

# A complementary cash transfer programme to mitigate the socioeconomic impacts of the COVID-19 pandemic on children in Tunisia: What are the lessons learned for the development of human capital?

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## 1 Introduction

In 2020, Tunisia experienced its worst economic downturn since the country's independence in 1956. It was one of the countries in the Middle East and North Africa (MENA) most severely hit by the crisis resulting from the COVID-19 pandemic. Its gross domestic product (GDP) declined by 8.8 per cent and its unemployment rate increased from 15 per cent (before the pandemic) to 17.8 per cent in September 2020. The poverty rate increase was estimated between 7.3 per cent and 11.9 per cent, thus reversing the downward trend of the past decade (Kokas et al. 2020; World Bank 2021; 2022).

The incidence of child poverty, which was already relatively high compared to the adult poverty rate, increased in the wake of the health crisis and related responses. A UNICEF study found that in 2020, child monetary poverty rose by about 19 per cent to 29 per cent, which amounts to more than a million children living in poverty by the end of 2020 (UNICEF 2020a).

Beyond the deprivations related to monetary poverty, withdrawal from school also posed a crucial problem. In Tunisia, the pre-pandemic situation was already alarming: 4 out of 5 children aged between 7 and 14 years old could not perform basic mathematical operations, and the preschool coverage rate for 3- to 5-year-olds in the poorest quintile of the population was only 17 per cent (UNICEF 2020b). Overall, schools remained closed for 17 weeks from the beginning of the pandemic until the end of 2021, and they functioned part-time for 15 weeks due to national lockdown measures (UNESCO 2021).

Generally, the effects of the pandemic on child growth are more pronounced for underprivileged children and those aged between 0 and 5 years old. On the one hand, the former group (children from lower income backgrounds) rely more on school meals, have less access to remote education and are more prone to quitting school as a result of parental income loss. On the other hand, children in the latter group (0- to 5-year-olds) are going through a crucial period of cognitive, language and physical development.

The adverse effects of the pandemic on the development of human capital may, with over time, jeopardise the country's productivity, hinder prospects for economic growth and deepen inequalities.

This Policy Research Brief is structured as follows: This introduction provides an overview of the Tunisian context, while Section 2 briefly recalls the country's responses to the economic crisis resulting from the COVID-19 pandemic. Section 3 focuses on the effects of the TND30 monthly benefit as they were felt by families, as well as its potential effects on early childhood development. Section 4 describes the role of social workers in the implementation of the programme, while also highlighting some of the challenges observed. Finally, Section 5 presents recommendations for the design of future interventions and the sustainability of the programme.

## 2 Investing in human capital through a sustainable and inclusive social protection system

In response to the economic crisis resulting from the pandemic, Tunisia implemented an emergency 2-month cash transfer programme, an additional TND50<sup>1</sup> to the beneficiaries of the National Assistance Programme for Families in Need (*Programme National d'Aide aux Familles Nécessiteuses*—PNAFN), and the free Medical Assistance 1 (AMG1). A new temporary benefit of TND200<sup>2</sup> was also put in place for the beneficiaries of the Medical Assistance at a Reduced Rate (AMG2) (UNICEF 2020a).

These contributions were complemented by a single additional transfer of TND50 for the 2020-2021 back-to-school season to help mitigate the pandemic's short and medium-term adverse socioeconomic effects on the one hand, and boost children's access to basic social services on the other, reaching 310.000 children from 6 to 18 years old. This transfer was a complement to the TND50 'back to school' benefit already delivered by the Ministry of Social Affairs (MAS).

## BOX 1

### PNAFN, AMG1 and AMG2

In 2020, the PNAFN attributed a monthly allowance of TND180 to disadvantaged households, with a TND10 supplement for each child in school age (6 to 18 years old). In 2022, this amount would increase to TND200 and the benefit would reach 310,000 households.

The Free Medical Assistance (AMG) has two components: free medical care and hospitalisation (AMG1), covering about 8 per cent of the population; and reduced rates subsidised by the State (AMG2), covering 22 per cent of the population. The PNAFN and the AMG were integrated by the law that created the 'social Amen', thereby enabling the implementation of a minimum income programme.

The vast majority of PNAFN beneficiary families is also covered by AMG1. These schemes have common eligibility criteria: low income households, head of household's inability to work, and/or presence of a household member with a disability or chronic disease.

