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Realizing the Full Potential of Social Safety Nets in Africa

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Allan Hsiao is a PhD candidate in economics at the Massachusetts Institute of Technology, where his research focuses on healthcare systems in Asia. Current work studies the rapid expansion of healthcare infrastructure in Indonesia, where residents benefit from a multi-layered system of hospitals, clinics, and smaller facilities that has greatly enhanced access to healthcare over the last few decades. Allan's work applies frontier methods from industrial organization and development economics to draw policy prescriptions relevant to developing countries confronting rising health needs under significant resource constraints. Other projects have focused on the impacts of large-scale school construction on local labor markets in Indonesia and rural-to-urban migration in China. He has also contributed to the medical literature on cardiovascular outcomes and the global burden of disease. Prior to MIT, he received his MPhil in economics from the University of Oxford and his BA in economics from Harvard College

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Judith Sandford is a social protection and food security specialist with 20 years of experience, currently working as an independent consultant. She has supported the design and implementation of both government led interventions and NGO programs in Sub-Saharan Africa. Her experience includes long-term support to the Productive Safety Net Programme in Ethiopia (PSNP) and the National Safety Net Programme in Kenya (NSNP).

Acronyms

ASPIRE	Atlas of Social Protection Indicators of Resilience and Equity
BISP	Benazir Income Support Program
BRAC	Bangladesh Rural Advancement Commitee
CSR	Corporate Social Responsibility
CTOVC	Cash Transfer for Orphans and Vulnerable Children
DFID	Department for International Development
GDP	Gross Domestic Product
HIV-AIDS	Human Immunodeficiency virus_ Acquired Immunodeficiency Syndrome
HSNP	Hunger Safety Net Program
IDP	Internally Displaced Persons
ILO	International Labor Organization
IMF	International Monetary Fund
LEAP	Livelihood Empowerment against Poverty Program
MASAF	Malawi Social Action Fund
MIS	Management Information System
NDSI	National Database of Social Information
NGO	Nongovernmental Organizations
NSNP	National Safety Net Program
OECD	Organization for Economic Co-operation and Development
OVC	Orphans and Vulnerable Children
PIU	Project Implementation Unit
PNBSF	National Program of Family Security Transfers (*Programme National de Bourses de Sécurité Familiale)*
PSNP	Productive Safety Net Program
PSSN	Productive Social Safety Net
SAGA	Semi-autonomous Government Agency
UN	United Nations
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
VUP	Rwanda Vision 2020 Umerenge Program
WFP	World Food Program

Overview

Realizing the full potential of social safety nets in Africa

Kathleen Beegle and Aline Coudouel

Despite a period of strong economic growth and improvements in many dimensions of welfare, extreme poverty remains a pervasive and complex phenomenon in Sub-Saharan Africa (referred to as Africa in this report). Part of the agenda in recent years to tackle poverty in Africa has been the launching of social safety nets programs. Particularly, the number of programs has skyrocketed since the mid-2000s (though many programs remain limited in size) and all countries have now deployed safety net interventions as part of their core development program.

This shift in social policy reflects the progressive evolution in the understanding of the role that social safety nets can play in the fight against poverty and vulnerability, and more generally in the human capital and growth agenda of much of the continent. In particular, evidence on their impacts on equity, resilience and opportunity is growing, and makes a foundational case for investments in safety nets as a major component of national development plans.

For this potential to be realized, however, safety net programs need to be significantly scaled-up. Scale is required to bring Africa's poorest and most vulnerable individuals and households to a point where they can seize economic opportunities. Such scaling up will involve a series of technical considerations to identify the parameters, tools, and processes that can deliver maximum benefits to the poor and vulnerable. However, in addition to technical considerations, and at least as importantly, this report argues that a series of decisive shifts need to occur in three other critical spheres: political, institutional, and fiscal.

- First, the political processes that shape the extent and nature of social policy need to be recognized, by stimulating political appetite for safety nets, choosing politically smart parameters, and harnessing the political impacts of safety nets to promote their sustainability.

- Second, the anchoring of safety net programs in institutional arrangements – related to the overarching policy framework for safety nets, the functions of policy and coordination, as well as program management and implementation – is particularly important as programs expand and are increasingly implemented through national channels.

- And third, in most countries, the level and predictability of resources devoted to the sector needs to increase for safety nets to reach the desired scale, through increased efficiency, increased volumes and new sources of financing, and greater ability to effectively respond to shocks.

After having presented a snapshot of social safety nets in Africa and the mounting evidence of their effectiveness in promoting the well-being and productive inclusion of the poorest and most vulnerable, this report focuses on these three spheres – political, institutional and fiscal. It does not systematically discuss all technical aspects involved in designing safety nets (see for instance Grosh et al. 2008 for a thorough treatment of these). Rather, throughout its chapters, the report highlights the implications which political, institutional, and fiscal aspects have for the choice and design of programs. Fundamentally, it argues that these considerations are critical to ensure the succesful scaling-up of social safety nets in Africa, and that ignoring them could lead to technically-sound, but practically impossible, choices and designs.

The Landscape of Poverty and Social Safety Nets in Africa (Chapter 1)

Despite improvements, poverty and vulnerability to shocks remain widespread in Africa

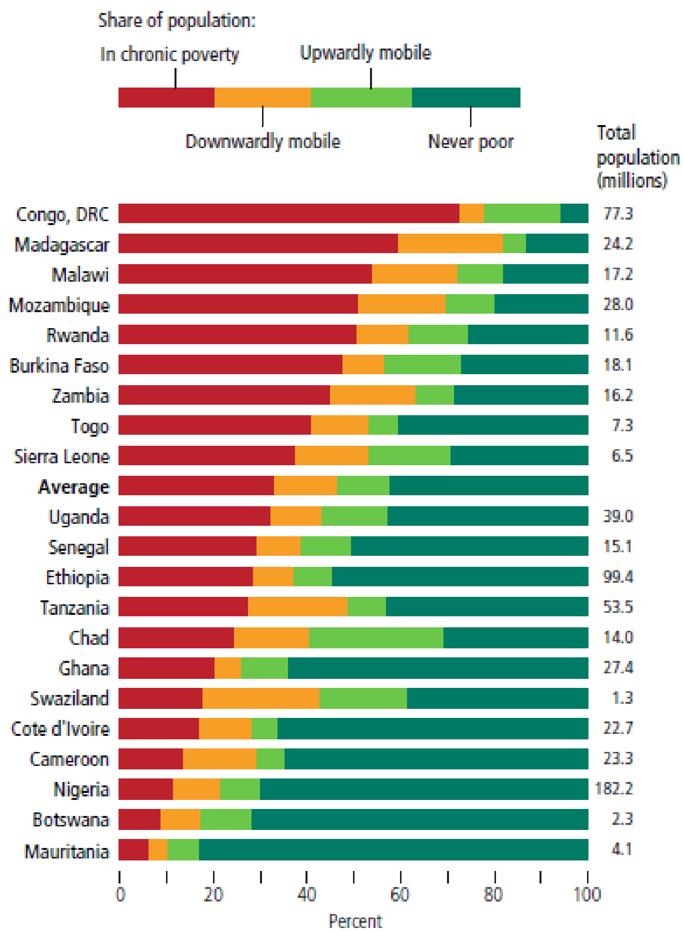
Poverty rates have been falling in Africa. The share of the poor declined from 57 percent in 1990 to 41 percent in 2013. However, the decline in poverty was not sufficiently rapid for Africa to reach a target of the Millennium Development Goals of cutting the poverty rate in half by 2015. Moreover, the number of the poor in Africa rose from about 280 million in 1990 to 390 million in 2013 because of high population growth driven by high fertility rates.

Despite improvements, Africa shows the worst outcomes relative to other regions on most human development indicators. Moreover, the rate of progress is levelling off in some areas, including a recent uptick in violent events and evidence that the quality of education belies the enhancements in enrolment. Multiple deprivations still characterize the lives of a sizable share of African women (Beegle et al. 2016).

Likewise, while poverty rates have declined, vulnerability is substantial since households are located in risky environments. Among Africa's poor, a small positive shock to incomes could lift many out of poverty, but a small negative shock could drive as many of the vulnerable into poverty. In Africa, three poor households in five are chronically poor, and two poor households in five are transient poor, that is, moving into or out of poverty as income fluctuates and households are exposed to shocks (figure O.1).

In addition, refugees and internally displaced persons that were affected by conflict represent about 2 percent of Africa's population (Maystadt and Verwimp 2015). Rather than international refugees, forced displacement is mostly driven in the region by internal displacement and security risks among households.

Figure O. 1: Poverty is both Chronic and Transient



Source: Dang and Dabalen 2017.

Poverty will remain a challenge in Africa even if macroeconomic growth exceeds expectations. The lack of a demographic transition and high fertility will impede poverty reduction and children will increasingly bear the burden of poverty in Africa (Watkins and Quattri 2016). Climate change will be a further obstacle to eradicating poverty in Africa, where households in drylands are already more likely to be poor than households in other areas (Cervigni and Morris 2016; Hallegatte et al. 2016).

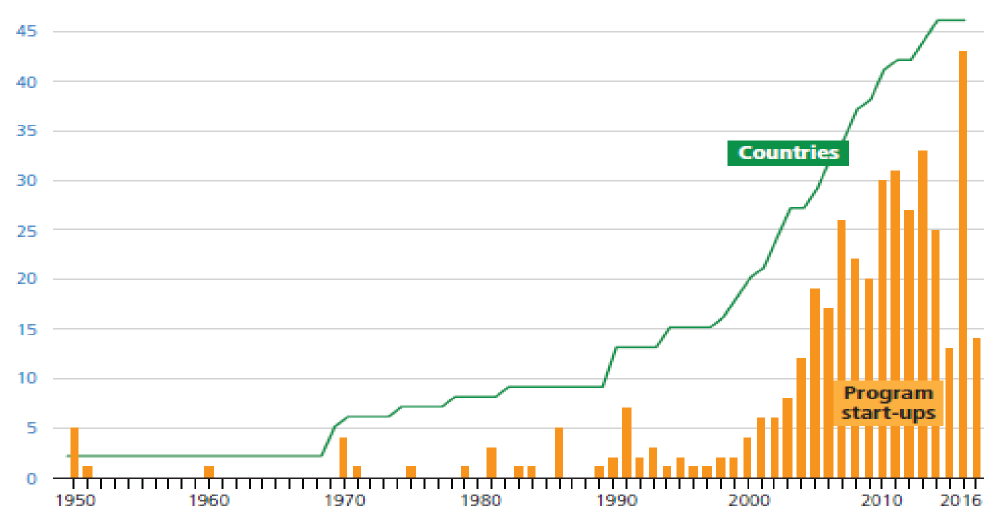
Social safety nets have been expanding rapidly in Africa

Most African countries have recently established social safety nets programs as part of a broader strategy to assist the poor and protect the vulnerable. In this report, social safety nets (also sometimes called social assistance programs) are defined as noncontributory benefits provided either in cash or in kind and intended to support the poor or vulnerable. They are a component of the larger social protection systems that also include contributory social insurance, such as pensions and health insurance, as well as labor market policies and programs. The objectives of social safety nets may differ and range from reducing monetary poverty, food insecurity, and vulnerabilities (old age, disability, exposure to natural disasters and conflict situations, for example) to improving the access to basic services. More recently, some social safety net programs have been designed to promote income-generating activities and create productive links within local economies. The definition in this report also includes measures that facilitate access to basic services such as health care, education, and housing through targeted fee waivers and scholarships as well as lump sum grants to promote livelihoods and productive inclusion. General consumer price subsidies, including energy and food subsidies, are not considered to be among safety net initiatives.

The number of programs is growing rapidly

The number of social safety net programs launched each year increased from 6 in 2000 to an average of 15 programs yearly before 2008 and to 25 programs each year beginning in 2010 (figure O.2). The increasing adoption of social safety nets is also reflected in the growing number of national strategies or policies. By 2016, 30 African countries have established social safety nets as one of the pillars of their stand-alone national social protection strategies, and draft strategies are being approved in another eight countries.

Figure O. 2: More Social Safety Net Programs have Been Launched in Recent Years

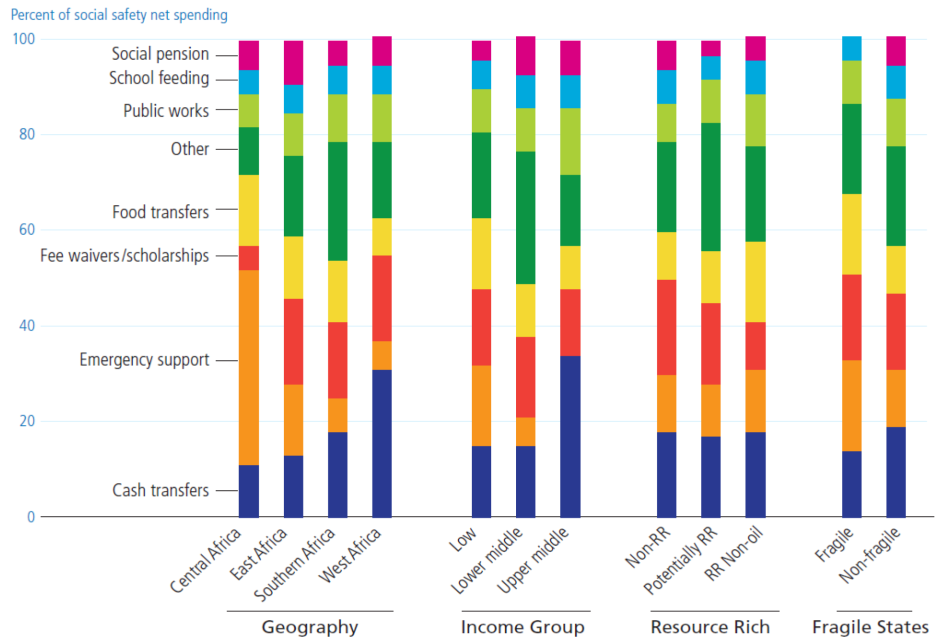


Social safety nets in Africa are varied and numerous, but often fragmented within countries. Every African country has at least one social safety net program. The average number of programs per country is 16 – ranging from 2 in the Republic of Congo to 48 in Chad. Countries in West Africa and lower-income countries typically implement more programs. However, many are small or temporary initiatives implemented in isolation from each other in narrow geographical areas or among discrete population groups. Program duplication also occurs, often within a weak institutional environment. This is the situation in Zimbabwe and Uganda, which conduct 32 and 41 social safety net programs, respectively. Insufficient coordination among the donors that often fund such programs exacerbates the fragmentation and inefficiencies. Efforts to consolidate and rationalize programs are on the policy agendas of many countries.

Social safety nets vary in nature across Africa

Cash transfer programs are implemented in almost all countries, as well as public works programs and school feeding programs. This study divides programs into eight categories based on the type of benefit and its permanent or emergency nature: (1) cash transfers, (2) social pensions, (3) food-based transfers, (4) school feeding, (5) public works, (6) emergency support, (7) fee waivers and scholarships, and (8) other programs (see Appendix A for more details). The composition of the portfolio varies across country groups. Cash transfers and old-age social pensions are more prevalent in higher-income countries and in Eastern and Southern Africa. Public works programs are run in almost all low-income and fragile countries. Fee waivers and food based transfers are more common in lower-middle-income countries; cash transfers are present in almost all countries in West Africa. In Central Africa and fragile and conflict-affected countries, social safety nets are widely used as short-term responses to shocks. Emergency support and food transfers represent the main types of programs in Central African countries (41 percent and 15 percent of programs respectively) and in fragile settings (19 and 17 percent respectively), even if programs that provide regular, predictable transfers are becoming more common. In other regions, these two categories combined represent only between 14 and 28 percent of programs (figure O.3).

Figure O. 3: Social Safety Net Portfolios are Diversified across Africa



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/

Most programs are limited in size

Though the number of social safety net programs has increased, their coverage is often limited. The combined coverage of programs in Africa is less than 10 percent of the population. School feeding and fee waiver programs generally have the highest coverage, reaching 8 and 10 percent of the total population on average. Geographically, programs in low income and lower-middle income cover 6-7% of the population, and those in upper-middle-income countries about 13 percent of the population. However, these averages mask important variations – for each type of program and for different country groups. And children and the elderly are the most targeted (figure O.4).

Comparing with the rest of the world, programs in low-income countries in Africa tend to be larger than similar programs in comparator countries. For lower and upper middle-income countries in Africa, even the largest social safety net flagship programs are generally smaller (as share of the total population) than corresponding average in comparator countries in other regions.

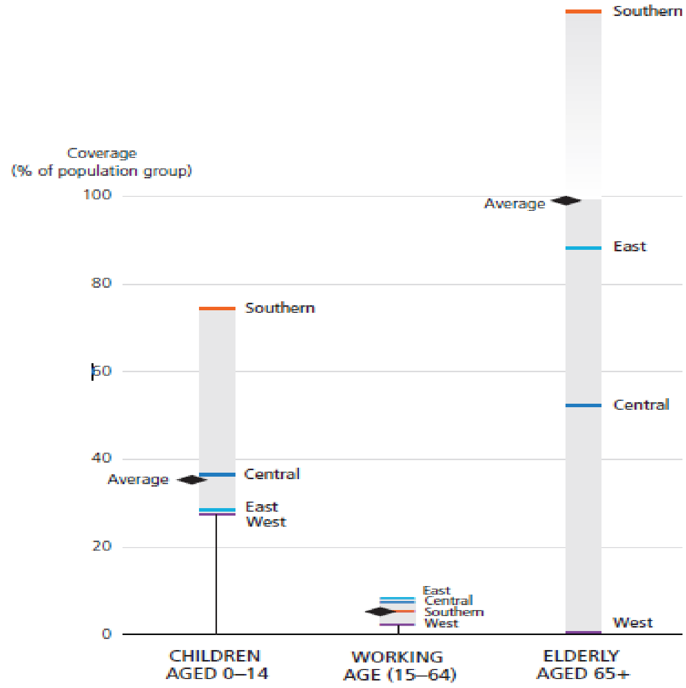
Cash transfer programs targeted on poor and vulnerable households are the most rapidly growing type of social safety net programs. There are also success stories of rapid scale-up in the region that are unique in the developing world. (figure O.5). However, these remain exceptions.

Programs are evolving – with greater focus on cash, human capital investments, productive capacity, and vulnerability to shocks

There are a few trends worth noting in the evolution of safety nets in Africa, besides their overall growth. In particular, there is a shift towards greater use of cash in social safety nets. Second, the objectives of programs have been evolving, with a growing role played by social safety nets in countries' response to climate change and man-made shocks. Third, an increasing number of programs put an emphasis on building the productive capacity and resilience of beneficiary households. A fourth trend is the increased focus on promoting human capital development. Recent years have also witnessed a growth in social safety nets in urban settings. Finally, countries have been progressively focusing on building tools and systems to increase programs' efficiency and coordination.

As part of the effort to enhance the efficiency and coordination of safety net programs, many countries are strengthening coordination among programs and investing in shared systems to reduce the duplication of efforts and cost-inefficiencies. Delivery platforms such as social registries, interoperable

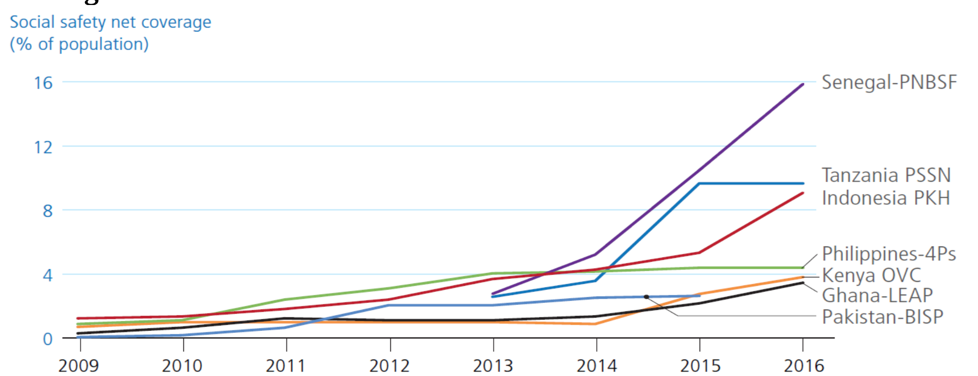
Figure O. 4: Children and Elderly are the Most Targeted



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/

Notes: see chapter 1.

Figure O. 5: Flagship Programs in Africa Are among the Most Rapidly Growing



Sources: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, [http://datatopics.worldbank.org/aspire/.](http://datatopics.worldbank.org/aspire/)

Notes: PNBSF = Programme national de bourses de sécurité familiale; PSSN = Productive Social Safety Net; 4Ps = Pantawid Pamilyang Pilipino Program; OVC = Orphans and Vulnerable Children; LEAP = Livelihood Empowerment Against Poverty; BISP = Benazir Income Support Programme management information systems, and shared payment systems allow administrative cost savings and facilitate planning and coordination. Social registries are currently used in 23 countries and are being developed in an additional 13 countries – their stage of development and scale differ, with coverage ranging from 24 percent of the population in Senegal to 0.3 percent in Mozambique.

Despite progress, most of the poor are still not covered by social safety nets

Even if all existing social safety nets were perfectly targeted to the poor, not all needs would be met. Indeed, poverty rates are higher than coverage rates. In addition, some programs might not exclusively target the poor, and rather have broader objectives, such as universal old-age social pensions, school lunch programs for all primary school students, scholarship for all students in tertiary education, or programs that target specific categories deemed vulnerable without necessarily taking into account welfare characteristics.

In addition, benefit leakage contributes to limited coverage of the poor. Benefit incidence of selected programs which target on the basis of welfare or vulnerability are generally pro-poor, and the performance of programs in Africa is in line with international experience. More than sixty percent of the beneficiary households of the Lesotho and South Africa Child Support Grants programs belong to the poorest two quintiles of the national consumption distribution. However, a certain share of resources go to richer households. Limitations in targeting are technical, because it is hard to effectively assess the welfare status of households. However, the decision to target particular groups is also a political one. Indeed, as discussed in chapter 3, selecting eligible groups will sometimes be driven by the need to generate support for safety net programs.

Benefit amounts are low relative to needs in low-income countries. On average, benefits from cash transfer programs (food, in-kind, and fee waiver programs are not included, as the value of their transfer is not directly measurable) vary by program and country groups. Benefits usually take into account the cost of basic food items and services (and sometimes household size) and are often adjusted for urban or rural settings. The highest benefits are usually offered through old-age social pensions. Public works are next, followed by cash transfer programs. Cash transfers amount to

Table O. 1: Benefit amounts are low relative to needs in low-income countries

Income Group	Program Type	Total Programs (countries)	Monthly benefit (USD, 2011 PPP)[1]	As a share of GDP per capita	As a share of national poverty line	As a share of national poverty gap	As a share of international poverty line, $1.9 a day	As a share of poverty gap $1.9 a day	As a share of minimum wage
Low income	Cash transfer	17 (15)	35	0.26	0.61	0.05	0.61	0.05	
	Public works	14 (9)	222	1.82	2.76	0.21	3.83	0.27	1.06
Lower middle income	Cash transfer	9 (8)	35	0.12	0.32	0.02	0.61	0.12	
	Public works	3 (3)	103	0.36	0.47	0.01	1.78	0.20	0.77
	Social Pension	6 (5)	38	0.14	0.68	0.04	0.66	0.03	
Upper middle income	Cash transfer	16 (6)	179	0.17	1.05	0.16	3.10	8.92	
	Public works	2 (2)	277	0.26	2.29	0.20	4.79	0.94	1.41
	Social Pension	4 (4)	136	0.11	1.18	0.11	2.36	12.19	

Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/.

Notes: 1) Monthly amounts are in constant 2011 international dollars. Amounts are converted to international dollars using purchasing power parity rates based on the 2011 ICP round.

61% of the national poverty line on average in low-income countries, where amounts are generally lower (table O.1).

Africa spends an average of 1.4 percent of GDP on social safety nets

This compares with a global average of 1.6 percent in the developing world (World Bank 2015b). While richer countries invest more on average in social safety nets, the level of government commitment may vary greatly across countries at similar GDP levels. This report argues that expanding the scale of social safety nets to cover all the extreme poor and vulnerable requires a strong commitment to prioritize social safety net in national budgets, but also to realize allocative and administrative efficiency gains.

Social safety net spending is low relative to what governments spend on general energy and electricity subsidies. For instance, in Central Africa, spending on energy subsidies is more than five times spending on social safety nets. In oil-rich countries, fuel subsidies are also sometimes used as policy instruments to distribute oil revenues among the population. While they benefit all the population, they are often regressive, as richer households consume larger quantities of energy.

Humanitarian aid represents the main source of funding in emergency situations, and donors remain critical in many low income and fragile contexts. More generally, development assistance represents more than half the social safety net financing in the majority of African countries. There are large variations, though, and governments in Mauritania, Kenya, Sudan, Ghana, Senegal, Seychelles, Angola, Botswana, Gabon and Mauritius finance over 60 percent of their safety net spending.

The Impacts of Safety Nets in Africa – how can they contribute to development objectives? (Chapter 2)

Evidence of the impacts of social safety nets has been critical in motivating consensus on the need to invest in safety nets. This shift reflects the progressive evolution in the understanding of the role that social safety nets can play in the fight against poverty and vulnerability, and more generally in the human capital and growth agenda of much of the continent. As programs mature and coverage is expanded, evaluations can guide design choices and inform the likely impacts of scaling up safety nets.

To assess the impact and scale-up potential of safety nets in Africa, we focus on three broad objectives of safety net programs: equity, resilience and opportunity. For this study, new meta-analysis was undertaken, which pools evidence across studies in a systematic way, to facilitate a robust and consistent comparison of impacts on key outcomes. Also, to explore the potential impact if programs are scaled-up, we simulate the expansion of transfer programs to reach as many beneficiaries as there are extremely poor households, assuming imperfect targeting with 40% leakage and transfers of $50 per month per households in three countries (Ghana, Liberia, and Niger).

Strong evidence makes a foundational case for investment in safety nets as vehicles to address the immediate need to reduce poverty

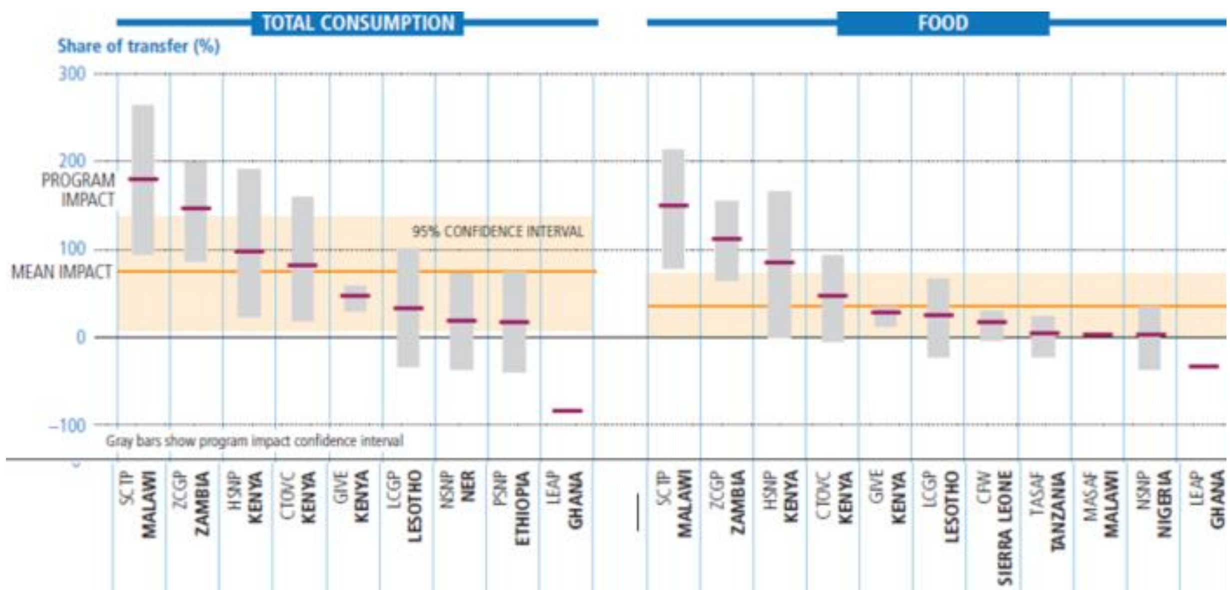
The equity objective of safety nets is often the most central in low-income settings because it involves seeking directly to ensure that even the most vulnerable and poor households are able to reach a minimum level of consumption and cover their basic needs. Typical outcomes of interest include measures of consumption, food security, and poverty among beneficiary households.

Combining the impact from multiple programs into a composite measure of the effect of safety nets on household consumption, household consumption increases on average by $0.74 for each U.S. dollar transferred (figure O.6). In Ethiopia, the direct effect of transfers to rural households through the Productive Safety Net Program and food aid was estimated as a reduction in the national poverty rate by 2 percentage points in 2011. The Productive Safety Net Program alone contributed a 1.6 percentage point reduction in poverty (lifting about 1.4 million people out of poverty, World Bank 2015). Extreme poverty goes down by 40 percent under most optimal simulation scenarios.

Typically, households do not spend all of received transfers on consumption, but rather allocate some of it to other domains such as productive investments, lumpy expenditures like school fees, or savings. Strikingly, the vast majority of evidence suggests that households do not see transfers for increased temptation goods such as alcohol or tobacco.

Programs can also have local economy effects (spillovers to non-beneficiary households) through greater demand for goods and services in the retail and agriculture sectors of local economies). For each U.S. dollar transferred to beneficiaries, it is estimated that non-beneficiaries will also see income increases of $0.30 or more. Together with the impacts on beneficiaries, these additional income effects lead to local economy multipliers of 1.08 to 1.84. So, each dollar transferred to a poor household is projected to add more than a dollar to the local economy.

Figure O. 6: Consumption Increases with Social Safety Nets



Source: Authors’ meta analysis

Safety net programs show strong potential for building risk management capacity and promoting resilience.

The resilience objective is underpinned by the insurance function of well-implemented safety nets. If poor households are able to rely on regular support from safety nets, they can avoid resorting to costly and often irreversible coping strategies, such as selling their most productive assets at deflated prices.

Safety net programs have a crucial impact by boosting savings and fostering the inclusion of beneficiaries in local community networks. The meta-analysis shows that beneficiary households are up to 20 percentage points more likely to be saving than comparable non-beneficiary households (given the initial low savings rate among such households, this means an average increase of 92 percent in the number of households saving). The evaluations suggest that households are also using transfers to reduce borrowing and indebtedness

Evidence also shows that safety net programs do not crowd out private transfers, which can be a critical lifeline for poor families. There is encouraging evidence to suggest that safety net transfers can successfully boost investment in productive assets, especially livestock holdings. For most of the poor, livestock holdings, agricultural tools, and other household assets are considered a store of value for households and a form of savings.

Adverse coping strategies are also avoided, including the use of child labor, which can prevent school attendance, thereby negatively affecting the future earnings potential of the children. Programs specifically targeted at children appear to reduce child labor the most, and strong communication strategy advocating for the rights and well-being of children may help generate these results.

It is critical to build programs and delivery capacity during good times to ensure that transfers can be used to promote resilience and respond to shocks. Many of the outcomes described in this chapter have been achieved against a backdrop of widespread drought or food price inflation, some of which was unforeseen during program design.

Safety nets have a transformative potential to boost education and health outcomes, as well as productive inclusion

The opportunity objective of safety nets aims to allow households to make investments—with regard to both the human capital of their children and the livelihoods of income earners—they would otherwise miss. Typically, outcomes of interest of this objective are investments in education, nutrition, and health care for children and in increased earnings of income providers within the household.

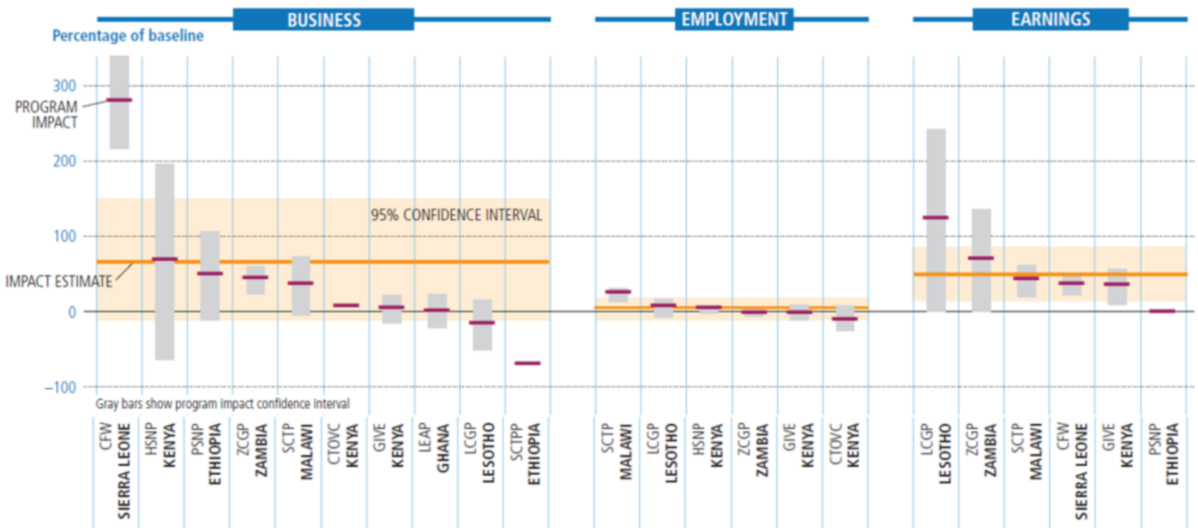
The findings presented in this chapter demonstrate the important potential of safety nets to promote primary- and secondary-school enrollments. In Africa, on average, programs lead to a 6 percent rise in attendance and a 7 percent improvement in enrollment, relative to baseline rates. Improvements are consistent with decreased child labor and increases in consumption expenditure related to education, such as the purchase of shoes, uniforms, and blankets. Improvements are especially pronounced in upper-primary and secondary school, where drop-out rates tend to rise. In health, the meta-analysis reveals that safety nets can boost access to health care. Expenditures on health care increased by 6 percent to 50 percent relative to the baseline across nine programs in Kenya, Lesotho, Malawi, Niger, Sierra Leone, Tanzania, and Zambia, with a mean impact of 13 percent.

The transformative potential of safety nets to boost education and health outcomes hinges critically on the adequacy of supply-side services. Safety net programs seem to have the most impact in enhancing access among extreme poor households, rather than access overall. However, to realize these gains, careful planning is required in relevant sectors to ensure that barriers to access and in the quality of basic services are addressed. This is a principle not only in education and to health care, but also in agriculture and water and sanitation.

Safety net transfers are not handouts, but can be designed to promote longer-term opportunities for productive inclusion (figure O.7). The evidence does not suggest there are detrimental impacts of programs on the willingness of beneficiaries to work, rather, the limited evidence on the topic shows the opposite.

Beneficiaries are more likely to launch or expand business activities or work more on their own farms, while avoiding labor that may be damaging to their health. More analysis is still needed to understand how cash transfer program can become a foundation on which to build engagement in complementary programs and a cash–plus program model.

Figure O. 7: Income and Earnings May Respond to Safety Nets



Source: Authors' meta analysis

Particular design and implementation features can help maximize impacts

Several lessons have been learned on ways to maximize benefits. First, transfers should not be too small, and the setting of benefit levels should be adaptable to local conditions. Moreover, in high inflation environments, allowing for some flexibility to adjust to local conditions can be crucial, yet politically challenging. Second, the programs with the strongest impacts have clear target groups and targeting protocols. Third, benefit predictability and timing may determine consumption outcomes. And fourth, the size and frequency of transfers can have opposing impacts on resilience, with larger lump-sum payments having greater impacts on expenditures on durables and productive assets and programs with smaller, more frequent transfers being the most effective at reducing reliance on negative coping strategies.

