

CASH SUBSIDIES FOR CHILDREN AFFECTED BY HIV/AIDS

Background paper on the pre-pilot and pilot initiatives

April 2005

Issue

Of an estimated 15 million Kenyan children, approximately 1.7 million are orphans¹. About one-third of them are barely able to comprehend their loss, having not reached five years of age. 650,000 have lost their parents due to AIDS. Moreover, the number of orphans is projected to grow to 2.5 million by 2010, with 500,000 of these children having lost both parents.

Behind the numbers are courageous efforts by Kenyans around the country to absorb children orphaned or made vulnerable by HIV/AIDS (OVCs) into traditional extended family systems. Grand-mothers, aunts and uncles, among others, have stepped up to take OVCs into their households, often despite their own meagre resources. However, those with older siblings may find themselves part of a child-headed household, while those without such options may find themselves in some form of institutional care or more likely on the streets. Additionally, there is concern about the number of unregulated private orphanages in the country and the current lack of capacity in government to regulate institutional care for children.

The Ministry of Home Affairs (MOHA) advocates for foster care and adoption as the preferred means of ensuring that OVCs receive the adult care and guardianship they need for their healthy growth and development. This position is supported by the UN Convention on the Rights of the Child, and is actively being promoted by UNICEF, Save the Children² and others. But in a country where over half of the population lives below the poverty line, it is not surprising that the traditional social safety net of informal fostering is under severe stress as families struggle to feed, clothe and shelter themselves. It is also further threatened by HIV/AIDS, whether because the care-givers themselves are ill and unable to take care of the orphans anymore or because the children are sick and the costs of their treatment are prohibitive for families that are already poor.

Action

In recognition of the above issues, the national OVC committee, chaired by the PS MOHA, carried out a Rapid Assessment, Analysis and Action Planning Process for OVC (RAAAPP) in 2004. A core element of the assessment phase of the RAAAP was a purposive sampling of 160 organisations known to be working on OVC issues in all parts of the country. Key issues included understanding how they decided what they were going to do and for which OVCs and how their strategies fit into some sort of locally managed comprehensive strategy that would amount to a safety net for the most vulnerable children. One of the key findings was that while civil society organisations are playing an active role in facilitating community-based responses to the OVC issue, many vulnerable children are fall through the cracks. This finding forms the basis

¹ UNAIDS, UNICEF and USAID. *Children on the Brink*. 2004

² Save the Children. *A Last Resort*.

http://www.savethechildren.org.uk/temp/scuk/cache/cmsattach/1110_lastresort.pdf

for the keen desire of the state, through the MOHA, to establish a comprehensive system that would identify remaining vulnerable children that have not been picked-up by the large mainly civil society network of actors and provide their families, and in some cases foster families, with a cash subsidy. This would amount to a new social safety net aimed at the most vulnerable children in society to add to other safety nets that the state currently manages³. This strategy is referred to in the National OVC Action Plan, whose first priority area in the plan is strengthening the capacity of families to protect and care for OVCs at the household. In Africa, similar approaches have been employed for many years in South Africa and Botswana, while Namibia, Zambia and Tanzania are trying to build comparable schemes.

In Kenya, the suggestion that the state starts to develop such a system came from the Vice President early in 2004 in the context of the growing concern about the growing numbers of unregulated orphanages and the danger that more and more Kenyans would be growing up in institutional care rather than in a family environment. MOHA together with NACC started thinking about developing a cash subsidy scheme for orphans as a key element of a strategy aimed at encouraging foster care in families rather than in institutions at that time and this resulted in mid 2004 in the submission by the Kenya CCM to the Global Fund for HIV, TB and Malaria (GFATM) of a \$35 million proposal 60 per cent of which was to fund the development and expansion of a cash subsidy scheme for the most vulnerable children. The balance of the funding was mainly to finance collective community-based activities that would complement the cash subsidy to be delivered to families.