The AMG2, however, covers households with modest incomes that are less vulnerable than those covered by the AMG 1 and the PNAFN, since the eligibility criteria is based solely on income and has a lower threshold.

Source : Author's elaboration.

Moreover, a TND30 monthly benefit<sup>3</sup> was launched at the end of 2020, initially targeting 40,000 children from 0 to 5 years of age. It was progressively expanded in 2021 to cover 90,000 households (about 129,000 children), considering children under 6 years old from vulnerable families included in the PNAFN and AMG1 and 2 programmes, thereby almost tripling its number of beneficiaries in just a year. This was the very first cash transfer targeting early childhood in Tunisia. This initiative should become permanent in the near-future,<sup>4</sup> which would be an asset for the development of human capital in the country.

These two child-centred allowances are part of the programme titled "Investing towards children's human capital through a sustainable and inclusive social protection system", implemented by UNICEF and MAS and funded by the German Development Bank (KfW). This programme provides support to the Tunisian government in designing and implementing cash transfers targeting children from households already covered by the national assistance scheme, the 'social Amen', composed of the PNAFN and the AMG. The scheme's main areas of activity include the generation and collection of data through a quantitative panel survey (ISTIS 2022) and an evaluation (PlanEval 2022). These studies have also contributed to improving knowledge regarding children living in poverty, including those under 6 years of age.

This brief aims to contribute to applying the outcomes of these studies in the design of further interventions for the benefit of children in Tunisia.

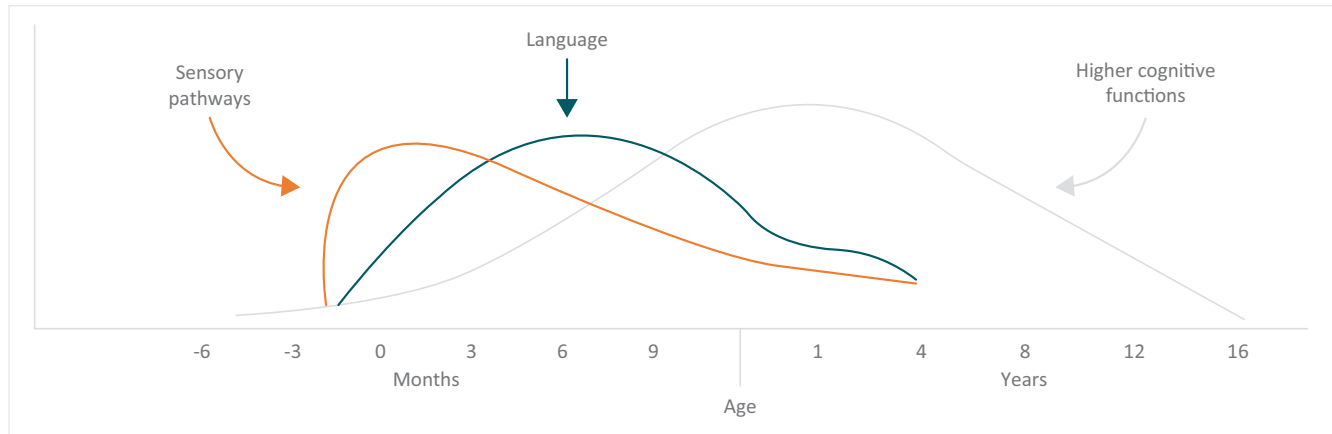
### 3 Effects felt by households

The benefits of the TND30 cash transfer for children under 6 years old include: stress reduction for parents and tutors, improved nutrition outcomes, better access to healthcare and social services, and the purchase of basic goods and services. For beneficiary households whose main source of income is daily temporary work, or the PNAFN, the TND30 transfer only represents an occasional support for their daily needs. It is not sufficient to help households provide for their permanent needs, such as costs related to preschool education or to the rising prices of food products.