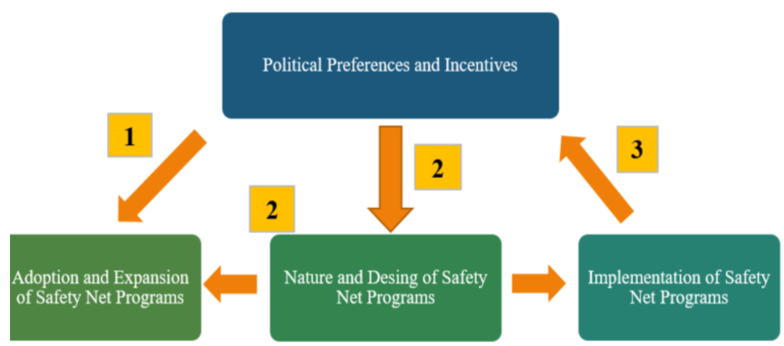
Coordination with complementary programs is especially important for maximizing the desired outcomes Multiple programs improved resilience, while achieving other positive outcomes through complementary programs or accompanying measures focusing on advocacy for children's rights, the promotion of home gardening and basic hygiene practices, the creation of community savings groups, and the provision of agricultural extension services. In general, design to motivate behavior change is critical to promote opportunities for improved human development and productive inclusion, as safety net transfers alone might will not shift the decision making of beneficiaries toward appropriate investments.

Recognizing and Leveraging Politics to Expand Safety Nets (Chapter 3)

The staggering expansion of safety nets across Africa in the past decade proves that ideas, preferences, and political platforms change over time, even in places where the political environment was initially unsuitable. Political dynamics evolve, windows of opportunity open and close. Unpacking and learning from these processes is an opportunity for building sustainable safety net systems. The technical work of designing these systems should not ignore the political dimensions of policy. Understanding and addressing political processes behind social policy is as relevant and necessary as any other technical assessment for crafting and implementing ambitious programs.

We consider three main interaction points between politics and safety nets (figure O.8). First, the scope of safety nets depends on their political acceptability and desirability, which itself depends on social norms or ideological factors such as the perceived causes of poverty and preferences for redistribution. Second, the choice of program and design parameters are often influenced by political preferences and incentives, and may influence commitment to programs. The design process should factor in those preferences to maximize buy-in without undermining impact of the programs. Third, there is a feedback loop: the implementation of safety net programs shapes the political environment. Politicians and citizens adjust their preferences and incentives and redefine their relationship when social transfers are implemented.

Figure O. 8: Politics and Safety Nets Interact



Source: Authors

Stimulating political appetite for adopting and expanding Safety Nets

The appetite for the adoption or expansion of safety net programs seems to evolve in response to three main factors: a rapidly changing environment, changes in beliefs and perceptions about redistribution, and the influence of external actors, including development partners.

Identify windows of opportunity in rapidly changing environments

The political appetite for social assistance programs may evolve quickly during periods of rapid economic or social change. Incentives to create or strengthen safety nets may arise from the need to assist the vulnerable households that are most affected by the changes or to broaden the support for reforms by minimizing the adverse impact of reform on certain groups.

Different types of crises have formed the basis of sustained safety nets systems after droughts, such as in Botswana, or conflicts, such as in Mozambique and Sierra Leone (Albrecht 2017; Buur and Salimo 2017; Seekings 2016a). The 2011–12 drought in Mauritania triggered the launch of a safety net program. Political crises or the threat thereof can also play a role. In Senegal, rising prices following the 2008–09 financial crisis and weak peanut and fishing economies contributed to the president's emphasis on safety nets following his 2012 election (Ndiaye, 2017). Health crises have also played a role, for instance following the disruption of solidarity mechanisms caused by the spread of HIV/AIDS in Botswana, Kenya, Lesotho, and Zambia (Granvik 2015; Hamer 2016; Pruce and Hickey 2017; Wanyama and McCord 2017) or the Ebola outbreak in 2014. In many cases, emergency response programs established outside the sphere of safety nets have created the political buy-in and infrastructure on which safety nets have developed.

Economic reforms—often a response to shocks—may also raise the political support for safety nets if there is an anticipated need for compensation among certain categories. In Mozambique, urban protests that spread across the country in 2008 and 2010 focused on the government's removal of subsidies and the rising costs of food and fuel. They provided the impetus for the adoption of the Productive Social Action Program in 2013 (Buur and Salimo, 2017). Safety nets are becoming an explicit part of macroeconomic policy reforms.

Shape the policy dialogue to change misconceptions

Preconceived ideas may constitute a barrier to political buy-in. Commonly held preconceptions include the belief that recipients of safety nets are lazy and undeserving of assistance and that safety net programs do not have productive impacts and are therefore a waste of public resources. This first idea is deep-rooted and has played a critical role in shaping policy choices (Seekings 2015). In Zambia, for example, the safety net agenda was opposed strongly by a minister of finance who denied the existence of poverty in the country by claiming that the poor were really only lazy (Pruce and Hickey 2017). The distance between decision-makers and the poor may account for such enduring preconceptions. Sen (1995, 21) makes an analogy involving infectious diseases, which receive greater attention than noninfectious diseases because of the risk of contagion: "I sometimes wonder whether there is any way of making poverty terribly infectious," he writes. "If that were to happen, its general elimination would be, I am certain, remarkably rapid." There are also widespread concerns that transfers to the poor are wasted resources. Even though most safety net programs represent a small share of GDP, some oppose affordability as an argument against their adoption or expansion. This is usually accompanied by a preference for investing in programs perceived as more productive (Seekings 2016b).

Both misconceptions can be partly addressed through the dissemination of rigorous evidence, since they largely confirm the absence of work disincentive or purchase of temptation. Rather, growing evidence shows that programs have productive impacts, through human capital and productive investments (see chapter 2**).** Perceptions of social safety nets may also shift dramatically following study tours and other forms of direct learning from similar programs around the world. In Ethiopia, the integration of social protection objectives in a rural development program partly drew on a 1990s study tour by government officials to the Maharashtra Employment Guarantee Scheme, in India (Lavers 2016a). Senegal's PNBSF reflects the influence of the Brazilian and Mexican experiences, to which a senior official had been exposed (Ndiaye, 2017). Given the importance of direct exposure to programs, pilot projects can also play a major role in convincing constituencies of their merits. In Uganda, the promotion of the Senior Citizens Grant Program as a success story through field visits, media story placements, and an evaluation seem to have created sufficient support to make the program a political reality that can no longer be challenged (Hickey and Bukenya 2016).

Leverage international platforms to affect priors

Another entry point for shifting the policy dialogue is to highlight the responsibility of governments in advancing human rights. Except Botswana, the Comoros, Mozambique, and South Sudan, all countries in the region have ratified the International Covenant on Economic, Social, and Cultural Rights, and all but South Sudan and the Comores are State Parties to the International Covenant on Civil and Political Rights. The core values of human rights are enshrined in the constitutions of most countries, which identify particular groups as worthy of support (table O.2). Most countries are also parties to regional or global organizations that provide a normative framework for safety nets, including the African Union Social Policy Framework, the Sustainable Development Goals, and the Social Protection Floor Initiative. fulfill their human rights obligations by promoting civil, social, political and economic rights. Conversely, human rights principles can also help promote the sustainability of safety net programs.

Table O. 2: Constitutions cover some Vulnerable Groups

Country	Women	Elderly	Disabled	Orphans	Children	Youth	Indigent	Minorities	Survivors of conflict
Ethiopia		X	X	X					
Kenya	**X**	X	X	X	X	X		X	
Mozambique	**X**	X	X	X	X	X			X
Rwanda		X	X				X		X
Sierra Leone		X	X			X			
Uganda		X	X					X	
Zambia		X	X						

Source: Authors' review.

Donors can be important players behind changes in social policy through financing, but also by providing technical assistance, funding study tours and training, amassing and sharing knowledge, and piloting interventions (Chinyoka and Seekings 2016; Siachiwena 2016; Ulriksen 2016). However, until domestic political dynamics helps generate the commitment of key stakeholders, donor influence is mostly effective in securing the capacity and commitment of bureaucrats rather than political actors. In no case was donor pressure alone sufficient to generate substantial political commitment (Hickey and Lavers 2017). Overall, the initiative to introduce or scale up social safety net programs can generally be traced to domestic political dynamics, with donors engaging once commitment by key stakeholders has been secured. For example, in Ethiopia, various donors had long voiced their concerns about the dysfunctional emergency food system. However, it was only when this coincided with Ethiopian government concerns precipitated by a series of crises that changes were decided (Lavers 2016a). In general, decisions to scale up social safety nets have tended to occur within broader government strategies, even if they are largely financed by development partners (Cherrier 2015).

Choose Politically Smart Program Parameters

Politics play an important role in program design. The best designs are those that are at the same time technically sound, administratively feasible, and politically savvy as they increase political buy-in while maximizing impacts. The elements of technical soundness and administrative feasibility are often addressed during program design, but the politically palatable aspect is often underestimated or dealt with reluctantly (Pritchett 2005). At the extreme, a perfect technical design that ignores the politics of support for social safety nets could eventually be the worst option for those it means to serve. Political obstacles can be overcome to some degree by choosing the characteristics and parameters of the programs that factor in political preferences or incentives. However, political tweaks need to be introduced as a last resort, kept to a minimum, and mitigated by a careful focus on program transparency because they often are added at the expense of technical soundness.

Factor in prevailing preferences in designing safety net programs

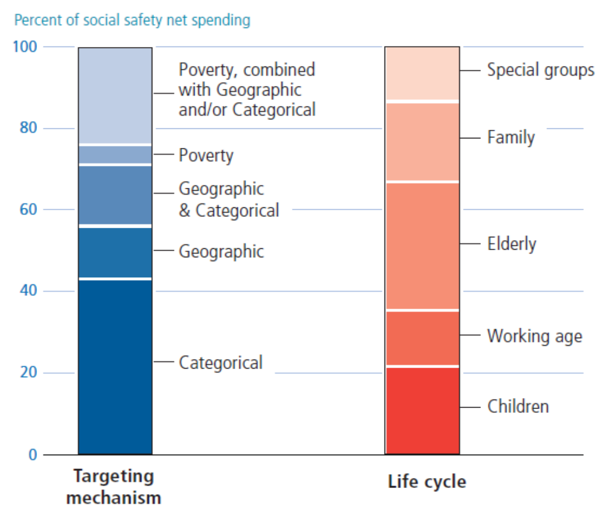
Several types of programs can be implemented, each with various parameters (for instance the presence of conditionalities, accompanying measures, program duration, and graduation criteria). The choice of program and parameters is primarily a technical one, but political considerations often come into play to maximize buy-in. For example, conditionalities are sometimes imposed to boost the impact of programs, may they can also help address perceptions related to deservingness by requiring beneficiaries to undertake extra efforts (For instance, to promote investments in human capital, some programs condition benefits to participation in information sessions, school registration or regular visits to health care facilities). Work requirements, often put in place as a self-targeting mechanisms, may also help overcome concerns about the alleged laziness of recipients. Concerns about dependency have been dealt in Rwanda through a strong focus on public works for all able-bodied people. To promote a productive impact, safety net programs are sometimes cast as part of a larger developmental program. Complementary initiatives, such as credit and extension programs, provide a potential route toward graduation. In Tanzania, the productive orientation of the Productive Social Safety Net was a major factor in securing political support, as it addressed concerns about dependency and the importance of self-reliance (Ulriksen 2016).

The fear of promoting a culture of dependency may also be addressed by including clear time bounds in assistance programs. Recertification processes can be considered a flexible time limitation. For instance, in Senegal, the national household conditional cash transfer program includes households for a five-year period, after which a recertification process is planned to evaluate whether households should stay in or exit the program. Recertification does not automatically push beneficiaries out of social assistance as in a time-bound design, but it may offer reassurance that the program is based on actual needs.

Adjust targeting to garner support for social safety nets.

In some contexts, the response to concerns about deservingness and self-reliance has been to target only those who are clearly unable to provide for themselves. For instance, programs in Kenya, Senegal, Uganda, and Zambia are categorically targeted (as well as means-tested in most cases), to focus on groups that are considered deserving of support, most notably mothers, the elderly, but also children or the disabled (in line with their constitutions, see table O.2). Indeed, most safety net spending goes to the elderly and children in most of the region (figure O.9). Similarly, politically influential groups tend to receive more benefits than their economic situation would call for. For instance, the elderly tend to be disproportionately supported relative to children, even though universal programs for children would have a much larger impact on poverty reduction than social pension programs (Guven and Leite 2016, see figure O.9).

Figure O. 9: Most Spending Is Directed



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/

Note: The category labelled "poverty" includes all programs that explicitly target households on the basis of their welfare, poverty or vulnerability. To identify households, these programs use community targeting, means or income test, proxy-means test, pension test, self-targeting, or a combination of these approaches.

Political incentives may also lead to targeting groups beyond the poorest so as to expand support. In some cases, while focusing on specific geographical areas would make sense from a poverty perspective, national coverage might be preferred. For example, in 2016, the Nigerian government decided to cover all six geographical zones by a pilot of productive activities. In Uganda, the choice to roll out the Senior Citizen's Grant by targeting the 100 eldest pensioners in new districts arguably reflects a political move to distribute a small transfer as widely as possible, rather than pursue a more technically informed design. At the end of the spectrum, universal coverage can be the preferred option if the focus is on strict equality of treatment and the avoidance of any form of discrimination.

Harness the Political Impacts of Safety Nets to Promote their Sustainability

The political environment is not an exogenous, unalterable factor that over-determines policy choices: politics and policies have a two-way relationship. By promoting the empowerment of their beneficiaries and changing the way beneficiaries relate to governments, social safety nets can shift the incentives faced by decision makers and promote their sustainability. More generally, safety nets may induce changes in discourse on poverty and the role of the government and public policy. These efforts can contribute to individuals realize that they are "right-holders" and governments realize they are "duty-bearers".

Social safety nets may foster empowerment of individuals and communities and change

Social safety nets may increase power and promote autonomy for beneficiaries. Beyond individual households, social safety nets may promote greater cohesion and empowerment in recipient communities, as well as greater inclusion (Pavanello et al.). However, programs can also have negative impacts on inclusion and solidarity, for instance when the process of selecting beneficiaries is perceived as unclear or unfair or where poverty levels are high (Ellis 2012). By empowering particular groups, social safety nets may affect the local political economy. If the selection process is handled in a way that minimizes stereotype threats and resentment from non-beneficiaries, safety net programs may promote greater empowerment for their individual beneficiaries as well as greater cohesion in communities. In African countries, like elsewhere, cultural norms are not static, and are indeed influenced by policies.

Social safety nets can change perceptions of, and therefore expectations from, governments

Safety net interventions can bring governments closer to beneficiaries by showing how they can effectively respond to their needs (Jones et al. 2016). Some programs make explicit efforts to establish and promote relationships between the Government and beneficiaries. In Mauritania, a contract is signed between beneficiaries and the government as households are registered, which highlights the contractual basis of the program. This is similar to the efforts in some Latin American social safety net programs to reshape the relationships between governments and individuals, by signing contracts of 'co-responsibility' whereby beneficiaries commit to using basic services while the government commits to ensuring adequate provision of these services, thereby emphasizing a reciprocal relationship (Fiszbein et al 2009).

Safety nets can help further reshape the relationship between individuals and the state by increasing individuals or groups' capacity to access other government processes, for instance by supporting households in their efforts to obtain national identity numbers or cards. For example, showing a valid birth certificate has been a condition for receiving the Child Support Grant in South Africa. As this requirement effectively barred access to the program to certain groups, a new procedure was introduced for delivering birth certificates directly at hospitals, thereby giving access to formal identification to new segments of the population (Glassman and Temin 2016).

Social accountability mechanisms may strengthen the political feedback loop

Social accountability mechanisms may contribute to increased empowerment for beneficiaries. Program features such as grievance redress and community/beneficiary participation may be contributing to the development of social contracts (Ringold et al, 2012 and Molyneux et al. 2016). In Sierra Leone, confidence in the safety net program is reportedly greatly improved by the fact that grievance redress is handled by the independent Anti-Corruption Commission. However, social accountability mechanisms tend to be deployed most effectively by better educated, wealthier and able-bodied idnividuals rather than those with less capacity to organize and voice their concerns (Giannozzi and Khan, 2011; Hickey and King 2016). For example, in Kenya the low political mobilization around the Hunger Safety Nets Program (HSNP) may be attributed to the fact that its beneficiaries were mostly nomadic pastoralists in northern Kenya, a marginalized group (Hurrell and MacAuslan 2012a:268). The design of social accountability mechanisms is therefore critical to maximize their potential.

Social safety net programs affect power relationships and political incentives, closing the loop

Introducing or expanding social safety nets affects the relationship between the poor and vulnerable and their government. It also modifies incentives for politicians. Safety nets can become a significant topic in electoral processes, on which competing parties or candidates campaign. With increasingly closely-fought elections across Africa, ground is getting more fertile. Indeed, social safety nets may be adopted or expanded to strengthen support, as for instance the introduction of LEAP before the 2008 elections in Ghana or the extension of the Ipelegeng public works program to urban areas in Botswana (Hamer 2016). The political appetite for expanding safety nets may also come from lower levels of government and local politicians. For instance, in Kenya and Zambia there has been pressure from members of Parliament to expand small-scale pilots to new districts as a result of perceptions that there are political benefits to be gained for delivering benefits to their communities (Wanyama and McCord 2017; Pruce and Hickey 2017).

Overall, voters tend to reward politicians for social safety nets when they are well implemented. Evidence on the effect of safety nets on voting behavior and electoral outcomes comes mostly from large-scale cash transfer programs in Latin America and Asia. At the national level, electoral benefits generally extend to members of the incumbent party. Impacts are lasting, but eventually taper off. Indeed, over time voters are found to reward incumbent parties, rather than the parties that initiated the programs – suggesting that adopting programs from previous rulers and supporting their expansion can bring political rewards. Gains also seem to be made at the local level, even for national programs.

Once they expand beyond a certain size and demonstrate their impacts, programs create long-term commitments that are politically difficult to discontinue. In Brazil, Colombia or Mexico for instance, programs have been in place for over a decade and demonstrated their impacts. They have progressively been adopted by parties and elites across the board, even if each new administration typically adjusts the program to reflect changing contexts of their focus on particular policies or approaches to poverty reduction, often changing the name of the intervention while maintaining its core features.

Anchoring Safety Nets in Strong Institutions (Chapter 4)

Chapter 1 showed that social safety nets are emerging in many African countries. Yet, in many countries, these efforts consist of separate and uncoordinated interventions, implemented by various ministries, newly established organizations, or partners such as NGOs and donors. Programs within a country may have their own priorities, eligibility criteria, benefit structures, instruments, and implementation guidelines. When the mandates of newly created agencies are unstated or unclear, these agencies then have little political weight relative to agencies in more traditional sectors such as health, education, and agriculture. And services delivered by external partners, such as NGOs, may vary significantly in design and quality, and may not be coordinated with other services or even monitored by governments. As a result, the institutional environments governing social safety nets in Africa are often weak.

Strong institutional arrangements are necessary if social safety nets are to be scaled up. In small programs, processes can be tailored to specific communities or targeted individuals. But for interventions to operate effectively at scale, rules need to be standardized. Also, as programs expand, governments need to bring a range of service providers into a common framework and ensure oversight, or to shift towards the implementation of safety nets through national channels.

The concept of institutions encompasses organizations and agencies, but also includes a broader range of formal and informal rules and procedures. Following UNDP (2009), "institutional arrangement refers to the policies, procedures, and processes that countries have in place to legislate, plan, and manage the execution of development and the rule of law, to measure change, and to oversee other functions of [the] state". In this analysis, we focus on institutions at four levels, from overall frameworks; to policy-making, oversight, and coordination; management of programs; and delivery or implementation of programs.

Institutions arrangements change as social safety nets evolve, and each step along one parameter can build momentum for progress in other parameters. The scale-up of social safety nets does not follow a single path. In some countries, such as Ethiopia, the development of a social protection policy took place after significant consolidation of safety net programs and the achievement of near national coverage. In other countries, such as Chad, Niger, and Sierra Leone, the development of social protection policies took place quite early in the process and encouraged the implementation of small pilot programs. In Latin America, the need for greater coordination among a growing number of social programs encouraged governments to bring these into a coherent safety net system.

Anchoring safety nets within national frameworks - universal declarations, constitutions, policies, and strategies

There is significant variation in the degree of legal anchoring of social safety nets in Africa. As discussed in Chapter 3, most African countries are signatories of international agreements which encompass social safety nets. While these are non-binding, they can potentially help build national momentum for scaling up of safety nets (Kaltenborn et al. 2017). At the national level, in most countries, the legal support is limited to general statements regarding care for the vulnerable in constitutions. This is the case in 12 of the 16 countries reviewed (table O.3). For example, in Niger, the constitution explains that "the State sees to the elderly through a policy of social protection."

Table O.3: Most Countries have Some Legal Anchoring for Safety Nets

Country	Constitutions include support for particular groups	Safety net interventions in national development strategy/plan	A social protection policy/strategy exists and includes social safety nets	Social safety net entitlements and/or institutions enshrined in national laws
Botswana	Yes	Yes	No	Yes
Chad	No	Yes	Yes	No
Republic of Congo	No	Yes	Yes	No
Ethiopia	Yes	Yes	Yes	No
Ghana	Yes	Yes	Yes	No
Kenya	Yes	Yes	Yes	Yes[a]
Mauritania	No	Yes	Yes	No
Mozambique	Yes	Yes	Yes	Yes
Niger	Yes	Yes	Yes	No
Rwanda	Yes	Yes	Yes	No
Senegal	No	Yes	No[b]	No
Sierra Leone	Yes	Yes	Yes	No
South Africa	Yes	Yes	Yes	Yes
Tanzania	Yes	Yes	No[b]	No
Uganda	Yes	Yes	Yes	No
Zambia	Yes	Yes	Yes	No

Source: Authors' review of national documents.

a. However, the Social Assistance Act contains provisions that have not been implement, and is expected to be repealed and replaced with a new act.

b. Social protection strategy is in progress and waiting for approval

Despite such commitments, most governments are reluctant to use a terminology of entitlement in descriptions of social safety nets, out of concerns about creating an entitlement to social safety nets that they may find difficult to realize in the future. This can undermine the development of effective institutional arrangements because of the uncertainty around the sustainability of programs.

Drilling down from the level of the constitution, almost all countries reviewed embed social safety nets in national development strategies or plans. Similarly, most countries have adopted social protection strategies or policies, mostly passed in recent years (with the notable exception of South Africa with a 1997 strategy). Most strategies outline the overall vision of social protection and list programs and the groups of the population they target, but they typically do not indicate how these should be implemented and operationalized on the ground in a coordinated fashion.

At the program level, very few countries support safety nets with legislation defining institutional arrangements, benefits, or appeal mechanisms. With the exception of countries like Botswana, Mozambique, and South Africa, social safety net programs are generally based largely on policies, strategies, or operational manuals without legal authority. This implies that there is no legal obligation to response to complaints and resolve them. In Mozambique, the development of a legislative framework was key to establishing social safety nets. After passage of the Social Protection Law of 2007 and the announcement of a National Strategy for Basic Social Security in 2009, coverage and government financing significantly increased.

Anchoring safety nets in legislation can limit political interference and empower individuals to access benefits. Without the support of a legal framework, programs can be more easily halted, launched, or boosted depending on the needs of political expediency. Interventions enshrined in laws become justiciable, and decisions can be litigated using regular legal procedures. For example, in South Africa, the constitution guarantees the right of all South Africans "to have access to… social security, including if they are unable to support themselves and their dependents, appropriate social assistance" (Black Sash 2010). This is formally recognized in the Social Assistance Act of 2004, and the Independent Tribunal for Social Assistance Appeals allows citizens to appeal.

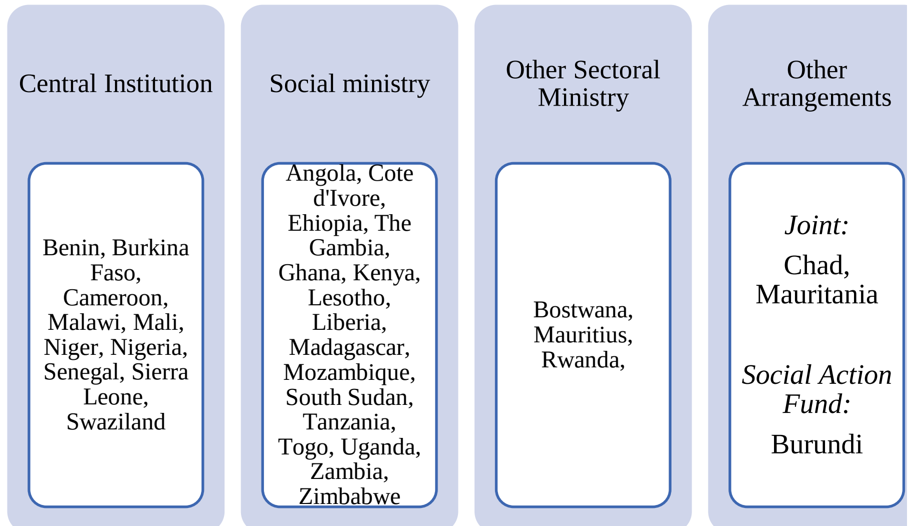
The legal anchoring of social safety nets tends to advance in line with the growth of safety net programs. As programs become larger and reach national coverage, they require more robust support and garner greater political attention. As the government increases financing, programs tend to become more formal, and a need for more accountable management emerges. Because legal anchoring can be a precursor to significant government or donor financing and may be required to support solid institutional arrangements, it will be a critical ingredient for building sustainable programs with nationwide coverage. However, laws are only effective if they are realistic and achievable, and do not create impasses. Defining entitlements in law without provisions for them or without allowing for later adjustments, may undermine the ability to implement safety net programs or to legislate in future.

Responsibility for social safety net policy setting, oversight, and coordination

In many countries, social protection strategies explicitly mandate a ministry or council to play these functions. In others, the responsibility has developed organically or remains unclear. Operational systems or tools such as shared registries and payment systems that serve more than one program are increasingly being used to support coordination in social safety nets, and fall under this category of institutions.

Responsibility for designing policies, overseeing programs, and coordinating interventions is usually vested in a social ministry or central agency (figure O.10). The selection of a social ministry may reflect a desire to name a ministry that already provides services of a similar nature or to similar target groups or has the strongest mandate to support the poor and vulnerable. However, social ministries often have limited financial resources and political influence, including limited authority to require other ministries to collaborate and coordinate activities. Central institutions—the office of the prime minister, the office of the president, or ministries of finance and planning—tend to have greater political influence. However, their organizational culture may be less sympathetic to the need of the vulnerable for social transfers.

Figure O. 10: Social Ministries are not the Only Entity for Policy Setting, Oversight, and Coordination



Source: Authors' review of program documents.
Notes: Central institutions include offices of the President or Prime Minister, and Ministries of Economy, Planning or Finance. Other sectoral ministries include Ministries of Local Government and Rural Development for instance. For more details, see Appendix D.

In most countries, social protection strategies include the establishment of a coordination structure (such as the *Conseil National de la Protection Sociale* in Burkina Faso), but these frequently do not function as planned. This is often because they are expected to be chaired either by ministers (or cabinet secretaries) in ministries with limited convening power, or by ministers in central ministries with competing demands on their time. Also, too often, insufficient attention is paid to identifying the shared objectives of any coordination effort and the appropriate coordinating entity. De facto, other ministries or organizations can also play key roles in policy setting, coordination, or oversight. Where humanitarian programs are prominent, a government department responsible for the coordination of emergency responses (implemented by government, NGOs and development partners) could play a key role in coordinating social safety nets.

Central tools can help promote effective coordination. As safety nets expand, the need to establish centralized tools that can serve multiple programs becomes apparent. Registries, common targeting tools, and shared payment mechanisms are approaches that have been tried with some success in different contexts. In Brazil and Colombia, registries are now at the heart of social protection, and are used by numerous programs to target interventions – in health, education, water, electricity, safety nets, transport, etc. They help raise efficiency as well as foster coordination. Registries are expanding in Africa. In Kenya, the National Safety Net Program (NSNP) represented an attempt to coordinate four cash transfers; a shared registry of beneficiaries was created from the programs' management information systems. The government of Senegal has built a registry of poor households, to be used by programs that address both chronic and transient poverty. Created in 2014, it included data on the 450,000 poorest households nationwide (around 30 percent of the population) by 2017 and already serves as an entry point for the main conditional cash transfer program, the subsidized health insurance program, and soon programs that respond to regular shocks.

The decision on management arrangements matter for program design and evolution

One of the key questions during the design of any safety net program is which entity should be responsible for managing implementation. Among other considerations, this will depend on the context in which the program is operating and its objectives. For instance, a program that emerges as a short-term response to an emergency may be located in a high-profile agency, such as the Office of the President, where it may respond rapidly and with high visibility. However, as programs become more mature and better integrated into longer-term social protection policy, a social ministry or agency with a policy mandate to serve the vulnerable may become a more appropriate home.

This choice is important, as it affects the narrative of social safety nets in a country. Social workers in a social ministry will focus on the specific needs of vulnerable groups. Stakeholders and organizations involved in public works programs may have a different outlook, being more concerned about the contribution of programs to economic growth and graduation out of poverty than inclusion. As a result, safety net programs with a 'protective' focus tend to be housed in social ministries, and programs that focus more on 'productive' aspects may be more frequently housed in ministries of rural development, agriculture, roads, infrastructure or water. And this matters for program design and evolution.

Governments have followed a range of options – including social ministries, non-social ministries, central government institutions, or development partners. Out of the 11 large programs reviewed here, 4 are managed by a social ministry, 5 by a non-social ministry (such as ministries of agriculture as in Ethiopia or local government as in Botswana and Rwanda), and 2 by central institutions (such as offices of the prime minister or president as in Senegal, or ministries of planning or finance). Where social safety net programs are nascent, as in Chad, some programs are managed by NGOs with limited government involvement. Overall, program management responsibilities are not necessarily housed together with responsibilities for policy, oversight and coordination discussed earlier (the case only in 15 out of 31 countries reviewed).

Several factors should be considered in determining program management arrangements besides the political buy-in. In particular, choice will depend on program size and complexity and institutional capacity. Universal, untargeted programs might require less complex arrangements than, for instance, targeted cash transfer programs or public works which rely on coordination across multiple actors. The choice might also depend on capacity at the local level, with central institutions typically having less local presence than social or agriculture ministries.

In Africa, most programs are relatively new and there are few examples of changes in institutional arrangements. Where social safety nets have been in existence longer, there are more examples of changes in institutional arrangements. In Colombia, for instance, the conditional cash transfer program *Familias en Acción* was launched in the late 1990s initially for three years. In line with this emergency mandate, it was operated by an agency in the President's office. As the crisis subsided, the program was refocused more broadly on the promotion of human capital. While initial arrangements had allowed for rapid implementation as operating rules were less constraining, they had resulted in isolating the program from other social institutions. The program's evolution therefore required new institutional arrangements, and a ministry was created in 2011 to house the program, among others, which reaches over 2.5 million households, about a quarter of the population, and is strongly anchored in national legislation.

At the lowest level, many institutions are involved in program implementation

The choice of agencies for the actual implementation reflect the nature of each program. In the context of decentralization, local-level institutions might be involved in front line delivery. Conditional programs often require the engagement of other actors, such as the ministries of health and education to monitor compliance with conditions. Public works programs often require the involvement of diverse technical staff, local governments, and ministries involved in road, water, or natural resource management.

Social safety nets can involve multiple levels of government. Typically, key program parameters and guidelines, as well as funding, are defined centrally. Implementation may vary, however. In some countries, such as the Republic of Congo, the national ministry delivers the program and supervises directly front-line social workers. Where implementation is through a project unit, delivery is often centralized, such as in Cameroon and Burkina Faso. In other cases, the delivery of safety net support falls to local governments, which are required to follow the centrally established guidelines and standards. In particular, when implementing agents reports to local-level institutions, it is critical to ensure program activities are adequately reflected in local plans. In many cases, the job descriptions of local staff do not include responsibility for safety net activities. As programs grow, the need to address this disconnect between program management and implementation may come to the fore.

National guidelines exist for most programs, but several programs are also guided by provisions on local decision-making, including for example community involvement in the identification of beneficiaries; community or district involvement in the choice of projects in public works; district involvement in priority setting; and community or district decision-making on the penalties for non-completion of public works projects or failure to meet health care or educational objectives. Also, there are often variations in the application of guidelines across communities, either deliberately or as a result of limited communication around guidelines. This flexibility can result in more effective processes and encourage local buy-in. However, it can also result in distortions or biases – where local norms or practices can result in favoring particular groups or objectives over others.

In addition to the selection the implementing agency, staffing and contracting arrangements for implementation will vary. Programs may be delivered by staff fully dedicated to programs, or by staff who add their safety net activities to their other existing workloads. Staff may be civil servants or temporary staff on fixed-term contracts. Key functions might also be contracted out to private sector providers, such as administering payments (contracted to post offices and a mobile phone company in Senegal for instance), organizing training activities (NGOs in Senegal's PNBSF) or even running the program implementation unit. Many programs also make use of voluntary community structures for elements of program implementation. Each approach has its strengths and weaknesses, and selecting one will have implications for implementation. In the launch of new programs, arrangements may reflect the need to achieve rapid results. As programs become established, the emphasis should shift to the development of durable arrangements and systems, likely through greater use of full-time civil servants and other government staff.

Harnessing Resources to Expand and Sustain Social Safety Nets (Chapter 5)

How to finance the scaling-up of safety nets in a sustainable manner is a pressing question among policy makers. This report argues that scaling-up social safety nets will be key to responding to the challenges of chronic poverty and vulnerability to shocks across the continent. However, nearly all countries in Africa face a fiscal deficit and have very limited fiscal space, and as a result expanding coverage of the poor and vulnerable in this context represents a significant challenge. Governments in Africa are advised to adopt a clear strategy for social safety net spending and financing, since these programs are increasingly used to reduce poverty and manage risk.

Efficiency in administration and effectiveness of programs become paramount in all countries to make the best use of existing resources, but also to strengthen the case for social safety net programs as a cost-effective mechanism to achieve their goals. Governments need to adequately budget for safety nets from domestic fiscal resources, and carefully choose the right mix of financing between domestic and foreign, and public and private sources. With an increasing role in emergency response, countries also need to develop strategies for financing risk management and crisis response.