A key weakness of the submission was that it was proposing a programme that had not been tried at all in Kenya. Therefore, and with financial assistance from SIDA, UNICEF committed to supporting MOHA in demonstrating the feasibility of such a welfare system in Kenya. A conclusion on what the possible scale of a nationwide scheme could be and how fast such a scheme could be rolled-out has been the subject of much discussion in the course of the development of a budgeted action plan. The answer lies ultimately in how many financial resources are available from a combination of government budgetary allocations, private contributions and international sources and what the oversight, management and transaction costs will be. We can note that a scheme financed well enough to provide 200,000 children with KSh. 500 per month would cost US\$16 million plus oversight, management and transaction costs. A key assumption of the national action plan for children, as a sub-section of the larger overall action plan for HIV/AIDS, is that through improved prevention of new infections, and improved treatment and care efforts the orphans burden will reduce over the ten to fifteen year perspective allowing for the scale and hence total costs of this cash subsidy scheme to reduce.

It is worth noting that the allocation mechanism envisaged in the 4th round application to the GFATM was based on Spectrum estimates of numbers of orphans by district and a proportional allocation of funds by district. Hence the allocation to each district in any given year would be based on funds available and estimated numbers of orphans by district, while the identification of vulnerable children by district would be based on overall vulnerability, not on orphan status.

³ For example, the Welfare Fund implemented by the Ministry of Gender, Sports and Social Services caters for widows and destitute families; households in drought-affected districts receive emergency relief food; and the Constituency Bursary Fund provides scholarships for poor children. Source: UNICEF Kenya. *Social Safety Nets in Kenya*. Internal UNICEF working paper, March 2005.

➤ The pre-pilot

A committee chaired by the Deputy Director of Children's Department decided that it would be advisable to conduct a pre-pilot so as to learn some lessons on selection procedures, transaction costs, which would then inform the design of a true pilot, defined as being a model that could be scaled-up nationwide. The initiative therefore began with the first cash disbursements taking place in December 2004 with a pre-pilot in nine communities supporting 500 children. With the lessons learned from this initiative, the GOK-UNICEF Programme of Co-operation will be launching a full-scale pilot to reach 2,500 children across Garissa, Kwale and Nairobi.

Based on the estimated numbers of OVC, Garissa received funds for 50 children, Kwale for 130 children, and Nairobi for 320 children. The funds available were enough for KSh. 500 per child to go to the household supporting them, and an equivalent amount to go towards community-based organisations (CBOs) that would support services for other OVC in the community. It was felt that splitting the funds in this way would somewhat reduce the risk of misappropriation of funds at the household level; ensure that other vulnerable children were not neglected; and also build the institutional capacity of the community to sustain support to OVCs should external assistance cease. This approach was also in keeping with the design of the proposal submitted to the GFATM in 2004.

In each district⁴, the Children's Officer spearheaded the project, with support from the Area Advisory Council (AAC), the body responsible for monitoring the implementation of the Children Act. Technical support and supervision was provided by the Children's Department and UNICEF. As the pre-pilot was implemented in three "learning" communities where other activities were already being implemented under the GOK-UNICEF Programme of Co-operation, the group worked with Community Development Committees that had been created a few years earlier. These district teams were then trained on a questionnaire to identify the most vulnerable children in each community and to better understand their living situation. The idea was that the information obtained would serve a dual purpose: to facilitate the selection of the recipients of the cash subsidy, and also serve as a baseline.

Following this training, each district followed a slightly different approach in finalising the list of recipients as a result of the different characteristics of the communities. This introduced an element of variation in the selection process. For example, Kwale used a combination of random-sampling and sorting by age; Garissa gave preference to younger children and girls; while Nairobi went through various iterations of household visits by community representatives to verify the statistical findings. There was also some variation across the three districts in terms of timing. In Garissa and Kwale, funds were disbursed to the recipients as of December, though CBOs have yet to be selected. In Nairobi, the selected OVC did not get their first tranche of money until January, but the CBOs were also selected and funded at that time.

In all districts, the finalisation of the list of recipients proved to be quite difficult, as there was some dissension in terms of which children were more vulnerable than others. Some

⁴ Nairobi is of course a province rather than a district, but within the context of the GOK-UNICEF Programme of Co-operation, it is treated as a "learning district".

communities also disputed the final list, claiming that it was influenced by self-interested parties. Mostly, though, there was strong concern that while whatever was being provided was much appreciated, there was still great need among others in the community.

