



Terms of Reference

National Consultant

Feasibility Study on a Social Pension in Zimbabwe

Ministry of Public Service, Labour and Social Welfare (MoPSLSW)

International Labour Organization (ILO)

National Age Network of Zimbabwe (NANZ)

HelpAge International (HAI)

Background

Since Zimbabwe gained independence in 1980, social protection has been part of development policies and all national poverty reduction strategies. Since 1980, several national development plans have embraced social protection as a key to poverty reduction, which led to greater recognition and prioritization of the sector. Such plans include the National Economic Revival Programme, 2001; Towards Sustained Economic Growth; National Economic Development Priority Programme (NEDPP), 2008-2009; Zimbabwe Economic Development Strategy (ZEDS), 2009-2013”, and the “Medium Term Plan (MTP), 2011-2015. The Government of Zimbabwe’s (GoZ) current (2013-2018) blueprint is the Zimbabwe Agenda for Sustainable Socio-Economic Transformation, (ZimAsset), which prioritizes poverty eradication through higher economic growth and focuses on: food security and nutrition; social services and poverty eradication; infrastructure and utilities; and value addition. The plan delineates clear targets for social protection outcomes¹.

During the 1990s, the Government of Zimbabwe (GoZ) introduced a range of non-contributory social protection interventions under the Enhanced Social Protection Programme (ESPP). Such interventions included public assistance programs, public works programs, the Basic Education Assistance Module (BEAM), and a program for Children in Especially Difficult Circumstances (UNICEF, 2012).

Today, Zimbabwe’s social protection system supports an array of fragmented, poorly targeted, and donor dependent programs, with different degrees of effectiveness. Social protection outcomes have been curtailed by limited fiscal space, economic stagnation, poor infrastructure, widening inequality and exclusion of some marginalized groups, partial or non-alignment of major laws and policies with the new constitution, limited human resource capacity, poor retention of skilled labour, and limited exploitation of technological opportunities to improve efficiency and effectiveness of service delivery.² The implementation of parallel assistance programmes raises considerable administrative costs, with duplication in core processes.

The largest components of Zimbabwe’s social protection system are the Harmonized Social Cash Transfer (HSCT) and social security schemes implemented by the National Social Security Authority (NSSA).

The HSCT is an unconditional cash transfer targeted to food-poor and labour-constrained households. The objectives of the programme include enabling beneficiary households to increase consumption above the poverty line, reduce the number of ultra-poor households, and help beneficiaries avoid negative coping strategies such as child labour and early marriage. Moreover, the programme is expected to lead to improved nutritional status, health, and education, as well as a reduction in child mortality.³ The programme was

¹ <http://documents.worldbank.org/curated/en/703061497633062672/pdf/116350-WP-v5-PUBLIC-JUNE21-6am-ZIMPER-Volume-5.pdf>

² <http://www.zw.one.un.org/togetherwedeliver/zundaf/social-services-protection>

³ <http://www.fao.org/3/a-ar671e.pdf>

launched in 2012, covering 10 districts and 16 637 households. As of March 2014, the programme had expanded to cover 20 districts and include 55 509 households. The transfer size ranges from USD 10 to USD 25, based on household size, and is delivered bi-monthly. Estimates suggest the transfer size represents around 20 percent of sample median household consumption expenditure. Despite the stated intention of the GoZ to scale-up coverage to the national level (65 districts) and make the HSCT Zimbabwe's flagship social protection scheme, the programme remains significantly under-funded and coverage has been reduced to only 10 Districts in 2017.

Social security schemes are managed by the NSSA, which operates a contributory and compulsory Pensions and Other Benefits Scheme, which provides for retirement pension in old age among other services. This scheme was introduced in 1994 and, due to its contributory nature, it currently only caters for employees in the formal sector. As a result of widespread unemployment and highly informal labour markets, most of older Zimbabweans are unlikely to be covered under this scheme.