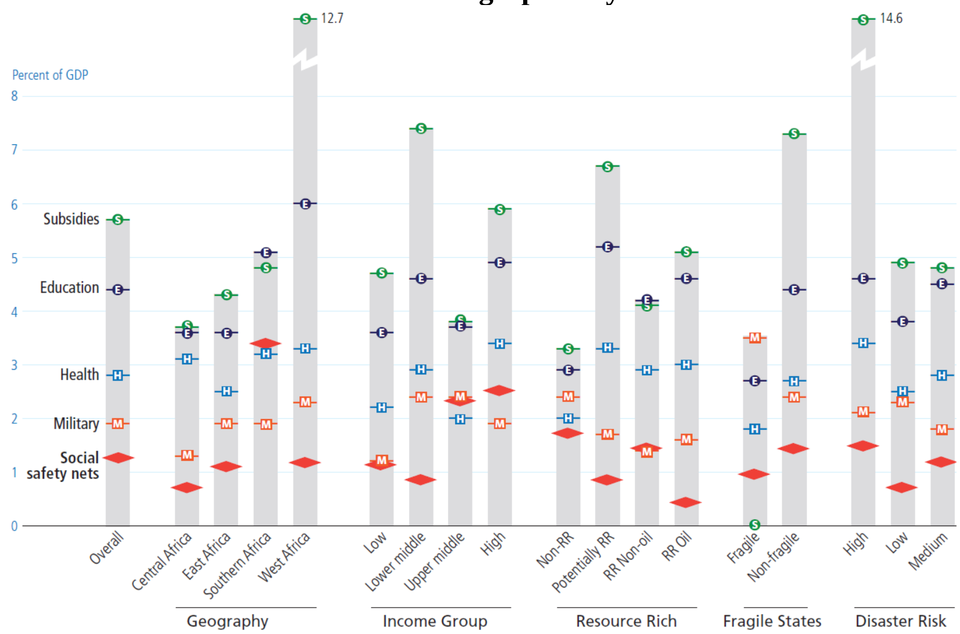
Spending and financing for social safety nets in Africa: a snapshot

Spending on social safety nets as a share of GDP in Africa is generally low, but there is great variation across the region. On average, the region devotes 1.35 percent of GDP for safety nets, compared to the global average of 1.6 percent. This spending is lower than spending on other sectors such as energy subsidies, health care, education, and, in some cases, the military (figure O.11). In particular, spending on consumer price subsidies (which are often regressive) is more than four times larger than spending on safety nets in African countries.

Spending levels vary greatly across the region: upper-middle-income countries in Africa spend an average of 2.6 percent of GDP, while low income countries only spend 1.15 percent of GDP on average. Southern Africa spends an average of five times more than Central and East Africa and two times more than West Africa. Average spending on social safety nets is lower in fragile states, and non–resource-rich countries devote almost twice as much to safety nets (1.75 percent of GDP) as resource-rich countries (1.03 percent of GDP). Countries with higher exposure to natural disasters allocate more resources to these programs than those with low or medium disaster risks.

Most safety net spending goes to programs that deliver cash and are targeted categorically, and is delivered in the form of cash, or a combination of cash and in kind (amounting to two thirds of total spending). Most of the spending accrues to the elderly (32 percent) despite the overall youthful demographics of the region, followed by children (24 percent). Social pensions are especially important in upper- and lower-middle-income countries, and contribute to the high total spending observed in a few countries (Lesotho, Cabo Verde, Mauritius, Namibia, Seychelles and South Africa).

Figure O. 11: Spending on Safety Nets is Lower than Other Sectors and Varies Geographically



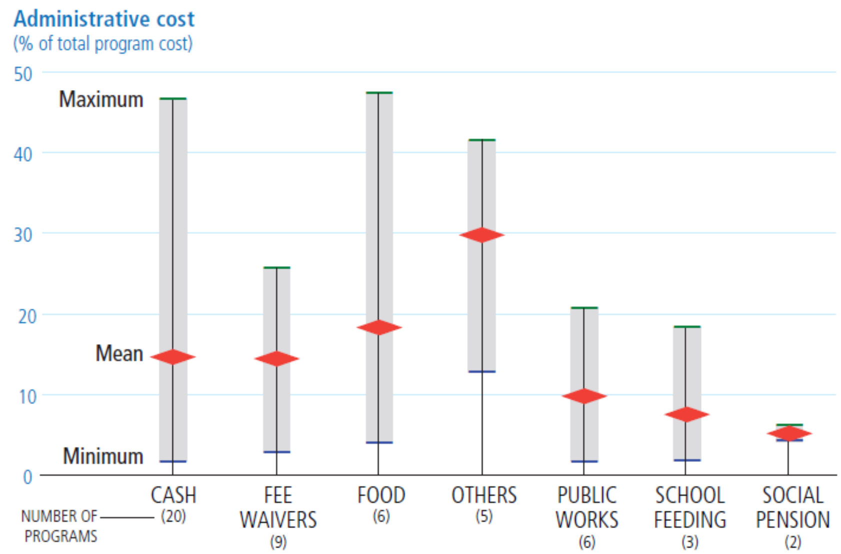
Source: Spending data from ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/. Other data: World Development Indicators.

Administrative costs can be significant, and do not necessarily decrease with scale. They average 18 percent of total program spending (figure O.12), compared to a range between 7 and 10 percent in Eastern Europe (the only region with reliable data) (Tesliuc, et al. 2014). While data is limited, the share of administrative costs seems to be higher in food and in-kind programs, cash programs, fee waivers and public works programs. Administrative costs tend to be higher during a program's start-up phase. For example, costs of Ethiopia's PSNP decreased from almost 8 percent of total costs in 2010/11 to 7 percent of total program spending in 2016. Similarly, the national cash transfer program in Senegal reduced by more than half the share of administrative cost from a 14 percent in 2013 to 5 percent in 2015, while the number of beneficiaries quadrupled. However, some large-scale programs, such as the Tanzania flagship program, still have high administrative cost.

Making better use of existing resources

There is significant space to improve the efficiency and effectiveness of some programs. Most African countries are still far from the efficiency frontier. Generally, Central African countries, low income countries, resource rich economies and fragile states tend to be less efficient. Countries with a social protection strategy, ministry with a social protection mandate, and national safety net system in progress or in place tend to be more efficient. While these measures should only be taken as indicative, they show that some countries do manage to achieve more with fewer resources. Together with the estimates for administrative costs presented earlier, this suggests there is room for improving efficiency and effectiveness.

Figure O. 12: Administrative Costs can be High



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/.

Note: The number in parenthesis represents the sample size for each program category.

Improving efficiency with strong delivery mechanisms and a systems approach

Well-functioning administrative tools are critical to ensuring the timely delivery of safety net transfers to the intended beneficiaries. Essential elements of include, among others, processes for identification, targeting, enrolment, payments, service delivery, and case management. For example, the government of South Africa achieved significant efficiency gains by overhauling administration, introducing a specialized agency for centralized administration and payments, introducing biometric smart cards, reregistering of beneficiaries, and regular biometric proof of life verification. The adoption of technology can lower administrative costs – for example, the move from physical cash to electronic payments can reduce leakage. In Mexico, the integration of electronic payments and social assistance (with 97 percent of 2.6 million pensioners paid through a centralized system) saved about $900 million annually in administrative costs.

Upgrading administrative processes and introducing technology can be costly, but benefits can be important in the medium to long term. For example, Senegal scaled up its national cash transfer program from about 50,000 beneficiary households in 2013 to 300,000 in 2016 while reducing the amount spent in administrative cost from 14 percent to 5 percent in the same time period. Introducing technology, however, does not guarantee cost savings: the quality of implementation and local conditions play a big role. For example, in a cash for assets program in Kenya, electronic cash payments were 15 percent less costly to implement than the distribution of food (CGAP 2013). However, in the Malawi Cash and Food for Livelihoods Pilot Program, cash was more expensive to administer than food because the program was able to purchase food at much lower and more stable prices in the context of weak food market integration (Audsley, Halme, and Balzer 2010).

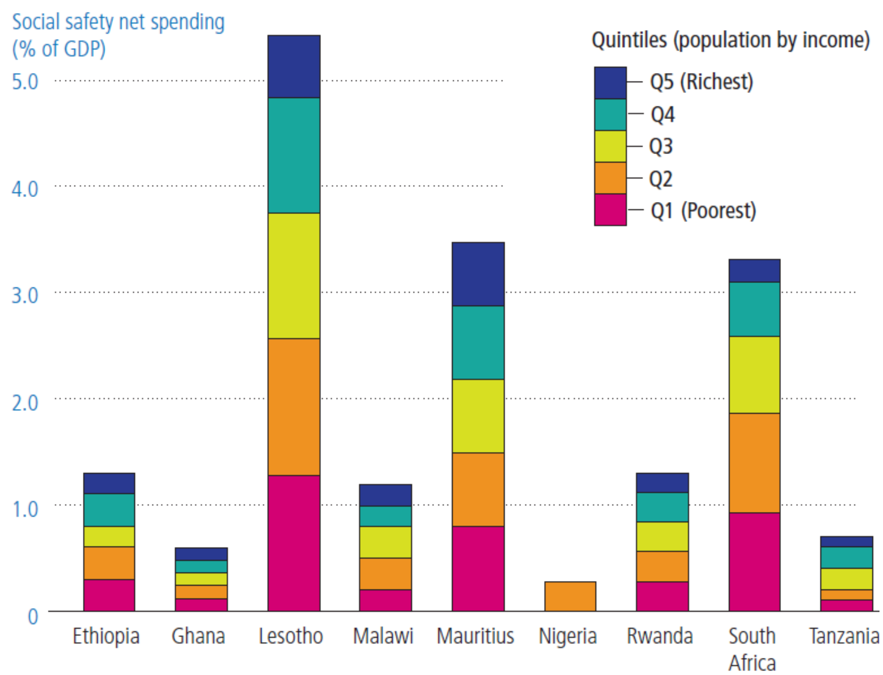
By weaving together programs and tools, a system approach can also promote efficiency. Unifying tools for identifying and enrolling beneficiaries, making payments, and managing information can lead to economies of scale and help tackle fraud and error. The development of information systems and registries can result in significant savings. In Brazil in 2013, by checking data against the National Database of Social Information (records of social security benefits), the unemployment insurance program was able to block about approximately US$ 385 million in payments. In Romania, using a unique personal identification number in all major national databases (tax administration, social assistance, health, pension, disability), allowed cross-checks between social assistance and external data – which led to a recovery approximately US$1.65 million in 2013.

Improving effectiveness by focusing more clearly on beneficiaries and goals

As discussed earlier, the most prevalent approach to choosing program beneficiaries in Africa is categorical. Eligibility is determined based on membership in a population group, usually regarded as vulnerable, such as children, the elderly, or the disabled. However, belonging to such groups does not necessarily coincide with poverty. For example, a review of 12 African countries shows that transfers targeted on the elderly (ages 65 and older) would be received mostly by households that are not poor (Guven and Leite 2016).

When a program's goal is to reduce monetary poverty, targeting methodologies that try and esitmate household's welfare levels (using community, means-testing proxies, self-targeting or a combination of these) can lead to stronger povrety impacts. Simulations in Africa and Latin America suggest that poverty targeted programs have stronger poverty impacts for given budgets than categorical programs, even when taking into account targeting errors (Acosta, Leite, and Rigolini 2011; Guven and Leite 2016). However, while programs targeted to the poor are generally pro-poor, some resources go to richer households. On average, in the 9 countries presented in figure O.13, 14 percent of safety net spending is received by the richest 20 percent and 20 percent to those in the second richest

Figure O. 13: A Large Proportion of Social Safety Net Programs Goes to Better Off



Source: Spending from ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/.

Note: Estimates based on beneficiary incidence and total spending quintile. There is therefore room for further improvements. Also, in contexts of very high poverty levels and low inequality, geographical and categorical targeting might result in stronger impacts in practice.

Improving effectiveness by focusing on programs that have proven impacts and redesigning or eliminating those that do not

The effectiveness of safety nets depends heavily on program choice and design. Indeed, even programs that have a poverty reduction mandate could have limited poverty reduction effects, if their coverage of the poor is limited, they are poorly targeted, the amounts are too small, or there is a narrow causal link between the intervention and poverty reduction. Evidence on the effectiveness of alternative program choices, design, and implementation arrangements, such as the information provided in Chapter 2, can help policymakers make effective choices.

Energy subsidies are an example of programs often put in place with poverty mandate but with weak poverty impacts, because they tend to benefit the better off. Energy subsidies are typically regressive because large shares of benefits accrue to richer households who have the highest levels of consumption (Inchauste and Victor, 2017). A number of countries have phased out or reduced energy subsidies in favor of targeted social safety net programs, achieving stronger poverty impacts or fiscal savings.

Increasing the financing available to scale up social safety nets

While improving efficiency and effectiveness of programs can bring gains, most countries in Africa will need to increase safety net budgets in order to scale up and cover all the poor and vulnerable. This can be done by strengthening fiscal policy, incorporating risk assessment and contingent financing instruments into budget processes, leveraging market risk capital and increasing the roles of the private sector.

Strengthening fiscal policy to mobilize more resources

Strengthening fiscal policy is the most sustainable option for financing sustained social safety net at scale, given uncertainties in the global macroeconomic and political context, increasing borrowing costs and predictability of external financing (IMF 2015). There is scope to increase the domestic fiscal envelope available for social safety nets in Africa through increased taxation (OECD 2017). In Africa, total tax revenues stood on average at about 21 percent of GDP between 2011 and 2014, compared to over 30 percent in high income countries. Governments have a number of options to increase tax revenue, both short-term quick wins and long-term deeper reforms.

In the long term, improved administration of taxation has increased fiscal revenue in a number of countries. In South Africa, in 2009 the government simplified the tax revenue system, and the additional revenue generated through the introduction of the turnover tax allowed to maintain the social safety net system. (Inchauste et al. 2015). The taxation of natural resources can also contribute to fiscal expansion, though natural resource wealth has not always translated into good economic outcomes. Countries that have avoided the so-called resource curse and effectively promoted long-run development have pursued a balanced approach that has included investing in people (de la Brière et al. 2017). Finally, curtailing illicit financial flows could also free resources for social safety nets (in 2012, almost $1 trillion in illicit financial flows are estimated to have moved out of developing countries and these flows amounted to almost 10 times the total aid received by developing countries, Kar et al. 2010 and Ortiz et al. 2015).

Leveraging the private sector to increase the resources available for scaling up

The private sector can also be a valuable source of both capital (both risk and investment capital) and expertise, which governments could leverage. Guarantee instruments have considerable value in situations where risks and uncertainty are high. Guarantees from development partners for letters of credit, or other trade finance arrangements, can help support growth of the role of private sector actors in critical commodity supply chains by reducing risks. Development impact bonds could also be used, whereby socially motivated private investors provide upfront funding for a development program – the developing country adaptation of social impact bonds, used in higher income countries to promote socially desirable results mostly in the areas of on criminal justice, homelessness, and workforce (Coleman 2016, CGD 2013, Gustafsson-Wright et al. 2015 and Gustafsson-Wright and Gardiner 2016). Diaspora bonds could also be used to direct remittances toward development goals (Ketkar and Ratha 2007), and have been successfully introduced in Israel, India, and Nigeria. Nigeria issued $100 million in diaspora bonds in 2013, and, given the success of the first issue, decided to raise €300 million from a second diaspora bond issue under its 2016–18 borrowing plan (Ozaki 2016).

Governments can also capitalize on the role NGOs play in social safety nets, in terms of implementation as well as advocacy. NGOs have been key players in humanitarian assistance and disaster response. In 2014 NGOs channelled US$7.9 billion in humanitarian assistance from public and private funding, by far the largest channel after multilateral organizations (Global Humanitarian Assistance and Development Initiatives 2016). More broadly, NGOs are a critical asset in promoting the social safety net agenda in Africa. In South Africa, they have played a crucial role in advocating for people's constitutional right to social assistance (Alam, Mokate, and Plangemann 2016).

Corporate Social Responsibility (CSR) is currently underutilized for safety nets in Africa, relative to other social sectors and continents, but holds promise. A few governments have developed strategies and tools to access these resources for development strategies. For example, in Mauritius, the Ministry of Finance requested that all firms spend 2 percent of their profits on CSR activities approved by the government or transfer funds to the government for social and environmental projects. Finally, public-private partnerships also hold promise, and remain largely untapped for safety nets. they have the potential to bring efficiency and sustainability to the provision of public services by scaling up, through private investments, the capital that would be available to governments alone, leveraging the management expertise and innovative spirit of the private sector, and sharing risks with the latter.

Making financing available to expand social safety nets during crises

To better manage the risk of shocks, ensure predictable and timely access to resources, and ultimately mitigate long-term fiscal impacts, many governments are adopting a strategic approach to risk financing. This ensures more efficient use of resources and limited waste of resources linked to untimely response. Governments have access to a menu of financial instruments to address varied needs. First, contingency or reserve funds can be established to finance relief, rehabilitation, reconstruction and prevention activities for national emergencies (as in Colombia, Costa Rica, India, Indonesia, the Marshall Islands, Mexico, the Philippines, Lao PDR and Vietnam). A number of African countries are working on the establishment of similar funds. In Kenya, for example, the government is in the final stages of operationalizing a national contingency fund dedicated to drought emergencies. Efforts are also underway to establish such funds in Mozambique and Madagascar. Second, contingent loans can be used to gain access to liquidity immediately following an exogenous shock (contingent loans have been used by multilateral development banks). Finally, market-based instruments – derivative contracts, insurance contracts, or catastrophe bonds – can be used to transfer the risk of specific events (droughts, hurricanes, earthquakes, and floods) or commodity price shocks to actors in the market (insurance companies, reinsurance companies, banks, and investors) who are willing to accept them.

Depending on the frequency and severity of risks, governments can combine (or layer) financing instruments that address different needs and have different cost implications. For example, sovereign insurance may provide cost-effective cover against extreme events, but it may be inefficient and costly to protect against low intensity and recurring events. For such disasters, a dedicated contingency fund may be a more appropriate solution. Combining instruments also enables governments to take into account the evolving needs for funds – from emergency response to long term reconstruction. For example, a government could decide to purchase (ex-ante) quick-disbursing risk transfer instruments to ensure immediate liquidity in the aftermath of extreme events, but raise the larger sums required to finance reconstruction efforts through (ex-post) budget reallocations or by issuing bonds (World Bank Disaster Risk Finance & Insurance Program, 2017).

Overall, governments need to choose an appropriate financing mix to ensure sustainable safety nets at scale

Each option explored in this chapter has advantage and disadvantages, which largely depend on country contexts. Donor financing can play an important role in financing initial investments (tools and procedures) and be a catalyst to garner domestic support. Responsibility for financing can then gradually shift to governments once systems are in place. Financing and implementation of safety nets have gradually been taken over by the government in Ethiopia, Lesotho, and Senegal. Ethiopia's Productive Safety Nets Program is an example of the successful integration of government and donor funding, as well as of donor harmonization. In particular, 11 donors coalesced and created effective implementation arrangements that span multiple ministries and provide a unified stream of technical advice in support of the government-led program (Monchuk 2014).

Over time, government can seek to fund a larger share of the safety net over the medium term through a mix of efficiency improvements, increased fiscal revenue, leveraging non-traditional and private sector financial source and use of risk financing mechanisms. Governments can leverage the various sources of financing by exerting leadership in elaborating national social protection strategies and plans that include all the actors The sustainability of social safety net systems can be facilitated through close cooperation among governments, development partners, and the private sector.

The Road ahead for social safety nets in Africa

Many governments in Africa have built upon the global experience of social safety nets as important aspects of the social policy agenda to address poverty and vulnerability to shocks. The number of programs has expanded rapidly, and although most programs are limited in size, many are growing. Programs are also evolving to integrate a productive focus and adaptability in the face of shocks. Still, in most countries, many of the chronically and transiently poor in Africa are not covered by the safety nets system. A range of rigorous studies have proven that these programs can improve equity, resilience, and opportunities for the poor and vulnerable. For them to play this role, however, they need to be brought to scale and provide effective coverage to the poorest and most vulnerable.

Countries will need to face existing challenges and realities, and look for new opportunities to scale-up safety nets. Scaling-up safety nets to reach their full potential in Africa – making them sustainable and effective at combating poverty – will require focusing on the political, institutional, and fiscal aspects. A strategic approach to engaging in the political process, including choosing politically-informed program parameters, can strengthen safety nets systems. Understanding how to anchor social safety nets in institutions, from coordination, to management to implementation is critical. Finally, of course, safety nets need reliable funding but also efficient spending. In the light of fiscal constraints many governments face, the solution is not simply more spending, but also smarter spending and new sources of funds. Overall, strategic choices need to be made to effectively give social safety nets the place they deserve in Africa's national broader development and poverty reduction strategies.

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Introduction

Despite a period of strong economic growth and improvements in many dimensions of welfare, extreme poverty remains a pervasive and complex phenomenon in Sub-Saharan Africa (referred to as Africa in this report). Part of the agenda in recent years to tackle poverty in Africa has been the launching of social safety nets programs. This shift in social policy reflects the progressive evolution in the understanding of the role that social safety nets can play in the fight against poverty and vulnerability. This increased level of programming has often been accompanied with investments in systemic instruments – targeting systems, registries, payment systems – which progressively strengthen the overall system and increase its efficiency. Looking ahead, fragmentation and scale remain a barrier for realizing the full potential of social safety nets in the fight against poverty. Some population groups are not served to the extent necessary, given the small size of many social safety nets programs and their focus on a limited number of sources of vulnerability.

For Africa to fully realize the potential of social safety nets and bring its poorest and most vulnerable to a point where they can seize economic opportunities, this report argues that a series of decisive shifts need to occur in three spheres – political, institutional and fiscal. First, this ambitious agenda implies a need for a shift in the perception and political economy of social safety nets and their potential role in national policies for poverty reduction and growth. Second, it calls for a strong anchoring of the sector's programs in institutional arrangements that have the mandate and resource required to deliver these programs as intended. And third, in most countries, the level of resources devoted to the sector needs to increase for social safety nets programs to reach the desired scale and specific attention is required to ensure that funding streams are predictable and sustained.

Accordingly, the report starts with the identification of existing gaps, by contrasting the situation in terms of extreme poverty and vulnerability with the situation of social safety nets systems in the different sub-regions and countries in Africa (chapter 1 *The Landscape of Poverty and Social Safety Nets in Africa*). The report then presents evidence on the impact of social safety nets on equity and poverty reduction, as well as building resilience and expanding opportunities for the poorest and most vulnerable (chapter 2 *The Impacts of Safety Nets in Africa: What Are We Learning?*).

The study then turns to the three systemic shifts that are needed to unleash the full potential of social safety nets in Africa: the need for a shift in the political economy of social safety nets and their place in society (chapter 3 *Recognizing and Leveraging Politics to Expand Safety Nets*); the need for strong institutional anchoring to expand social safety nets (chapter 4 *Anchoring Safety Nets in Institutions*); and the need for additional fiscal space and improved predictability of funding (chapter 5 *Harnessing Resources to Expand and Sustain Social Safety Nets*).

This report does not systematically discuss all technical aspects of chosing and designing social safety nets (see for instance Grosh et al. 2008 for a thorough treatment of these aspects). Rather, throughout its chapters, the report highlights the implications which political, institutional, and fiscal aspects have for the choice and design of programs. Fundamentally, it argues that these considerations are critical to ensure the succesful scaling-up of social safety nets in Africa, and that ignoring them could lead to technically-sound but practically impossible choices and designs.

CHAPTER 1

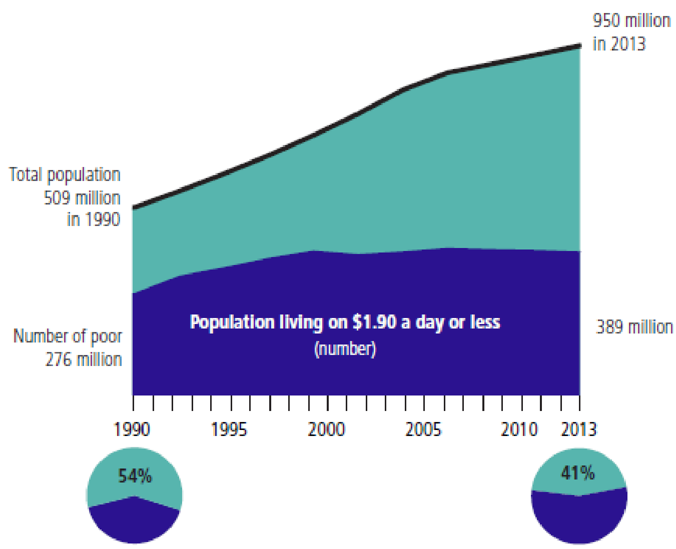
The Landscape of Poverty and Social Safety Nets in Africa

Kathleen Beegle, Maddalena Honorati, and Emma Monsalve

The profile of poverty in Africa

Poverty rates have been falling in Africa.[1] The share of the poor declined from 57 percent in 1990 to 41 percent in 2013 (figure 1.1).[2]However, the decline in poverty was not sufficiently rapid to reach a target of the Millennium Development Goals of cutting the poverty rate in half by 2015. Moreover, the number of the poor in Africa rose from about 280 million in 1990 to 390 million because of high population growth driven by high fertility rates.

Figure 1. 1: Poverty Rates Are Falling in Africa, but the Number of the Poor Is Rising



Source: PovcalNet (online analysis tool), World Bank, http://iresearch.worldbank.org/PovcalNet/.

Despite progress, two Africans in five are still living in poverty. These extreme statistics emphasize the critical challenge facing efforts at poverty reduction and sharing prosperity in Africa. While there is diversity across and within countries, some characteristics dominate the profile of the poor. The majority of the poor reside in rural households and are engaged in smallholder farming (about 80 percent) (World Bank 2016a). The poor are less well educated and live in larger households. Children are significantly more likely than adults to be poor. Almost half of Africa's poor are under 15 years of age, although children represent less than half the total population. People with disabilities exhibit higher poverty rates, largely because of their lower educational attainment (Filmer 2008; Mitra, Posärac, and Vick 2013).

Income poverty is but one way to assess living standards. By many other dimensions, as with income poverty, well-being in Africa has improved. More children are in school, and the gender gap in schooling has narrowed. Adult literacy rates increased 4 percentage points from 1995 to 2012. Life expectancy at birth rose 6.2 years, and the prevalence of chronic malnutrition among young children fell 6 percentage points. The number of deaths from politically motivated violence declined. Indicators of voice and accountability advanced slightly, and there was a trend toward the greater participation of women in household decision making. Taken together, destitution gauged through a multidimensional poverty approach declined significantly in 18 of 19 African countries with sufficient data to track changes (Alkire and Housseini 2014).

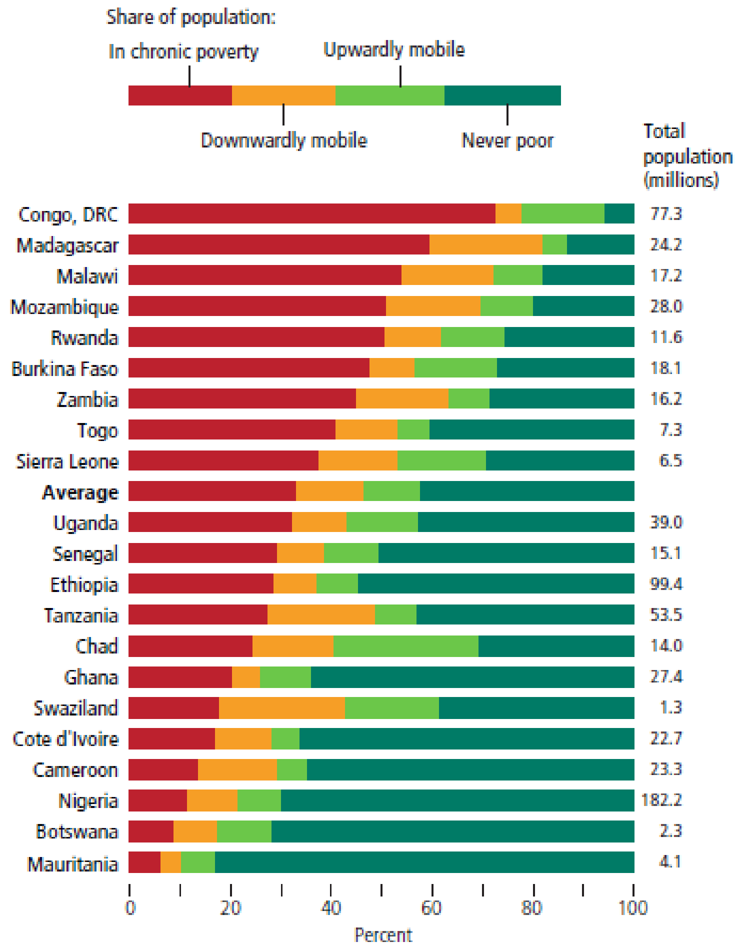
The improvements notwithstanding, Africa shows the worst outcomes relative to other regions on most indicators. Moreover, the rate of progress is leveling off in some areas, including a recent uptick in violent events. The evidence is growing that the quality of education belies the enhancements in enrollment. Multiple deprivations still characterize the lives of a sizable share of African women (data on men are not available) (Beegle et al. 2016).

Likewise, while poverty rates have declined, vulnerability is substantial because households are located in risky environments.[3] Many of the poor are living only slightly below the poverty line and are thus close to escaping poverty, but others among the nonpoor are vulnerable to falling into poverty (figure 1.2Figure 1. 2). With the decline in poverty has come an increase in the size of the vulnerable population (Dang and Dabalen 2017). Among Africa's poor, a small positive shock to incomes could lift many out of poverty, but a small negative shock could drive as many of the vulnerable into poverty. A 16 percent to 26 percent negative shock to household incomes is estimated to result in a rise in the poverty rate of 5 to 12 percentage points. In Africa, three poor households in five are chronically poor, while an estimated two poor households in five are transient poor, that is, moving into or out of poverty as income fluctuates and the households are exposed to shocks (Beegle et al 2016).[4]

In addition, refugees and internally displaced persons (IDPs) that were affected by conflict represent about 2 percent of Africa's population (Maystadt and Verwimp 2015). Globally, the number of people displaced by shocks, including refugees, is at an all-time high. While the war in the Syrian Arab Republic has recently been associated with large numbers of refugees, the vast majority of the world's refugees are in Africa. These populations are not evenly distributed, but are especially large in several countries (Cameroon, Chad, the Democratic Republic of Congo, Ethiopia, Kenya, Nigeria, Somalia, Sudan, and Uganda) (World Bank 2016b). Rather than international refugees, forced displacement is mostly driven in the region by internal displacement and security risks among households. The displaced face additional hurdles because they find few income-earning opportunities to help them in their efforts to escape poverty.

Poverty will remain a challenge in Africa even if macroeconomic growth exceeds expectations. Under a range of economic growth assumptions, global poverty will become increasingly concentrated in Africa and in conflict-affected countries (Chandy, Ledlie, and Penciakova 2013; Ravallion 2013; World Bank 2015a). The majority of countries most at risk of not reaching the target of a 3 percent poverty rate by 2030 are in Africa (Chandy 2017). The lack of a demographic transition and high fertility will impede poverty reduction and children will increasingly bear the burden of poverty in Africa (Watkins and Quattri 2016). Climate change will be a further obstacle to eradicating poverty in Africa, where households in drylands are already more likely to be poor than households in other areas (Cervigni and Morris 2016; Hallegatte et al. 2016).

Figure 1. 2: Poverty is both Chronic and Transient



Source: Dang and Dabalen 2017.

Social safety nets in Africa

Most African countries have recently established social safety nets programs as part of a broader strategy to assist the poor and protect the vulnerable. In this report, social safety nets (also sometimes called social assistance programs) are defined as noncontributory benefits provided either in cash or in kind and intended to support the poor and vulnerable.[5] They are a component of the larger social protection systems that also include contributory social insurance, such as pensions and health insurance, as well as labor market policies and programs.[6] The objectives of social safety nets may differ and range from reducing monetary poverty, food insecurity, and vulnerabilities (old age, disability, exposure to natural disasters and conflict situations, for example) to improving the access to basic services. More recently, some social safety net programs have been designed to promote income-generating activities and create productive links within local economies. The definition in this report also includes measures that facilitate access to basic services such as health care, education, and housing through targeted fee waivers and scholarships as well as lump sum grants to promote livelihoods and productive inclusion.[7] General consumer price subsidies, including energy and food subsidies, are not considered to be among safety net initiatives (box 1.1).

Box 1. 1: The Definition of Social Safety Nets and The Typology of Programs

Social safety nets are noncontributory programs targeting the poor or vulnerable. They may be designed, implemented, and supported by governments, international organizations, or nongovernmental organizations (NGOs). Their distinctive feature is their *noncontributory* nature, that is, beneficiaries do not have to contribute financially to receive the benefits. This differentiates them from contributory forms of social protection, whereby prior contributions and participation in the labor market determine benefit eligibility. To compare effectively across countries and regions, social safety net programs may be classified into eight groups, building on Grosh et al. (2008), as follows:

1. *Cash transfer programs* offer periodic monetary transfers to beneficiaries with a view to providing regular, predictable income support. Cash transfers include poverty reduction programs; cash transfers for families, families with children, or people taking care of orphans or vulnerable children; disability cash benefits; war veterans benefits; funeral grants; the *zakat*; housing cash benefits; and cash grants to promote livelihood and productive activities. Both conditional and unconditional cash transfer programs are included in this category. Old-age social pensions, emergency cash transfers and cash-for-work programs are not included, but covered in other categories.

2. *Old-age social pensions* include regular cash transfers provided exclusively to the elderly. Unlike contributory pensions provided through social insurance programs, social pensions do not require prior contributions. Old-age social pensions may be universal, as in Lesotho, or targeted on the poor elderly, as in Mozambique.

3. *Food-based transfers* include food distribution programs, food stamps and vouchers, and nutritional programs. Examples encompass nutrition programs that carry out therapeutic feeding distribution and promote good feeding practices, such as the program in Senegal and the voucher program in Sudan. This category excludes food-for-work programs, emergency in-kind transfer programs, and meals provided at schools, which are classified in other groups.

4. *School feeding programs* supply meals or snacks for children at school to encourage their enrollment and attendance and improve their nutritional status and ability to learn. These programs sometimes also include take-home food rations for children's families. School feeding programs in the region include the Burkina Faso and the South Africa programs for primary-school children.

5. *Public works programs* offer short-term employment at low wages on labor-intensive projects, such as road construction and maintenance, irrigation infrastructure, reforestation and soil conservation, and social services. Support is typically in the form of either cash or food transfers. Cash-for-work programs include the Ethiopia Productive Safety Net Program and the Malawi Social Action Fund public works program. Food-for-work programs include the food-for-asset program in Sudan and the food mitigation program in Zimbabwe.

6. *Emergency support programs* supply cash or in-kind transfers to individuals or households in case of emergency or in response to shocks. These shocks may encompass weather shocks (drought, floods), pandemics, food insecurity, man-made crises, and economic downturns. The transfers are usually temporary, typically over a period of a few months.

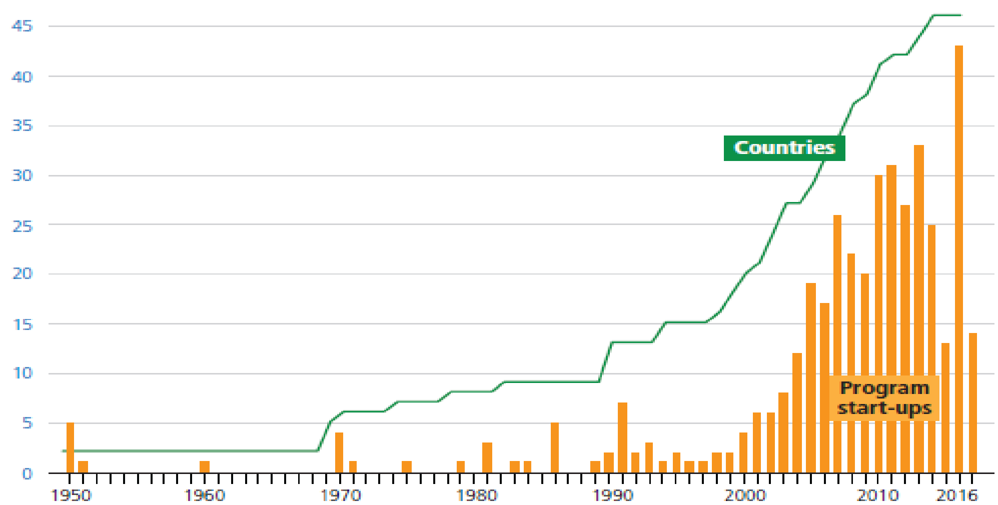
7. *Fee waivers and scholarships* assist households in meeting the cost of services, usually education and health services. Fee waivers and scholarships may cover the entire fee or only part of it or other, selected expenditure. Programs include the health fund for the poor in Benin, the health insurance premium exemptions for the indigent in the Ghana National Health Insurance Scheme, and Senegal's Universal Health Coverage Program. In education, fee waivers are offered through Zambia's Orphans and Vulnerable Children Bursary Program and Keeping Girls in School.