Impact

Monitoring of the pre-pilot in Garissa, Kwale and Nairobi by the Children's Department and UNICEF yielded promising results. The care-takers who were interviewed said they spent the money on food, clothing, shoes, medical expenses and other minor household purchases (e.g. paraffin oil). This was also confirmed by the children themselves, who more often than not, proudly showed off new school uniforms. Many of the children who had been out-of-school said that they were now attending classes again. In other cases, children who had HIV were now receiving ARV treatment which they could not afford before. It was also apparent that other children in the household were benefiting from the cash subsidy, though some care-givers sought reassurance that this was acceptable.

Some questionable practices were discovered during the field trips, which should be avoided in the pilot, mainly because they cannot be scaled up. In one district, it was discovered that three households were receiving support for three OVC while 17 households were getting cash subsidies for two OVC; with such small finances, such duplication is admittedly not ideal. In another district, one of the members of the selection committee themselves received support; this is undoubtedly a conflict of interest and should not be repeated. Also, in another district, there were more children in the age group of 11-15 who received a subsidy than any other age group (including 0 to 3 years), a breakdown which may need to be revisited.

➤ Key issues emerging from the pre-pilot for discussion in the review meeting to be solved

Some lessons can be learned from the experience to date, though given the different approaches in different districts, it will be necessary to discuss the questions they raise again before finalising the model to be tested in the pilot. .

- *The selection criteria and process must be clearly defined and agreed upon up-front*
 - How should “orphans and vulnerable children” be defined? (see Annex A)
 - Who is eligible for the cash subsidy? (see Annex A)
 - Conducting the survey was found to be expensive and reduced community participation. What alternative options are there for selecting recipients? (see Annex B)
- *Adding conditions to the release of the cash subsidy needs to be examined*
 - There are arguments for and against insisting on conditionalities to the issuance of a cash grant. For example, should children who are school age and are receiving the grant have to prove that they have indeed been attending school? In some areas, particularly in northern Kenya, this might result in children being forced against their or their parents or guardians desire to leave the family to attend boarding schools, a proposition that may not be affordable or desirable for other reasons.

- *The link between the cash subsidy initiative and existing channels of support to community-based organisations on HIV/AIDS issues needs to be examined*

The cash subsidy scheme is based on the premise that it is acting as a safety net in the context of a vibrant community-based response against HIV/AIDS. The provisional design of the pilot currently envisages that the selection mechanism for cash grants for CBOs (see Annex C) will be managed and oversight will be provided by the children's area advisory councils (AAC) created with the adoption into law of the Children Act. Clearly, in most parts of Kenya the capacities of these councils are not great and a programme would have to be established to build their capacity to the extent that they can provide oversight to the cash subsidy in a national role-out.

Meanwhile, there is a system in place, the Constituency Aids Control Committees (CACC), that manages the process of reviewing and recommending the allocation of resources for community action mainly through community-based organisation proposals. For example \$US 24.4 million has been allocated through this system over the last few years via 5,086 contracts⁵. While the CACC system is more mature than the AACs, there are questions with regard to their variable capacity across the country to provide leadership in the development of constituency action plans for children. Separate to the CACC system major resources are allocated from PEPFAR funds to NGOs and CBOs for community action. In 2004, \$76 million were allocated and, in 2005 \$110 will be allocated and projections for 2006 are \$160 million, ten per cent of which are earmarked for orphans programming although so far in Kenya only 5 per cent have so far been allocated for orphans programming⁶.

In sum, it is clear that some form of local assessment and analysis and action plan for children and aids is required in order for the balance between community based responses and direct cash grants for orphans to be managed optimally, but at this stage there are few places where the capacity exists to develop and manage such a plan. Ultimately the low likelihood that many parts of Kenya will soon have the capacity to develop good quality comprehensive local action plans serves as a key rationale for pressing ahead with a cash subsidy system designed to target the most vulnerable children.