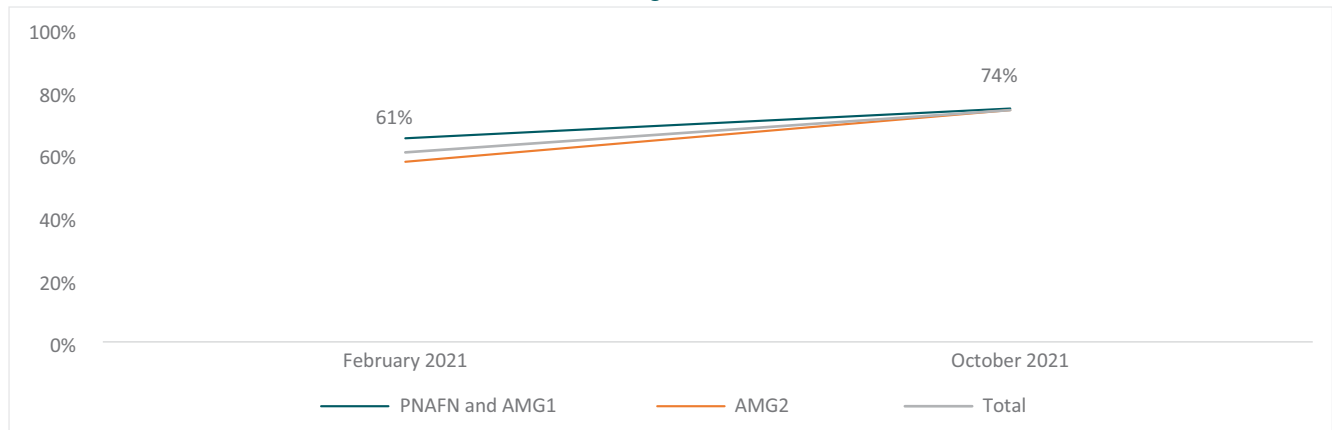
Eighty two per cent of beneficiary families consider that the quality of child nutrition has improved since the payments began. In contrast, this effect becomes less noticeable as the size of the household increases. This is true mainly for PNAFN beneficiaries, who are more vulnerable than AMG2 beneficiaries. Nevertheless, further analysis shows that the food diversity served to the children remains insufficient. Only 16.8 per cent of households, 13.9 per cent of which are PNAFN beneficiaries and 18.5 per cent are AMG2 beneficiaries, meet the food diversity threshold set by the Food and Agriculture Organization of the United Nations (FAO) of at least 6 different food groups per day for children aged 1 to 5 years old (FAO, IFAD, UNICEF, WFP, and WHO 2020). If the threshold was set at 4 different food groups, only 49 per cent of households would reach it. No major differences in food diversity levels were observed between the first and last waves of the panel survey (February-October 2021).

Moreover, the attendance of preschool institutions by children aged from 3 to 5 years old who are PNAFN beneficiaries decreased from 59.3 per cent in February 2021 to 55.4 per cent at the start of the 2021-2022 school year. Meanwhile, expenses related to education increased during the same period, suggesting that these institutions probably became more expensive. In contrast, preschool attendance for beneficiaries of the AMG2, who are less vulnerable than PNAFN beneficiaries, increased from 52.9 per cent to 60 per cent.

The analysis of these data shows that households with more illiterate members, or with more children aged 6 to 18 years old, tend to have a lower level of preschool enrolment. This could be a consequence of the decision to prioritise the enrolment of 6 to 18 year-olds, which is often the case for households with scarce resources. Nevertheless, the lack of access to preschool institutions for children under 6 can adversely affect maternal employability and human capital development. Indeed, quality preschool education stimulates child brain development, including sensory, cognitive and language capacities, which are more responsive to stimuli during early childhood, as illustrated in Figure 1. Therefore, preschool education has a positive effect not only on academic success in the short and long term, but also on adult productivity. Research demonstrates that these effects are even more significant for children from households with scarce resources and living under stress (National Research Council and Institute of Medicine Committee on Integrating the Science of Early Childhood Development 2000).

**FIGURE 1****Human brain development**

Source: National Research Council and Institute of Medicine Committee on Integrating the Science of Early Childhood Development (2020).

**FIGURE 2****Number of households who tried to visit social services (including healthcare) and were able to access them**

Source: Author's elaboration.