8. *Other social safety nets* are social care services, transfers of school supplies and other in-kind transfers, tax exemptions, and other social safety nets not listed in the above classification.

The number of programs is growing rapidly in Africa

In recent years, social safety nets have been increasingly deployed in the developing world, especially in Africa. By 2015, every country in the world was implementing at least one social safety net program (World Bank 2015a, 2015b). In recent years, most of the surge has occurred in Africa (Cirillo and Tebaldi 2016). From an historical perspective, Mauritius was the first country in Africa to introduce a social safety net, in 1950, in the form of disability pensions and basic noncontributory allowances for widows and guardians of orphans. The number had risen to 6 by 2000, then to 20 by 2008 at the onset of the economic crisis, to 31 countries in 2010, and to 46 in 2017.[8] The number of social safety net programs launched each year increased from the 6 in 2000 to an average of 15 programs before 2008 and to 25 programs beginning in 2010 (figure 1.3). Chapter 3 explores the factors behind this growth, which include various crises or reforms, as well as evolving social contracts and perceptions of the potential of social safety nets and international influence.

Figure 1. 3: More Social Safety Net Programs are being Launched in Recent Years



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/

Note: Programs are considered regular if they are not emergency support programs and have not closed. Only programs on which there is information on the year of inception are covered.

The increasing adoption of social protection in general and social safety nets in particular is reflected in the growing number of national strategies or policies (table 1.1 and appendix table D.1). Social protection has been the focus of attention in numerous national poverty reduction and growth strategies. By 2016, 30 African countries have established social safety nets as one of the pillars of their stand-alone national social protection strategies. Relevant draft strategies are being approved in another eight countries.

Table 1. 1: Over Half of African Countries Have Approved a National Social Protection Strategy

Status	2013	2015	2016
Not present	18	14	10
In progress	18	10	8
Approved	12	24	30
Total number of countries	48	48	48

Source: World Bank internal monitoring tools.

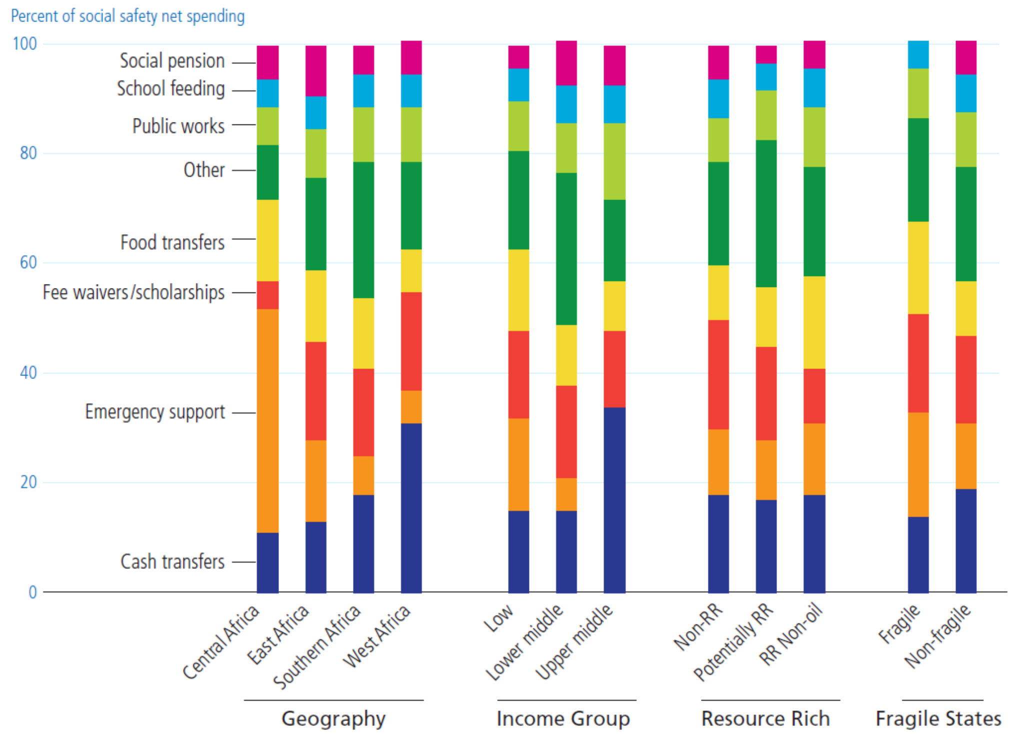
Social safety nets in Africa are varied and numerous, but often fragmented within countries. Every African country has at least one social safety net program. The average number of programs per country is 16 – ranging from 2 in the Republic of Congo to 48 in Chad.[9] Countries in West Africa and lower-income countries typically implement more programs. The number and diversity of programs reflects the settings and country contexts. Central African Republic and Chad implement more than 30 programs, but many are small or temporary initiatives implemented in isolation from each other in narrow geographical areas or among discrete population groups. Program duplication also occurs, often within a weak institutional environment. This is the situation in Zimbabwe and Uganda, which conduct 31 and 41 social safety net programs, respectively. Insufficient coordination among the donors that often fund such programs exacerbates the fragmentation and inefficiencies. Efforts to consolidate and rationalize programs are on the policy agendas of many countries.

Social safety nets vary in nature across Africa

Cash transfer programs are implemented in almost all African countries, as well as public works programs and school feeding programs. This study divides programs into eight categories based on the type of benefit and its permanent or emergency nature: (1) cash transfers, (2) social pensions, (3) food-based transfers, (4) school feeding, (5) public works, (6) emergency support, (7) fee waivers and scholarships, and (8) a category for other programs (box 1.1). Among the 46 countries analyzed, 45 implement at least one cash transfer program; 32 implement at least one public works program; 31 implement education or health fee waivers; 30 implement at least one school feeding program; 27 implement at least one food transfer program; 19 countries provide emergency support and 12 countries implement old age social pensions as stand alone programs.

The composition of the portfolio varies across country groups. Cash transfers and old-age social pensions are more prevalent in higher-income countries and in Eastern and Southern Africa. Public works programs are run in almost all low-income and fragile countries (box 1.2). Fee waivers and food based transfers are more common in lower-middle-income countries; cash transfers are present in almost all countries in West Africa (appendix tables E1-E3). In Central Africa and fragile and conflict-affected countries, social safety nets are widely used as short-term responses to shocks. Emergency support and food transfers represent the main types of programs in Central African countries (41 percent and 15 percent of programs respectively) and in fragile settings (19 and 17 percent respectively), even if programs that provide regular, predictable transfers are becoming more common. In other regions, these two categories combined represent 14-28 percent of programs (figure 1.4).

Figure 1. 4: The Composition of Social Safety Net Portfolio Is Diversified across Africa



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/
Note: The graph presents the share of programs in each group (irrespective of their size) and covers 46 countries.

Box 1. 2: How do Public Works Work?

Public works programs have emerged as a critical type of social safety nets in low-income settings and fragile states, as well as in middle-income countries (Grosh et al. 2008; Subbarao et al. 2013). The programs typically require that beneficiaries work before they may be eligible to receive a transfer in cash or in kind. The largest examples include the Productive Safety Net Program in Ethiopia and, in India, the Employment Guarantee Scheme in Maharashtra and the National Rural Employment Guarantee Act. In Africa, 29 of the 48 countries implement public works, though not necessarily on a large scale, and 70 programs have been identified. Public works programs may be primarily oriented toward the provision of a safety net, or they may be primarily oriented toward supplying infrastructure (Subbarao et al. 2013). The focus of the meta-analysis is on the former category, whereby public works are mostly a means of offering income support to the poor during critical times.

Public works programs usually involve labor-intensive activities, tend to operate mostly in rural areas (though they have recently been implemented in urban areas), offer modest wages so the poor self-target into the programs, and are often run in the off-season, when there are few employment opportunities. They appeal to policy makers and stakeholders because they contribute to a productive economy, create community assets (such as rehabilitated roads, irrigation schemes, and other infrastructure), and are not perceived as supplying handouts, given that they require an effort on the part of beneficiaries.

Public works have been widely promoted as tools to protect poor households in the face of large macroeconomic or agroclimatic shocks (Ravallion 1999). They have recently been garnering attention in fragile and conflict-affected situations as tools to quickly restart local economic activity or target the employment of high-risk groups, such as young men (Blattman and Ralston 2015). Public works can also contribute to the development of assets, as in Ethiopia, where the Productive Safety Net Program was found to mitigate the risks of climate change by restoring deforested and depredated land (Jirka et al. 2015). As a result, public works programs may smooth the consumption of the poor in the short term, such as other social safety net programs, but also create productive assets that contribute to improving livelihoods over the longer term.

Public works may be adapted to a variety of contexts, but there are challenges. Thus, they are generally more difficult than simple cash transfer programs to implement; they are institutionally more complex to administer because many line ministries are often involved, as in the Kazi Kwa Vijana (work for youth) Program in Kenya; and they require strong checks and balances against possible error, fraud, and corruption (Subbarao et al. 2013).

The vast majority of social safety nets in Africa are targeted at children, directly or indirectly by assisting households with children. Thirty-one percent of all programs directly target children through nutrition interventions, benefits aimed at orphans and other vulnerable children, school feeding programs, the provision of school supplies, and education benefits or fee waivers. One program in three targets households; 18 percent working-age individuals; and 4 percent the elderly (14 percent target other categories, including the disabled, people living with HIV/AIDS, refugees, or IDPs). The relative importance of old-age (and veteran) social pensions varies by income group and region, representing 22 percent of programs in upper-middle-income countries and Southern Africa, but only 5 percent in low-income countries. While not necessarily aiming to address gender inequalities, programs are often not gender neutral (box 1.3)

Box 1. 3: The Links Between Social Safety Nets and Gender

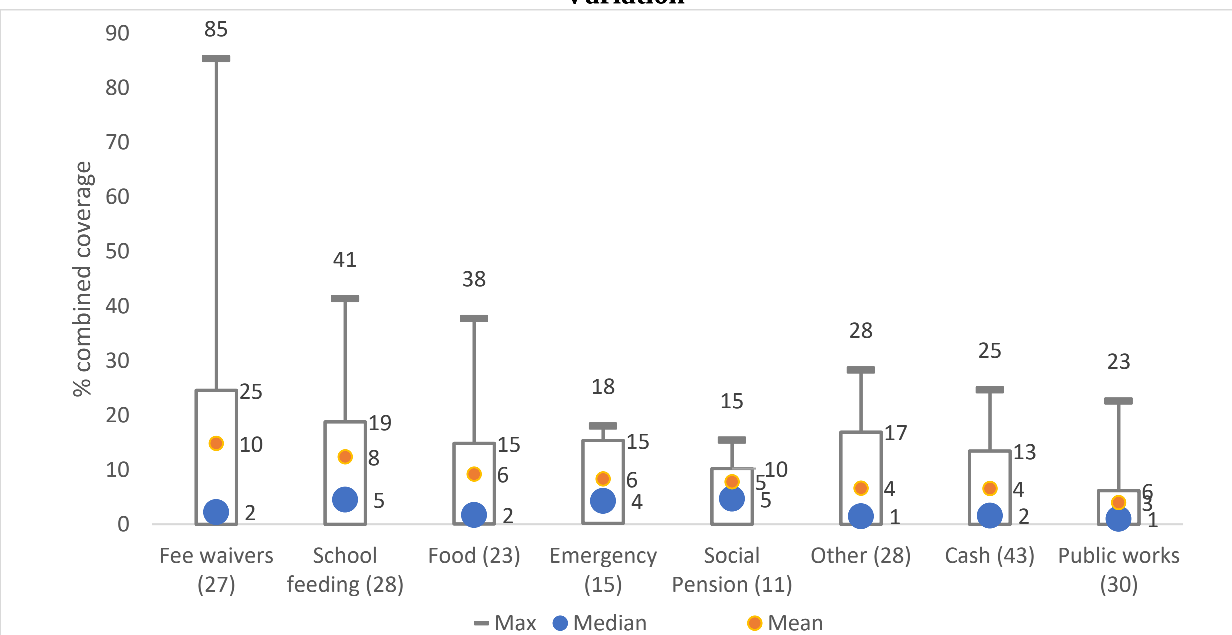
The high degree of gender inequality in Africa is well documented – huge gaps remain in many spheres of life. Empowering women and girls is seen as a critical aspect to economic development. Social safety nets can be one tool used to address gender inequity. A growing body of evidence demonstrates that the impacts of these programs are not gender-neutral, whether intentional or not (World Bank 2014). Safety nets have been shown to empower women, as measured in a number of ways, including reduced physical abuse of women by men, increasing women’s decision-making power, and declines in risky sexual behavior (Bastagli et al 2016). Paying cash transfers directly to women has been shown in some context to result in an increase in household spending toward children needs, a reflection of increased empowerment and differential preferences on spending between men and women. This will not be the case everywhere. World Bank (2014) shows that the channels through which these impacts occur are complex and depend on gender norms and women's assigned roles. In Africa, in some cases, conditionality results in bigger impacts than opting to give payments to wives.

Social safety nets programs can be more effective at achieving gender-relevant impacts when they are thoughtfully designed with this in mind. Common gender-sensitive provision in public works programs include more flexible working hours as in in the Tanzania Social Action Fund, quotas on female participation, lighter works for women, and the provision of child care facilities (Tebaldi 2016). Other gender-sensitive design features include accommodating lower levels of literacy; allowing more flexibility in requirements for official documents, like birth and marriage certificates; and providing services close to women’s homes.

Most programs are limited in size

Though the number of social safety net programs has increased, their coverage is often limited. The combined coverage of programs in Africa is less than 10 percent of the population.[10] School feeding and fee waiver programs generally have the highest coverage, reaching 8 and 10 percent of the total population on average. Less-extensive coverage is achieved by public works programs (3 percent of the population), emergency support and food based transfers (6 percent of the population each), social pensions (5 percent), cash transfers and other safety nets (each reaching 4 percent of the population). Geographically, programs in low income and lower-middle income cover 6-7% of the population, and those in upper-middle-income countries about 13 percent of the population (appendix table F.2). However, these averages mask important variations – for each type of program, Figure 1. 5 shows the average coverage (in countries where this type of program is present), as well as the range within which 90 percent of countries fall and the extreme values. At the extreme, medical assistance programs in Madagascar, Sudan and Gabon cover more than a third of the population and 26 percent in Ghana; school feeding programs in Sao Tome cover 41 percent of the population, the other largest school feeding cover around 25 and 19 percent of the population in Swaziland and Botswana respectively; the combined coverage of food transfers in Mozambique covers 38 percent of the population. One out of four in South Africa benefit from at least one cash transfer program. At the other end of the spectrum, less than 1 percent of the population is covered in countries such as The Gambia, Cote d'Ivoire, Swaziland and Benin (appendix table F.1).

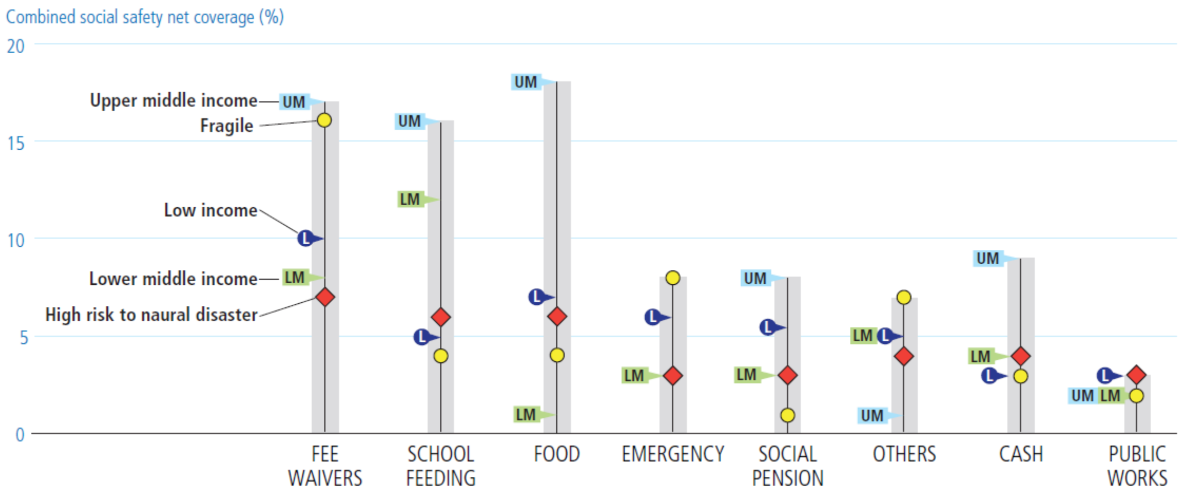
Figure 1. 5: The Coverage of Social Safety Net Programs Is Low, but There Is Substantial Variation



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/

With few exceptions, richer countries tend to run larger safety net programs. Coverage is higher in upper-middle-income countries for all program types, except public works programs, emergency support, and other programs that show greater coverage in lower-middle-income countries (figure 1.6). This mirrors the composition of program portfolios in lower-income countries, which tend to be geared to food programs and public works programs. Similarly, food programs and one-time emergency support programs are the largest programs in terms of coverage in countries experiencing greater exposure to drought or characterized by fragile settings.

Figure 1. 6: The Coverage of Different types of Programs Varies by Country Group

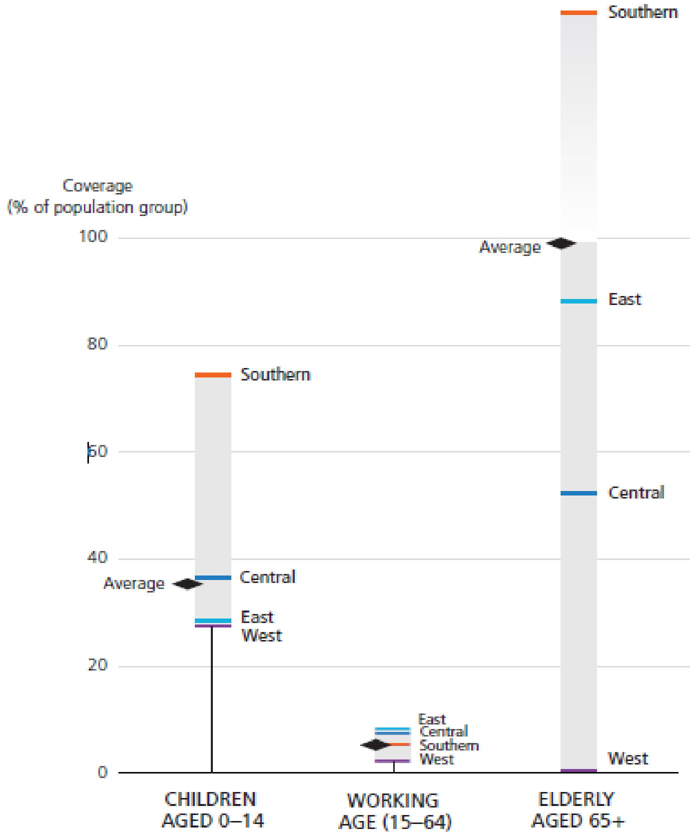


Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/

Coverage varies across population groups. Programs targeting children, such as school feeding programs, education fee waivers, and nutrition programs, reach 35 percent of children on average. Likewise, old-age social pensions and veteran benefits reach the equivalent of 99 percent of the elderly population (figure 1.7), with averages driven up by the universal old-age social pensions in southern Africa. As explained earlier, some individuals may receive multiple programs, which would result in double counting. In addition, pensions can also be received by non-elderly (survivor pensions, as well as veteran pensions), which artificially increases the coverage estimate.

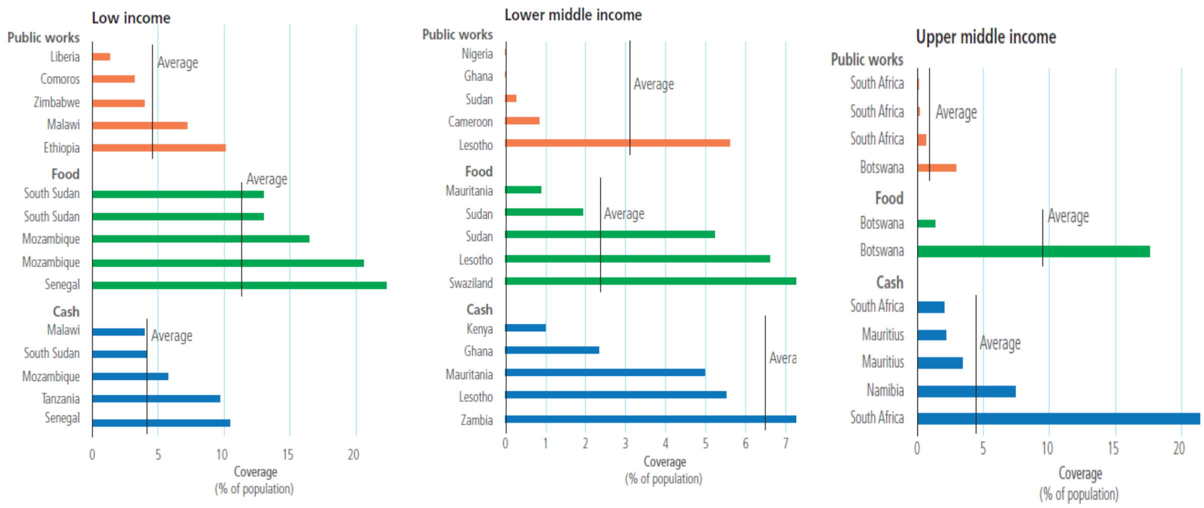
Comparing with the rest of the world, programs in low-income countries in Africa tend to be larger than similar programs in comparator countries. For example, cash transfer programs such as the Basic Social Subsidy Program in Mozambique, the Productive Safety Net Program (PSNP) in Tanzania, and the National Program of Family Security Transfers (*Programme National de Bourses de Sécurité Familiale*, PNBSF) in Senegal are considerably larger than cash transfer programs in comparator low income countries such as Nepal and Tajikistan. The same is true of school feeding programs and public works programs. The school feeding program in Burkina Faso and the Productive Safety Nets Program in Ethiopia are the largest among low income countries in the world in terms of coverage of the population. For lower and upper middle-income countries in Africa, even the largest social safety net flagship programs are generally smaller (as share of the total population) than corresponding average in comparator countries in other regions, though there are a few exceptions such as the food transfers in Sudan, Lesotho and Swaziland. Among cash transfers programs only the Zambia Social Cash Transfer Scheme and the South Africa Child Support Grant have higher coverage than the average among comparator countries in respective income groups (figure 1.8).

Figure 1.7: Children and Elderly are the Most Targeted Groups



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/

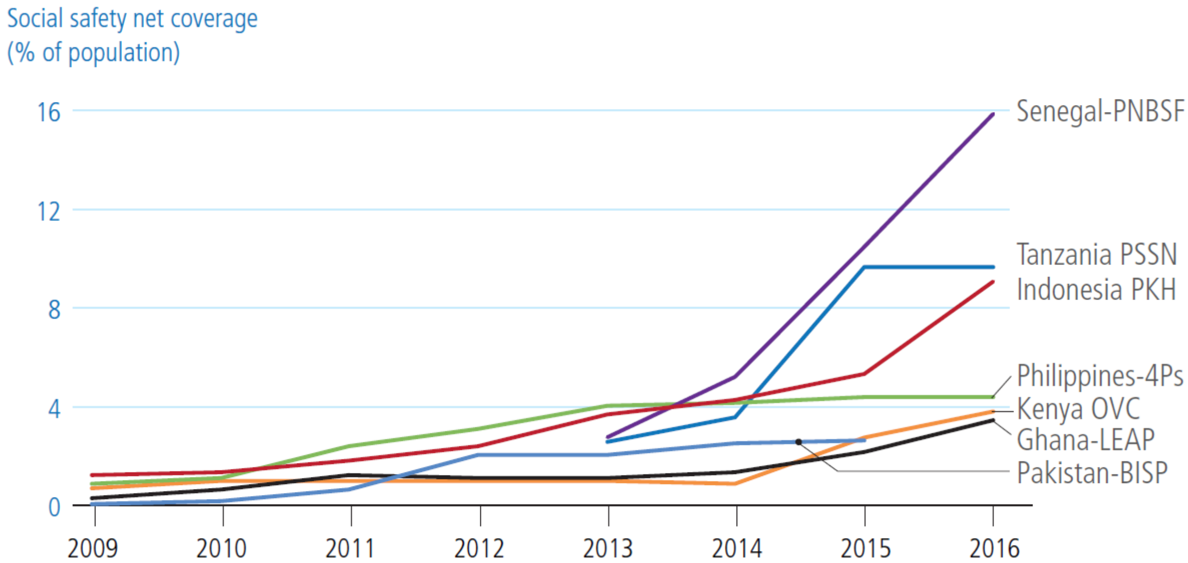
Figure 1.8: The Largest Programs in Low-Income African Countries Are Larger Than Global Averages



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/
Notes: The X-axis shows the coverage rate as percentage of total population.

Cash transfer programs targeted on households on the basis of their welfare levels are the most rapidly growing type of social safety net programs. These programs were steadily expanded in Lesotho, South Africa, and Zambia. There are also success stories of rapid scale-up in the region that are unique in the developing world. The Livelihood Empowerment against Poverty Program (LEAP) in Ghana, the Cash Transfer for Orphans and Vulnerable Children (OVC) in Kenya, the PNBSF in Senegal, and the PSNP in Tanzania were scaled up rapidly in a short time. The annual growth rate in the number of beneficiary households of the Tanzania program was the highest in the world even relative to mature cash transfer programs in lower comparator lower middle income countries in Asia and Latin America (figure 1.9). However, these remain exceptions, and programs, even the more mature ones (defined here as programs in operation for more than five years), often do not grow beyond particular geographical areas. This is the case among many food distribution, school feeding, and nutrition programs, but also among old-age social pension programs in southern and East Africa. With the exception of the PSNP in Ethiopia, established public works programs have not been expanded much.

Figure 1. 9: Flagship Programs in Africa Are among the Most Rapidly Growing



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/
Notes: PNSBF = Programme national de bourses de sécurité familiale; PSSN = Productive Social Safety Net; 4Ps = Pantawid Pamilyang Pilipino Program; OVC = Orphans and Vulnerable Children; LEAP = Livelihood Empowerment Against Poverty; BISP = Benazir Income Support Programme

New trends in social safety nets in Africa

There are a few trends worth noting in the evolution of safety nets in Africa, besides their overall growth. In particular, there is a shift towards greater use of cash in social safety nets. Second, the objectives of programs have been evolving, with a growing role played by social safety nets in countries' response to climate change and man-made shocks. Third, an increasing number of programs put an emphasis on building the productive capacity and resilience of beneficiary households. A fourth trend is the increased focus on promoting human capital development. In terms of population, recent years have witnessed a growth in social safety nets in urban. Finally, countries have been progressively focusing on building tools and systems to increase the efficiency and coordination of programs.

A first trend is the progressive shift away from food and in-kind transfers, towards cash benefits. This shift likely reflects a mix of factors, among which the greater efficiency and lower demands in terms of institutional coordination of cash-based programs, changes in technology, the greater concentration of people in urban settings, and increased market integration are likewise more conducive to the wider use of cash transfers (World Bank 2016a; 2016c; Garcia and Moore 2012). Cash seems to increase its presence both in long-running, institutionalized programs, but also in recent emergency and crisis situations, and in wider discussions on humanitarian assistance (ODI 2015, 2017; World Bank 2016c). Cash transfers have become the primary response in support of disaster-affected populations and the preferred option when markets function well.

Second, safety net programs are increasingly used to respond to climate-change and other disasters and shocks. Program design and delivery systems are changing to include mechanisms to address the effects of both slow-onset events such as droughts or environmental degradation, and rapid-onset events such as floods, cyclones, and pandemics. In some countries, some social safety net programs are modified to include an adaptive arm, to respond quickly to predictable shocks or sudden disasters. They then combine regular, predictable transfers for chronically poor, with scalable mechanisms that allow programs to be temporarily expanded to new people or new areas. In other countries, separate programs are setup to be activated in times of emergency and resorbed once the crisis is over. For example, in Madagascar, the Intervention Fund for Development was used to deliver cash transfers within five months to people affected by a severe drought in 2016. In the Sahel, Burkina Faso, Mali, Mauritania, Niger, and Senegal are testing mechanisms to reach households affected by shocks with temporary transfers. The PSNP in Ethiopia incorporates several features to respond to climate change, including a contingency budget to help poor households and communities cope with transitory shocks, and the use of targeting to identify the communities most vulnerable to climate change. In response to the 2011 drought, the PSNP extended regular program support to 6.5 million beneficiaries, providing an extra three months of assistance to an additional 3.1 million people. Social safety nets also played a role in addressing the impact of the Ebola emergency in West Africa. Despite limitations, governments leveraged modest existing programs and scaled up cash transfers and public works programs. In Sierra Leone, around 5,000 youth participated in public works, and over 10,000 beneficiaries were enrolled in cash transfer programs in 2015. In Liberia, a public works and a cash transfer program were launched to reach respectively over 10,000 poor youth and 10,000 poor and affected households. In Guinea, the cash-for-work activity continued operating throughout the epidemic, providing 12,000 temporary jobs.[11] As further discussed in Chapter 5, scalable mechanisms have the potential to reduce the cost of emergency response. When crises are recurrent and predictable, it can be cost-effective to invest in social safety net programs (or components) that may be activated as needed, than to rely on emergency aid. Of course, social safety nets will not eliminate the need for humanitarian action, as the magnitude of a shock may still require emergency interventions beyond those provided through social safety nets. Social safety nets are also increasingly considered to support forcibly displaced population groups, which face additional challenges of identification, registration, and social inclusion.

Third, an increasing number of social safety net programs include additional activities to support beneficiaries' livelihoods. As chapter 2 will show, social safety nets in themselves can promote income-generation capacity of their beneficiaries. In addition, various approaches are used to foster the productive inclusion of beneficiaries, including enrolling beneficiaries in agricultural development schemes, extension services, micro-insurance schemes, financial services, or skills training programs to help foster income-generating activities. For example, the Ethiopian PSNP and the Rwandan Vision 2020 Umurenge Program link beneficiaries to financial services, while the Hunger Safety Net Program in Kenya and the Rural Development public works program in Mali link their beneficiaries to rural development programs. In other contexts, programs themselves are offering additional components – training, start-up capital, savings support, etc. – to promote their productive capacity. For example, the BRAC approach combining social safety net transfers with elements of livelihood development and access to finance through asset transfers, technical skills training and life skills coaching was piloted in Liberia, Sierra Leone, South Sudan, Tanzania, and Uganda (Hashemi and de Montesquiou 2016). A basic, scalable approach is currently tested in 5 Sahel countries. Some programs, in particular public works, also contribute to the development of community assets to increase resilience to shocks. In some contexts, as discussed in chapter 3, the productive focus can also respond to political concerns over safety nets creating dependency among their beneficiaries.

Fourth, social safety net programs are increasingly leveraged to promote investments in human capital, especially that of children, with a view to reduce the intergenerational transmission of poverty. Programs have demonstrated positive impacts on child health and education, as described in chapter 2. Programs can promote the adoption of good practices related to nutrition, early childhood development, hygiene, education, health care, etc. Or they can stimulate the use of specific basic services by encouraging (or demanding) health care visits, growth monitoring sessions, or school attendance. The mechanisms used to promote behavior or service utilization are sometimes referred to as 'conditionalities'. They range from requirements to participate in promotion sessions, to requirements to conform with some particular behavior (without any verification of such behaviors), and to requirements to conform to particular behaviors and some verification of compliance (with or without sanctions for non-compliance). Encouraging human capital investments has become increasingly frequent, especially in West Africa, including in Burkina Faso, Cameroon, the Republic of Congo, The Gambia, Mali, Mauritania, Niger, São Tomé and Príncipe, Senegal, Sierra Leone, and Togo. At least 22 countries in Africa now have programs that use some mechanisms to promote human capital investments. [12] Table 1.2 presents a few examples while box 1.4 discusses these mechanisms in more details.

Table 1. 2: Mechanisms to Encourage Human Capital Investments in Selected Cash Transfer Programs

Mechanisms	Country Name	Program Name	Description of the mechanism
Participation in promotion sessions	Burkina Faso	Burkin-Nong-Saya	The program requires participation in social and behavioral change communication activities related to nutrition and early childhood development
	Mauritania	Tekavoul (national social transfer program)	The program requires participation in sessions of social promotion, with a focus on early childhood development, education, health and civil registration
	Niger	Social Safety Net Project	The program requires participation in social and behavioral change communication activities related to nutrition and early childhood development
	Togo	Cash Transfer for Vulnerable Children	The main transfer is not conditional. A bonus transfer is provided for those attending information sessions
	Sierra Leone	Social Safety Net Programme	The program encourages participation in quarterly workshops focused on human capital, particularly maternal and child health (by organizing these workshops around the payment of transfers), but does not make it mandatory in order to receive transfers.
Adoption of particular behaviors (compliance not monitored)	Ghana	Livelihood Empowerment Against Poverty (LEAP)	The program specifies conditions, including the registration of household members with the national health insurance scheme and the use of pre- and post-natal care, skilled delivery, newborn and child health care, full vaccination and birth registration. However, these conditions are not monitored.
	Sao Tome and Principe	Maes Carenciadas	Cash transfers to mothers with three or more children, which is paid every three months on condition that the mother keeps the school-age children in school. The program specifies the control of school attendance made on an ad hoc basis by information received from the school, neighbors or by personal observation of social workers. However, these conditions are not monitored or penalized and the program has not received funding in 2013.

	Senegal	*Programme National de Bourses de Sécurité Familiale* (National cash transfer programme)	The program explicitly specifies three conditions around school attendance, vaccination, and birth registration. However, these are not monitored. Instead, the program recently proposed the participation in promotion sessions as a condition for the receipt of transfers (program falls between this category and the previous one).
	Kenya	Cash transfer for Orphans and Vulnerable Children (CTOVC)	The program encourages orphans and vulnerable children's attendance in primary school and visits to health centers for immunizations and other interventions. It encourages compliance, but does not apply penalties for non-compliance (with the exception of a small pilot). However, despite the absence of penalties, 84 % of beneficiaries believe that they have to follow some sort of rules to continue receiving payments.
Adoption of particular behaviors (compliance monitored and penalties enforced)	Guinea	Cash Transfer for nutrition and girls'education	The transfers for nutrition are expected to be spent on nutrition, particularly for children. If after the third transfer, the children's health status does not show improvement due to willful neglect, the grant is suspended. Reintegration after suspension is possible if the children show improvement in their weight-to-height measurement. The transfers for health are conditional upon quarterly health checkups for children under the age of six. Cash transfers for education require 90 per cent school attendance for children aged 7–14.
	Tanzania	Tanzania Productive Social Safety Net	The program imposes conditions on utilization of health and education services. To monitor compliance, data from health centers and schools is entered every two months into the program's Management Information System. Payments are made every two months. Compliance starts to be tracked after the first payment cycle. Penalties are deducted from the subsequent payment cycle.