- *Partnerships/inter-sectoral collaboration should be strengthened*
 - Care should be taken that the plenitude of different initiatives on the ground reinforce one another; for example, the Constituency School Bursary Fund has taken the step of issuing policy guidelines that explicitly state that orphans should be given first priority in the allocation of secondary school scholarships
 - The Ministry of Health should investigate opportunities for providing free or subsidised healthcare to recipients.
 - The Ministry of Education, particularly through the school management committees, has an important role to play in monitoring the school attendance of cash subsidy recipients and also needs to address the importance given to uniforms despite their not being a requirement. This should also be linked to the Child-to-Child census and Child Participation initiatives.

⁵ Aid memoire. KHADREP2 (TOWA) pre-appraisal mission, March 14-24, 2005

⁶ Remarks by C. Sonnichsen at KHARDEP2 retreat, March 14, 2005

- Other partners should be informed and consulted on the project to avoid duplication and to learn from their experiences
- *Disbursement mechanisms need to be secure, cost-effective and user-friendly*
- Currently, the Children's Officers have been disbursing the cash themselves, but this will not be tenable as the number of recipients increases, and is also not desirable for security reasons. Vast distances are of special concern in Garissa and Kwale.
- What options are there in terms of disbursing funds via commercial banks?
- *Monitoring tools have to be developed, disseminated and regularly updated*
- A user-friendly monitoring tool that is not bulky or expensive should be developed (see Annex D)
- The data gathered from monitoring visits should be linked to the OVC database
- The community should play a role in monitoring the use of funds

Moving from the Pre-Pilot to the Pilot – and Beyond...

The aim of the pilot project will be to address the issues raised above in such a way that the answers can be applied nationwide. In this regard, the groundwork for a comprehensive evaluation will need to be laid from the beginning. Ultimately, it is envisioned that cash subsidies for OVCs will be another national social safety net operated by the government.

It is important to realise that the funding for such an ambitious undertaking is potentially available. During the 2002 electoral campaign, 102 parliamentary candidates, including President Kibaki, pledged to support OVC issues in parliament – including voting for the allocation and transfer of adequate resources to address orphans' issues (see Annex E). However, there is still much work that needs to be done to capitalise on these pledges of support. For example, in a 2004 review of the extent to which action was being taken for orphans in 25 constituencies against a set definition of what constitutes a good constituency action plan (Annex F), only two out of 25 constituencies managed a mean score of over 1⁷, where a poor score was set at zero, a poor to satisfactory score was set at 1, a good mean score was set at 2 and an excellent score was set at 3.

In addition to allotments from national tax revenues, OVC cash subsidies might also be financed by external partners who have already expressed interest in supporting such initiatives. For example, the UK's Department for International Development has pledged £150 million pounds to OVC issues, 80% of which will be spent in Africa. Meanwhile, the US government's President's Emergency Programme for AIDS Relief (PEPFAR) has committed 10% of its resources – i.e. \$1.5 billion – for children affected by AIDS, though to date only 5% has been allocated in Kenya. There are also possibilities of additional support from SIDA, the World Bank, the EU and the Global Fund. It is conceivable that all these resources could be pooled into

⁷ UNICEF Kenya. *Report of the 2004 Parliamentary OVC Committee Emergency Rapid Response Initiative for OVC*. Draft. 2005.

a trust fund that would be managed by Financial Management Agent, an option that is supported by many of these partners.

The funding sources are available – if, that is, the donors can be convinced of the efficacy of the approach. The challenge, then, is with us as the implementing team to develop a workable, effective way of getting the money to the beneficiaries – and to monitor its use to make sure it goes toward the intended purpose of caring for the most vulnerable children.

