

Cash Transfers: Real benefit for children affected by HIV and AIDS

Globally, an estimated 15.2 million children have lost one or both parents to AIDS. In countries where the AIDS epidemic has struck hardest, traditional family and community coping mechanisms for children are under considerable strain.¹ Women and older people often bear the bulk of the caring. This is particularly evident in sub-Saharan Africa, where children who have lost one or both parents often live in households headed by older carers who have low levels of education and are thus unlikely to have a regular source of income.²

For children affected by HIV and AIDS, the risks of poverty and loss of livelihood are compounded by the risk of losing family care - their first line of protection. While cash transfers alone are not the solution, they can be an important element of an overall care package for children.³ Social protection measures – including social transfers (cash, in-kind [food] or vouchers), family support services, and alternative care – can help mitigate the impact of HIV and AIDS by reducing poverty and family separation. Integrated social protection, in line with the internationally agreed *Framework for Orphans and Vulnerable Children Living in a World with HIV and AIDS*, can contribute to better health, education and protection outcomes.⁴

Cash transfers can be financially feasible, even in the poorest, most severely AIDS-affected countries. The

International Labour Organization (ILO) has shown that providing small cash transfers to the poorest 10 per cent of people in most African countries would cost less than 3 per cent of GDP. Specifically, in sub-Saharan Africa, reaching 10 per cent of the population would cost just \$740 million each year.⁵ As more programmes are implemented, actual cash transfer programme costs are available for better modelling to anticipate long term needs.

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Cash transfers are gaining increased support as a means to mitigate the impact of HIV and AIDS on children, and potentially decrease their risk of HIV infection. Regular and predictable cash transfers can provide a consistent income and help reduce the burden of care for households with children. The increasing resources available to mitigate the impacts of AIDS are an important, but as yet untapped, resource for increased financing of cash transfers and other social protection programming.

Cash transfers provide for children

Evidence gathered from existing and emerging cash transfer programmes shows that:

1. Regular, predictable cash transfers can have a long-term positive impact on children affected by HIV and AIDS, their families and carers, but do not need to specifically target children affected by HIV and AIDS to effectively reach them.
2. Cash transfers alone are not enough to fully transform the lives of children affected by HIV and AIDS, they must be part of a comprehensive system of social protection and accompanied by investment in accessible basic services such as healthcare, education, and water and sanitation.
3. Cash transfer programmes must be context specific and nationally supported.
4. Cash transfers are a vital element of ensuring children's right to social security as outlined in the Convention on the Rights of the Child.

Increased opportunity, decreased child poverty

Although many community initiatives and NGOs are attempting to respond to the growing needs of families affected by HIV and AIDS, they are simply not meeting the needs of millions of children. As AIDS decimates extended families, many carers are still struggling to support large numbers of children.

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Cash transfers can fill this gap and help transform the lives of children. Consistent, regular transfers can enable families to meet immediate needs for food and healthcare, and dramatically reduce a child's vulnerability in the short term. They can also enable children to go to school and thereby contribute to their long-term security. Evidence from rural Brazil indicated that pensions are strongly linked with more girls enrolling in school.⁶ Critically, cash transfers allow families to set their own priorities. Research shows that when families make their own choices, much of their spending benefits children both directly, for example, by paying school fees, and indirectly through the household becoming more stable. The flexibility of cash transfers means that those affected by HIV and AIDS, and their families and caregivers, can meet their diverse needs effectively.⁷

Cash transfers can decrease child poverty. In 2004, a review covering more than 15 countries found that the presence of child-oriented transfer programmes led to a reduction in child poverty.⁸ In 2005, *Making Cash Count*⁹ looked at a variety of cash transfers – from old-age pensions and child-focused grants, to those targeted at the poorest in the community – to measure their impact on children. This research concluded that cash transfers do not have to be targeted at children to have a positive impact on children's well being.

Many programmes seeking to target children affected by HIV and AIDS struggle to define 'HIV impact', due to continued stigma and low levels of testing and disclosure. However, new evidence shows that cash transfer programmes in heavily AIDS-affected countries are already reaching children affected by HIV and AIDS. A recent study of seven diverse cash transfer

programmes across southern Africa revealed that between 50-70 per cent of all recipient households were HIV-affected. This is particularly true where selection criteria include a low poverty threshold, high dependency ratio (i.e. labour constrained households), and the presence of orphans in the household. Significantly, none of the schemes used HIV or AIDS as targeting criteria.¹⁰

"I receive R820 (US\$113) a month and I spend the money on bills – water, electricity, rates – and food for the children. I also pay for transport for other members of my family to come to the city [Durban] and visit. And I pay for funeral arrangements for family members who have passed away.

I also pay for my grandchildren's school fees, school uniforms and fill their lunch boxes, because their parents have passed away. My 15-year-old granddaughter suffers from asthma, so after an attack she has to go to hospital to be treated – I pay for this too."

Mr. Mdiya lives in Durban, South Africa and is supporting his five orphaned grandchildren on his old-age pension. He has been receiving the pension since January 2006.^{11,12}

Investing in services: maximising impact

Cash transfers are only one component of a comprehensive social protection programme, and are not the complete or only solution for children affected by HIV and AIDS. Every situation requires a careful analysis of what is needed to meet children's diverse needs in a specific context. Other social protection measures that can benefit children affected by HIV and AIDS include family support services, alternative care, legal protection, and mechanisms to protect against violence, exploitation and abuse. Investments in and access to quality

education and healthcare services are also crucial to ensure children's well-being.