Box 1. 4: Cash Transfer Programs use a Continuum of Mechanisms to Promote Investments in Human Capital in Africa

Conditional cash transfer programs have become popular in developing countries over the past two decades. First introduced in Latin America, they were subsequently expanded to Africa, Asia, and the Middle East. Starting with *Bolsa Família* in Brazil and *Prospera* in Mexico in 1997, the number of conditional cash transfer programs in the developing world rose to 27 in 2008 and 64 in 2014. While there are important differences in implementation across countries and regions, they share one important feature: they encourage beneficiaries to adopt positive behaviors. Globally, they typically include promoting school attendance, improving nutrition practices, and undertaking regular immunization and health care visits. Some programs in Africa also focus on the additional dimensions of civil registration, early childhood development, hygiene, sanitation, and water use.

In Africa, the nature and intensity of the mechanisms deployed to encourage investment in human capital vary greatly, often depending on the supply of basic services and monitoring capacity in a country. Cash transfer programs may be classified in different categories, along two dimensions: first, depending on the type of action which is required (participate in a promotion session, comply with a simple, punctual behavior, adopt a more complex and continuous behavior, etc.) and, second, depending on the extent to which compliance is compulsory, verified and used to impose penalties. In addition to the actual program design, the perception of beneficiaries is also important – some programs don't impose strict conditions but communicate strongly around specific behaviors, and as a result beneficiaries perceive a conditionality. For examples, evaluations of the Lesotho Child Grants Program and the Malawi Social Cash Transfer Program highlight the strong messaging and social marketing of the programs on the need to use transfers for the welfare of children, which de facto are perceived by many beneficiaries as actual conditions (see chapter 2, Annex 2.A for reference). For each dimension, there is a continuum of options within which each program will chose. A few examples include:

- *Programs that promote the adoption of certain behaviors through promotion sessions.* This category includes Burkina Faso's *Burkin-Nong-Saya* Program, Chad's cash program for households in food deficit, Mauritania's *Tekavoul* Program, Niger's Safety Net Project, and Sierra Leone's Social Safety Nets Project. A safety net program in Togo conditions a bonus transfer on attendance at information sessions as a top-up to its main un-conditioned cash transfer for pregnant women and mothers of children under age 2. Sessions often cover themes of prenatal and postnatal care, nutrition, early childhood development, child health, education, civil registration, and hygiene. Some programs make participation in these sessions compulsory (e.g. Mauritania), while other simply encourage participation (Sierra Leone). In practice, even where participation is officially compulsory, participation is not always rigorously monitored. Evaluations show that, even in the absence of active monitoring, attendance rates tend to be very high. In Cameroon and Niger, for instance, 95 percent of beneficiaries attend the sessions, even without rigorous verification.

- *Programs that formally require the adoption of certain behaviors, but do not monitor compliance.* These programs typically clearly state that beneficiaries need to adopt a series of behaviors, usually linked to using basic services to improve children's education, nutrition, and health status. For example, in the cash transfer program in Cameroon, heads of beneficiary households sign moral contracts which lay out specific actions in 15 areas, including health care, schooling, nutrition, civic action, participation in community public works, training on income-generating activities, and so on. Other programs clearly identify and inform beneficiaries that they need to adopt a set of behaviors, such as school enrolment and attendance, vaccination and birth registration in the case of Senegal's cash transfer program (PNBSF), but do not monitor compliance (the PNBSF has also recently made compulsory the participation in promotion sessions). In Ghana, the Livelihood Empowerment against Poverty Program formally lays out conditionalities in the program operations manual for beneficiary households with under-15-year-olds. (It does not impose conditions on poor elderly or disabled beneficiaries.), but does not monitor the adoption of these behaviors.

- *Programs that require the adoption of certain behaviors, monitor compliance, and impose penalties for non-compliance*. In Guinea, cash transfers are conditioned upon quarterly health checkups for children under the age of six and 90 percent school attendance for primary-school children. If, after reception of the third cash transfer, a child's health status has shown no improvement, the grant is suspended. In Kenya, a small pilot intervention among a subset of households benefiting from the cash transfer for orphans and vulnerable children involved monitoring and the application of penalties for noncompliance with conditions on primary-school attendance and immunizations and health checkups among children. The Madagascar Human Development Cash Transfer Program requires beneficiaries to ensure a minimum of 80 percent attendance by at least two of their primary school-age children. If households do not comply with the condition, they are penalized through the removal of part of the benefit. The Tanzania Productive Social Safety Net Program verifies compliance with school attendance and visits to health clinics. It fully enforces the conditionalities, and beneficiaries lose the corresponding benefit if they fail to comply.

A few regional patterns emerge. In West Africa, programs tend to encourage participation in promotion sessions, and compliance with requirements is often not monitored (nor penalized). In eastern and southern Africa, programs tend to be closer to the Latin American model, wherein conditions are monitored and penalties are enforced for non-compliance. See the discussion in Chapter 2 on the influence of conditions on program impact, especially in education.

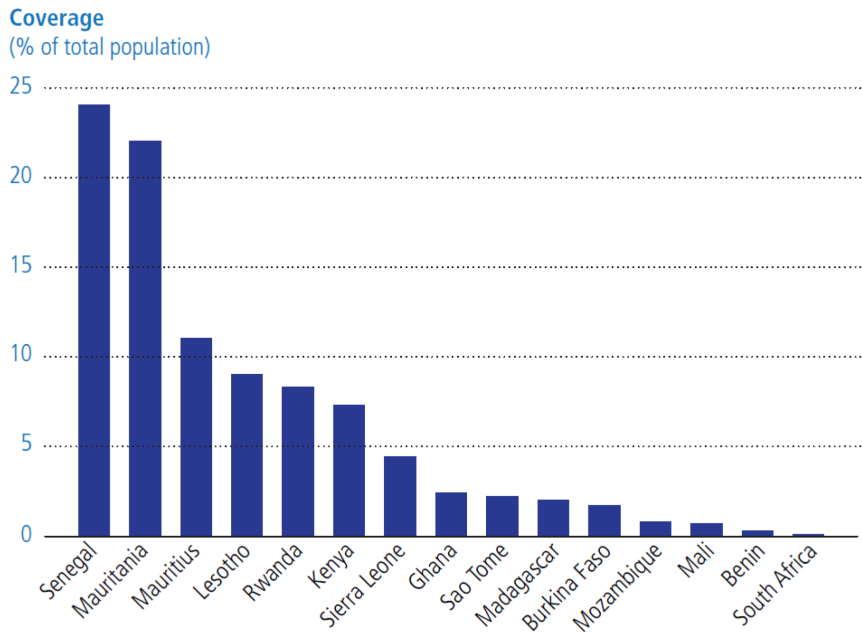
Sources: Baird et al. 2014; Fiszbein and Shady 2009; World Bank 2015b.

As the African population becomes increasingly urban, more attention is given to the introduction or adaptation of social safety net programs to support the urban poor. Urban poverty involves diverse issues, opportunities, and challenges (World Bank 2015b). With the exception of fee waivers and universal social pensions, most safety nets in Africa have typically been designed with a rural focus. There is a need to innovate safety nets to fit eh urban context (OECD 2017). Following the 2007–08 food price increases, however, a few programs were launched in urban areas, such as the voucher system in Burkina Faso, the urban food subsidy in Kenya, the urban cash-for-work program in Mali, the PNBSF cash transfer program in Senegal, and the program to supply free access to water in urban Madagascar. Governments are now considering adjustments in design and implementation arrangements to identify and cover more effectively the urban poor. Ethiopia and Tanzania are beginning to implement urban programs, while the Democratic Republic of Congo, Mali, Nigeria are currently planning to do so. Nuts and bolts challenges include the identification and targeting of the poor in informal urban settlements, communication campaigns, and high population mobility, which could result in low program uptake and enrollment.

Finally, enhancing the efficiency and coordination of safety net programs has become a central pillar of national strategies in many countries. Many countries aspire to improve their impacts by strengthening coordination among programs and investing in shared systems to reduce the duplication of efforts and cost-inefficiencies. Delivery platforms such as social registries, interoperable management information systems, and shared payment systems allow administrative cost savings and facilitate planning. Chapter 5 discusses some of the application of information and communication technology to enhance efficiency and cost effectiveness in greater details.

Social registries, in particular, can help improve the identification and targeting of beneficiaries within social safety net systems.[13] They are currently used in 23 countries and are being developed in an additional 13 countries based on available information (appendix table D.2 shows detailed information on the registry's size and number of programs served). The stage of development and the scale of these registries differ, with coverage ranging from 24 percent of the population in Senegal to 0.3 in Mozambique (figure 1.10). Many countries use social registries as a gateway for coordinating registration and eligibility assessments across social programs, including safety nets, health care, and other social programs. For example, the national household registry in Ghana will be used to identify beneficiaries in the LEAP cash transfer program and the indigent beneficiaries of the National Health Insurance Scheme. Similarly, in Senegal the unique registry of poor households is used by both safety net programs and the subsidized health insurance program. Integrated beneficiary registries in Rwanda support the management of 4 programs respectively and are expanding to serve as social registries. Key building blocks of safety nets delivery systems – targeting mechanisms, social registries and payment systems in particular – are also critical to the development of shock-responsive programs.

Figure 1. 10: Social Registries are Small but Growing

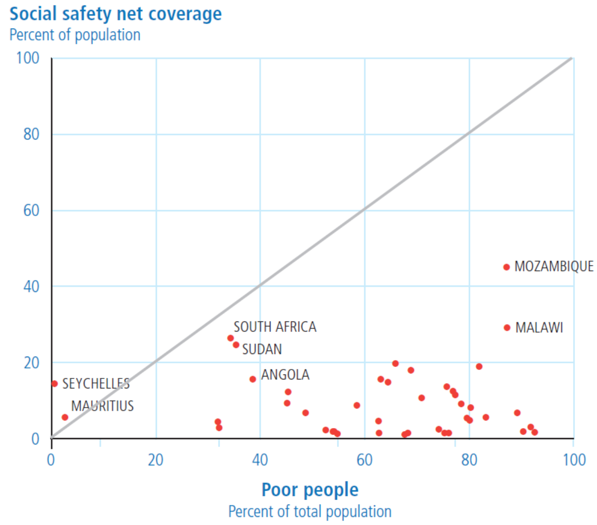


Source: Authors' compilation.
Note: The registry in Kenya is a single registry of beneficairies, which covers 6 programs.

Some of the poor are being reached, but others are still not covered

Despite improvements, post of the poor in Africa are not covered by social safety nets. Even if all existing social safety nets were perfectly targeted to the poor, not all needs would be met. Indeed, poverty rates are higher than coverage rates (Figure 1. 11; appendix table C1 and appendix table F.1). In practice, as discussed in chapter 5, some programs might not exclusively target the poor, and rather have broader objectives, such as universal old-age social pensions, school lunch programs for all primary school students, scholarship for all students in tertiary education, or programs that target specific categories deemed vulnerable without necessarily taking into account welfare characteristics.

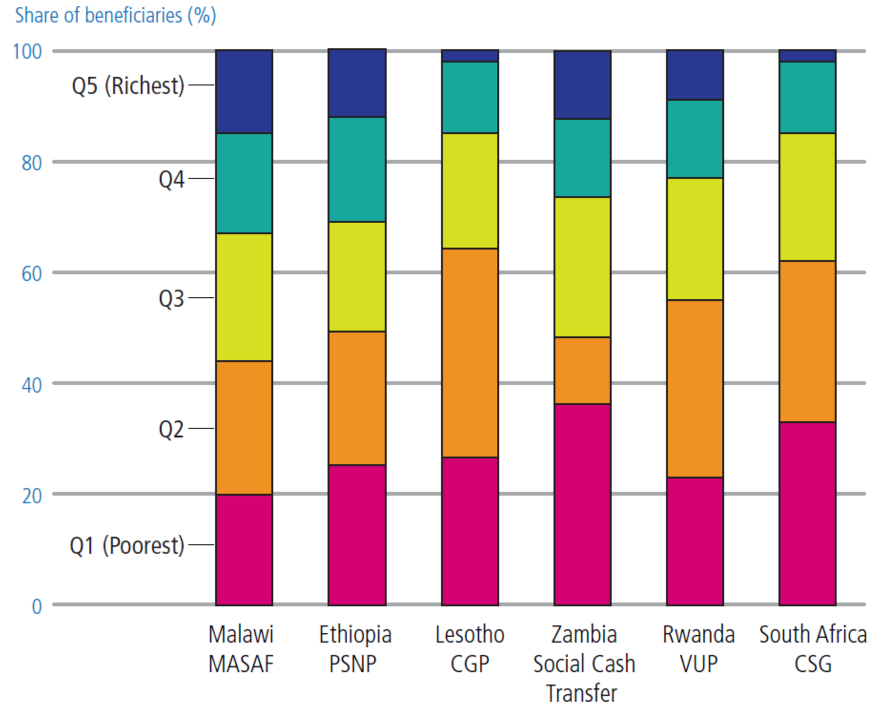
Figure 1. 11: Social Safety Net Coverage Is Not Proportionate to the Extent of Poverty



Sources: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/; PovcalNet (online analysis tool), World Bank, http://iresearch.worldbank.org/PovcalNet/.

In addition, benefit leakage contributes to limited coverage of the poor. Benefit leakage, the share of benefits that do not go to a target group, can be significant because of the complexity – both technical and political – of targeting exclusively the poor. Benefit incidence of selected programs which target households on the basis of their welfare levels are generally pro-poor, as presented in figure 1.12 and the performance of programs in Africa is in line with international experience. More than sixty percent of the beneficiary households of the Lesotho and South Africa Child Support Grants cash transfer programs belong to the poorest two quintiles of the national consumption distribution. However, a certain share of resources go to richer households. For example, forty percent of beneficiaries of the Ethiopia PSNP and the Malawi MASAF public works belong to the two richest quintiles. Limitations in targeting are both technical, because it is hard to effectively assess the poverty status of households (chapter 5 discusses options provided by technological improvements) but also because the decision to target particular groups is also a political one, which is critical for support to social safety net programs as discussed in chapter 3, which also shows that support to the poor and vulnerable remains largely in the realm of private relations.

Figure 1. 12: Flagship Programs Benefit the Poor, but also the Nonpoor



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/.
Notes: MASAF= Malawi Social Action Fund; PSNP=Productive Safety Net Program; CGP=Child Grant Program; VUP= Vision 2020 Umurenge Program; CSG=Child Support Grant.

Within African, some groups have particularly large unmet needs. In rural areas, coverage is a little higher, because of the rural focus of many programs, but higher poverty rates relative to urban areas imply that it is still largely inadequate. Similarly, the number of people living in drylands in East Africa and West Africa who are exposed to droughts and other shocks is projected to grow by 15 to 100 percent by 2030 (Cervigni and Morris 2016), suggesting increasing future needs. Coverage for IDPs and refugees is also particularly limited (Devictor 2016).

Benefit amounts are low relative to needs in low-income countries. On average, benefits from cash transfer programs (food, in-kind, and fee waiver programs are not included, as the value of their transfer is not directly measurable) vary by program and country groups (table 1.3). Benefits usually take into account the cost of basic food items and services (and sometimes household size) and are often adjusted for urban or rural settings. The highest benefits are usually offered through old-age social pensions, which range from about $305.3 (USD PPP 2011) to $84 a month in upper middle income countries such as Mauritius and South Africa, representing about 28 percent and 25 percent of households' consumption in the country, respectively (appendix table I.1). Public works benefits are usually paid per day or week and are seasonal. Assuming that rotation would allow the same beneficiary to work 30 days, monthly amounts in USD PPP 2011 are equivalent to $80 in the Malawi Social Action Fund, $433 in the Ethiopia PSNP, and $168.8 in the Youth Employment and skills development project in Burkina Faso (appendix table I.1). The wage paid for the day is generally similar to the minimum wage. In Ghana for example, the compensation being paid in 2015 by Labor Intensive Public Work for a six-hour working day was on average $5 USD PPP 2011, similar to the minimum wage for an eight-hour working day. Thus, on an hourly basis, labor intensive public works compensation is 32 percent higher than the minimum wage. Cash transfer programs targeted to the poor provide on average about $35 USD PPP 2011 a month, equivalent to about 10 to 15 percent of household consumption in the country. Amounts are generally lower in low-income countries. Thus, about $20 USD PPP 2011 a month is provided in Tanzania and Uganda. The Cash Transfer for Orphans and Vulnerable Children in Kenya and the South Africa child support grant are among the most generous cash transfer programs, supplying an average of $60 USD PPP 2011 a month, equivalent to 18 percent and 8 percent of GDP per capita, respectively. Changing prices and cost of living can result in reduced value over time, though few programs indexed benefits to price indices, minimum wages, or other anchors.

Table 1. 3: Benefit amounts are low relative to needs in low-income countries

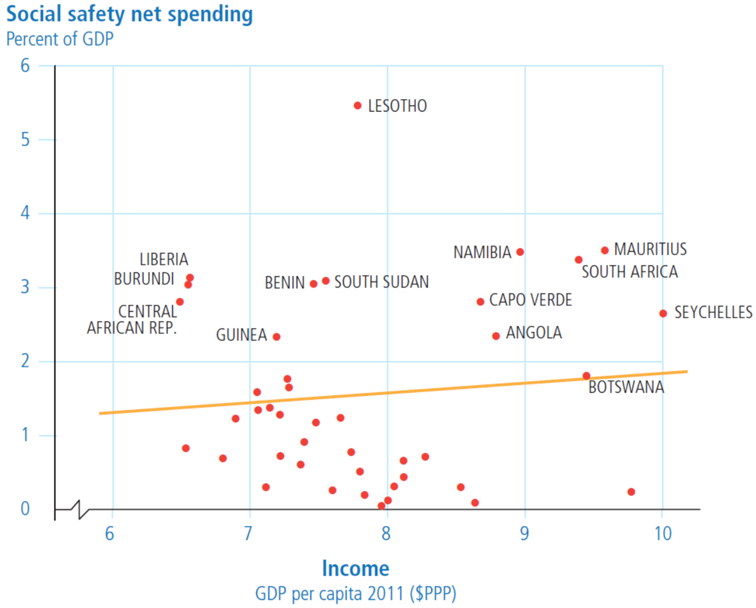
Income Group	Program Type	Total Programs (countries)	Monthly benefit (USD, 2011 PPP)[1]	As a share of GDP per capita	As a share of national poverty line	As a share of national poverty gap	As a share of international poverty line, $1.9 a day	As a share of poverty gap $1.9 a day	As a share of minimum wage
Low income	Cash transfer	17 (15)	35	0.26	0.61	0.05	0.61	0.05	
	Public works	14 (9)	222	1.82	2.76	0.21	3.83	0.27	1.06
Lower middle income	Cash transfer	9 (8)	35	0.12	0.32	0.02	0.61	0.12	
	Public works	3 (3)	103	0.36	0.47	0.01	1.78	0.20	0.77
	Social Pension	6 (5)	38	0.14	0.68	0.04	0.66	0.03	
Upper middle income	Cash transfer	16 (6)	179	0.17	1.05	0.16	3.10	8.92	
	Public works	2 (2)	277	0.26	2.29	0.20	4.79	0.94	1.41
	Social Pension	4 (4)	136	0.11	1.18	0.11	2.36	12.19	

Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/.
Notes: 1) Monthly amounts are in constant 2011 international dollars. Amounts are converted to international dollars using purchasing power parity rates based on the 2011 ICP round.

What resources are devoted to social safety nets?

Africa spends an average of around 1.4 percent of gross domestic product (GDP) on social safety nets (appendix table G.3), compared with a global average of 1.6 percent in the developing world (World Bank 2015b). While richer countries invest more on average in social safety nets, the level of government commitment may vary greatly across countries at similar GDP. Indeed, figure 1.13 shows that spending can be high even in countries with low GDP per capita. Chapter 5 argues that expanding the scale of social safety nets to cover all the extreme poor and vulnerable requires a strong commitment to prioritize social safety net in national budget, but also to realize allocative and administrative efficiency gains. African countries would need to spend 4.6 percent of GDP on average to provide a basic cash transfer of about $15 per month to all poor, nationally defined. More resources would be needed (about 6 percent of GDP) to increase the coverage to all extreme poor defined by the $1.90 international poverty line[14].

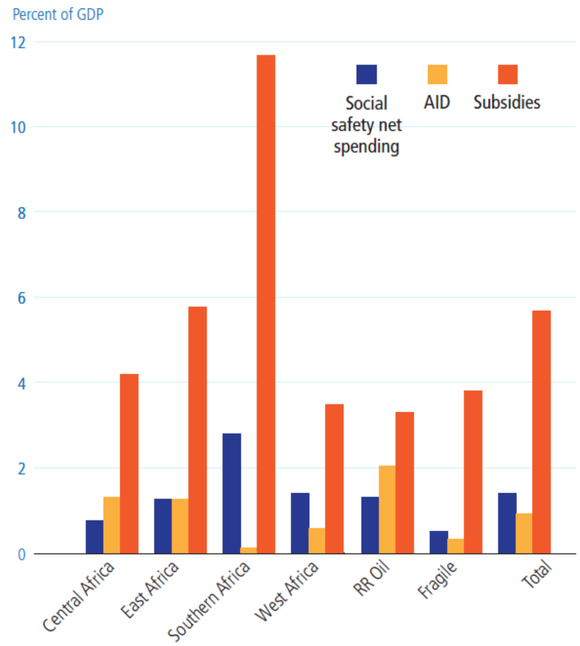
Figure 1. 13: Social Safety Nets Are Affordable at All Income Levels



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/ .

Social safety net spending is low relative to what governments spend on general energy and electricity subsidies (figure 1.14 and appendix table G.1). For instance, in Central Africa, spending on energy subsidies is more than five times spending on social safety nets. Angola spends almost 9 percent of GDP on subsidies compared to 2 percent of GDP on safety nets and the Democratic Republic of Congo spends about 3 percent of GDP on subsidies compared with 0.8 percent of GDP on social safety nets, respectively. In oil-rich countries, fuel subsidies are also sometimes used as policy instruments to distribute oil revenues among the population. Energy subsidies benefit all population groups, but are often regressive, as richer households consume larger quantities of energy. Humanitarian aid represents the main source of funding in emergency situations, and donors remain critical in many low income and fragile contexts. The average amount of humanitarian aid flowing to fragile and conflict-affected countries (2 percent of GDP) is larger than social safety net spending of the governments of these countries (1.3 percent of GDP).

Figure 1. 14: Spending on Energy Subsidies Is Greater Than Spending on Social Safety Nets

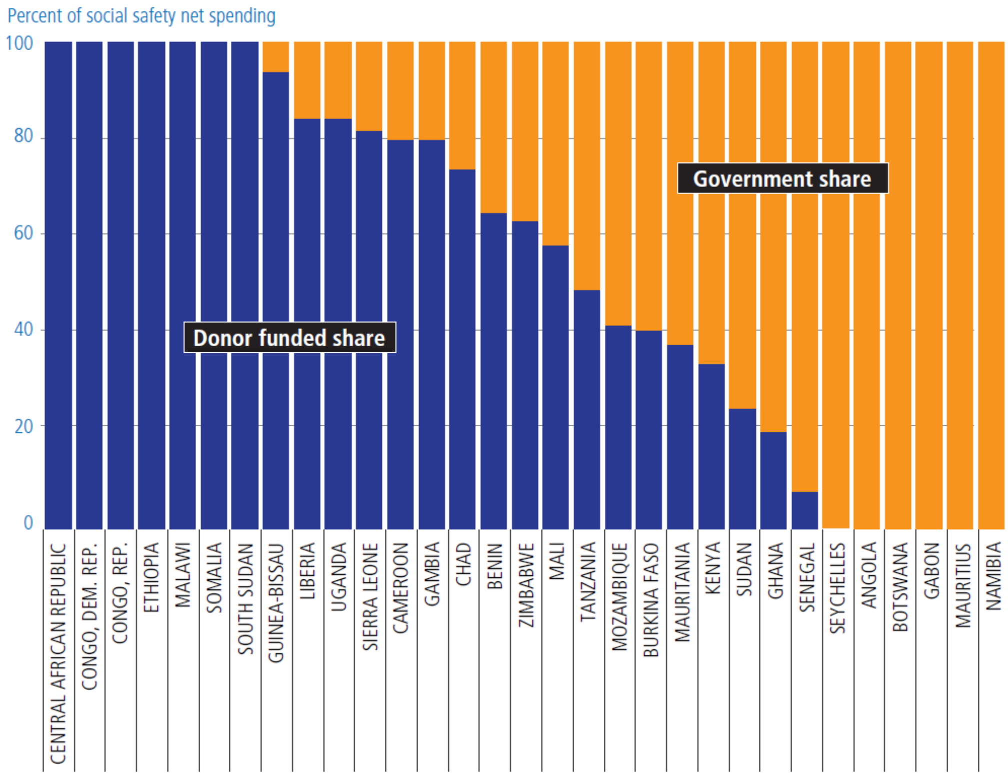


Sources: Spending on social safety nets: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/. Spending on subsidies: data from International Monetary Fund. Humanitarian aid: UN OCHA, http://www.globalhumanitarianassistance.org/data-guides/datastore.
Note: International humanitarian aid includes assitance from private donors and government donors. Government donors is the sum of: 'Official' humanitarian assistance (OECD DAC donors) and International humanitarian assistance from donors outside of the OECD DAC. 'Official' humanitarian assistance includes ODA contributions of DAC members to seven key multilateral agencies engaged in humanitarian response: UNHCR, UN OCHA, FAO, IOM, UNRWA, UNICEF and WFP. Funding from government donors outside the OECD DAC is based on on data from the FTS, Cash Atlas and World Food Programme (WFP).

Despite progress in reducing poverty in recent decades, the cost of eliminating poverty in Africa will still high. One way to approximate the resources needed to eliminate poverty is to estimate the aggregate poverty gap, which is the monetary value of the gap between the consumption level of the poor and the poverty line. In Africa, the average poverty gap is about 14 percent of GDP among people living below the national poverty line, lower than 10 years ago (around 20 percent of GDP). The narrowing gap reflects a mix of the declining incidence of poverty as well as the depth of poverty. Despite the narrowing, the average poverty gap as a share of domestic resources (GDP) is still high, indicating that domestic resources in most countries are unlikely to be sufficient to end poverty.[15]

Development assistance through bilateral and multilateral organizations represents more than half the social safety net financing in the majority of African countries (figure 1.15). Dependence on external financing can jeopardize sustainability when programs are 100 percent funded by donors though there are examples of programs which transited from being fully funded by donors at inception to being gradually increasingly supported by domestic resources. For instance, the governments of Kenya and Tanzania have undertaken a long-term commitment to support the Cash Transfer for Orphans and Vulnerable Children and the PSNP, respectively, through domestic resources. Still, in several countries social safety nets are fully funded by external financing.

Figure 1. 15: Donors Support a Large Share of Social Safety Nets



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire and official public spending review country reports.

End Notes

[1] Throughout this report, Africa refers to the 48 countries in Sub-Saharan Africa.

[2] The poverty rate is computed as the share of the population living on less than $1.90 a day, the international threshold for global poverty estimates, based on the World Bank PovcalNet database http://iresearch.worldbank.org/PovcalNet/. The most recent benchmark year for cross-country comparisons is 2013.

[3] See Hill and Verwimp (2017) for a discussion of the poverty implications of risks such as natural disasters, conflict, and price shocks in Africa.

[4] Using data on developing countries, Shepard et al. (2014) estimate that one-fifth to one-half of the poor were among the poor in two separate periods.

[5] This includes households and individuals particularly exposed to idiosyncratic and covariate risks and lacking sufficient coping mechanisms or resources to mitigate the impacts.

[6] Definitions of social protection vary, but it generally refers to policies and programs aimed at preventing or protecting individuals against poverty, vulnerability, and social exclusion throughout the life cycle, with a particular focus on vulnerable groups. Social protection seeks to build human capital, productive assets, and access to productive jobs. The definition in this report is consistent with the World Bank Social Protection Strategy 2012–22 and the World Bank Africa Social Protection Strategy (World Bank 2012a, 2012b).

[7] Waivers may involve a partial or full reduction in fee or price, hence requiring beneficiaries to cover part of the cost.

[8] The ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) database contains information on 46 of the 48 countries in Sub-Saharan Africa (Equatorial Guinea and Eritrea are not included). See http://datatopics.worldbank.org/aspire/.

[9] Based on the inventory of about 3,480 social safety net programs active in 46 countries compiled in the ASPIRE database. The database, as well as methodological aspects are presented in the appendix of this report.

[10] Coverage is based on the number of beneficiaries registered in administrative data, and is derived by summing the number of beneficiaries for all programs within a type. This method could overestimate coverage, as it would count multiple times beneficiaries who receive benefits through more than one program. The overall combined safety nets coverage is approximated by summing up beneficiaries of cash transfer, food-based transfers and public works programs; beneficiaries of the other five program types are not counted with the assumption they are more likely to overlap. It has to be noted that coverage rates account for direct and indirect beneficiaries with the exception of public works, school feeding and old age social pensions for which only direct beneficiaries are counted (appendix A and appendix table F.1 and F.2).

[11] In the Philippines, for example, the United Nations Children's Fund and the World Food Programme leveraged the delivery platform of the Pantawid conditional cash transfer program, which covered about 4.1 million people in normal times, to top up benefits to affected households in response to Super Typhoon Yolanda in 2014.

[12] This excluded public works which provide cash conditional on working and scholarships. When scholarships are considered, the number of programs increases to 32.

[13] Social registries are systems that support outreach and the collection and processing of needs assessment data, potential client lists, and registration and eligibility information for social safety net programs. Sometimes called single, unique, or unified registries, they also supply a platform so applicants may be considered across various programs. They thus differ from beneficiary registries that support the management of individual programs. See Karippacheril, Leite, and Lindert 2017.

[14] The average poverty gap is the average shortfall among the poor with respect to the poverty line as a percentage of the poverty line. The measure reflects the depth of poverty. Multiplying the mean shortfall by the number of poor people produces the average poverty gap. The national poverty line is used here rather than the international line of $1.90 because country targets are typically focused on national poverty rates.

[15] The gap between need and spending is highly underestimated here because this simple calculation ignores administrative costs and leakages or insufficient targeting to reach the poor.

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CHAPTER 2

The Impacts of Safety Nets in Africa – how can they contribute to development objectives?

Colin Andrews, Allan Hsiao, and Laura Ralston

Safety nets are among the most highly evaluated social policy interventions in Africa. The depth of evidence has been critical in motivating consensus on the need to invest in safety nets, and in informing design. As programs mature and coverage is expanded, the diverse set of evaluations can inform the likely impacts of scaling up safety nets.

Overall, impacts on consumption and food security make a foundational case for investment in safety net programs as vehicles to address the immediate need to reduce poverty. Safety net programs also show strong potential for building risk management capacity and promoting resilience. They also have a transformative potential to boost education and health outcomes (though this hinges critically on the adequacy of supply-side services). Finally, safety net transfers can promote productive inclusion of the poor, thereby contributing to sustained poverty reduction.

The chapter presents a framework for assessing the impacts of safety nets in Africa. The analysis synthesizes the vast range of impact evaluations spanning many countries over the last decade, bringing into focus the heterogeneity of impacts and the role of program design and implementation logistics. The evidence is then extended to examine the potential outcomes that may be realized by scaling-up effective interventions.

Our simplified framework sets forth three broad objectives of such programs: equity, resilience, and opportunity.[16] The equity objective of safety nets is often the most central in low-income settings because it involves seeking directly to ensure that even the most vulnerable and poor households are able to reach a minimum level of consumption and cover their basic needs. Typical outcomes of interest include measures of consumption, food security, and poverty among beneficiary households (table 2.1). In some cases, strong social assistance programs can also help remove incumbent redistributive programs that are inefficient and costly or support macroeconomic reforms that boost long-run economic growth by compensating immediate losers (Inchauste and Victor 2017). The resilience objective is underpinned by the insurance function of well-implemented safety nets. For example, if poor households are able to rely on regular support from safety nets, they can avoid resorting to costly and often irreversible coping strategies, such as selling their most productive assets at deflated prices. From an ex ante perspective, households may even be willing to diversify into higher-return, but higher-risk income activities that can help them move out of poverty. Third, the opportunity objective of safety nets aims to allow households to make investments—with regard to both the human capital of their children and the livelihoods of income earners—they would otherwise miss. Typically, outcomes of interest of this objective are investments in education, nutrition, and health care for children and in increased earnings of income providers within the household.

Table 2. 1: Conceptual Framework for Considering the Impacts of Safety Net Programs in Africa

Equity	Resilience	Opportunity
•Consumption •Food security •Poverty	•Savings •Private transfers •Reduced negative coping mechanisms •Livelihood strenghtening •Productive assets	•Human capital investments: •Education •Health •Nutrition •Productive Inclusion •Income and earnings potential

Beyond these three objectives of safety nets, recent discussions have considered the extent to which safety nets may contribute to economic growth (Alderman and Yemtsov 2013; Barrientos 2012)). Channels for growth principally focus on the extent to which safety nets enable investments and better risk management among beneficiary households and their communities -- ideas that are aligned with the resilience and opportunity objectives.

There is an impressive evidence base is draw upon, including diverse impact evaluations within countries and a growing literature, much of which is specific to the Africa region.[17] Fifty-five impact evaluations since 2005 are examined covering 25 safety net programs in 13 African countries (annex A). These studies cover flagship national safety net programs in Ethiopia, Ghana, Kenya, Malawi, South Africa, Tanzania, and others. There is also a recent array of literature that aggregates evaluation findings, including the systematic review of the global evidence on various safety net programs (IEG 2011), systematic reviews of specific interventions such as employment schemes and cash transfers, including conditional cash transfers (Bastagli et al. 2016; Hagen-Zanker, McCord, and Holmes 2011; Kabeer, Piza, and Taylor 2012), systematic reviews of specific outcomes, for example, in education (Baird et al. 2013; Saavedra and Garcia 2012), and, lastly, comparative country studies (Davis et al. 2016). One caveat to the recent literature is that it largely stops short of pooling comparable cross-country evidence, and Africa specific findings can be difficult to glean within global studies.

To address these shortcomings and the range of evidence on the impacts of safety nets, new meta-analysis is undertaken. The objective of this meta-analysis is to pool evidence across studies in a systematic way, to facilitate a robust and consistent comparison of impacts on key outcomes. Under-pinning the meta-analysis are a number of important methodological decisions, which are detailed in annex B and in, Ralston, Andrews and Hsiao (2017). Conducting meta-analysis from the range of impact evaluations necessarily focuses on the outcomes of those studies. Some outcomes of interest that are inherently difficult to measure will be excluded, for instance, the incidence of gender-based violence, social cohesion, and political economy indicators such as trust in government and willingness to accept reforms. A second caveat to this approach is that many impact evaluations are done during early phases of program development rather than on programs that are fully mature and at scale.

To speak to this second point, we extend the meta-analysis discussion to explore the potential impact if programs are scaled-up. To address this point, simulations are developed for three countries (Ghana, Liberia, and Niger) to show the scope for poverty reduction and consumption increase, human development improvements, and increased investments in productive assets. A general equilibrium analysis then examines the relative value of safety net interventions alone versus alongside complementary supply-side interventions that may boost aggregate demand.

Safety nets increase equity

In examining the evidence on equity, the analysis focuses on the impact of safety net programs at raising household consumption (Box 2. 1). One of the fundamental purposes of safety nets is to improve well-being of the most poor or vulnerable and lay a foundation for equality of opportunity by allowing families to meet basic needs (World Bank 2012). Household consumption is one of the main impact channels of a safety net intervention because poor households are expected to use the safety net to acquire basic household needs, including food and nonfood staple goods. Hence in addition to overall household consumption, food consumption is specifically examined as a more immediate indicator of impact as food typically constitutes more than half of household consumption among poorer households. Finally, several studies assess food security measures, although the set of indicators are not consistent for the pooled meta-analysis.