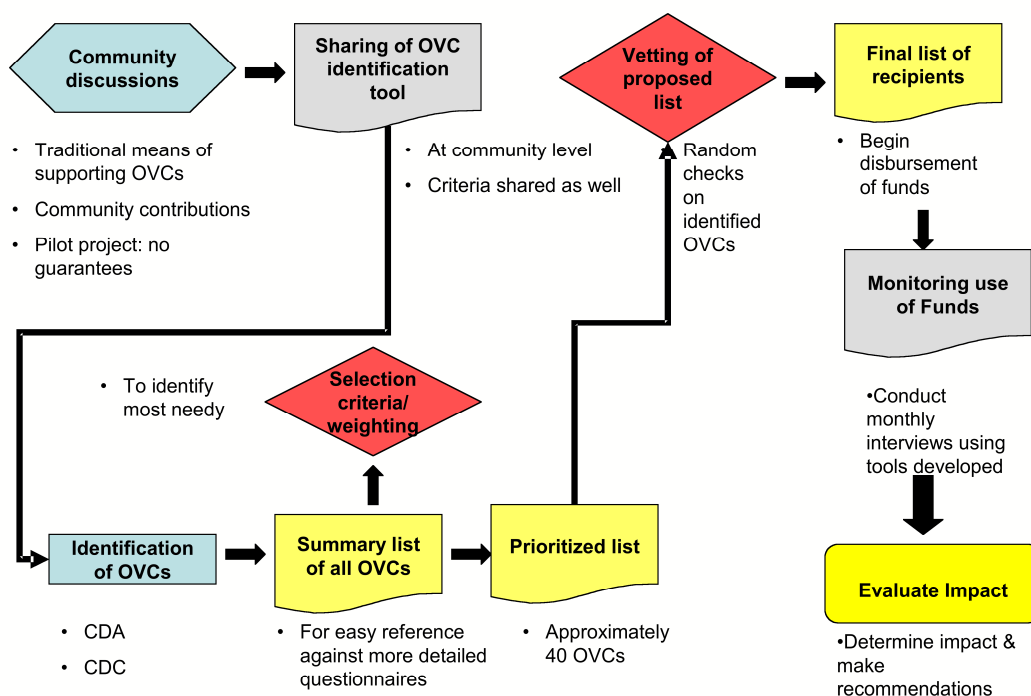
Annex A: Proposed Selection Criteria

“Orphans” in this context are defined as children who have lost either one or both parents. “Vulnerable children” are those who may not necessarily be orphaned but may be living under precarious circumstances e.g. if their parents are chronically-ill.

| Selection Criteria | Comments | Weight |
|---|---|--------|
| – Orphan or vulnerable child | | |
| – Child-headed households | Should be given priority | |
| – Number of people in the household | To capture per capita income | |
| – Age-limit: 14 | | |
| – Age of care-taker | Particularly to capture cases where the care-giver is a grandparent | |
| – Marital status/single parenthood | Supplementary | |
| – In-school/out-of-school status | Supplementary | |
| – Not in any way related to committee members | | |
| – Long-term disability/illness | | |

Annex B: Possible Selection Processes

➤ Option A: Pre-pilot approach



➤ *Option B: Revised approach*

- a) AAC to brief chief on project so that they can mobilise community for baraza
 - b) In conjunction with the AAC, the Chief convenes baraza for community:
 - Civic education on OVC-related issues
 - Introduce project – objective, process and cap on # of recipients
 - Review criteria for OVC selection
 - Select locational AAC (ideal locational AAC: chief should be chair, community health worker, 1 CBO representative, 2 religious leaders, police, 2 business representatives)
- It was estimated that it would take about 4 days per community to set this up.
- c) The locational AAC then goes through some formal training on the project and OVC issues.
 - d) AAC then visits each village who provides names of the OVC; their nominations can be verified on the spot

Annex C: Partnerships with CBOs

➤ *Option A: Use following criteria for CBO partnerships*

- Registered CBO
- Established bank account
- Coverage of entire location wherever possible
- Already providing services to community (vocational training, feeding, health care, water provision); preferable to find at least one which covers a range of services if possible
- Activities should be directly related to the welfare of children or support to households e.g. provision of home-based care
- Element of existing income-generating activities so that project can be self-sustaining
- Potential for leadership in community to act as umbrella organisation to bring other CBOs together to join in this effort
- Should waive or subsidise charges for services for OVC as appropriate

There should be about 2-4 CBOs in each community so as to provide a diversity of services and maximise coverage of the location. Their current capacity/institutional framework should be assessed, as should their current coverage levels in service delivery. The selected CBOs will be shared with the community for their final approval.

