

TUESDAY, 30 OCTOBER, 2018

STATEMENT BY THE VICE-PRESIDENT

**ALLEGED MISUSE AND MISAPPLICATION OF THE SOCIAL CASH TRANSFER
FUNDS**

THE VICE-PRESIDENT, MRS WINA

Mr Speaker, before I give my statement to the House, allow me to pay a special tribute to one of Zambia's political giants, Mrs Chibesa Kankasa who passed away in a South African hospital.

Mr Speaker, Mrs Kankasa was a courageous politician who crossed the boundaries of ethnicity and tribe, both in her personal life and in politics.

Mrs Kankasa was not only a political activist but an embodiment of women struggle for equality of opportunity. The country has lost a politician of substance. May her soul rest in eternal peace.

Mr Speaker, the statement is based on the alleged misuse and misapplication of the social cash transfer funds by some Government officers in the Ministry of Community Development and Social Welfare.

Mr Speaker, the Social Cash Transfer Scheme under the pro-poor Patriotic Front (PF) Government in Zambia constitutes programming which directly responds to the objective of the Social Protection Chapter of the Seventh National Development Plan (7NDP) under the Poverty and Vulnerability Pillar which is to reduce extreme poverty in incapacitated households through welfare support.

Sir, the scheme is a non-contributory grant given to households classified as incapacitated and vulnerable. The aim of the transfer is to reduce extreme poverty and inter-generational transfer of poverty.

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Mr Speaker, the Social Cash Transfer Scheme is the country's major social safety-net programme and is targeting to reach out to 700,000 household beneficiaries by December, 2018. The programme was initiated in 2006 in Kalomo with 169 beneficiary households. From 2011 when the PF took Government, the beneficiary households have risen from 32,643 in 2011 to 574,663 in 2017. This was due to the scale-up of the programme from nineteen districts to all the 109 districts in Zambia, especially in rural areas.

Mr Speaker, currently, the Social Cash Transfer Scheme is governed by a joint financing agreement which the Government together with the co-operating partners is funding. The co-operating partners are the United Kingdom (UK) through the Department for International Development (DFID), Sweden, Ireland, Finland and the United Nation (UN) agencies, namely, International Labour Organisation (ILO), United Nations International Children's Emergency Fund (UNICEF) and the World Food Programme (WFP). The Government of the Republic of Zambia provides 70 per cent of the funding for the social cash transfers while the co-operating partners provide 30 per cent. The last remittance of the funds under the Social Cash Transfer Scheme to the beneficiaries was for the January/February cycle which was paid in June 2018.

Sir, at present, the programme is using three payment service providers, namely, Zambia National Commercial Bank (Zanaco), Zambia Postal Services Corporation (Zampost) and Pay Point Managers (PPM). Zanaco is expected to cover Eastern, Lusaka and Central provinces while Zampost covered Luapula, Western, Muchinga, Northern and North-Western provinces, and two districts on the Copperbelt Province, namely, Mpongwe and Lufwanyama. The third payment service providers known as PPMs are civil servants, mostly, teachers or nurses who live in or near the beneficiary households in a community. These PPMs presently cover Eastern, Central and Southern provinces including the remaining districts of the Copperbelt Province.

Mr Speaker, towards the end of 2017, following complaints from beneficiaries and irregularities highlighted through the internal audit reports from the ministry about the implementation of the social cash transfers, a team of auditors from the Office of the Controller of Internal Audit was constituted to carry out a country-wide audit of the Programme. Furthermore, in January 2018, the ministry received another team of auditors from the Office of