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The link between HIV and poverty is dramatic – household and community poverty increases vulnerability to infection, and infection increases poverty. By disabling the most able-bodied members, HIV lessens the ability of the household to recover from bouts of illness or economic shocks. Cash transfers can help to mitigate these impacts and improve the lives of children living in these households. However, cash transfers delivered alongside other social protection measures offer the best hope for children.

Context specific and nationally driven

Social protection policy discussions must support nationally led programmes, based on local analysis and prioritisation. This includes local analysis of appropriate targeting of resources to most effectively reach children. This may not require targeting children themselves. For example, in Lesotho, a compelling motivation behind the introduction of the social pension introduced in 2004 to the 70-plus age group was the high number of HIV and AIDS-affected children living with older people who did not have a secure income.¹³

The 2006 Livingstone Inter-governmental Regional Conference and Call for Action on Social

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Protection was an important step towards national ownership of social protection strategies, which often include cash transfers. The meeting brought together representatives from 13 African countries, development partners, the UN and NGOs. Delegates called for the creation of “costed national social transfer plans within 2-3 years that are integrated within National Development Plans and within National Budgets, and that development partners can supplement.”¹⁴

For cash transfers to truly benefit children, they must be long-term and form a significant part of the social contract between a government and its citizens. Government support is essential to institutionalise social protection within national agendas and ensure that the commitment is enduring. Civil society participation is critical to ensure transparency and efficiency. It is, therefore, essential that donors support initiatives with sustained funding, system strengthening through capacity-building and technical support as requested. Additionally, documenting and sharing best practice from existing programmes will allow increased South-to-South learning.

There has been significant movement in international policy on cash transfers as a response to the increasing impacts of HIV and AIDS. In 2005, the Commission for Africa identified the need for increased social protection and regular cash transfers as a response to orphaned and vulnerable children across the continent. Specifically, the Commission Report called for an immediate \$2 billion per year for social protection rising to \$5 or \$6 billion annually by 2015.¹⁵ This call was further strengthened by the 2006 Global Partners Forum for Children Affected by HIV and AIDS, which

called for the development of social welfare systems with specific budget allocations.¹⁶

Recognising children's rights

Children affected by HIV and AIDS are entitled to the same rights as all children. These rights are enshrined in the UN Convention on the Rights of the Child, and include the rights to survival, to develop to the fullest, to protection from harmful influences, abuse and exploitation, and to participate fully in family, cultural and social life and, significantly, the right to social security.¹⁷

Social protection, including cash transfers, must be prioritised as an essential basic service alongside investments in healthcare, education, water and sanitation, to make a difference for the most vulnerable children.

The right to social security is essential for children and families living in poverty. Regular, predictable cash transfers can mean the difference between a family surviving or collapsing. This right needs to be realised for all vulnerable children, including those affected by HIV and AIDS. Social protection, including cash transfers, must be prioritised as an essential basic service alongside investments in healthcare, education, water and sanitation, to make a difference for the most vulnerable children.

Recommendations

Cash transfers hold the potential to make a considerable difference to the lives of children affected by HIV and AIDS. However, like any other intervention intending to benefit children, transfers need to be long-term, regular and predictable and linked with other services. They need to support children throughout childhood to give them the best chance to break out of poverty. To enable the increased use of cash transfers to benefit children affected by HIV and AIDS:

1. Financial resources for national social protection programmes must increase at national and international level.
2. Donors must provide long-term, sustained funding and technical support to countries to develop and implement their social protection strategies.
3. Donors and national governments in developing countries must increase funding for cash transfer programmes benefiting children and their carers, including those affected by HIV and AIDS, in line with the recommendations of the Commission for Africa – \$2 billion immediately rising to \$5-6 billion annually by 2015.
4. International organisations, academic institutions and governments must gather more evidence, looking particularly at the long-term effects of cash transfers on HIV prevention in highly HIV-affected countries, and on the impact of linking other social protection services with cash transfers.
5. The UN, donors and NGOs must support skill-sharing and capacity-building partnerships between developing countries to share

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experience of expanding social protection.

- Children affected by HIV and AIDS need not be targeted specifically to be effectively reached, rather cash transfer programmes to benefit children affected by HIV and AIDS should be integrated into overall efforts to strengthen support for all vulnerable children.
- Agencies working to address HIV and AIDS must add their voice to the growing movement advocating for social protection.

Better Investment: Cash Transfers in Malawi

In September 2006, the Malawian government launched a pilot cash transfer scheme in Mchinji district. The goal of the programme is to contribute to national efforts to reduce poverty and hunger in ultra-poor households, increase school enrolment and attendance and improve the health, nutrition, protection and well-being of orphaned and other vulnerable children.¹⁴

This transfer was directed towards those households that are both ultra-poor and labour-constrained. Many households that meet these criteria are headed by older people looking after orphaned and vulnerable children, female and child-headed households and households with chronically ill, disabled or HIV-infected members. Recipients were selected through a multi-stage, participatory targeting process, which utilises community committees to determine the households in most need.

Eligible households are given a cash grant determined by household size, with an additional bonus provided for each child currently in

school. The bonus is intended to cover child-specific expenditures, thereby increasing school enrolment and retention, increasing access to healthcare, and reducing child labour. In addition, the households receive support from the committee members, child protection workers and extension workers to ensure that other household needs, such as for home-based care or psychosocial support are being met.

The scheme is a collaboration of the Government of Malawi, UNICEF and the National AIDS Commission (NAC). Recognising the immense impact that this transfer will have on families affected by AIDS, the NAC is funding the transfer with money received from the Global Fund to Fight AIDS, TB and Malaria, complemented by other pooled resources.

The pilot is currently being evaluated by Boston University. The results of this evaluation will influence the design of the national social protection policy, highlighting cash transfers as a potential key intervention.

For further details and additional copies of this briefing, contact:
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