➤ *Option B: Link up with CACC instead of disbursing funds to CBOs*

Annex D: Monitoring Form

OVC Cash Subsidy Monitoring Form

Personal Details:

Name of Child:

Serial Number:

Sex:

Contact Address:

Age:

Orphanhood: (Double or Single): _____

Name of Guardian/Parent: _____ Occupation: _____

Level of Education: _____ ID No.: _____

Name of Siblings

- 1 _____
- 2 _____
- 3 _____
- 4 _____
- 5 _____
- 6 _____

Attach Child's
Picture Here

Health Information:

| | Interview One | Interview Two | Interview Three |
|--------------------------------------|---------------|---------------|-----------------|
| Describe Child's Physical Appearance | | | |
| Height (U5s) | | | |
| Weight (U5s) | | | |

Education Information

| | Interview One | Interview Two | Interview Three |
|---------------------|---------------|---------------|-----------------|
| Name of School | | | |
| Type of School | | | |
| Level /grade | | | |
| Comments on Changes | | | |

GENERAL FOLLOW-UP QUESTIONS:

1. Has child gone to/still in school? a) Yes b) No If no please explain _____
2. Has child been ill in last one month? a) Yes b) No If yes please obtain details of malady....

GRANT DETAILS

1. Have you received a cash grant from... to support your child?
a) Yes b) No.
2. How much did you receive:
a) 500 b) less than 500
3. If less than 500 ask why? _____
4. When did you receive the cash?
5. What did you use it for?

| Item | Kshs | Item | |
|---|------|------|--|
| Food | | | |
| Clothing | | | |
| Medical Care | | | |
| Education (Books/school fees/school uniform) | | | |
| Water | | | |
| Other (Specify) | | | |

6. Have you received any other support from the community (neighbors/family/friends)?

| Item | Kshs | Item | |
|---|------|------|--|
| Food | | | |
| Clothing | | | |
| Medical Care | | | |
| Education (Books/school fees/school uniform) | | | |
| Water | | | |
| Other (Specify) | | | |

7. Do you have any comments regarding the assistance you have received?
8. Has the household benefited as a whole?

GENERAL FOLLOW-UP QUESTIONS:

1. Is child still in school? a) Yes b) No If no please
explain _____
2. Has child been ill in the last month? a) Yes b) No

Annex E: Text of “A Call to Action!”

What every parliamentary candidate must do...

- **Speak out** - start a parliamentary debate to discuss the issue orphans and children made vulnerable HIV/ AIDS.
- **Break the conspiracy of silence** - act to reduce the stigma and discrimination generated by HIV/AIDS, especially towards orphans. Call for action against the sexual exploitation of orphaned girls in the communities.
- **Campaign for orphans’ education** - lobby for free basic education for orphans to ensure their enrolment and completion in school on an equal basis with other children. Organise more constituency harambees to raise funds to meet orphans’ school expenses.
- **Establish Children’s Action Committees in every constituency** - to promote and ensure orphans issues are addressed, mobilize resources to cater for their education costs, access to shelter, good nutrition, health services - especially for double orphans.
- **Lobby for the establishment of a parliamentary committee to champion OVC issues**- free education, resources allocation, resources transfer to communities, organisations and families supporting orphans.
- **Lobby for the judiciary to protect orphans rights** -to enforce laws that protect orphans from losing family property, and from all forms of abuse, violence, exploitation, discrimination, and trafficking.
- **Advocate for enactment of policies** that support and promote family and community managed care of orphans and vulnerable children instead of institutions.
- **Vote for the allocation and transfer of adequate resources** to the Children’s Department to cater for orphans education, health and social services.
- **Work with the private sector to address the issue of orphans** - urge the private sector to provide support for children orphaned by the death of employees.
- **Submit proposals in the next national budget** that will make a substantial allocation of resources in the next budget to assist orphans - e.g. tax rebates for resources spent on OVCs to go to bursaries and education funds.
- **Develop and implement national strategies and policies** to build and strengthen governmental, family and community capacities to support orphans.