The existing literature already provides valuable detail of individual program impacts on equity. Of 35 studies reviewed, not all in Africa, 25 were found to have significant impact of raising household consumption and one appeared to lower consumption (Bastagli et al. 2016). Safety net programs have also shown to not only raise consumption levels but also increase frequency and diversity in consumption patterns (Davis et al. 2016).

Box 2. 1: Unpacking the Findings of the Meta-Analysis

Figures 2.1, 2.3 2.4, 2.5, 2.6 and 2.7 show results from the meta-analysis, divided into two panels.

Panel A shows the overall mean impact (orange horizontal line) and individual program impacts (purple horizontal dashes) expressed in percentage change to facilitate comparability. The shaded grey bars show the 95 percent confidence interval for each estimate. The overall confidence interval is the yellow shaded area.

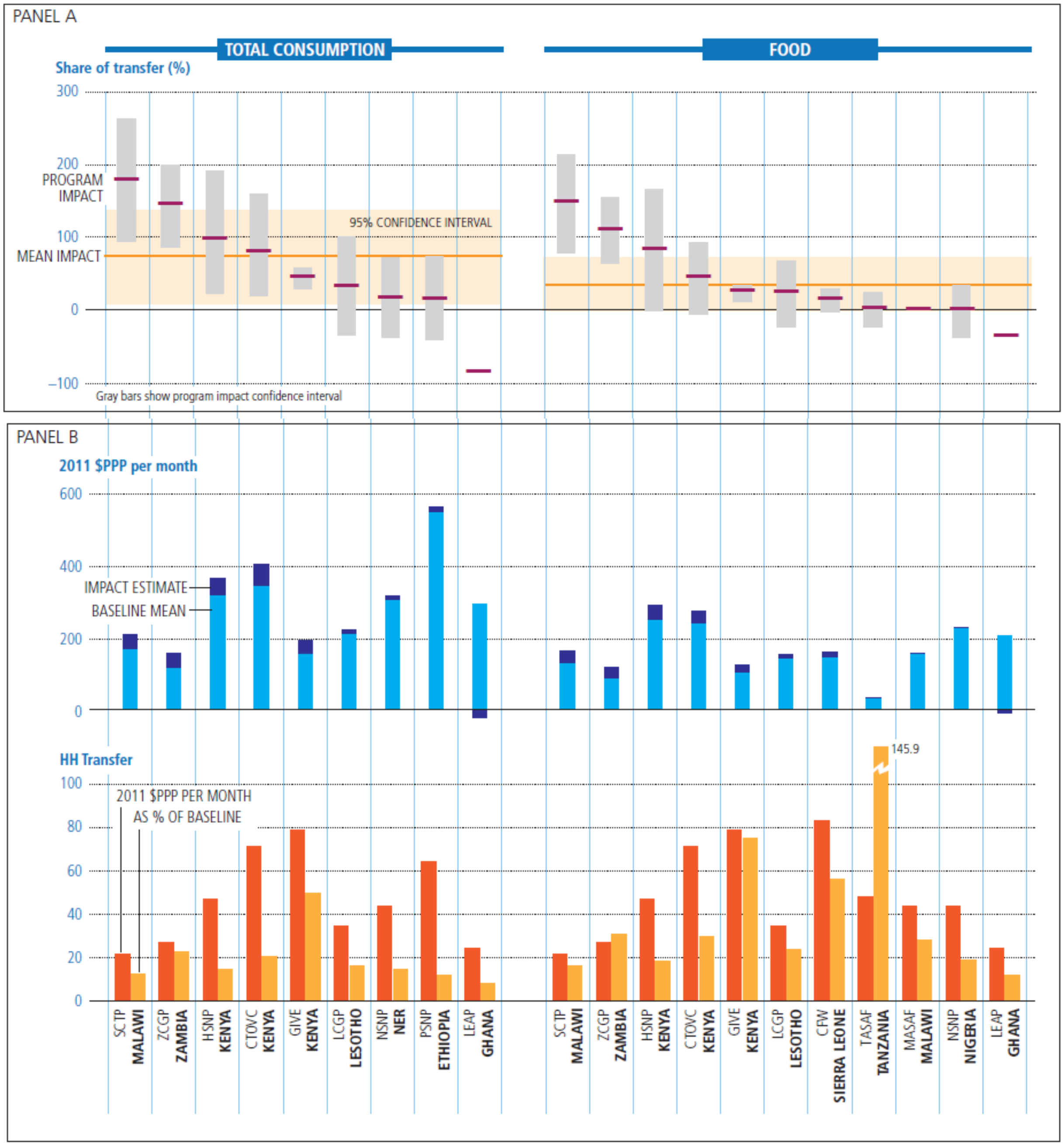
The top part of panel B shows the relative impact of these programs on beneficiaries. The light blue bar reports baseline measures of the outcome in a standardized way, and the dark blue bars show the incremental change that is attributed to the safety net program. The data presented here reflect more closely what is typically reported in individual evaluations, but with outcome measures converted to comparable units, such as monthly household expenditures or net enrollment rates. All dollar amounts report 2011 PPP USD – a price adjusted comparable unit across countries.

The lower part of panel B presents the size of transfers to the beneficiary population. The first bar (red) shows the absolute size of the transfer per month. The second bar, where available, shows the relative size of the transfer, presented as a percentage of the monthly household expenditures before the program. Again, all dollar amounts are in 2011 PPP USD.

By way of an illustrative example, consider the findings presented for Kenya's CTOVC (fourth from left) regarding the impacts of total consumption in figure 2.1 Panel A reports that household consumption rose by 80 percent of the value of the transfer received (with a confidence interval of 1-160 percent). The top part of panel B reports that the transfer increased total consumption from $346 to $404. The bottom part of panel B contextualizes these results, reporting that the value of the transfer was $71, which is equivalent to 21% of the total consumption baseline of $346. Scanning across programs we see that monthly transfers varied between $21 to $79, or 8-50% of baseline consumption (panel B), and that impacts on consumption varied between reducing consumption by 86 cents per dollar transferred (Ghana LEAP) and increasing it by 179 cents per dollar transferred (Malawi SCTP) – in panel A.

Nine programs in Africa report results on household consumption. Using the meta-analysis approach, the impacts from 7 programs are combined together into a composite measure of the effect of safety nets on household consumption[18,19] On average, household consumption increases by $0.74 for each U.S. dollar transferred. Figure 2. 1 shows that for most programs there is an increase in household consumption. But there is considerable heterogeneity across countries. Among these, five programs result in significant increases. Beneficiary households experience a rise in consumption of 179 percent of the value of the transfers in Malawi. The magnitude of the Malawi findings may reflect the initial baseline conditions of the Social Cash Transfer Program, which found that most respondents were living outside the cash economy. The Zambia Child Grant Program also shows large positive effects on total consumption. By sub-categories of consumption: 76 percent of the transfer is spent on food, followed by health care and hygiene (7 percent), clothing (6 percent), and communication and transportation (6 percent). These programs highlight the transformative potential of safety nets, resulting in increases in consumption that are in excess of the total transfer received. Yet in Ghana, the results show a decrease in consumption of 86 percent of the transfer value. Three programs (the Ethiopia Productive Safety Net Program, the Lesotho Child Grants Program, and the Niger Safety Net Project) showed limit increase in consumption associated with the safety net transfer. Overall, the impact as a share of household consumption before the intervention (baseline) is between 0 percent to 33 percent. Note that, typically, households are not spending all of their safety net transfer on consumption, but rather allocating some of it to other domains such as productive investments, lumpy expenditures like school fees, or savings.

Figure 2. 1: Consumption Increases with Social Safety Nets



Source: Authors' meta-analysis
Note: In this figure, TASAF refers to the pilot cash transfer program implemented by TASAF

Programs with the largest impact on household consumption per dollar transferred are those that target poor households on the basis of their welfare levels, as opposed to programs that target general categories (like elderly), such as the Malawi Social Cash Transfer Program and the Zambia Child Grant Program (these household show the lowest levels of baseline consumption at $172 and $119 per month, respectively - see Panel B). The size of these transfers was modest in both relative (11 percent to 23 percent of baseline consumption) and absolute terms ($21–$27 per month). This finding is quite logical: the poorest live on the tightest household budgets, and the extra dollar is likely to have a greater impact on their standards of living. GiveDirectly in Kenya also targets poor households, living on $157 per month, and realizes robustly positive consumption gains, although at a slightly lower range: about 45 percent of the transfer is spent on consumption. Because the program has large transfers, ranging from $45 to $160 (a mean of $79) per month, households were inclined to more spending on durable assets rather than normal consumption items. The program also explored delivering transfers as an annual lump sum rather than monthly and found that this raised investment over consumption.

Effects on food consumption are also strong: it increases by an average of $0.36 per dollar transferred. Ten of the 11 programs available (in eight countries) had increases in food consumption, of which 4 were significant. Across the programs, food consumption rises by up to 148 percent of the size of the transfers and up to 34 percent of food consumption prior to the program (baseline food consumption). Strikingly, the vast majority of evidence suggests that households do not see transfers for increased temptation goods such as alcohol or tobacco, and even where findings may be positive there are on a very small scale e.g. Sierra Leone CFW (see endnote 3).

A third category of equity measurement is food security. Several impact evaluations – especially those in which the program transfer is in kind rather than cash – study the impact on food security either as a complement to or in place of consumption measures. Because of lack of coverage and consistency in measurement, the meta-analysis does not include food security. In some cases, the evaluations show dramatic increases in food security, such as in the Productive Safety Net Program and the Social Cash Transfer Pilot Program in Ethiopia, the Niger Safety Net Project, and the Food and Unconditional Cash Transfer Program and the AIDS Support Organization in Uganda. Yet, they find no significant total consumption impacts. Generally, the food security increases are captured through expanded dietary diversity, higher food scores, improved anthropometric measures among children, and a reduction in self-reports of periods of food insecurity within households. All of which can be consistent with no change in the overall consumption value. Ethiopia's Productive Safety Net Program provides a striking example of the long-term impacts on food security outcomes using the food gap (number of months a household reports food shortages), which reflect a broader focus than standardized consumption measure based on shorter recall periods (see Berhane et al. 2011). Between 2006 and 2014, there was substantial improvement in food security, reflected in a fall in the mean food gap from 5.7 months to 1.9 months. Improvements were greatest in households with greater initial food insecurity. The immediate direct effect of the transfer to rural households through the Productive Safety Net Program and food aid was estimated as a reduction in the national poverty rate by 2 percentage points in 2011 (World Bank 2015). The Productive Safety Net Program alone contributed a 1.6 percentage point reduction in poverty (lifting about 1.4 million people out of poverty).

The impact of cash from these programs into the local economy can mean that these programs not only affect beneficiary households but, through local economy effects, there are spillovers to non-beneficiary households. A range of evaluations find sizable consumption effects for non-beneficiaries (Taylor, Thome, and Filipski 2014; Taylor et al. 2013, 2014; Thome et al. 2014a, 2014b). Using a combination of survey data collected among households and businesses within local communities, projections indicate that for each U.S. dollar equivalent transferred to beneficiaries, non-beneficiaries will also see real income increases: $0.26–$0.83 in the Ethiopia Social Cash Transfer Pilot Program, $0.39 in the Ghana Livelihood Empowerment against Poverty Program, $0.03 to $0.16 in the Kenya Cash Transfer for Orphans and Vulnerable Children, $0.33 in the Lesotho Child Grants Program, $0.30 in the Zambia Child Grant Program, and $0.36 in the Zimbabwe Harmonized Social Cash Transfer Program. These additional income increases are mainly mediated through greater demand for goods and services in the retail and agriculture sectors of local economies, in which other households are also involved. Together with the impacts on beneficiaries, these additional income effects lead to local economy multipliers of 1.08 to 1.84. So, each dollar transferred to a poor household is projected to add more than a dollar to the local economy. These findings are especially relevant in a low-income setting because they highlight the links between safety nets and the rural economy. However, it is unclear whether these impressive outcomes can be sustained as an intervention is scaled up nationally.

Impacts on Equity with Scaling-up

Most of the programs that have been studied were operating at a scale that is too small to cover all poor households in a population at the time of their evaluations. Using available poverty data from household surveys, the impact of scaling up programs on national extreme poverty is estimated for three countries, Ghana, Liberia, and Niger, selected because of the availability of recent household survey data and because they offer contrasting starting points in terms of coverage at time household surveys were implemented. At the time of surveys, fewer than 4,000 households were covered in Liberia in 2014 (less than 5 percent of poor); the coverage was 37,000 households in Niger in 2014 (about 10 percent of poor households); coverage was 70,000 households in Ghana in 2012 (about 30 percent of poor households). These countries also show diversity in size, the sources of fragility, livelihood vulnerability, sectoral composition, and level of economic development. To ensure comparability, all simulations are made assuming monthly transfers to households of $50 (2011 PPP), equivalent to the median amount transferred in programs included in the meta-analysis. Table 2. 2 summarizes information on the value of this transfer in each country.

Table 2. 2: The Value of Transfers, Ghana, Liberia, and Niger

	Liberia	Niger	Ghana
Monthly transfer (2011 PPP U.S. dollars)	50	50	50
Value of transfer per household per year (2016 U.S. dollars)	360	307	332
Value of transfer, % of national extreme poverty line	8.0	7.6	6.2
Value of transfer, % of mean consumption of the extreme poor	18.3	14.9	14.2
Number of households covered at baseline	4,000	37,000	70,000
Number of extreme poor households	87,000	322,000	215,000
Total cost of transfers per year (2016 U.S. dollars, millions)	31.3	98.8	71.4

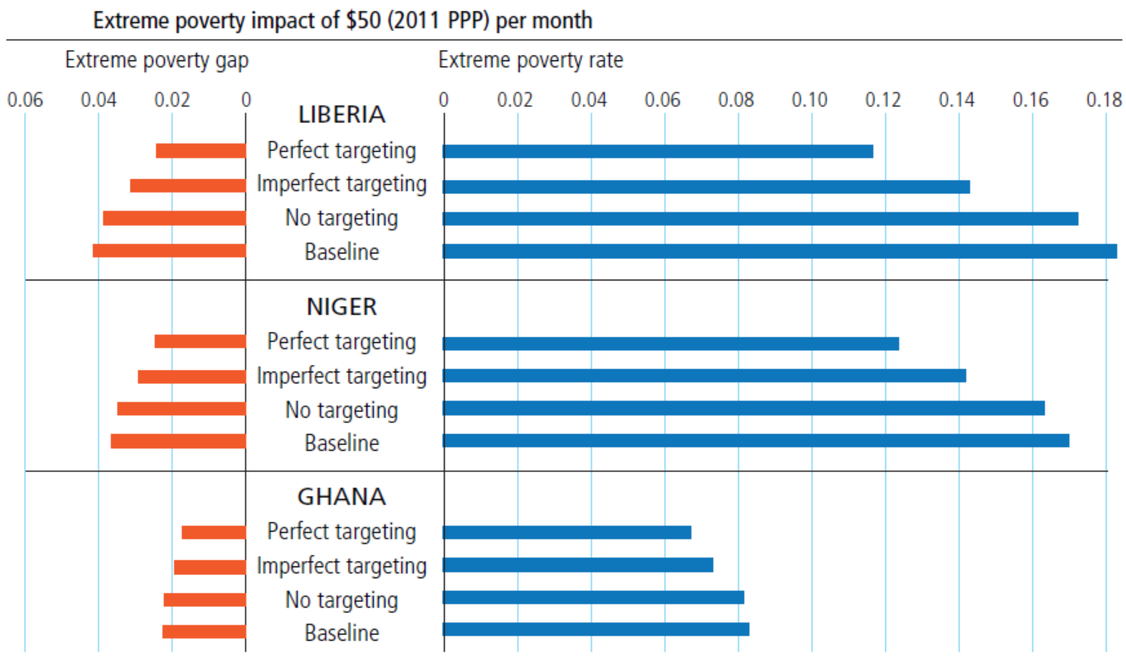
Sources: Authors' calculations, drawing on consumption surveys from Ghana 2012/2013, Liberia 2014, and Niger 2014.

The simulations use the meta-analysis estimate of an average increase in consumption equivalent to 74 percent of the transfer value (or $0.74 for every dollar transferred) and assumes that programs are scaled up to the number of households equal to the number of extreme poor households (annex C for details). Recognizing that perfect targeting is not feasible in practice, simulations are included under the assumptions of perfect targeting, imperfect targeting (60 percent inclusion accuracy) and no targeting at all.

If transfers were perfectly targeted, consumption among the poor would increase in the range of 12-17 percent. Even relatively modest transfers would have a sizable impact on consumption among beneficiaries. Assuming imperfect targeting, with 60 percent inclusion accuracy, the consumption gains will be 7 percent to 10 percent among the extreme poor.[20] With no targeting, but randomly allocating the safety net would result in, on average, between 0 and 2.7 percent increase in consumption. These reductions in poverty are one way to characterize the gains to society from scaling up social safety nets, but other approaches can also be considered (box 2.2).

These consumption gains would generate a decline in extreme poverty rates by as much as 40 percent (figure 2.2). Under perfect targeting, simulated transfers would substantially lower extreme poverty rates, from 8.2 percent to 6.7 percent in Ghana, from 18.2 to 11.6 percent in Liberia, and from 17.0 percent to 12.3 percent in Niger. The extreme poverty gap—the mean relative distance of extremely poor households to the extreme poverty line—would fall from 2.2 percent to 1.7 percent in Ghana, from 4.2 percent to 2.4 percent in Liberia, and from 3.6 percent to 2.5 percent in Niger, highlighting the extent of the reduction in extreme poverty achieved through well-designed, successfully implemented safety nets. With imperfect targeting, declines in extreme poverty would be less by about a third.[21] Furthermore, the simulations have been designed to address extreme poverty, rather than poverty in general.

Figure 2. 2: Scaling up can put a Dint in the Extreme Poverty Rate and Gap



Sources: Authors' calculations, drawing on consumption surveys from Ghana 2012/2013, Liberia 2014, and Niger 2014.

Box 2. 2: How Will Society Gain when a Poor Household Gains?

The underlying premise to the impact evaluation studies is that there are societal gains when poor households experience welfare gains. This is consistent with giving greater weight to the income of the poor over the income of the wealthy (Chenery et al. 1974) which is an altruistic approach or the notion that the value of an extra dollar of income is higher for a poor person than for a wealthy household, a utilitarian approach. A third approach models the tradeoff between more or less safety nets for the poor based on assumptions about the extent to people have an aversion to inequality as in Eden (2017). This aversion can be because people worry about downside risk of their own future income status or because they value less inequality for other reasons.

Incorporating such inequality risk aversion approach allows for another way to assess the social welfare gains from social assistance. The full model incorporates the administrative and economic costs of programs; when financed through additional taxation, the economic costs include the distortionary effects of taxation, including labor supply effects.

Under even highly conservative assumptions, Eden (2017) finds social welfare gains from safety nets which are financed through a uniform increase in taxes on labor incomes. A greater degree of targeting further improves estimates of social welfare. This work is extended to then compare these social welfare gains with the gains one could get from alternative government spending (such as building a road). For a given level of government expenditure, the social welfare impact of increasing transfers to the poor is compared to other forms of government spending. Here, the evidence is more mixed and sensitive to parameter values assumed. The optimality of diverting funds from government investment projects to redistributive programs such as safety nets depends on the rate of return to other government investments, the administrative cost of transfers, the elasticity of labor supply to taxation, and the social aversion to inequality.

Lessons for Program Design and Implementation

The value of the transfer matters. To ensure sizable impacts on consumption, the transfers need to be sufficiently large. For example, in Ghana, the low value of the Livelihood Empowerment against Poverty Program transfer—$24 (2011 PPP) a month or 8 percent of the baseline consumption—was identified as a major constraint on the program's success, and the value of the transfer was tripled following the 2012 evaluation (Handa et al, 2013). Both the Kenya Cash Transfer for Orphans and Vulnerable Children and the Zambia Child Grant Program are in this range, at 21 percent and 23 percent, respectively, and find significant positive program impacts. The effective value of a transfer also depends on household size. Multiple evaluations highlight, not surprisingly, that consumption impacts decrease with household size, especially if the benefits are flat (as for example in the Kenya cash transfer). Some programs varying benefits according to household size, such as the Malawi Social Cash Transfer Program. This program shows substantial impacts, although the average transfer size is 11 percent of preprogram consumption.

Another theme across several evaluations is the rigidity in the size of transfers in high-inflation environments. In Kenya, the value of the cash transfer for orphans and vulnerable children and the hunger safety net transfer were eroded substantially over the two years of the period exposed to evaluation. In these various scenarios, the value of transfers might benefit from being indexed to both household size and price inflation.

Programs showing the strongest impacts are characterized by clearly identified target groups and effective targeting protocols. For example, the Kenya Cash Transfer for Orphans and Vulnerable Children, the Lesotho Child Grants Program, and the Malawi Social Cash Transfer Program invoked clear eligibility criteria focused on the inclusion of under-5-year-olds or households facing high dependency ratios. However, even if target groups are clearly identified, achieving desired outcomes may be a struggle because a program has weak targeting arrangements. In Malawi's Social Cash Transfer Program, an uneven application of community targeting arrangements affected results negatively. In the Malawi Social Action Fund Program, the characteristics of participants did not match eligibility criteria because of differences in how local officials selected beneficiaries and the opportunity cost of participation. In practice, the program was rationed and not targeted on the food insecure, which may help explain the weak results.

The predictability and timing of benefits may impact outcomes. Outcomes were positive partly for this reason in programs in Kenya and in the Zambia Child Grant Program. In Kenya's Cash Transfer for Orphans and Vulnerable Children, regular payments and the use of nearby post offices as transfer pay points promoted strong program impacts. The results of Kenya's Hunger Safety Net Program appear to be heavily driven by the program's mobile payment logistics. Similarly, in Zambia, 98 percent of households received payments on time, and this—combined with short walks to payment sites and the low transaction costs—helps explain the program's high success rate, even though the size of the transfers was modest. In contrast, the weak impacts of the Ghana Livelihood Empowerment against Poverty Program and the Lesotho Child Grants Program have been largely attributed to irregular payments.

Unconditional cash transfers can be effective mechanisms for boosting consumption. The programs covered in the meta-analysis rely largely on cash transfers. Only three programs impose a conditionality involving work for certain beneficiaries: the Ethiopia Productive Safety Net Program, the Malawi Social Action Fund public works program, and the Sierra Leone Cash for Work Program. From a policy perspective, the findings on unconditional cash transfers are important: they confirm that benefits from this type of programs are overwhelmingly used by beneficiaries to improve the quality of their lives and not on temptation goods (Evans and Popova 2014; Handa et al 2017). Moreover, they are sufficiently modest to avoid creating dependency and tend to be associated with wider local economy benefits. In particular, cash transfers have represented an effective response to transient food crises, as evidenced for example by Sierra Leone’s Cash for Work Program, Kenya’s Cash Transfer for Orphans and Vulnerable Children and Hunger Safety Net Program, and Ethiopia’s Productive Safety Net Program. One important caveat in this policy debate is that, while these unconditional cash transfers programs have no enforceable conditions, many feature strong messaging and communication to the extent that beneficiaries often understand that payments are intended for specific purposes, for example, in the Malawi Social Cash Transfer Program, the Niger Safety Net Project, and the Zambia Child Grant Program.

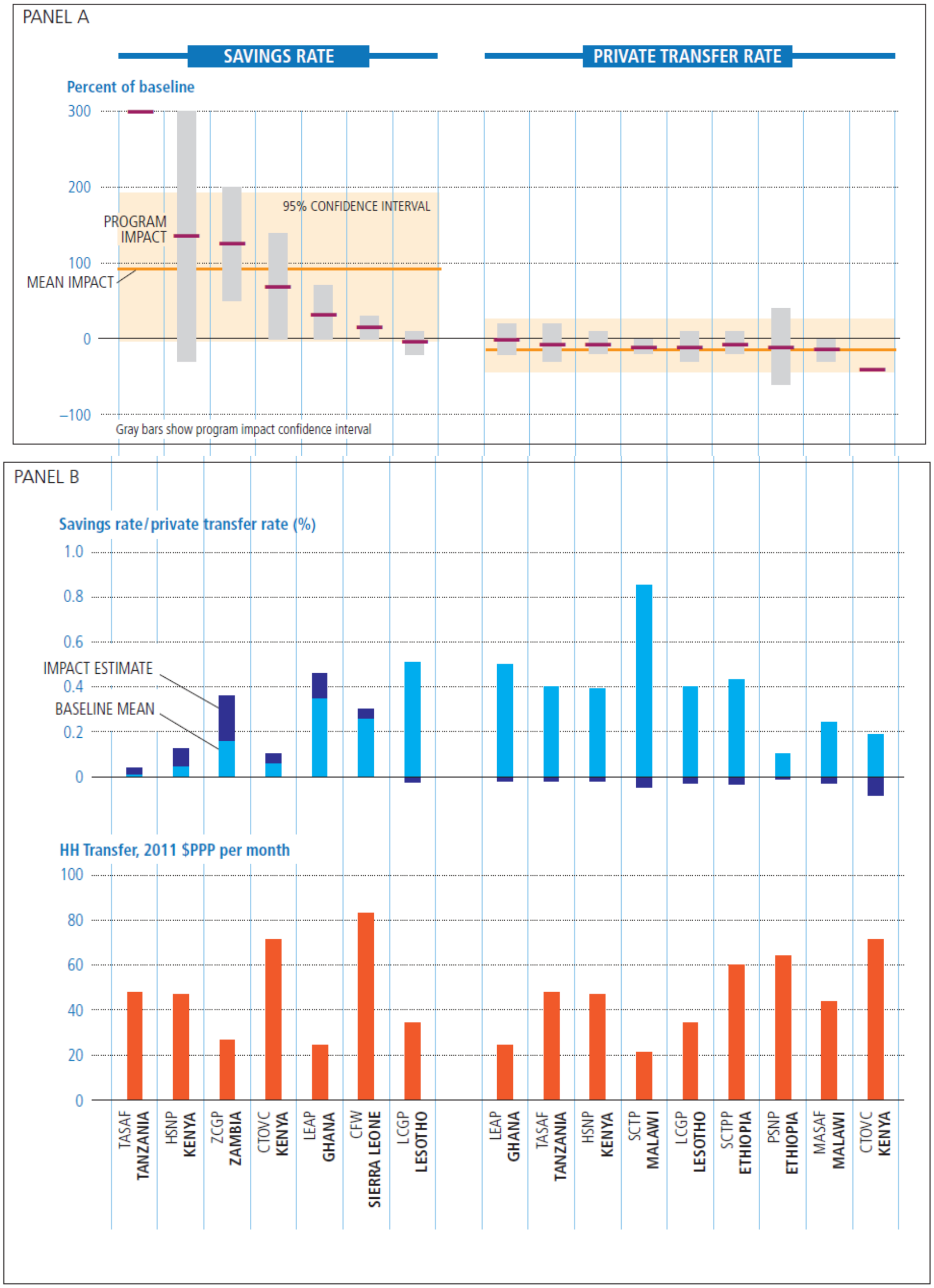
Building resilience with safety nets

In recent years, resilience has become a key focus in safety nets and within the broader development arena. Resilience here is defined as the ability of countries, communities and households to manage change, by maintaining or transforming living standards in the face of shocks or stresses - such as earthquakes, drought or violent conflict - without compromising their long-term prospects (Alfani et al. 2015).[22] The focus on resilience stems from the recognition that households in developing countries live in risky environments and this risk is highest for the poor (Hill and Verwimp 2017; Hallegatte et al. 2016;). It is also reflected in attempts to ensure coordination between social safety nets and humanitarian interventions, as discussed in chapters 3 and 5 (Clarke and Dercon 2016; Slater, Bailey, and Harvey 2015).

The concept of resilience is analyzed through a lens of risk management, livelihood strengthening, and improved coping strategies. Outcomes include savings and private transfers for risk management, the ownership of productive assets for livelihood strengthening, and decreases in informal wage work and child labor as indicators of less-harmful coping strategies. In terms of productive assets, since many studies are in rural areas and smallholder farming is the main livelihood, assets include those associated with agriculture. These outcomes are interconnected with equity and opportunity: being able to saving can improve ability to send children to school and more productive assets can result in higher incomes and then high consumption and less poverty. A challenge in the analysis of resilience is that impact evaluations are not usually devised to capture the concept well, in part owing to a lack of longitudinal studies.

Safety net programs improve the ability of households to manage risk, especially through increased savings. Figure 2. 3 highlights the results on savings of seven programs across six countries. While the results are not significant in many individual programs (only in Zambia’s Child Grant Program and Kenya’s CTOVC), when the results are pooled we see a weakly significant increase in number of households saving. The meta-analysis also shows that beneficiary households are up to 20 percentage pointsmore likely to be saving than comparable nonbeneficiary households (see Panel B – Zambia’s Child Grant Program). Given the initial low savings rate among such households (between 1 percent and 51 percent were saving before the program), programs result in an average increase of 92 percent in the number of households saving. Studies reporting on savings find that the value of savings rose by a significant share, for example, 9 percent in Sierra Leone’s Cash for Work Program and 92 percent in Kenya’s GiveDirectly. This is important given the low initial savings rates and the backdrop of frequent shocks and escalating food prices to which the poorest households are often most vulnerable. In the cash transfer pilot implemented by the Tanzania Social Action Fund, the poorest households were most likely to begin saving under the program. The evaluations suggest that households are also using transfers to reduce borrowing and indebtedness such as the Livelihood Empowerment against Poverty Program in Ghana and the Malawi Social Cash Transfer Program, in which beneficiaries report less need to make purchases on credit because of transfers. In the Ghana program and the Zambia Child Grant Program, safety nets help beneficiaries realign social networks and, in some cases, improve the bargaining power of women.

Figure 2. 3: Safety Nets Impact on Savings and Private Transfers



Source: Authors' meta-analysis.
Note: In this figure, TASAF refers to the pilot cash transfer program implemented by TASAF

The evidence on credit access is less clear. The evaluations reflect on the enhanced creditworthiness of transfer recipient households, such as in the Ghana program and in the Kenya Hunger Safety Net Program, but offer little evidence that more credit is being accessed. Overall, though, the policy implication is that safety nets may have a major impact by boosting savings, thereby enhancing risk management.

The crowding out of other financial flows appears modest. Figure 2. 3 considers the evidence on private transfers received for 9 programs across 6 countries, of which no program reports significant results. The number of households reporting they had received private transfers declined by between 1 to 8 percentage points once they received support from the safety net program. Given the extent of private transfers before the programs, this implies that the number of households receiving transfers fell on average by 12 percent of the pre-program level. The amounts by which transfers were reduced is not captured in most evaluations. However, in the case of Tanzania's Social Action Fund, private transfers initially decreased by approximately half the average of the program's transfers, but this effect had subsided by the end of the evaluation period, suggesting that any crowding out had been short term. Moreover, in some countries, households become temporarily ineligible for other interventions once they are covered by a safety net program, as is the case of the cash transfer program in Kenya and the Farm Input Subsidy Program in Malawi.

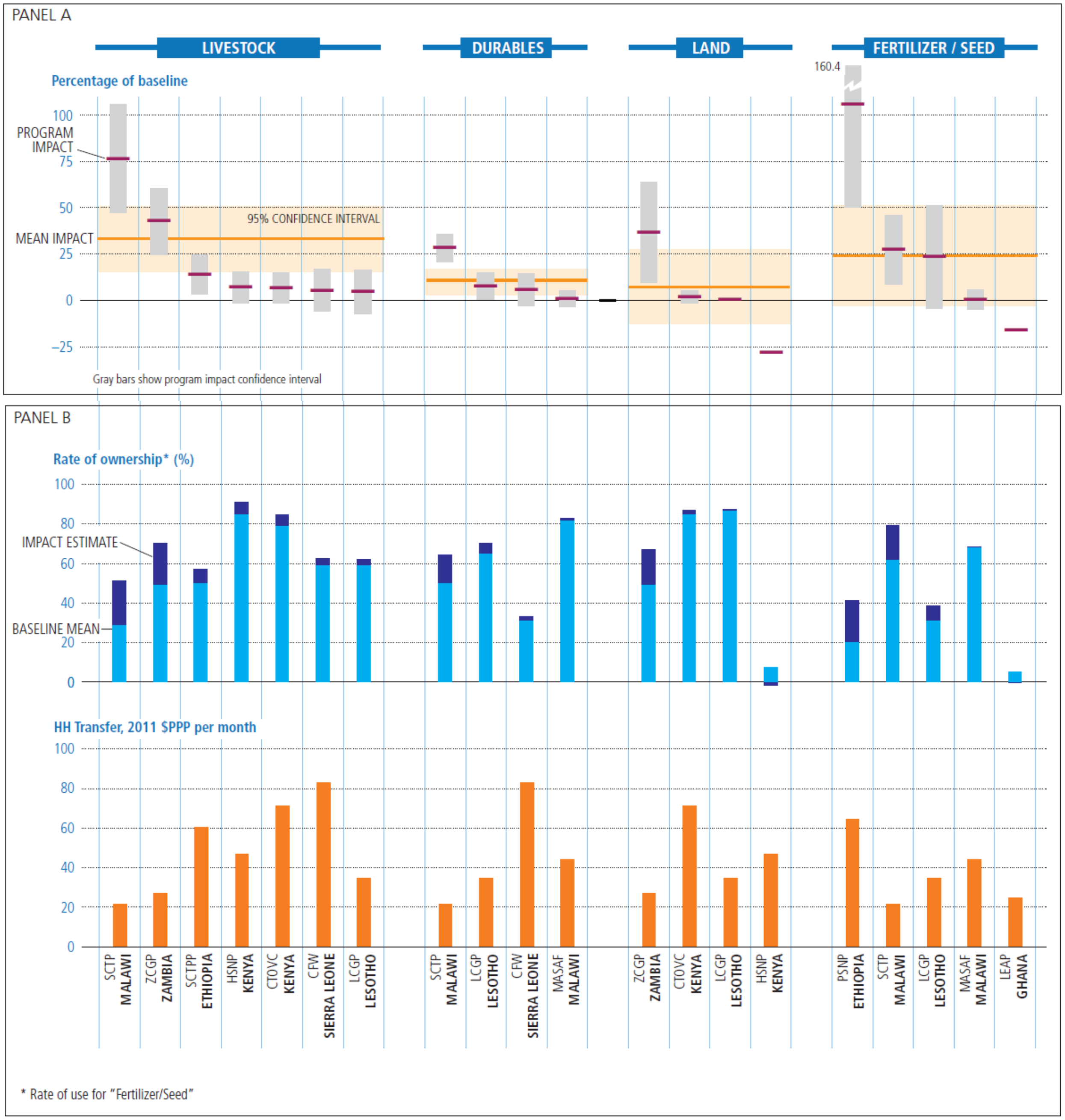
There is encouraging evidence to suggest that safety net transfers can successfully boost investment in productive assets, especially livestock holdings. For most of the poor, livestock holdings, agricultural tools, and other household assets are considered a store of value for households and a form of savings. Figure 2. 4 presents results across 10 programs and seven countries looking at these outcomes.

One of the most striking results is the increase in livestock ownership, which indicates an average improvement of 34 percent across seven programs – of which 4 are significant. The studies reporting on this outcome typically find investments in small livestock such as chickens, ducks, and goats. Cattle ownership tends to show smaller increases, if significant at all, and is often attributed to the large expense of buying cattle and the relative rarity of this activity among smallholders. By contrast, expenditures on durables and other household assets, including agricultural tools, exhibited a modest improvement. Nine programs in seven countries reported on either the value of expenditures on nonland and livestock assets or increases in an index of these assets. In some cases, the asset index focuses on the purchases of agricultural tools, such as in Ethiopia's Social Cash Transfer Pilot Program, the Malawi Social Cash Transfer Program, and the Zambia Child Grant Program, while, in others, it is more specific to inputs among household enterprises. The evidence is stronger that households are improving standards of living through home improvement expenditures, such as purchasing metal or plastic sheeting for roofs and walls; examples are Kenya GiveDirectly, the Lesotho Child Grants Program, and the Sierra Leone Cash for Work Program.