Both contributory and non-contributory social protection schemes in Zimbabwe are facing significant challenges in terms of limited – or even declining – coverage, inadequate financing, relevance and effectiveness in meeting the social protection needs of Zimbabwe's population. Expenditure on non-contributory social protection dropped starkly from an average of 1.9 percent from 2010 to 2014 to 0.72 percent in 2015. The drop is attributable to declining development partner commitments, and a shift in resources towards emergency assistance. Public service pensions make up the bulk of Zimbabwe's expenditure, with 67 percent of social protection expenditure being devoted to civil service pensions, which covers just 1.3 percent of the population in 2015. At four percent of GDP, expenditure of civil service pensions ranks far ahead of other countries in the region, including South Africa (2.1 percent), Cabo Verde (1.7 percent) and Botswana (1.7 percent)⁴.

The Pensions and Other Benefits Scheme, a social insurance scheme administered by NSSA is the country's main instrument to ensure income security for older Zimbabweans. NSSA statistics indicate that in 2009, 142,835 people benefited from pension payouts and allowances, with the bulk being surviving pensioners (63,045) and children's allowances (36,865). Retirement and invalidity pensions (33,105 and 9,820, respectively) made up a relatively small proportion of total payouts. In 2019, NSSA's National Pension scheme had 1,240,423 active members, which is about 17% of the working age population (ages 15-59). Men outnumber women in active membership at a ratio of 3:1.⁵ The continued informalization of the economy and the decline in formal sector employment means that fewer and fewer people are contributing to social security in Zimbabwe, including pension schemes. The GoZ further implements several non-contributory tax-financed old age, disability and survivor's pensions for civil servants and war veterans.

A social pension in Zimbabwe?

Recognizing the limitations of the country's pension system in providing adequate coverage, the GoZ enacted the Older Persons Act of 2012, which provides for the establishment of a means-tested non-contributory social pension for older Zimbabweans. However, the Older Persons Act is yet to be implemented, potentially indicating lacking political will and commitment.

Persistent challenges related to mismanagement and corruption⁶, illegitimate conversions of benefit schemes during the most recent period of hyperinflation and 'dollarization', as well as the hyperinflation itself, have led to a collapse in the value of pension assets and significant erosion of trust in Zimbabwe's pension system. With the collapse of pension funds and pensioner savings, most older people, if they managed to contribute in the first place, have been left very few assets and savings to rely on in retirement⁷.

These challenges, as well as the structural difficulties of providing universal pension coverage in a context of high informality, call for a re-thinking of Zimbabwe's approach towards old age social protection. Those

⁴ <https://openknowledge.worldbank.org/bitstream/handle/10986/27903/116350-WP-v5-PUBLIC-JUNE21-6am-ZIMPER-Volume-5.pdf?sequence=1&isAllowed=y>

⁵ Chitamabara, 2010, 14; HAI calculations based on UNFPA, World Population Ageing 1950-2050

⁶ <https://allafrica.com/stories/201806220816.html>

⁷ <https://ipecc.co.zw/wp-content/uploads/2018/07/Final-Report-of-the-Commission-of-Inquiry-02-May-2017.pdf>

challenges also mean that it will be difficult to find a solution to the pension crisis in the short to medium-term for many cohorts of pensioners on a contributory basis, which leaves only non-contributory social pensions funded by general revenues as a viable policy option.

Social pensions are increasingly recognized as effective mechanisms to ensure basic income security for all older people, especially in Southern and Eastern Africa. In recent years, more and more countries around the world have implemented universal or means-tested non-contributory social pensions paid to older citizens, regardless of social insurance or labour force participation histories, to ensure at least minimum levels of income security in older age. Zanzibar⁸ and Kenya⁹ being the latest examples in the region that have rolled out a universal social pension in 2017 and 2018 respectively, following successful and long-standing practices in South Africa, Botswana, Lesotho, Namibia and Mauritius.

