and these are some of the challenges that arise from failure to apply evidence based policy making. The absence of a clear policy framework on social assistance can explain some of the poor decisions around social assistance grants and there the issue of a national policy (and legislation) on social assistance is indispensable in addressing these challenges.

There are also a number of related public transfers with a potential for complementarities and cross subsidisation impact (see table 12 below). However there is no analysis or data that enables us to evaluate the complementarities and cross subsidisation that exist between these transfers. Neither are there any coordinated activities between the various

public transfers. This is largely due to administrative bottlenecks that undermine institutional alignment. An example is the introduction of free universal primary education which gives some relief to poor families and to elderly persons who are care-givers. Similarly, a good number of the Old Age Grant and Public Assistance Grant beneficiaries also receive food aid and disaster relief. However lack of collaboration among the providers of development assistance and poverty relief makes it difficult to carry out a systematic evaluation of the complementarities and cross-subsidisation that exist between these transfers.

Table 12 Summary of ‘Interrelated’ Public Transfers

Sector/Activity	Institutional Vehicle	2006/07	2007/08
Employment Creation	Maswati Foundation	E 30m	
Youth Employment		E 7m	E 3m
Disaster Relief	Disaster Relief Fund	E 30m	E 30m
Rural Water			E 31m
Universal Free Primary Education	School Grants for OVCs	E 47m	
School Feeding			
Food Aid	WFP	E 15m	
HIV& AIDS	NERCHA	E 30m	E 45m
Social Assistance	Old Age Grant	E 60m	E 65m

Market Impacts

The livelihood data in table 2 clearly demonstrated that most households were relying on food purchases for their main source of food. Food pricing policies are therefore a key variable to poverty alleviation. In Swaziland the poverty crisis is exacerbated by a distorted pricing and marketing regime for grain and cereals. Grains are traded in a monopolistic framework by the state owned National Maize Corporation (NMC), which has a monopoly over the importation of maize and is the main purchaser of maize from farmers. The milling companies are required to purchase their stocks from NMC rather than directly from farmers or externally. In 2005/6 NMC had a fixed price for purchasing maize from farmers and its price is double the SAFEX price for maize in South Africa which was R598/tonne). NMC purchased maize from farmers at E 1,000/tonne and sold to millers at E 1,140/tonne. The FAO/WFP has been consistently calling for government to revisit the internal pricing regime (2005). In March 2007 maize prices were reported to have skyrocketed with one miller paying E 2,600/tonne; and the Minister for Agriculture and Cooperatives has predicted a further increase that will see the price of maize rising up to E 3,000/tonne which represents a threefold increase on 2006 prices (Swazi Observer, 15/03/07). In the wake of escalating prices, the Old Age and Public Assistance Grants empower more people to afford their annual food requirement.

CHAPTER SIX

CONCLUSION

The Old Age and Public Assistance Grants still fall far (50% & 60% respectively) below the poverty threshold of US \$ 1 per day and the key variables in this shortcoming was the failure to apply evidence in policymaking during the inception of the grants as well as the absence of social assistance legislation. Therefore for their effectiveness, the grants depend on a significant level of cross-subsidisation from other schemes and supplementary sources of income. However the absence of mechanisms for maximising the cross-subsidisation of public transfers entails that the social wellbeing of the majority of Swazis is still largely left to the ineffective distributive power of market forces. This is in spite of empirical claims that ‘the use of open market regulatory mechanisms to distribute the benefits of growth has in the past, not been efficient considering the wide social disparities in Swaziland (MEPD, 1997).

Increasing the grants to US\$ 1 per day would guarantee that that the total population of 492,900 with a food/income deficit would be slashed by at least 12% and the total ‘poor’ population of 226,640 with an income/food deficit would be reduced by at least 27%. Raising the grants above the poverty threshold would also be in line with National Development Strategy recommendations which urged government to review public assistance policies with the aim of making the grant amounts more realistic with the cost of living. Expert assessments indicate that that the population growth rate is declining and that in 2015 the projected population will be 21% lower than it would have been without the HIV& AIDS pandemic (Government of Swaziland, 2007b). These projections seem to augur well for the long term sustainability of the social grants. Since Swaziland does not appear to be facing an ageing crisis in the near future, bold adjustments could be made to the social grants in order to make them more effective for poverty alleviation.

Given the severity of the social crisis facing the country, there may still be scope to garner adequate political will to redeem the limitations of the social grants and peg them above the poverty threshold; and this can only be achieved through a transparent consensus making process involved all relevant stakeholders; coupled with the application of empirical evidence to the policy process. The creation of a knowledge partnership between MOHSW and RHVP is therefore significant in that it provides an opportunity for the employment of evidence based policy making as well as the application of international benchmarks and best practices in social grants service delivery. Furthermore the improved service delivery framework that will emerge from the recommendations of the Cabinet appointed multisectoral Task Team on the OAG will constitute an important roadmap to a brighter future for the administration and management of the OAG in particular and social grants in general. Parliament’s activist role in the crisis that engulfed OAG is a clear reflection that other key role players are prepared to make meaningful contributions in empowering the poor. It is therefore imperative for government to provide the necessary space for civil society inputs into the policy process for managing social protection.