A small number of programs are associated with an expansion in the application of fertilizers or seeds, but more limited effects on land ownership. Evidence from the Productive Safety Net Program in Ethiopia, the Social Cash Transfer Program in Malawi, the Lesotho Child Grants Program, and the Malawi Social Action Fund (Public) in Malawi indicate one outcome is the greater use of fertilizer and seeds, which may demonstrate a shift to higher-risk, higher-return agricultural practices. The Ethiopia and Lesotho findings are important for an understanding of mediating factors because both interventions were coupled with initiatives to support household agricultural productivity, namely, the Household Asset Building Program in Ethiopia and the Food Security Grant Program in Lesotho. The impact of land ownership is generally positive, although the effects are often small and statistically insignificant. Only the Zambia Child Grant Program reports a significant positive impact on operations: beneficiaries expanded the area of land they worked by 18 percent (34 percentage points relative to the baseline). Included among key coping strategies are reduced reliance on child labor (figure 2.5). Child labor can prevent school attendance, thereby negatively affecting the future earnings potential of the children. Overall, safety net support can reduce the reliance on this negative coping strategy (Programs specifically targeted at children appear to reduce child labor the most, including the Burkina Faso Take-Home Rations Program among girls, the Ethiopia Social Cash Transfer Pilot Program, the Kenya Cash Transfer for Orphans and Vulnerable Children, the Lesotho

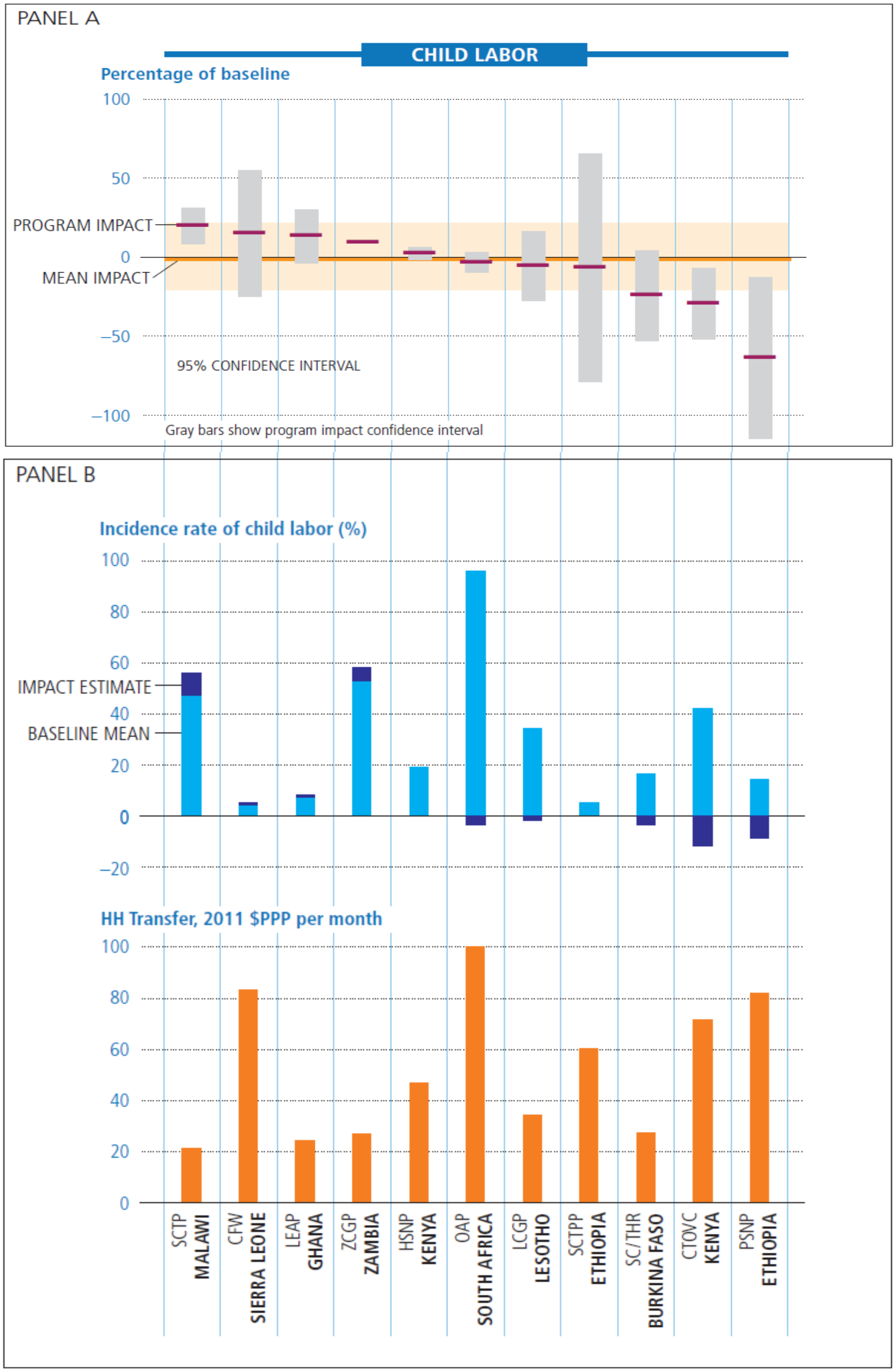
Child Grants Program, and the Malawi Social Cash Transfer Program. These programs all have a strong communication strategy advocating for the rights and well-being of children, which may help generate these results.

Figure 2. 4: A Range of Productive Assets Respond to Safety Net Transfers



Source: Authors' meta-analysis.

Figure 2. 5: Safety Nets Can Reduce Reliance on Child Labor



Source: Authors' meta-analysis.

The Potential for Scaling-Up

Simulations considered increased investments in productive assets by households, based on results from the meta-analysis. Simulations assumed 10 percent to 40 percent increase in the incidence of livestock ownership and 5 to 10 percent increase in the incidence of land ownership (the meta-evaluation revealed average increases of 34 percent and 8 percent respectively). Prior to interventions, agriculture was very prevalent in the livelihoods of the extreme poor, and many owned agricultural assets: 20 percent of the extreme poor in Liberia owned medium to large quantities of livestock, versus 8 percent among the non-poor (respectively 47 percent and 17 percent in Ghana); 85 percent of the extreme poor in Ghana (97 percent in Niger) reported ownership of agricultural land.

Assuming programs that are well targeted to the poor, simulations indicate that ownership of medium and large quantities of livestock among the extreme poor could rise from 47 percent to 51–62 percent in Ghana and from 20 percent to 22–28 percent in Liberia. Similarly, poultry ownership, often the first type of livestock acquired by the extreme poor, would increase from 53 percent to 57–69 percent in Ghana and from 48 percent to 53–67 percent in Liberia. Likewise, well-targeted programs may raise land ownership from 85 percent to 89–92 percent in Ghana and from 97 percent to 100 percent in Niger (annex C for more details).

Lessons for Program Design and Implementation

The value, structure, and timing of transfers are critical. Larger and less frequent program payments may be more effective at boosting investments and savings, while smaller and more frequent payments have exhibited impacts in the reduction of negative coping mechanisms and in improved food security. The Kenya GiveDirectly evaluation tests preferences for lump-sum payments: it finds no significant difference in consumption among households receiving either lump-sum or monthly transfers, but asset holdings after the intervention were significantly smaller among households receiving multiple monthly transfers than among lump-sum beneficiaries: Monthly recipients were 12 percent less likely to have installed metal roofs on their homes. Similar results were found in other programs when, because of delays in regular payments, beneficiaries received larger one-off payments. This finding suggests that households face credit and savings constraints, and that recipients of smaller monthly transfers may face more frequent requests to share. This mirrors findings in Colombia that bundling payments when children are being reenrolled in school raises enrollment rates (Barrera-Osorio et al. 2008). Similarly, programs promoting improved agricultural productivity maximize their impact if benefits are synchronized in a timely seasonal manner. However, less is known about whether lump-sum transfers are as effective at reducing negative coping strategies in response to unexpected income shocks.

Coordination with complementary programs is important in maximizing resilience. In Ethiopia, the increased use of productive assets by beneficiaries of the Productive Safety Net Program occurred in combination with the Household Asset Building Program. The program evaluation concluded that a cash transfer alone may have been inadequate to generate the desired outcomes. This outcome is reflected also in the Zambia Child Grant Program. Although the program evaluation points to the increased use of production inputs and a rise in the value of production, it was unclear if beneficiary households were employing the most efficient approaches.

Social networks can promote resilience. Changes in savings and private transfers can improve risk management in different ways. In the Democratic Republic of Congo Income Support Program, the Ghana Livelihood Empowerment against Poverty Program, and the Zambia Child Grant Program, beneficiaries were able to reestablish or strengthen social networks. The Ghana livelihood empowerment initiative had a positive impact on the value of gifts within social networks and the amount of credit extended to others, while supporting participation in informal groups, such as savings and burial societies. In the Democratic Republic of Congo, the monetary participation of program beneficiaries in informal savings groups rose by 16 percent of the value of the transfer.

Strong communication efforts advocating for the rights and well-being of children show the largest effects in reducing child labor. This outcome leads to additional future impacts on children, and represents an important rationale for implementing design innovations to support positive educational outcomes among children. Such educational outcomes are shaped by household decisions on child labor and time use, and safety net transfers can play a crucial role in this process.

Increasing opportunity

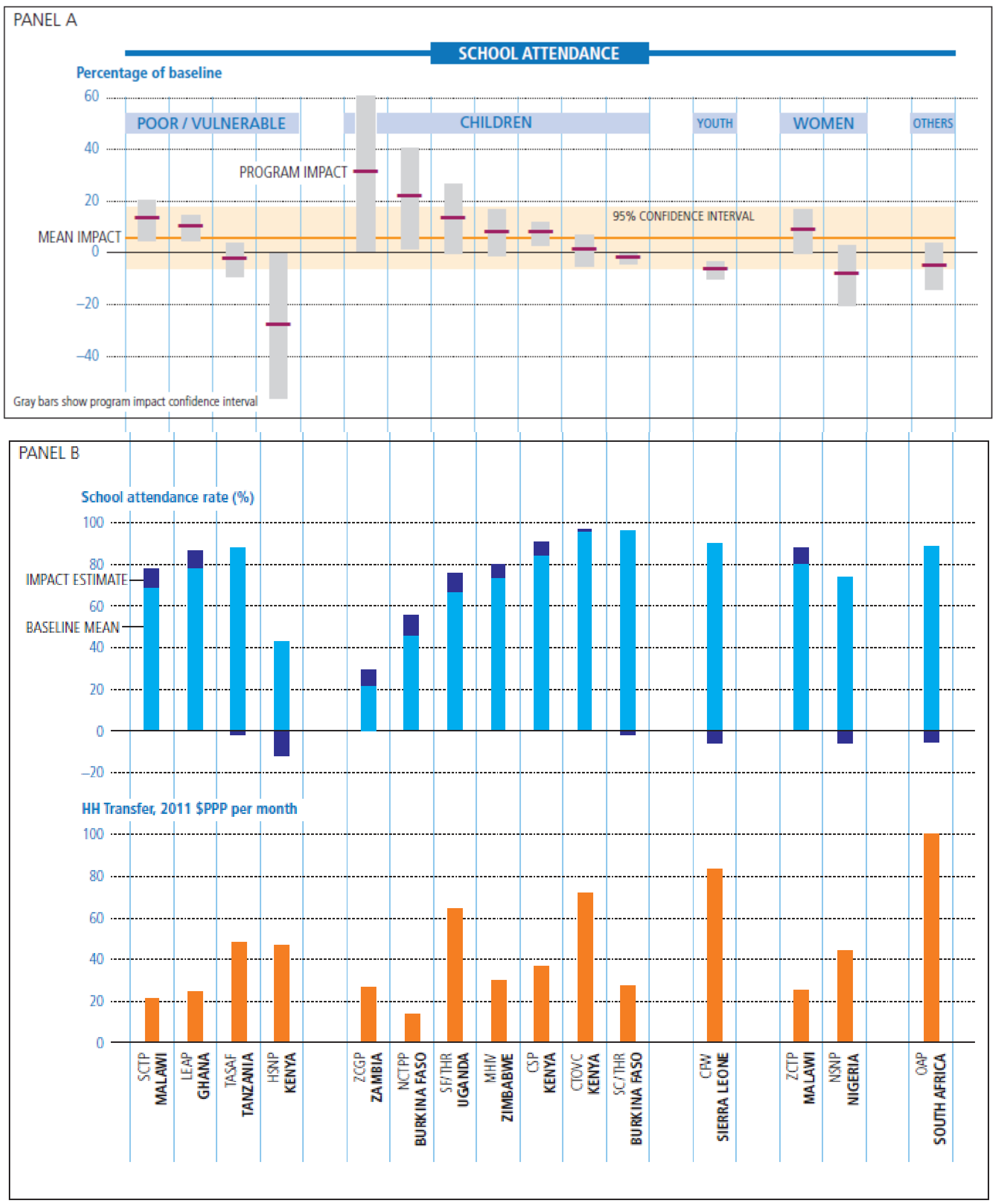
In its examination of the evidence on the influence of safety net programs in fostering opportunity, the analysis considers two dimensions: human capital development and productive inclusion. The first dimension, human capital development, involves the recognition that safety nets have long been viewed as a tool for promoting investments in education and health. Well-established conditional cash trasnfer programs in Latin America, such as *Bolsa Família* in Brazil and *Prospera* in Mexico, have the core objective of enabling poor families in rural and urban communities to invest in the human capital of their children by improving outcomes in the education, health, and nutrition of the children. There is ample evidence that chronically poor families are less likely to be able to afford such investments in their children and that children who miss out on these investments may face a lifetime of lower earnings (Fiszbein and Schady 2009; Hoddinott and Quisumbing 2003). The second dimension, productive inclusion, revolves around the effectiveness of safety nets in promoting a sustained exit out of poverty. Such an exit is fostered by engaging households in more productive activities that lead to higher income trajectories. The previous section touched on this by considering the degree to which safety nets strengthen productive assets. This section investigates whether safety net programs have led to higher incomes and earning opportunities among beneficiaries.

Evidence: Education

The literature focuses extensively on the impacts of conditional and unconditional cash transfer programs on education, though largely outside Africa. Saavedra and Garcia (2012) meta-analyze enrollment, attendance, and drop-out effect estimates on 15 developing countries, including one in Africa. The average size of the random effects on school enrollment is 6 percent relative to the mean baseline of 84 percent. The average size of the random effects on primary-school attendance is 2.5 percentage points, relative to a baseline of 80 percent. Baird et al. (2013) consider the relative effectiveness of conditional versus unconditional cash transfer programs across 25 countries (five of which are in Africa). They find that conditional and unconditional cash transfer programs both improve the odds of school enrollment and attendance relative to similar households not participating in cash transfer programs. The size of the effects on enrollment and attendance are always larger among conditional cash transfer programs than among unconditional cash transfer programs, but the difference is not significant. Among programs that differ by category, a clearer pattern emerges. Programs in which the conditionality is explicitly monitored and in which the associated penalties are enforced show substantially larger effects, that is, a 60 percent improvement in the odds of enrollment. More recently, Bastagli et al. (2016) synthesize the findings on attendance and cognition in studies on 27 programs in 20 countries, half of which are in the Africa region. The analysis highlights individual rather than pooled effects and shows a clear link between cash transfers and attendance, but a less clear-cut pattern in learning outcomes. Baird et al (2016) note the lack of knock-on effects associated with schooling gains in the Social Cash Transfer Program in Malawi, mainly because of the limited income-generating opportunities. The meta-analysis carried out for this report probes these issues by examining pooled cross-country evidence on 17 programs across 12 countries in Africa and considers cash and in-kind interventions. The analysis helps emphasize the comparative effectiveness of safety nets in education within the region and underscores the rapidly growing evidence base in this sector.

Pooled cross-country evidence on education in Africa is concentrated mainly on short-term outcomes such as attendance and enrollment. Of the 17 programs covered in the meta-analysis, 10 report on both school attendance and enrollment, 4 only on school attendance rates, and 3 only on school enrollment rates. The mean program effects are a 6 percent rise in attendance and a 7 percent improvement in enrollment, both relative to the baseline enrollment rates. Figure 2. 6 presents the findings on school attendance only because attendance is considered a more reliable indicator of school outcomes. The meta-analysis results on reductions in child labor across the sample are consistent with these findings.

Figure 2. 6: School Attendance Goes Up with Safety Nets



Source: Authors' meta-analysis.
Note: In this figure, TASAF refers to the pilot cash transfer program implemented by TASAF

This suggests that education outcomes are shaped by household decisions about child labor and time use and that a transfer can play a major role in the substitution of income sources. Improvements in school attendance are also consistent with other positive impacts detected in consumption expenditure related to education, such as the purchase of shoes, uniforms, and blankets, the lack of which is a key barrier to enrollment and attendance, especially in secondary school. For example, as a result of cash transfers, education-related expenditures reportedly rose by 23 percent in Kenya GiveDirectly and 16 percent in the Lesotho Child Grants Program and the Malawi Social Cash Transfer Program.

The meta-analysis highlights the importance of specific arrangements to reach poor households, particularly vulnerable children, through accurate targeting. In school enrollment and attendance, the meta-analysis notes consistently larger effects in programs specifically targeting children, including Burkina Faso's Nahouri Cash Transfers Pilot Project; Kenya's Cash Transfer for Orphans and Vulnerable Children and its Child Sponsorship Program; Lesotho's Child Grants Program; Uganda's School Feeding Program and Take-Home Rations Program; the Zambia Child Grant Program; and Zimbabwe's Manicaland HIV/Sexually Transmitted Disease Prevention Project. Thus, in the Zambia program, only households with children under age 3 were accepted in the program to ensure that every recipient household would obtain the transfers for at least two years. Programs targeting poor and vulnerable households more generally appear to show higher school enrollment rates than school attendance fates. This is so, for instance, in the Ethiopia Social Cash Transfer Pilot Program, the Ghana Livelihood Empowerment against Poverty Program, the Malawi Social Cash Transfer Program, and the cash transfer pilot implemented by the Tanzania Social Action Fund.

The evaluations indicate that gains in education are especially pronounced in upper-primary and secondary school, where drop-out rates tend to rise. For example, alongside the impacts reported above, adolescents ages 15–19 were 15 percent more likely to complete higher education in Tanzania, and enrollment rates among children ages 13–17 were 10 percent higher in the Lesotho Child Grants Program. Many evaluations reporting no impacts among younger children identify strong outcomes among older children. For instance, secondary-school enrollment increased by 6 percent to 7 percent in the Kenya Cash Transfer for Orphans and Vulnerable Children Program and the Food and Unconditional Cash Transfer Program in Uganda. In South Africa's Child Support Grant Program, adolescents in households currently receiving the grants for other, younger children in the household were absent from school 2.2 fewer days than adolescents in households with no grants. Nonetheless, supply-side constraints and high financial barriers represent considerable constraints in the progression through secondary school, an issue noted especially in the evaluation of the Lesotho Child Grants Program experience.

The evidence base on the relative effectiveness of in-kind interventions in encouraging school attendance is small, but important. Two widely cited evaluations look at the role of school feeding interventions by comparing school canteens and take-home rations (Alderman, Gilligan, and Lehrer 2008; Kazianga, de Walque, and Alderman 2009). In the Uganda Food for Education Program, school feeding led to a 9.3 percent expansion in school attendance in the afternoons, but had little impact on attendance in the morning session. In upper-primary school (grades 6 and 7), take-home rations led to significant increases in both morning and afternoon attendance, averaging 17–18 percent and including a 30 percent rise in morning attendance among girls. (However, the authors caution about a possible unintended consequence of school feeding programs: unduly prolonging primary-school enrollment.) In the Burkina Faso School Canteens and Take-Home Rations Program, school feeding raised attendance among girls by 5 percent, and there was a flypaper effect (the benefit stuck to the girls' households), whereby take-home rations enhanced anthropometric measures among the of beneficiaries' younger siblings ages 1–5. The increase in weight-for-age was by 0.38 standard deviations, and the rise in weight-for-height was by 0.33 standard deviations. More recently, Gilligan and Roy (2016) conclude that school feeding plays no significant role in boosting school attendance among different age cohorts, but may impact cognitive gains among preschool children. In Kenya's Child Sponsorship Program, Evans et al. (2014) find that requiring that pupils wear uniforms reduced school absenteeism by 6.4 percentage points (43 percent) of a base absenteeism rate of 15 percent.

A major source of debate revolving around safety nets is the relative effectiveness of conditionalities. In the sample of 17 programs, 8 include conditions that are monitored and enforced; 6 are associated with messaging that is sufficiently strong to cause beneficiaries to believe there are program conditions, and 4 may be considered unconditional. Three studies compare the relative impact of conditional cash transfer programs, unconditional cash transfer programs, and in-kind transfers in the Burkina Faso Nahouri Cash Transfers Pilot Project, the Malawi Zomba Cash Transfer Program, and the Zimbabwe Manicaland HIV/Sexually Transmitted Disease Prevention Project. Overall, the evaluations and broader literature confirm the effectiveness of conditionality, albeit with caveats**.** The general focus of the evaluations is the educational impacts of conditional cash transfers on at-risk children and youth, that is, younger children, girls, students with lower perceived ability, and dropouts. In Malawi, the conditional cash arm of the pilot Zomba Cash Transfer Program led to significant gains in school enrollments, an increase of 8 percentage points relative to children not participating in the program. The program also led to improvements in reading comprehension, mathematics, and cognitive ability tests among conditional cash transfer beneficiaries relative to a control group of nonbeneficiaries. However, teenage pregnancy and marriage rates were substantially lower in the unconditional arm than in the conditiona arm, entirely because of the impact of unconditional cash transfers on these outcomes among girls who had dropped out of school. Hence, while the conditionality is successful in promoting the formation of human capital among compliers, this comes at the cost of denying transfers to at-risk individuals who could benefit significantly from the additional income that unconditional cash transfers would provide. Positive impacts are also reported on enrollment and attendance in conditional cash transfer interventions in Burkina Faso and Zimbabwe (Akresh, de Walque, and Kazianga 2013; Robertson et al. 2013). In Burkina Faso, Akresh, de Walque, and Kazianga (2013) find that conditional cash transfers led to statistically significant increases in enrollment of 20.3 percent among girls, 37.3 percent among younger siblings, and 36.2 percent among low-ability children relative to the mean enrollments among these subgroups.

Evidence: Health

The literature is much more limited on health outcomes, reflecting demand- and supply-side constraints and the speed at which program impacts can be realized. The literature to date has placed considerable focus on nutrition status, as gauged by anthropometric measures. The findings on nutrition have been mixed, but are often presented with considerable caution. For example, Ward et al. (2010) conclude that measures of anthropometric status reflect complex and multiple influences and take time to emerge, whereas other outcomes occur more quickly. Merttens et al. (2013) highlight (a) reservations about the quality of the anthropometric data that were gathered; this is widely acknowledged as a challenge; (b) time-varying external factors, and (c) the size of the sample, which is relatively small, rendering the detection of significant effects difficult. A growing area of interest in the literature is the potential use of safety nets to foster positive health outcomes across age cohorts such as early childhood and adolescence. The findings, however, are not fully compatible for inclusion in a meta-analysis. For example, a long-term evaluation of South Africa's Child Support Grant Program shows that receipt of the grant to benefit 0- to 2-year-olds raises the likelihood that the children's growth will be monitored and that height-for-age scores will improve (depending on the educational attainment of the mothers). The Niger Safety Net Project demonstrates that measures accompanying behavior can lead to changes in nutrition practices related to exclusive breastfeeding and complementary feeding, which contribute to improving food security among children. Several studies find improved outcomes among adolescents as they transition to adulthood, largely revolving around trends in early marriage and in sexual behavior (Akresh, de Walque, and Kazianga 2012; DSD, SASSA, and UNICEF 2012; Robertson et al. 2013).

A focus on the pooled results of the meta-analysis reveals that safety nets can boost access to health care. Expenditures on health care increased by 6 percent to 50 percent relative to the baseline across nine programs in Kenya, Lesotho, Malawi, Niger, Sierra Leone, Tanzania, and Zambia, with a mean impact of 13 percent. In Kenya's Hunger Safety Net Program, the evaluation found that households were spending more on health care per capita without negative impacts on food consumption or asset retention. In Zambia, approximately 5 percent of the transfers were used on health care and hygiene, and there was evidence of an impact on young children through improved feeding and reductions in wasting. This evidence suggests that transfers have the potential to enable immediate health outcomes. This finding is also supported by indicators on food security, particularly on improvements in dietary diversity (see above).

Evidence: Productive Inclusion

Whether safety nets promote productive inclusion is an issue being subjected to growing scrutiny. The issue is dominated by a lingering controversy over the impact of cash transfers in graduating beneficiaries from poverty, whether the poor can be trusted to invest transfers in productive activities, or whether transfers create work disincentives among beneficiaries. Several influential studies have recently begun to narrow the debate. Blattman, Fiala, and Martinez (2013) focus on the ways large cash grants can lead to enhanced employment opportunities among select groups, such as youth. Banerjee et al. (2015) assert that a multifaceted approach involving asset grants, training, skill improvements, temporary cash support, and savings aimed at raising income among the ultrapoor is both sustainable and cost effective. This analysis gathers evidence from traditional safety net programs to identify how programs affect business and earning opportunities.

The meta-analysis reports little evidence suggesting the impacts of programs are detrimental to the willingness of beneficiaries to work. Indeed, the limited evidence shows the opposite: beneficiaries are more likely to expand business activities or increase their labor on their own farms (figure 2.7). The evidence on the expansion of business activities is borne out by the increase in productive assets among program participants. Across seven countries, 10 programs report effects on business ownership or business entry among beneficiary households. Of the programs, four have shown significant positive impacts: Ethiopia's Productive Safety Net Program (only during the months no public works activities were carried out), Kenya's Cash Transfer for Orphans and Vulnerable Children (among woman-headed households), Sierra Leone's Cash for Work Program, and the Zambia Child Grant Program.

Evaluations of another four programs (Ethiopia's Social Cash Transfer Pilot Program, Ghana's Livelihood Empowerment against Poverty Program, Kenya's GiveDirectly, and Lesotho's Child Grants Program) look at this outcome, but do not detect a significant impact. Nonetheless, there is some correlation within programs between a decline in dependency on off-farm wage work and a rise in time allocation to self-employment activities. For example, while, in the Zambia Child Grant Program, the share of households with an adult engaged in wage labor fell by 9 percentage points (an impact that is stronger among working-age women), the share of beneficiary households operating a nonagricultural enterprise increased by 17 percentage points compared with household businesses in a control group. Of some concern is the lack of prominent impacts across the more well established public works programs in the sample, including the Malawi Social Action Fund public works program. To some extent, the lack of significant impact may be explained by the short-term nature of these programs and the shortage of labor market opportunities in low-income rural settings. The findings in Malawi appear to reflect a blend of poor program design (low transfer value, limited employment days) and weak program implementation (irregular project delivery, low asset creation).

Figure 2. 7: Income and Earnings May Respond to Safety Nets

Source: Authors' meta-analysis.

The meta-analysis reports the modest impacts of Kenya's GiveDirectly, Cash Transfer for Orphans and Vulnerable Children, and Hunger Safety Net Program; the Lesotho Child Grants Program; the Malawi Social Cash Transfer Program; and the Zambia Child Grant Program on agricultural self-employment. The discussion of these findings is limited in program evaluations. The Malawi Social Cash Transfer Program evaluation notes that access to a source of monthly income helped enable households to change their income-generating behavior, especially by abandoning employment that was harmful to health. The Lesotho Child Grants Program evaluation points up that the link between the program and the Emergency Food Grant enabled improvements in productivity, including in crop production.

Greater earnings correlate with expansions in productive assets across programs. Higher earnings were reported, for instance, in the Lesotho Child Grants Program, in which beneficiaries had purchased seeds and fertilizers, and in the Kenya GiveDirectly and Sierra Leone's Cash for Work Program, in household asset ownership expanded. Increases in crop yields and the value of sales were found in the Ethiopia Social Cash Transfer Pilot Program, the Malawi Social Cash Transfer Program, and the Zambia Child Grant Program, in which beneficiaries also reported a rise in the ownership of farm tools. However, of the evaluations of 20 programs reporting on some outcomes in productive assets among the 27 programs covered by the meta-analysis, only 6 reported substantial boosts in earnings or productivity. This call into question the ability of safety net programs to generate desired productivity impacts.

Scaling-Up

To explore the objectives of safety nets in the creation of opportunities, partial equilibrium simulations of program scale-ups are run that include consideration of the impacts on human development outcomes, such as school enrollments and health care spending. On school enrollments, the simulations allowed for a 5 percent to 15 percent rise in enrollment among beneficiary populations. This reflects the positive results seen in the most successful programs (such as the Burkina Faso Nahouri Cash Transfers Pilot Project and the Malawi Social Cash Transfer Program), but also the more modest results achieved in the majority of programs. For example, the meta-analysis found mean increases of 7 percent in school enrollments [confidence interval: −2 percent, 16 percent]. On investments in health care, the simulations allowed for a 20 percent to 40 percent rise in the access to health care, measured in the household surveys through the percentage of households seeking medical attention when a member is sick. This is within the range of the results captured by the meta-analysis, which found mean increases in access of 13 percent [confidence interval: −20 percent, 50 percent].

Although safety net programs are important in helping younger children living in extreme poor households catch up in schooling, the initial aggregate enrollment rates in primary education are already high. Meanwhile, initial enrollment rates among older children are so low, safety nets face too great a challenge to achieve much absolute impact. In Liberia and Niger, enrollment rates among 5- to 11-year-olds at baseline stood at 96.2 percent and 95.5 percent, respectively. Assuming well-targeted safety net programs, simulations suggest that enrollment rates may rise to between 97.2 percent and 97.4 percent and to between 96.1 percent and 96.2 percent in Liberia and Niger, respectively. Because enrollment rates are higher at baseline among children living in households that are not among the extreme poor and because there are more of such children, the impacts of nontargeted programs on enrollment rates in aggregate would be expected to be larger. For older children (12- to 18-year-olds), simulations suggest similar patterns, though at a much lower magnitude, given the low baseline enrollment rates (22.2 percent in Liberia and 18.2 percent in Niger), particularly among children living in extreme poverty (8.5 percent in Liberia and 16.8 percent in Niger). Even if safety net programs were able to achieve sustained and accumulated impacts on education among 12- to 18-year-olds, it would be many years before substantial improvements in enrollment rates would appear given the low starting points; and such improvements would be conditional on significant improvements on the supply side.

As in the case of education, safety net programs seem to have a greater effect in access to health care among extreme poor households, rather than overall. Data on access to health care are only available in the household survey in Niger, which finds that, at baseline, 54.6 percent of households sought health care if a household member were sick, although this drops to 39.3 percent among extreme poor households. On aggregate, the simulations show that safety nets exert only a modest impact on overall reliance on health care, but a closer examination of the impact on extreme poor households demonstrates that, in this group, reliance may rise to 46.4 percent to 53.4 percent (from 39.3 percent) if the program is accurately targeted to include these households.

Coupling safety net programs with complementary investment projects in agriculture and road infrastructure can result in additional aggregate output and consumption increases. Complementary investment scenarios for Ghana predict slight aggregate output increases, reaching around 0.1 percent of GDP (Levy and Lofgren, and annex C). The output expansions are relatively large in the agriculture and manufacturing sectors and in the cocoa industry in the tax-financed scenarios. However, these complementary investments achieve little additional impact on the real consumption of low-income households, at least over the short run. Instead, modest consumption improvements are realized by nonbeneficiary households, and aggregate household consumption rise from 0.78 percent to 0.84–0.86 percent in the externally financed programs and from a loss of 0.12 percent to a smaller loss of 0.04–0.06 percent in the internally financed programs (Box 2. 3). This may indicate a relative slackness in rural labor markets that allow for supply-side expansions in response to greater demand from program beneficiaries without the need for complementary investment projects.

Box 2. 3: Measuring Spillover and Feedback Effects: The Ghana Case Study

Social safety nets, especially when they go to scale, have the potential to affect the overall macroeconomy. Using a computable general equilibrium mode, Levy and Lofgren (2017) examine these spillover and feedback effects from scaling up the Livelihood Empowerment against Poverty Program (LEAP) in Ghana to cover all extreme poor households in the country (about 400,000 rural and 43,000 urban households), with a generous assumption of perfect targeting.[a] LEAP gives transfers which vary by household size, and represent 12 percent of the extreme poverty line or 36 percent of mean consumption among the extreme poor.[b] Administrative costs are assumed to be an additional 25 percent of the transfer costs. The total cost of this scale-up is then 0.6 percent of 2013 GDP. The model examines outcomes for the total cost funded through either a foreign aid grant or domestic tax revenue.

Scaling up at current transfer amounts is estimated to reduce the extreme poverty rate in Ghana from 8.2 percent to 4.2 percent.

Agriculture and manufacturing would experience a rise in demand for domestically produced staples and finished products as a result of the LEAP scale-up. This would lead to modest output increases in these sectors. This is also likely to lead to higher incomes among beneficiaries and other rural households dependent on agriculture, which is labor intensive and is a large employment, especially for the poorest households. However, given that the program is small relative to the size of the economy, the percent changes in total consumption or output are small from the perspective of the national economy. Likewise, the employment expansion is small.

The source of program financing—grant aid (externally financed) or taxes -- has a noteworth effect on program impacts, including on income distribution and the exchange rate. The source of funding has some effect on the distributional impacts of the safety net program. If the program is externally financed, nonbeneficiary households would be expected to experience only modest consumption gains, on the order of 0.1–0.2 percent, through the spillover effects of the greater demand and the positive impact of real exchange rate appreciation. In the internally financed program simulations, there are modest consumption losses, on the order of 0.2–1.0 percent, reflecting the net redistribution effect of tax-funded programs that, in this context, outweighs any consumption spillover effects. The wealthiest households in the economy would experience the largest consumption losses. In total, this leads to about a 0.8 percent rise in private consumption in the externally financed scenario and a 0.1 percent decline in the internally financed scenario. However, there are other implications to consider in comparing these two financing scenarios. For example, if the program is financed through foreign aid, there would be an influx of foreign currency into the country, which would lead to real exchange rate appreciation, and this would have a negative impact on exports, namely, the cocoa and mining sectors, which would experience projected output declines of 1.5 percent and 0.4 percent. This effect would not arise in the tax finance scenario.

Additional aggregate output and consumption gains are possible if the safety net program is coupled with complementary sectorwide investment projects. Under the complementary scenarios aggregate output increases more, reaching around 0.1 percent of GDP.

Source: Levy and Lofgren (2017).

a. This will mean an over-estimate of the poverty reduction impact since perfect targeting is not achieved.
b. The LEAP transfer is approximately twice as valuable to beneficiaries as the transfer explored in the partial equilibrium simulations.

Lessons for Program Design and Implementation

Explicit design modifications to motivate positive changes in behavior are critical. To enhance the possibility of realizing program impacts on the emergence of new opportunities for improved human development and productive inclusion, additional messaging, a positive nudge to promote behavior change, or more fine-tuned conditionality may be needed. The findings on school attendance and enrollment are illustrative. Several countries incorporated strong messaging so that beneficiaries would perceive the development intent of the programs, especially the cash transfers. This was so, for example, in the Lesotho Child Grants Program, the Malawi Social Cash Transfer Program, and the Niger Safety Net Project. It seems the safety net transfers alone will not be sufficient to shift household decisions on education investments, for instance. The nature and enforcement of conditionality can be quite soft in many cases, especially in light of capacity constraints on adequately monitoring and enforcing the conditionality, as well as on ensuring reliable service delivery.