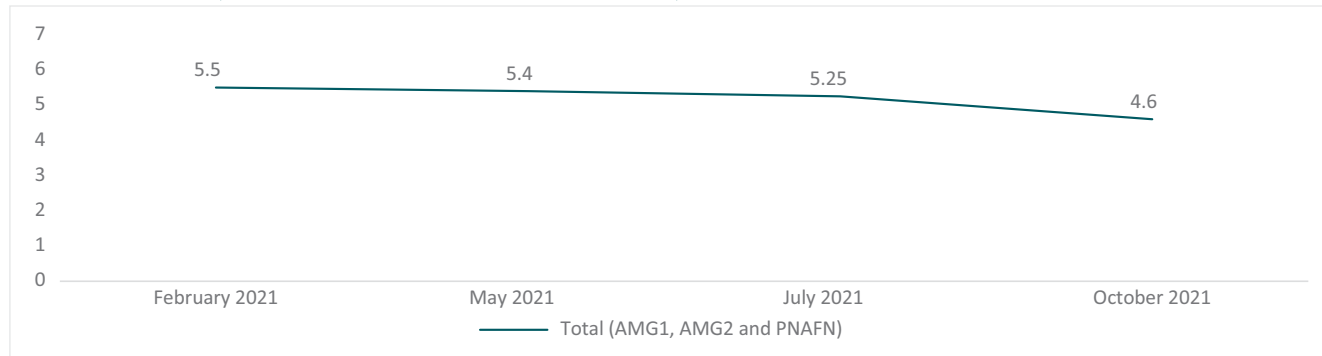
The increased access to services and healthcare—which went from 60 per cent in February 2021 to 74 per cent in October 2021—nonetheless indicates that the cash transfer had a positive effect on households, whose main barriers to access include the lack of a means of transportation and miscellaneous expenses. This effect is perceived more acutely by recipients of the AMG2, who had less access in the first and second waves, but who subsequently reached the same level as PNAFN beneficiary households.

Parent and tutor stress reduction, which is equally important for human capital development, is another positive effect experienced by families, although stress levels remained high, as illustrated in Figure 3. High levels of parental stress and of food insecurity are risk factors that increase the incidence of negative experiences during childhood, which can lead to toxic stress, with negative effects on brain development, the immune system and stress response capacity. Parent and tutor stress progressively decreased and reached its lower level in October 2021, at the time at which the beneficiaries had received at least ten successive cash transfers, followed by the information that the allowance was extended until 2023. This downward trend indicates that trust in the steadiness of the allowance payments contributed to lowering the stress levels of parents and tutors.

Overall, the transfer is deemed sufficient to ensure the well-being of children and their access to basic social services for 24 per cent of households, while 49 per cent of households consider that it is sufficient to meet the children's basic needs, such as food, healthcare and medication. The larger the household, the less sufficient the transfer is deemed to be. Similarly, regarding back to school expenses, households with children aged 3 to 5 years old who do not attend preschool structures tend to consider the benefit amount as insufficient. Moreover, household beneficiaries of the AMG2 are less satisfied with the benefit amount than PNAFN beneficiaries and consider it inadequate. This could be due to AMG2 beneficiary households having at least 2 children under 6 years old, while 72.4 per cent of PNAFN household beneficiaries only have one child in that age group. Another possible reason is that the programme is often mistaken for the full set of social welfare benefits, as shown in some of the interviews. Since AMG2 beneficiary households do not receive other permanent allowances, as is the case for PNAFN beneficiaries, the benefit amount of TND30 could be deemed insufficient. In contrast, the total amount received by PNAFN beneficiary households, which includes the monthly allowance of TND180 as well as an additional TND10 for each child aged 6 to 18 years old<sup>5</sup> in 2021, would be considered more acceptable.

**FIGURE 3**

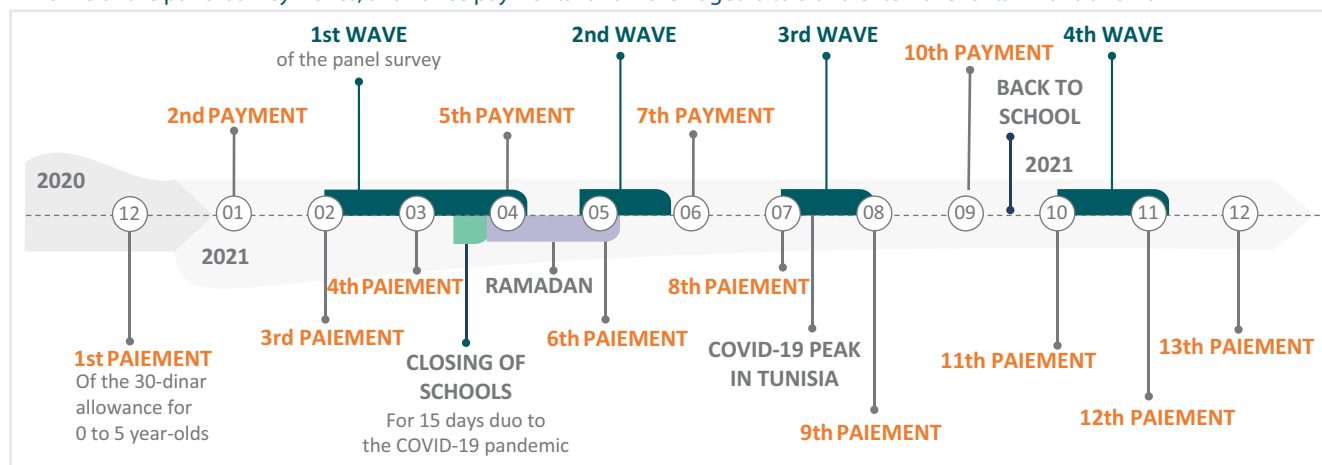
Average number of days per week identified as stressful or distressing by parents and tutors regarding the satisfaction of their children's needs



