

Universal Pension Pilot in Muleba District

lessons learned after 12 months

In the last decade the call for universal pensions as a corner pillar of social protection has been heard and followed by action in East Africa: The Republic of Uganda is in progress of scaling up a Senior Citizen Grant to a growing number of districts, The Republic of Kenya will start universal pensions early 2018, Zanzibar, the semi-autonomous region of the Republic of Tanzania, introduced universal pensions in 2016¹. Preparations for an introduction of social pensions for older people are also underway in Mainland Tanzania.

On the basis of its long experience with the implementation of non contributory pensions, the local NGO *Kwa Wazee*², which is part of the HelpAge network, started a small pilot programme in Kagera Region to obtain more evidence on implementation issues of a universal pension scheme.

Universal Pension Pilot (UPP) in Muleba District

Since November 2016, in two villages of the Muleba District, every citizen over 70 years, who has been resident for at least five years, receives a monthly pension of 15,000 TZS.

The scheme is implemented by local Village Pension Committees, which have been elected by older people's assemblies in both villages according to criteria like: trust, capacities, gender mix, age. – *Kwa Wazee* provides the funds and is responsible for training and for mentoring and monitoring processes. – Pensions are paid out in cash in every village once a month from different paypoints to reduce the walking distance. Older people who cannot collect their pension themselves appoint one person whom they trust. – Village leaders and District authorities have been involved or kept informed from the beginning.

- A total of 201 older people over 70 years have been admitted since November 2016. Exactly two out of three (66%) are women. 50% of older people over 70 years are widowed.
- The pilot started with 183 pensioners. During the first year there were 18 new registrations, while 11 older people died and one moved away.
- 72% of the older people who were registered could produce consistent ID on paper – in most cases voting passes or baptism cards. In 16% of cases elements were missing or contradictory, 12% of older people could produce no document of identification.
- In a baseline survey³ with all participants 36% indicated that - for health reasons - they could only rarely or never collect their pension themselves, while 89% declared that they cannot read or only with difficulties read public announcements. 51% had indicated problems with their eyesight.
- 86% of all pensioners own or have access to a mobile phone. 25% of older women and men over 70 years have experience with mobile money transfer.

After one year of operation the pilot offers new experience and **lessons learned**, many of which could be useful as well for a future government-run programme.

Registration

- Personal demographic data normally recorded at village or District level have proved to be very useful for an assessment of the expected numbers of beneficiaries. These records proved to be reliable to a good extent.
- The process of registration took more time than anticipated as a considerable number of older people could not sufficiently prove their age, because they had no ID or because of inconsistencies in their documents (see figures above). Yet in most cases the claims of applicants could be reliably validated – by their appearance, accounts of historic events, by credible statements of neighbours of the same age group, by village leaders or family members.

¹ The Senior Citizen Grant in Uganda is a universal pension valued at US\$ 7.50 from the age of 65 years, in Zanzibar every resident over 70 years receives a pension of 20,000 TZS.

² *Kwa Wazee* is a registered NGO in the Republic of Tanzania, based in Nshamba, Muleba District. The organisation started a small scale pension programme as early as 2003. Various studies on the experience of *Kwa Wazee* have explored the impacts on the lives of older people, grandchildren in their care and other family members.

³ The results of the first UPP Baseline inquiry on issues like health, livelihood, community support or impact of pensions can be ordered at kwawazee@yahoo.com or downloaded under: kwawazee.ch/index.php/en-uk/start

- Despite the fact that the programme was announced early and that large posters informed about admission criteria, a number of older people only appeared months after the initial registration.
 - **Systematic provision of ID at national or District level will facilitate registration in the future. Yet even the present situation allows reliable identification and registration at village level with reasonable effort.**