The quarterly disbursement of the social grants poses a challenge for recipients during the intervening periods and there needs to be an examination of alternative options such as monthly disbursements. However for such measures to be cost effective, appropriate technological and logistical solutions will need to be applied. A consideration also has to be made to mitigate the cost and obligation to travel to pay points for frail and bed ridden grant recipients. Other asset building alternatives such as the delivery of social protection by cell phone are potentially beneficial options particularly for the youthful cohort that receive Public Assistance Grants.

Another glimmer of hope for the poor is the expected outcome of the government driven National Policy on Food Security which seeks to provide a clear framework on strategies and measures that must be adopted in order to improve the country's food security status. This framework together with evidence of a decline in the national HIV prevalence (down to 32.9% in 2006 from 42.3% in 2005) provides scope for developing aggressive policies that will bring a turnaround in the food output and ultimately to rural livelihoods. However these efforts will only be effective if they address themselves to the past failures of pro-growth policies which have been held responsible for the increased marginalisation of the poor.

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Key Informants

1. Eric Maziya, Director of Social Welfare Department
2. Ray Khumalo, Treasurer, Swaziland Federation for Persons with Disability
3. Mkuluza Zwane, Director, Umtfunti WemaSwati Organisation for the Elderly.

BASIC PROJECT DATA MATRIX

Project 1. Old Age Grant

Country	Swaziland
Title of Project	Old Age Grant
Project Description <u>1/</u>	Cash benefits for the elderly
Project Objectives	To provide income for the destitute elderly
Name of Implementing Agency	Department of Social Welfare
Name of Funding Agency	Government of Swaziland
Project Budget	\$ 9,230,000. 00
Project Start-Date	April 2005
Project Duration	Permanent
Target Group	Elderly 60 years and above
Eligibility Criteria	Destitution
Selection of Beneficiaries (Institutional Method) <u>2/</u>	Beneficiaries are identified by local Members of Parliament, Rural Health Motivators and Community leaders
Geographic coverage	National
No. of Beneficiaries: <u>3/</u>	49,000 individuals
At time of Project Inception	13, 572 individuals
Later Changes w. Dates	2006/07 43,830
Transfer per Beneficiary <u>4/</u>	US \$ 15 per month
Regularity	Disbursed Quarterly
Amount Each Time	US \$ 46
Amount per Year	US \$ 184
Delivery Arrangements <u>5/</u>	Grant is disbursed by Social Welfare Department Officers at community centres and regional social welfare offices.
Information on Project Documentation, Evaluation and Outcomes	
Documentation Available on Project	<ul style="list-style-type: none"> ❖ Government of Swaziland, 2005. <i>Report of Situation Analysis on the Status of Elderly Persons in Swaziland</i>, ❖ Government of Swaziland, 2007. <i>Ministry of Health & Social Welfare Budget Performance Report, February</i>
Contact Details for Project	❖ Eric Maziya: Director of Social Welfare
Evaluation of Project (undertaken by and when)	❖ Armstrong Dlamini, May 2007
Evaluation Results (summary findings, in brief)	❖ Transfers are effective given that 69% of the population live below the poverty line.
Summary Statement of Project Outcomes	❖
List of Strengths	<ul style="list-style-type: none"> ❖ Grant is highly accessible with low access costs, ❖ Grant is distributed in cash at community centres and by cheque at social welfare offices.
List of Weaknesses	<ul style="list-style-type: none"> ❖ Grant is disbursed quarterly therefore most beneficiaries are forced to borrow against expected income. ❖ Grant not benchmarked to the market

Project 2. Public Assistance Grant

Country	Swaziland
Title of Project	Public Assistance Grant
Project Description <u>1/</u>	Cash
Project Objectives	To provide cash income to the destitute, disabled and vulnerable
Name of Implementing Agency	Department of Social Welfare
Name of Funding Agency	Government of Swaziland
Project Budget	\$ 333,138.00
Project Start-Date	1985
Project Duration	Permanent
Target Group	Destitute, disabled below age 60
Eligibility Criteria	Destitution, disaster stricken, disabled
Selection of Beneficiaries (Institutional Method) <u>2/</u>	Beneficiaries are identified by social welfare officers through a means test
Geographic coverage	National
No. of Beneficiaries: <u>3/</u>	7,000 individuals
At time of Project Inception	n/a
Later Changes w. Dates	n/a
Transfer per Beneficiary <u>4/</u>	US \$ 12 per month
Regularity	Disbursed Quarterly
Amount Each Time	US \$ 12
Amount per Year	US \$ 144
Delivery Arrangements <u>5/</u>	Grant is disbursed in four regional towns at Social Welfare Department Offices and payments are made in cheques
Information on Project Documentation, Evaluation and Outcomes	
Documentation Available on Project	❖ Government of Swaziland, 2007. <i>Ministry of Health & Social Welfare Budget Performance Report, February</i>
Contact Details for Project	❖ Eric Maziya: Director of Social Welfare
Evaluation of Project (undertaken by and when)	❖ Armstrong Dlamini, May 2007
Evaluation Results (summary findings, in brief)	❖ Transfers are effective given that 69% of the population live below the poverty line
Summary Statement of Project Outcomes	❖
List of Strengths	❖ Grant covers broad range of vulnerabilities i.e. disability, destitution, disaster
List of Weaknesses	❖ Grant is disbursed in regional offices therefore beneficiaries incur significant travel costs to access it ❖ Grant is not benchmarked to the market