Source: Author's elaboration.

**FIGURE 4**

Timeline of the panel survey waves, allowance payments for children aged 0 to 5 and external events—2020 and 2021



Source: Author's elaboration.

Programme satisfaction level reached its lowest point among AMG2 beneficiaries during the second wave of the survey, between April and May 2021. This overlapped with the Ramadan period, as well as a delay in the payment of the May benefit, school closures and movement restrictions in response to COVID-19, as illustrated in Figure 4. This demonstrates that households which are more dependent on daily work and do not receive other regular benefits would require additional cash transfers to face increased needs due to the economic consequences of the enacted restrictive measures.

#### 4 Social workers: a factor in the success or failure of programme implementation

The evaluation underscored that the administration of the programme by social workers was one of its positive features (PlanEval 2022). Social workers maintain strong ties with former social assistance beneficiaries. It also showed that relationships with households with children under 6 years old—with which social workers did not have previous contact—was strengthened as a result the programme. Further analysis, cross-checking data from social worker and beneficiary interviews against panel survey data, led to further conclusions, outlined as follows.

First, 60 per cent of beneficiaries had at least one contact with social workers between the first and last waves of the panel survey. In other words, 60 per cent of beneficiaries received visits from—or sought out—social workers at least once between December

2020 and October 2021. However, the data shows only 1.4 per cent of these 60 per cent were regularly in touch with social workers between the first and the last waves. Moreover, households from the Tunis district and the Northeast region, as well as those with a disabled member, had more contacts with social workers than those in other regions. One of the challenges for social workers is that several beneficiaries in Tunisia frequently change their phone number, seeking special offers from phone operators. In the context of COVID-19 and reduced face-to-face contact, several beneficiaries were therefore no longer reachable after having changed their phone number without updates in the MAS database.

Interviews with beneficiaries and social workers highlighted that the relationship between households and the programme specifically—and social assistance in general—is overly centred on the figure of the social worker. This means that the user experience depends on the way social workers carry out and understand their role, and the extent to which they are committed to reaching out to households. The interviews with beneficiaries include both positive and negative feedback. For example, some social workers systematically call beneficiaries to let them know that the allowance is available and provide moral support. Conversely, there were testimonies of social workers stigmatising beneficiaries, and of households receiving no support to fill in the application forms, or being barred from accessing benefits due to poor interactions or because their files were incomplete.

These examples point to a common denominator: access to social benefits relies excessively on social workers. Interviews with these workers reveal that their understanding of their role towards citizens varies significantly. This explains, to a certain extent, the different treatment received by households. For example, a social worker indicated that his role was to receive the applications and track the update of the files, while another claimed that it was to help citizens access social protection and provide them the best possible service. Although there are workers with different levels of motivation in every profession and institution, these differences should not hinder citizens' access to their legitimate right to social assistance.

The lack of division of tasks among social workers is another important finding. They liaise with the community, provide communication regarding existing programmes and their requirements, assist households in filling and updating application forms, sort the files, visit and call beneficiaries, follow-up on school attendance, and receive complaints, among other functions. It seems logical to conclude that if the same person responsible for providing services and selecting beneficiaries is also expected to explain the complaint procedures related to these services—as well as receive the complaints—they would feel less accountable, which could lead to a conflict of interest.

Even in the absence of such a conflict, individuals would hardly be comfortable with the idea of submitting a complaint to a social worker or an office that did not treat them well in the past, especially if the complaint is related to the service that the individual received or failed to receive. This could well explain the low rate of recourse to complaint mechanisms, evidenced by the panel survey. The other complaint mechanism available to individuals at the local level is the Citizen Relations Office. However, it is not sufficiently well known by the population, and complaints are not always transferred to MAS.