Feasibility study on a social pension in Zimbabwe

In April 2019, the MoPSLSW requested the development of a feasibility study of a social pension in Zimbabwe, explicitly recognizing the existing social protection gap that older people, especially those that have worked in the informal economy, face. In response to this request, International Labour Organization (ILO), the National Age Network of Zimbabwe (NANZ) and HelpAge International (HAI) will jointly support the MoPSLSW to develop the requested feasibility study.

The study is to establish the feasibility of a social pension as a vital social protection instrument, especially in the context of the current pension crisis, but also more generally as a contribution to Zimbabwe’s development and the realization of citizen’s rights to social protection. It will draw attention to the challenges faced by older Zimbabweans and aim to both launch and provide the knowledge base for an inclusive national dialogue on the need for a universal social pension.

The team will seek to benefit from experiences and capacities on older people’s issues, social protection and pension systems within Zimbabwe and beyond. Specific elements of research that will form parts of the overall paper will be prepared by a set of researchers and practitioners, with the ILO and HelpAge taking the overall responsibility in producing a cohesive and well-articulated report.

Social partners and civil society, in particular older people’s associations and networks, will be engaged throughout the development of the study, help validate findings and recommendations, and will play a key role in facilitating a national discussion on a social pension, through active stakeholder engagement and advocacy. Older people’s associations, represented primarily through the National Age Network of Zimbabwe (NANZ), are especially expected to support the study by, amongst other aspects, help to define the performance of Zimbabwe’s social protection system for older people and help elaborate policy design choices for the proposed universal social pension.

These ToR are to guide the contributions of a local consultant to the overall study.

Tentative outline of the feasibility study		Technical lead
Rationale: Is there a need for better social protection for older people?	Qualitative and quantitative description of the situation of older people in Zimbabwe, including discussion of poverty, vulnerabilities, livelihoods and demographic trends in the medium and long term.	National consultant leading the drafting, with active support from MoPSLSW and NANZ
	Brief discussion of Zimbabwe’s macroeconomic situation.	
	Brief introduction to Zimbabwe’s social protection sector, including key programmes, legal frameworks and relevant policies.	
	A brief discussion of the current “pension crisis” and its implications for the realization of older people’s rights to income security and potential reforms to Zimbabwe’s pension system.	

⁸ <https://www.helpage.org/silo/files/zanzibar-universal-pension-baseline-survey.pdf>

⁹ <https://www.helpage.org/blogs/justin-derbyshire-28211/congratulations-to-kenya-on-the-launch-of-its-universal-social-pension-now-how-can-we-help-make-it-a-success-1073/>

	Assessment of the adequacy, relevance and coverage provided by Zimbabwe’s current social protection systems with respect to the rights of older people to income security, with a particular focus on pension systems.	
Design options: How could a social pension look like?	Reflections on the most appropriate (options) in terms of eligibility criteria (universal, means-tested, pension-tested, etc.) and benefit levels, informed by national dialogue, as well as a brief discussion on option for the registration and delivery.	HelpAge leading the drafting with input from all
Impact: What difference would a social pension make?	Microsimulation of impact of a universal pension using household survey data.	ILO/HelpAge
	Summary of evidence of impacts of social pensions in Zimbabwe and beyond.	
Cost and financing: How much would this cost and how could it be afforded?	Discussion of the potential cost of a universal social pension in line with options developed above.	ILO leading technical discussions, with support from MoPSLSW and HelpAge
	Discussion of financing options.	

Organization of the study

The study will be led and coordinated by a dedicated Steering Group that will bring together relevant stakeholders involved in the development of the study.

The Steering Group will be chaired by the Ministry of Public Service, Labour and Social Welfare (MoPSLSW) and will further include the International Labour Organization (ILO), HelpAge International (HAI), the National Age Network of Zimbabwe (NANZ) and additional stakeholders (TBD).

The Steering Group is collectively responsible for the scope, relevance and quality of the proposed study and will jointly engage with relevant government stakeholders, representatives of older people and the wider development sector to ensure that the findings and recommendations of the study will inform a national dialogue on the future of Zimbabwe’s pension system.