Delivery

- From the perspective of the beneficiaries the delivery of pensions from the paypoints and home delivery by appointed family members has worked largely satisfactorily. Various forms of monitoring – for example a baseline survey with all recipients or random phonecalls – have revealed no irregularities in the first 12 months. Minor practical challenges arose in early stages before the Bank was able to provide sufficient low denomination notes.
- In the first phase pensions are paid out in cash by the Village Pension Committee during one Payday every month. This form of payment is comparatively effortful, but it has facilitated interactions of older people such as the forming of small savings-groups. A considerable number of older people is forced to have their pension collected by an authorized family member – for reasons of health or constrained mobility.
- While only a couple of years ago it was hard to imagine that older people could be reached by mobile money transfers, a growing part of the older population has gained such experience with this technology. Tests with electronic transfers of the pensions have successfully started with small groups in both villages.
 - **The inclusion of older people in key processes and the responsibilities which are endorsed at village level establishes community ownership and minimizes the risks for malpractice or corruption.**
 - **The investment of trust in the community, transparent communication and time for skills development of volunteers (Village Pension Committee) has so far paid out.**

Impacts on the community

The strong impacts of non contributory pensions on the lives of vulnerable older people and family members who depend on them – in particular grandchildren – have been manifest since *Kwa Wazee* started its smallscale Pension Programme in 2003. Multi-layered impacts have been verified and specified in numerous studies carried out on the experience of *Kwa Wazee*⁴ and increasingly of large cash-transfer programmes elsewhere. Apart from poverty reduction, improvement of food security and general wellbeing of older people positive impacts on other family members and on the community contribute to a general raising of social status of older people.

The positive - however often complex - impacts of cash transfers on local economies have been more often investigated in recent years.⁵ UPP is far too small to make more than indicative statements, however almost immediately after the start of the pilot a stimulation of the local economy could be observed:

- **After only a couple of months traders started to put up small stands with dried fish, vegetables and also clothes during paydays. In a first baseline survey with all beneficiaries, 91% of all respondents indicated that they purchased their food and basic products from local shops.**

⁴ ,SALT, SOAP AND SHOES FOR SCHOOL – The impact of pensions on the lives of older people and grandchildren in the *Kwa Wazee* programme in Tanzania's Kagera Region.' – HelpAge International, REPSI, World Vision, Swiss Agency for Development and Cooperation – 2008.

TOWARDS UNIVERSAL PENSIONS IN TANZANIA - Evidence on opportunities and challenges from a remote area, Ngenge Ward, Kagera – HelpAge International, Help Age Germany, Kwa Wazee Switzerland – 2014.

⁵ ,The Impact of Cash Transfers on Local Economies'; POLICY IN FOCUS, United Nations Development Programme; 2015, Volume 11, Issue No. 1

Universal approach

One key experience of the ordinary pension programme of *Kwa Wazee*, which already started in 2003 has been, that the small income differences between the poorest of older people and the average older person combined with fluctuating family- or livelihood-settings did not justify a means-testing approach.

However before starting the most recent pilot programme *Kwa Wazee* has had no experience with delivering cash transfers to every older person from a certain age groups as foreseen by a universal approach.

Some results of the above mentioned Baseline Survey with all beneficiaries further suggest the adequacy of a universal approach.

- Only 4% of all older people had either a Nation pension or a private pension.
- Even a small pension of 15,000 TZS appeared to make a difference to all older people: When asked which were the biggest changes since the start of the pension, around 80% mentioned more and better food, improved basic needs or strengthened subsistence. 17% emphasised their improved well being or that they could support their family.
- When asked about the changes they hoped for in the coming years, 36% mentioned food security and basic needs, whereas 54% wished to strengthen their subsistence and/or to improve their house.



15th November 2016, historic moment in Mainland Tanzania: In the village of Ikondo in Muleba District the first older woman is handed out a universal pension by the special invitee, the District Commissioner.



The call for registrations for the universal pension programme was announced at older people assemblies, on flyers and on large posters, where the relevant information was spread. Villagers know who to address if they have questions or complaints in connection with the pensions.



Older people sit together in their subvillages to discuss who they want to propose for the Village Pension Committee which is responsible for registration and payments.



Detailed interviews were carried out with every beneficiary of the universal pension programme. The baseline survey is seen as an important element for the monitoring of the pilot.



More food, tastier food and better provision with basic goods were most often mentioned as the *biggest difference the pension made*. – When asked about what they expected of the coming years, 46% of the respondents expressed that they hoped to invest in their farm or to strengthen their subsistence. 42% hoped to be able to improve their house.