It was also noted that social workers lacked clarity at the beginning of the programme, especially regarding the eligibility criteria and the benefit payment date, which was often overdue. This limited their capacity to provide guidance and contributed to the population's feeling of a lack of transparency in the handling of social assistance, which led to frustration. Several factors could explain this lack of clarity: the swift expansion of programme beneficiaries, the time required to update the database in response, and the payment system (through money orders in post offices), which were different than those used for the regular PNAFN payments.

To comply with the donor's requirements to ensure traceability and the possibility to reallocate any remaining funds, while using the same payment system for all PNAFN and AMG2 beneficiaries, the benefits were first transferred to the National Social Security Fund and were then withdrawn by both types of beneficiaries at the post office. Reasons such as the cost of transport to the post offices, and perhaps the fact that some households included in the PNAFN, despite communication efforts, were not made aware of the existence of a programme in which they were automatically enrolled, could help explain why around 5 per cent of PNAFN beneficiary households did not withdraw their benefits.

Some of the social workers also stated that they perceived a lack of clarity and visibility regarding the pertinence of the project. This feeling had an impact on their adherence to the programme, which they considered temporary. Interviews with social workers in August 2021 showed that some did not adequately understand the importance of benefits for young children. They considered that the benefit targeting children aged 0 to 5 years old would be better invested if it was directed to children between 6 and 18 years of age. This could indicate low programme ownership among some of those responsible for its implementation.

## 5 Recommendations

Complementary to the recommendations issued by the programme evaluation and to contribute to future interventions targeting children, the following suggestions seek to address the challenges faced during the implementation of the pilot:

- 1. The allowance for children aged 0 to 5 years old should become part of a social assistance programme geared towards the basic needs of poor and vulnerable households.** The role of the TND30 transfer in Tunisia was to mitigate vulnerable children's deteriorating socioeconomic situations resulting from the COVID-19 pandemic by helping households with their basic daily needs. In the medium term, however, **the allowance should complement other allowances and services** such as the PNAFN and free preschool education.
- 2. Access to benefits and social assistance should not depend exclusively on the beneficiaries' relationship with social workers. Other accessible and simplified channels should be made available for all citizens to receive information about the programme and submit a request or complaint.** Moreover, social assistance should be systematically promoted as citizens' rights in any communication material related to programmes and services. Social workers and the MAS have the duty to spread this message and avoid the stigmatisation of beneficiaries. To this end, it is recommended to redefine the role of social workers (as in the evaluation) and **build stronger mechanisms to increase the accountability of social workers to the population (such as a grievance redressal).**
3. Along these same lines, **an offline complaints channel should be launched and made widely accessible**, such as a **toll-free line independent of social workers.** A fully functional grievance and redressal mechanism, with an established standard operating procedure, a manual, a follow-up system and a high rate of on-time complaint resolution, would be a prerequisite for this kind of initiative.
4. To encourage social workers' ownership for benefits targeting early childhood, the MAS **could organise activities to promote discussions regarding the achievements of the pilot programme.** These could focus on programme outcomes or take the form of evaluative participations or training workshops on the importance of early childhood for human capital development, for example.

5. Future benefits should use the same payment system as existing schemes to avoid payment delays, as well as beneficiaries having to make additional trips to the post office. Even if distinct payment mechanisms can provide some advantages for temporary benefits, these are less important than the stress-reduction effects on beneficiary households provided by regular payments. To this end, **donors and governments must be flexible and look for common solutions when designing new interventions, including those that make it possible to track funds, thereby adapting temporary benefits to existing ones.**
6. To make it easier to reach beneficiaries, it is recommended to **simplify the process of updating phone numbers in the MAS database.** This should involve social workers regularly updating the personal information of household members, and efforts to raise awareness among beneficiaries of the importance of reporting any contact changes to social workers. An agreement between phone/mobile providers and MAS, allowing to cross-reference phone numbers against their databases, using national ID numbers as the unique identifier, could also be considered. This would reduce the number of beneficiaries who cannot be reached, reduce the time needed for the State to send benefits to households, and strengthen the country's capacity to effectively address crises and shocks.

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1. About USD17 in April 2020.
  2. About USD70 in April 2020.
  3. About USD10 in April 2020.
  4. The World Bank will fund the benefit until 2024 through a loan, and the government will take over in 2025.
  5. For up to three children per household.

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