The national consultant will be requested to join all relevant meetings of the Steering Group for the duration of the study. At a minimum, the consultant is expected to personally present to the Steering Group the following:

- Qualitative research proposal;
- Research report summarizing key findings and themes emerging from the qualitative research;
- Draft of the study’s background and rationale section.

Resource allowing, a study tour will be conducted to sensitize key stakeholders on the feasibility and effectiveness of social pensions in a to-be-decided country in the region.

Key areas of work and objectives for the national consultant

The national consultant is expected to contribute to the overall study by:

- 1. Undertaking qualitative research on the lives and experiences of older people in Zimbabwe to inform the study and compliment quantitative sources.**
 - Case studies, key informant interview and focus group discussions with older people on their lives, livelihoods, experiences and expectations on social protection and pensions (areas of focus to be determined by the research team).
- 2. Undertaking relevant background research and draft of the Rationale section, including:**

- Qualitative and quantitative description of the situation of older people in Zimbabwe, including discussion of poverty, vulnerabilities, livelihoods and demographic trends in the medium and long term.
 - Brief introduction to Zimbabwe’s social protection sector, including key programmes, legal frameworks and relevant policies.
 - A brief discussion of the current “pension crisis” and its implications for the realization of older people’s rights to income security and potential reforms to Zimbabwe’s pension system.
 - Assessment of the adequacy, relevance and coverage provided by Zimbabwe’s current social protection systems with respect to the rights of older people to income security, with a particular focus on pension systems.
- 3. Supporting the Government and relevant stakeholders, in particular the National Age Network of Zimbabwe (NANZ), in validating the findings and recommendations and engaging with policy makers to ensure national ownership and up-take.**

Deliverables for the national consultant

Under the supervision of the Steering Group, the consultant is expected to deliver the following high-quality deliverables:

1. Qualitative research on the lives and experiences of older people in Zimbabwe:

- **Deliverable 1.1.** A detailed research proposal, including a description of survey design, survey implementation, and research questions, to undertake small-scale qualitative research on the lives, livelihoods, social protection needs and experiences of older people in Zimbabwe to complement existing qualitative sources and relevant literature.
- **Deliverable 1.2.** A concise research report summarizing key findings and themes emerging from the qualitative research.
- **Deliverable 1.3.** English-language transcripts of all focus group discussions, key informant interviews and individual interviews with older people.

2. Draft of the study’s background and rationale section:

- **Deliverable 2.1.** A draft of the study’s background and rationale section that should include the following sections, and follow guidance by the Steering Group:
 - A concise but comprehensive discussion of the situation of older people in Zimbabwe, including reflections on poverty, vulnerabilities, livelihoods and demographic trends in the medium and long term, on the basis of the qualitative research undertaken by the consultant, as well as existing secondary literature and quantitative data.
 - *Note: Quantitative analysis on poverty will be undertaken separately but the consultant is expected to integrate the data into the draft report.*
 - An introduction to Zimbabwe’s social protection sector, including key programmes, legal frameworks and relevant policies, with a focus on income security in older age.
 - A brief discussion of the current “pension crisis” and its implications for the realization of older people’s rights to income security and potential reforms to Zimbabwe’s pension system.
 - An assessment of the adequacy, relevance and coverage provided by Zimbabwe’s current social protection systems with respect to the rights of older people to income security, with a particular focus on pension systems.

3. Support the Government and relevant stakeholders, in particular the National Age Network of Zimbabwe (NANZ), in sensitizing relevant stakeholders and validating the findings and recommendations and engaging with policy makers to ensure national ownership and up-take.

- **Deliverable 3.1.** Facilitation of a national inception and sensitization workshop targeted towards key policy makers, older people's representatives, including from the Older Persons Board, as well as other social protection stakeholders.
- **Deliverable 3.2.** Facilitation of a national validation workshop and presentation of the draft study, together with the Steering Group.
- **Deliverable 3.3.** Facilitation of a launch conference and presentation of the final study,

Time Frame

The study is expected to be conducted between August – October 2019