Reducing supply-side constraints is central to the identification of new pathways to longer-term opportunities. A recurrent lesson from the program evaluations and ongoing operations is that momentum is important within programs to shift from the provision of small, discrete cash transfers to large-scale programs with complementary activities, primarily centered on human development and productive inclusion. To achieve such a shift, the access to and quality of local services become central as instruments of improvement in outreach and program take-up. This requires clarity across all institutional arrangements and a clear assessment of the supply of services from the launch of a project. This implies coordination with sectoral ministries, but also greater coordination in public financial management and governance to ensure the integrity and transparency of delivery in multisectoral systems.

A multidimensional poverty reduction approach may be better suited than a traditional safety net approach to supporting productive inclusion. The meta-analysis suggests that, for the sample of African countries, safety nets are not distorting labor market outcomes, but they are also not equipping beneficiaries adequately to participate fully in productive activities. While some results are promising, simple participation in a safety net program does not guarantee beneficiaries a pathway out of poverty. Meanwhile, several approaches are emerging that may better foster the productive characteristics of low-income households in the African context. First, there is considerable focus on—as well as confusion about—the graduation of beneficiaries out of safety net programs. The findings of impact evaluations are limited on this issue. An important recent study on the BRAC graduation approach provides encouraging evidence on a multifaceted graduation program across six countries, covering over 10,000 households and spanning more than seven years, including Ethiopia and Ghana in the African region (Banerjee et al. 2015). The graduation approach targeted the poorest members in a village and provided a productive asset grant, training and support, life skills coaching, temporary cash support for consumption, and, typically, access to savings accounts and health information or services. Although outcomes varied by country, the overall outcomes were both promising and persistent. The study concludes that beneficiaries spent an average of 17.5 more minutes a day working, mostly tending to livestock, 10.0 percent more than their peers. Most strikingly, the study argues that, despite the heavy unit cost of the program, the program would have benefits of between 1.3 and 4.3 times the expenditure. In a context of a defined graduation approach, this has policy relative to more permanent safety net transfers.

Policy makers might consider how to integrate complementary interventions in ongoing or planned safety net programs to boost productive and employment outcomes. The productive and employment impacts analyzed in the meta-analysis relate to traditionally conceived safety net interventions. There has been a growing focus recently on how large cash grants, typically blended with labor market initiatives and skills training, can lead to enhanced employment opportunities among select groups, such as youth. Unlike traditional safety net interventions, the core objective of large cash grant programs is employment creation. Thus, the Youth Opportunities Program in Uganda supplies a one-time grant to groups of youth that is worth roughly $382 per member. This leads to increases in business assets by 57 percent, work hours by 17 percent, and earnings by 38 percent. Many members also formally register their enterprises and hire labor.

Harnessing the evidence to scale-up safety nets

The primary purpose of a safety net program is to provide for a minimum level of well-being and help extreme poor and vulnerable households meet daily basic needs. As shown in the meta-analysis, consumption rises an average of $0.74 and food consumption expands an average of $0.36 per dollar transferred. These findings are complemented by improvements in food security indicators and increases in dietary diversity, food scores, and anthropometric measures. The findings highlight how transfers, especially in cash, represent an opportunity to improve the quality of life. However, reaching this outcome is not guaranteed. The simulations show that the best results are achieved if programs are accurately targeted and if they can generate multiplier effects on the real incomes of beneficiaries. The meta-analysis review of the evaluations of 24 programs across Africa point up specific design and implementation considerations that may maximize these desired outcomes.

The findings on equity make a foundational case for investment in safety net programs as vehicles to address the immediate need to reduce poverty. Extreme poverty goes down by 40 percent under most optimal simulation scenarios. The findings also help build the case for the redistributive value of safety nets. Through redistribution, inequality can be addressed at both ends of the income distribution, while inefficiencies in economy-wide allocations in the presence of credit and insurance market failures can also be addressed. The case for safety net investments is strengthened by the vast majority of the evidence suggesting that households do not use transfers to raise their consumption of temptation goods, such as alcohol and tobacco.

Safety net programs show strong potential—and this should be an imperative—for building risk management capacity and promoting resilience. An important finding of the analysis is that safety net programs have a crucial impact by boosting savings and fostering the inclusion of beneficiaries in local community networks. Evidence also shows that safety net programs do not crowd out private transfers, which can be a critical lifeline for poor families. It suggests that productive assets are particularly valuable to extreme poor households, which are also the most dependent on agriculture. The meta-analysis and partial equilibrium simulations illustrate the potential of safety net programs to expand the incidence of productive asset ownership among these households. Adverse coping strategies are also avoided, including the use of child labor.

It is critical to build programs and delivery capacity during good times to ensure that transfers can be used to promote resilience and respond to shocks. Many of the outcomes described in this chapter have been achieved against a backdrop of widespread drought or food price inflation, some of which was unforeseen during program design. Ethiopia's Productive Safety Net Program permits a rapid scale-up to include additional beneficiaries who may be pushed into transitory food insecurity because of drought and to extend the duration of payments to program beneficiaries. The program was thus successfully scaled up during the Horn of Africa drought in 2011, when it supported an additional 3.1 million beneficiaries for three months and extended the duration of transfers for 6.5 million of the 7.6 million beneficiaries. The program's response occurred within two months of the onset of the drought, contrasting with an average response time through the emergency humanitarian system of eight months. The program's response was widely credited with preventing the worst impacts of the 2011 drought, leading to less severe effects in Ethiopia relative to neighboring countries. The implication is that a safety net program can supply the infrastructure to enable a quick and effective scale-up in times of great need.

Safety net programs have a transformative potential to boost education and health outcomes, but this hinge critically on the adequacy of supply-side services. The findings presented in this chapter demonstrate the important potential of safety nets to promote primary- and secondary-school enrollments. Safety net programs seem to have the most impact in enhancing access among extreme poor households, rather than access overall. However, to realize these gains, careful planning is required in relevant sectors to ensure that barriers to access and in the quality of basic services are addressed. This is a principle not only in education and to health care, but also in agriculture and water and sanitation.

Safety net transfers are not handouts, but should be designed to promote longer-term opportunities for productive inclusion. The existence of detrimental impacts of programs on the willingness of beneficiaries to work is not confirmed in the meta-analysis. Indeed, the limited evidence on the topic shows the opposite. Beneficiaries are more likely to launch or expand business activities or work more on their own farms, while avoiding labor that may be damaging to their health. More research is still needed, however, to understand the exact pathways on which stronger outcomes can be realized.

The evidence represents a strong case in support of cash transfers, which are increasingly becoming the anchor of national safety net systems. In many instances, the evaluations point to the benefits of a fungible transfer, providing agency to beneficiaries on how funds should be used. Operationally, it is important to build on this success, while recognizing that cash transfers should become a foundation on which to build engagement in complementary programs and a cash–plus program model.

As safety nets evolve, so, too, should impact evaluations. The evidence base on many of the programs in the sample was established during a period when the programs were still being tested and scaled up. As programs mature, policy makers should consider the role of impact evaluations in structuring fully fledged programs. The impact of large-scale shocks on programs during implementation is now a grey area, calling for analysis. There is also a need to address important gaps in the literature, including the cost-effectiveness of interventions, the intrahousehold effects of transfers (such as impacts on empowerment), and political economy issues. Greater attention is also required on the impacts of safety nets in urban area. To date, most evidence is concentrated in rural areas, partly reflecting the density of poverty in rural areas and in smallholder farming.

A focus on how program design and implementation can be improved to maximize positive impacts highlights several lessons. First, transfers should not be too small, and the setting of benefit levels should be adaptable to local conditions. Moreover, in high inflation environments, allowing for some flexibility to adjust to local conditions can be crucial, yet politically challenging. Second, the programs with the strongest impacts have clear target groups and targeting protocols.

Benefit predictability and timing may determine consumption outcomes. In the Zambia Child Grant Program, 98 percent of households received payments on time (at the time of reserarch) , and this—combined with short distances to payment sites and low transaction costs—helps explain the program's high success rate even though the transfers were modest. By contrast, the weak impacts experienced in the Ghana Livelihood Empowerment against Poverty Program and the Lesotho Child Grants Program are largely attributed to irregular payments so that beneficiaries were unclear about when they would receive them.

The size and frequency of transfers can have opposing impacts on resilience. Large lump-sum payments tend to have greater impacts on expenditures on durables and productive assets. Meanwhile, the programs that are most effective at reducing reliance on negative coping strategies have tended to deliver smaller, regular transfers to beneficiaries.

Coordination with complementary programs is especially important for maximizing the desired outcomes. The meta-analysis finds that multiple programs improved resilience, while achieving other positive outcomes through complementary programs or accompanying measures focusing on advocacy for children's rights, the promotion of home gardening and basic hygiene practices, the creation of community savings groups, and the provision of agricultural extension services. The CGE model demonstrates that aggregate output and consumption increases are possible if safety net programs are coupled with sectoral complementary investment projects, such as in agriculture, trade, and transportation.

Explicit design modifications to motivate behavior change are critical. To enhance the possibility of realizing opportunities for improved human development and productive inclusion, there should be additional messaging, a nudge toward new behavior, or relevant conditionality. The findings on school attendance and enrollment are illustrative. Several countries incorporated strong messaging so that beneficiaries could perceive the intent of the program benefits, especially cash transfers, such as in the Lesotho Child Grants Program, the Malawi Social Cash Transfer Program, and the Niger Safety Net Project. Safety net transfers alone will not shift the decision making of beneficiaries toward appropriate investments. The nature and enforcement of conditionality can be quite soft in many instances, especially in light of the capacity constraints in monitoring and enforcement, as well as in ensuring reliable service delivery.

A multidimensional approach is important for supporting productive inclusion, alongside a traditional safety net approach. The meta-analysis suggests that, in the sample of African countries, safety net programs do not distort labor market outcomes, but they also do not equip beneficiaries to participate fully in productive and income-earning activities. Recent assessments provide encouraging evidence on the multifaceted BRAC graduation approach across six countries, including Ethiopia and Ghana in the Africa region. Policy makers might consider ways to integrate complementary interventions within ongoing or planned safety net programs to boost productive and employment outcomes. The focus has been growing on the ways large cash grants, typically blended with access to savings and credit, basic financial skills enhancement, and on-the-job or apprenticeship training, can lead to improved employment opportunities among select groups, such as youth.

End notes

[1] For further discussion of such frameworks for studying safety nets, see Bastagli (2016), Devereux and Sebastes-Wheeler (2004), Grosh et al. (2008), Tirivayi, Knowles, and Davis (2013) and World Bank (2012).

[2] Impact evaluations are defined as studies that derive the impact of a safety net program by using robust counterfactual data. They include randomized controlled trials, difference-in-difference, and regression discontinuity methods.

[3] Consumption refers to both food and a wide range of recurrent non-food expenditures, but excludes consumer durables (like a new roof or car), productive investments (such as farming equipment), or annual expenditure items. While "temptation goods: like alcohol and tobacco are included in consumption, the evidence shows that households do not use the safety net transfers to increase consumption of such items (Evans and Popova 2014; Handa et al 2017). Even where the findings point to such consumption, it is on a small scale, such as in the Cash for Work Program of the Youth Employment Support Project in Sierra Leone (Rosas, Nina, and Shwetlena Sabarwal. 2016).

[4] The two extreme outliers (Malawi SCTP and Ghana LEAP) have been dropped from the meta-estimate of $0.74 per U.S. dollar equivalent transferred. Including them would increase the meta-estimate to $0.92 with a 95 percent confidence interval of 9 percent (lower bound) to 174 percent (upper bound).

[5] Considering the lower and upper confidence interval bounds for the estimated consumption impact (9 percent and 139 percent, respectively), under imperfect targeting, consumption gains among the poor would range from 1-19 percent in Liberia and 1-13 percent in Ghana and Niger.

[6] With imperfect targeting, extreme poverty rates would drop to a range of 6.7 percent to 8.1 percent in Ghana, 12.2 percent to 17.9 percent in Liberia, and 12.1 percent to 16.4 percent in Niger.

[7] There are many different definitions of resilience. The U.K. Department for International Development, for example, defines resilience as "the ability of countries, communities, and households to manage change by maintaining or transforming living standards in the face of shocks or stress" (DFID 2011, 6).

[8] This is relative to the baseline and focuses only on the safety net program.

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Annex 2.A. Programs Included in the Meta-Analysis

Table 2. 3: Evaluation Studies included in the Meta-analysis

Country	Program	Publication year	Reference	Program end year	Beneficiaries, target group	Benefit type	Evaluation methods	Exposure, years
Burkina Faso	School Canteens and Take-Home Rations Program	2009	Kazianga, de Walque, and Alderman 2009	2007	Poor rural households with children ages 7–15	Food	E	1
Burkina Faso	Nahouri Cash Transfers Pilot Project	2012	Akresh, de Walque, and Kazianga 2012	2010	Poor rural households with children <16	Cash	E	2
Burkina Faso	School Canteens and Take-Home Rations Program	2014	Kazianga, de Walque, and Alderman 2014	2007	Poor rural households with children ages 7–15	Food	E	1
Burkina Faso	Nahouri Cash Transfers Pilot Project	2013	Akresh, de Walque, and Kazianga 2013	2010	Poor rural households with children ages 7–15	Cash	E	2
Ethiopia	Productive Safety Net Program	2008	Gilligan, Hoddinott, and Taffesse 2008	Ongoing	Able-bodied individuals, labor-constrained households	Cash, food, training	QE	1
Ethiopia	Productive Safety Net Program	2011	Andersson, Mekonnen, and Stage 2011	Ongoing	Able-bodied individuals, labor-constrained households	Cash, food, training	QE	2.5
Ethiopia	Productive Safety Net Program	2009	Gilligan et al. 2009	Ongoing	Able-bodied individuals, labor-constrained households	Cash, food, training	QE	2
Ethiopia	Productive Safety Net Program	2010	Sabates-Wheeler and Devereux 2010	Ongoing	Able-bodied individuals, labor-constrained households	Cash, food, training	QE	2
Ethiopia	Productive Safety Net Program	2011	Berhane et al. 2011	Ongoing	Able-bodied individuals, labor-constrained households	Cash, food, training	QE	4
Ethiopia	Productive Safety Net Program	2012	Rodrigo 2012	Ongoing	Able-bodied individuals, labor-constrained households	Cash, food, training	QE	5
Ethiopia	Productive Safety Net Program	2012	Hoddinott et al. 2012	Ongoing	Able-bodied individuals, labor-constrained households	Cash, food, training	QE	5
Ethiopia	Productive Safety Net Program	2013	Weldegebriel and Prowse 2013	Ongoing	Able-bodied individuals, labor-constrained households	Cash, food, training	QE	Not reported
Ethiopia	Social Cash Transfer Pilot Program	2014	Kagin et al. 2014	2014	Able-bodied individuals, labor-constrained households	Cash	QE	2
Ethiopia	Social Cash Transfer Pilot Program	2015	Berhane et al. 2015	2014	Able-bodied individuals, labor-constrained households	Cash	QE	2
Ghana	Livelihood Empowerment against Poverty Program	2013	Handa et al. 2013	Ongoing	Poverty and demographic status	Cash	QE	2.5
Ghana	Livelihood Empowerment against Poverty Program	2014	Thome et al. 2014b	Ongoing	Poverty and demographic status	Cash	QE	2.5
Kenya	Child Sponsorship Program	2009	Evans, Kremer, and Ngatia 2009	Ongoing	Schoolchildren ages 5–14	In kind	E	2.5
Kenya	Cash Transfer for Orphans and Vulnerable Children	2010	Ward et al. 2010	Ongoing	Ultrapoor rural households with orphans and vulnerable children ages 0–17	Cash	E	2
Kenya	Cash Transfer for Orphans and Vulnerable Children	2013	Taylor et al. 2013	Ongoing	Ultrapoor labor-constrained households with children	Cash	QE	2
Kenya	Hunger Safety Net Program	2013	Merttens et al. 2013	Ongoing	Income poor	Cash	E	2
Kenya	GiveDirectly	2016	Haushofer and Shapiro 2016	Ongoing	Poor households	Cash	E	1
Kenya	Cash Transfer for Orphans and Vulnerable Children	2014	Asfaw et al. 2014	Ongoing	Ultrapoor rural households with orphans and vulnerable children ages 0–17	Cash	E	4
Kenya, Malawi	Cash Transfer for Orphans and Vulnerable Children Social Cash Transfer Program	2010	Zezza, de la Brière, and Davis 2010	Ongoing	Orphans, ultrapoor	Cash	QE	KEN: 2, MWI: 1
Lesotho	Lesotho Child Grants Program	2014	Pellerano et al. 2014	Ongoing	Poorest households with child	Cash	E	2
Lesotho	Lesotho Child Grants Program	2014	Taylor, Thome, and Filipski 2014	Ongoing	Poorest households with child	Cash	QE	N/A
Lesotho	Lesotho Child Grants Program	2014	Daidone et al. 2014	Ongoing	Poorest households with child	Cash	E	2
Malawi	Zomba Cash Transfer Program	2013	Baird et al. 2013	2009	Poorest households with one child	Cash	E	2
Malawi	Zomba Cash Transfer Program	2012	Baird et al. 2012	2009	Women who have never married ages 13–22 and in school at baseline	Cash	E	1.5
Malawi	Social Cash Transfer Program	2012	Covarrubias, Davis, and Winters 2012	Ongoing	Ultrapoor labor-constrained households	Cash	E	1
Malawi	Social Cash Transfer Program	2013	Boone et al. 2013	Ongoing	Ultrapoor labor-constrained households	Cash	E	1
Malawi	Malawi Social Action Fund public works program	2015	Beegle, Galasso, and Goldberg 2015	Ongoing	Able-bodied poor	Cash	E	0.13
Malawi	Zomba Cash Transfer Program	2015	Baird et al. 2015	2009	Women who have never married ages 13–22 and in school at baseline	Cash	E	4

Malawi	Social Cash Transfer Program	2015	CPC 2015	Ongoing	Ultrapoor labor-constrained households	Cash	E	1
Malawi	Zomba Cash Transfer Program	2009	Baird, McIntosh, and Özler 2009	2009	Women who have never married ages 13–22 and in school at baseline	Cash	E	1
Malawi	Zomba Cash Transfer Program	2009	Baird, McIntosh, and Özler 2009	2009	Women who have never married ages 13–22 and in school at baseline	Cash	E	1
Malawi	Zomba Cash Transfer Program	2011	Baird, McIntosh, and Özler 2011	2009	Women who have never married ages 13–22 and in school at baseline	Cash	E	2
Niger	Niger Safety Net Project	2016	Premand and del Ninno 2016	Ongoing	Extreme poor women in chronically poor households	Cash	E	3
Sierra Leone	Cash for Work Program	2016	Rosas and Sabarwal 2016	2015	Young people ages 15–35 in poor communities	Cash	E	0.33
South Africa	Old-Age Pension	2005	Hamoudi and Thomas 2005	Ongoing	Elderly people	Cash	QE	Not discussed
South Africa	Old-Age Pension	2006	Edmonds 2006	Ongoing	Elderly people	Cash	QE	1
South Africa	Child Support Grant Program	2007	Agüero, Carter, and Woolard 2007	Ongoing	Women with children	Cash	QE	1.2 years
South Africa	Old-Age Pension	2009	Ardington, Case, and Hosegood 2009	Ongoing	Elderly people	Cash	QE	2.5
South Africa	Chile Support Grant Program	2012	DSD, SASSA, and UNICEF 2012	Ongoing	Women with children	Cash	QE	?
Tanzania	RESPECT	2012	Packel et al. 2012	2010	Demographic, 18–30 years	Cash; health services	E	1
Tanzania	RESPECT	2012	Akresh, de Walque, and Kazianga 2012	2010	Demographic, 18–30 years	Cash; health services	E	1
Tanzania	Pilot cash transfer program implemented by the Tanzania Social Action Fund	2014	Evans et al. 2014	Ongoing	Poor vulnerable households	Cash	E	2.7
Uganda	School Feeding Program and Take-Home Rations Program	2008	Alderman, Gilligan, and Lehrer 2008	2007	Children ages 6–17 enrolled in primary school	Food	E	0.8
Uganda	School Feeding Program and Take-Home Rations Program	2008	Alderman, Gilligan, and Lehrer 2008	2007	Children ages 6–17 enrolled in primary school	Food	E	0.8
Uganda	School Feeding Program and Take-Home Rations Program	2008	Alderman, Gilligan, and Lehrer 2008	2007	Children ages 6–17 enrolled in primary school	Food	E	0.8
Uganda	Youth Opportunities Program	2012	Blattman, Fiala, and Martinez 2012	Ongoing	Youth groups, roughly ages 16–35	Cash	E	2.25
Uganda	The AIDS Support Organization and World Food Programme	2014	Rawat et al. 2014	Ongoing	Registered HIV-positive AIDS Support Organization clients	Food	QE	1
Uganda	Food and Unconditional Cash Transfer Program in Uganda	2016	Gilligan and Roy 2016	2012	Households with a child ages 3–5 at an early childhood development center	Cash, in kind	E	1
Zambia	Zambia Child Grant Program	2014	Thome et al. 2014a	Ongoing	Households with children under age 5 living in program districts	Cash	QE	3
Zambia	Zambia Child Grant Program	2014	AIR 2014	Ongoing	Households with children under age 5 living in program districts	Cash	E	2
Zambia	Zambia Child Grant Program	2013	Seidenfeld, Handa, and Tembo 2013	Ongoing	Households with children under age 5 living in program districts	Cash	E	2
Zimbabwe	Manicaland HIV/Sexually Transmitted Disease Prevention Project	2013	Robertson et al. 2013	2011	Poor households with children	Cash	E	1
Zimbabwe	Harmonized Social Cash Transfer Program	2014	Taylor et al. 2014	Ongoing	Poor labor-constrained households	Cash	QE	Maximum of 2

Table 2. 4: Program Acronyms

Country	Program	Program name
Burkina Faso	NCTPP	Nahouri Cash Transfers Pilot Project
Burkina Faso	SC/THR	School Canteens and Take Home Rations
Ethiopia	PSNP	Productive Safety Net Program
Ethiopia	SCTPP	Social Cash Transfer Pilot Program
Ghana	LEAP	Livelihood Empowerment against Poverty Program
Kenya	CSP	Child Sponsorship Program
Kenya	CTOVC	Cash Transfer for Orphans and Vulnerable Children
Kenya	HSNP	Hunger Safety Net Program
Kenya	GIVE	GiveDirectly
Lesotho	LCGP	Lesotho Child Grants Program
Malawi	ZCTP	Zomba Cash Transfer Program
Malawi	MASAF	Malawi Social Action Fund public works program
Malawi	SCTP	Social Cash Transfer Program
Niger	NSNP	Niger Safety Net Project
Sierra Leone	CfW	Cash for Work Program of the Youth Employment Support Project
South Africa	OAP	Old-Age Pension
Tanzania	TASAF	Pilot cash transfer program implemented by the Tanzania Social Action Fund
Tanzania	RESPECT	Rewarding STI Prevention and Control in Tanzania
Uganda	SF and THR	School Feeding Program and Take-Home Rations Program
Uganda	FUU	Food and Unconditional Cash Transfer in Uganda
Zambia	ZCGP	Zambia Child Grant Program
Zimbabwe	HSCTP	Harmonized Social Cash Transfer Program
Zimbabwe	MHIV	Manicaland HIV/STD Prevention Program

Annex 2.B. Meta-Analysis Methodology

This annex gives some technical details on the methodology for the meta-analysis. Additional information is available in Ralston, Andrews, and Hsiao (2017). The meta-analysis draws estimates from 55 studies of 24 social safety net programs from 13 countries. The final data presented in this chapter draws from 35 final studies, to generate 199 estimates of impacts across 16 outcomes. We focus on outcomes studies in at least two programs. For each estimated impact, we extract data on point estimates, standard errors, baseline means of the outcome, transfer sizes, and numbers of observations in the study. The approach builds on the methodology of the Independent Evaluation Group (IEG 2011).

Selection of safety net impact evaluations to include in the meta-analysis

We survey a series of social safety net evaluations from the World Bank's impact evaluation databases, academic journals, and institutions involved directly in impact evaluations. In terms of databases, we cover the Africa Impact Evaluation Initiative, Development Impact Evaluation, Spanish Impact Evaluation Fund, and Social Protection Publication Database. Institutions surveyed include the Abdul Latif Jameel Poverty Action Lab, Innovations for Poverty Action Lab, and International Initiative for Impact Evaluation. In updating the sample for more recent evaluations, we also undertake cross checks with more recent reviews, including Bastagli et al. (2016) and Davis et al. (2016).

Our criteria for including an impact evaluation follows the approach of the Independent Evaluation Group (IEG 2011). We apply four filters:

- Development focus. Programs are implemented in developing and transitioning countries and explicitly evaluate safety net programs.
- Use of objective methods. Evaluations construct a counterfactual and use standard statistical methods to estimate impact.
- Robustness of findings. Studies address plausible sources of bias and show that results are convincingly robust to a variety of confounding factors. The final studies have been published.
- Final inspection. Only studies that demonstrate relevance, technical rigor, and robust findings are included in the sample. We retain only the most recent versions of evaluations to avoid duplication.

There are limitations inherent in the search criteria applied to select impact evaluations to include in the meta-analysis. First, the inclusion of published rather than unpublished impact evaluations may bias the sample toward more positive results. Second, the analysis focuses only on impact evaluation studies and may not fully capture information covered through routine monitoring and process evaluation assessments. This information can provide valuable details on program implementation. Third, our approach does not focus on comparing or rating the quality of different methodological approaches.

The dataset is generated from the final set of 54 impact evaluations of 23 safety net programs in Africa in 13 countries. These evaluations were published between 2005 and 2016. Some outcome impacts are estimated multiple times for the same program. In these cases, the estimate generated under the most credible identification strategy is chosen. For example, among the two child labor estimates for the Lesotho Child Grants Program, the estimate that is calculated with control variables is retained. We record multiple estimates for an outcome from a given paper only in cases where there are multiple treatment arms (for example, if treatment is conditional or unconditional, or vouchers versus cash). In the statistical analysis, these arms are we averaged to obtain a single point estimate and confidence band per outcome in a given paper.

For consumption, the households in the studies benefitted from the programs for between four months to three years. Eight impact evaluations cover an exposure period of two or more years; two evaluations cover one year; and three cover shorter seasonal interventions (Kenya GiveDirectly, the

Malawi Social Action Fund, and the Sierra Leone Cash for Work Program). The meta-analysis requires having estimates of an outcome across at least two programs. Several well-known results in the impact evaluation literature are omitted from the meta-analysis because of this requirement. The meta-analysis also requires that raw estimates be sufficiently comparable to allow for comparison across studies. Specifically, the meta-analysis requires consistency in how outcomes are defined. It is not appropriate to combine estimates that test fundamentally different outcomes. For example, the food consumption meta-analysis focuses on food expenditures; we omit estimates of food security (for which indicators are constructed differently across studies) and caloric intake.

Standardizing across studies

Converting of the safety net transfers into monthly household transfers in 2011 PPP U.S. dollars. The size of the safety net program transfer is recorded in local currency units whenever it is reported in this way in the original evaluations. Otherwise, it is reported in U.S. dollars. First, these figures are converted into monthly household transfers. Reported annual transfers are divided by 12, and reported work-day transfers are multiplied by 20. Reported per capita transfers are multiplied by the average household size. Second, exchange rates are applied such that all transfers are measured in local currency units for the baseline year. Note that, if a given evaluation reports the size of the transfer in both local currency units and U.S. dollars, the local currency units are used and therefore an exchange-rate conversion does not need to be carried out. Third, country- and year-specific inflation rates are applied to convert the size of all transfers into 2011 terms. Finally, PPP U.S. dollar conversion factors are applied to convert the size of all transfers to 2011 PPP U.S. dollars. Exchange rates, inflation rates, and PPP U.S. dollar conversion factors are all taken from World Development Indicators data.

Standardization of baseline means, impact estimates, and standard errors. To convert baseline means, impact estimates, and impact standard errors into comparable units, we apply a similar methodology. Such harmonization is required for outcomes measured in monetary terms (consumption, food consumption, and earnings). Per-capita, annual, and daily measures are converted to monthly household measures, and the necessary exchange, inflation, and PPP adjustments are applied.

Assumptions. A linear-scaling assumption underlies the aforementioned conversions. The time-period and household-size conversions applied to transfer sizes assume that transfer sizes scale linearly. The same assumption underlies our conversions of baseline means, impact estimates, and standard errors. This assumption is likely to be least robust for the impact estimates. It is conceivable that a transfer of $10 for two weeks of work is worth half as much as a transfer of $20 for one month of work. It is less conceivable that a household spending $10 over two weeks in response to treatment is just as likely to spend $20 over one month in response to a treatment that is twice as large. One might think that the household will instead focus the additional treatment funds on other areas of spending.

Reporting the Impacts on Outcomes

For consumption and food consumption, households' propensity to consume the amount of the safety net transfer is reported. This is simply dividing the impact estimates by transfer sizes. For other outcomes, we calculate percentage-point increases relative to baseline means of the outcome, by dividing the impact estimates by baseline means. The meta-analysis involves plotting these quantities for each outcome and calculating an aggregate mean effect. The aggregate effect weights each estimate by the number of observations used to generate the estimate.

Annex 2.C Partial and General Equilibrium Methodology

Partial and general equilibrium analysis was undertaken to explore the potential impact of programs when they are scaled up. This is a relatively nascent area of analysis on safety nets in Africa, despite the numerous impact evaluations studies available.

The partial equilibrium approach presented in this chapter measures the aggregate impact on poverty rates, school enrollment rates, and household investment if the most successful interventions are scaled up and their impacts as measured in the meta-analysis are experienced among a larger population of vulnerable households. This takes into account only direct effects and it is considered a partial equilibrium approach because it does not attempt to capture feedback or spillover effects that program scale-up might entail.

General equilibrium modeling takes into indirect effects of scaling up safety net programs. The details are described in Levy and Lofgren (2017). This approach accounts for spillovers and feedback effects; these are indirect or second-order outcomes which may arise as programs are scaled up. They are specifically considered in terms of the net total consumption and incomes of beneficiaries and nonbeneficiaries, prices, and labor participation. Macroeconomic indicators include total domestic demand, exports, imports, GDP, and production in aggregate sectors. There is a related literature which focuses on the impacts on local economies, but not the scale-up effects (see Taylor, Thome, and Filipski 2014; Taylor et al. 2013, 2014; Thome et al. 2014b).

The general equilibrium modeling is done using a computable general equilibrium (CGE) model that sets out a fully articulated system of demand and supply functions for each sector of an economy allows this. A CGE model also facilitates an analysis of the impacts of alternative policy packages (for example, complementary interventions that may be designed to raise productivity) and the consequences of various avenues of program funding (such as bilateral aid versus domestic tax revenues). While CGE models allow greater modeling detail and can capture more effectively the short-run spillover and feedback effects, they are also static and are not well suited to modeling the intergenerational impacts of investments in the human capital of children that may arise if beneficiaries are covered by safety net programs.

These two approaches—the partial equilibrium approach and the general equilibrium approach—have advantages and disadvantages. The partial equilibrium estimates translates impact evaluation findings into an aggregate impact of scaling up and is considered the immediate impact of programs prior to household and producer responses (Caldés, Coady, and Maluccio 2006). Its appeal is that it is a fairly simple and straightforward calculation. However, if the scale of the program is sufficiently large, the effects of the program cannot be fully understood without considering the impact on and the feedback from the broader economy. On the other hand, the general equilibrium approach replies on a complex set of equations and assumptions about macroeconomic responses – often simplifications of how the real world works.

CHAPTER 3

Recognizing and Leveraging Politics to Expand Safety Nets

Thomas Bossuroy and Aline Coudouel

Introduction

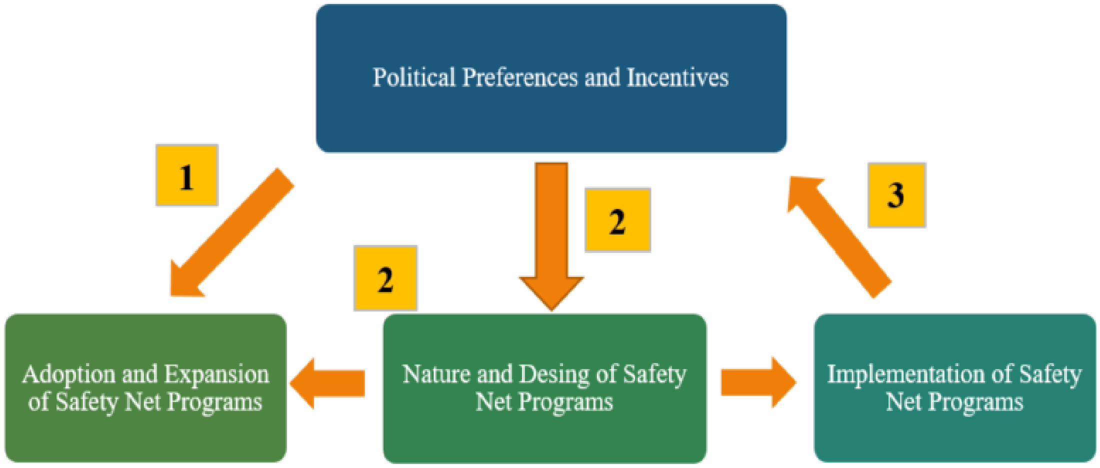
Political processes shape the extent and nature of social policy. Decisions about the scale of social safety nets and other forms of redistribution toward the vulnerable are the subject of debates and struggles between competing interest groups with different sets of incentives.

The staggering expansion of safety nets across Africa in the past decade (see chapter 1) proves that ideas, preferences, and political platforms change over time, even in places where the political environment was initially unsuitable. Political dynamics evolve, windows of opportunity open and close. Unpacking and learning from these processes is an opportunity for building sustainable safety net systems. The technical work of designing these systems should not ignore the political dimensions of policy. Understanding and addressing political processes behind social policy is as relevant and necessary as any other technical assessment for crafting and implementing ambitious programs.

To this end, scaling up safety nets should encompass recognizing and leveraging the politics of safety nets. Beyond the theoretical or historical discussions on the multiple ways in which political, social and cultural factors determine social policy (for which there is a large literature), specific examples from across Africa of ways in which political processes shifted to shape, expand, and sustain safety net programs can provide elements of clarity and guidance to practitioners and advocates of social policy.

There are three main interaction points between politics and safety nets (figure 3.1). First, the scope of safety nets depends on their political acceptability and desirability, which itself depends on social norms or ideological factors such as the perceived causes of poverty and preferences for redistribution. It is important to examine the conditions in which political preferences may shift to open space for greater commitment to redistributive policies. Second, the choice of program and design parameters are often influenced by political preferences and incentives, and may in turn influence the level of commitment to safety net programs. The design process should factor in those preferences to maximize buy-in without undermining impact of the programs. Third, there is a feedback loop: the implementation of safety net programs shapes the political environment. Politicians and citizens adjust their preferences and incentives and redefine their relationship when social transfers are implemented.

Figure 3.1: Politics and Safety Nets Interact



Source: Authors.

The politics of social policy is often thought of in the context of social contracts (box 3.1) rather than with a focus on political regimes. The adoption and expansion of safety nets is not highly correlated with the nature of political regimes. While democratization may promote greater participation of the poor in the political process, their voice may be distorted by such issues as narrow electoral participation among vulnerable citizens, low expectations or limited information regarding government policies, vote buying or patronage, and the salience of noneconomic issues such as ethnicity or religion (Roemer 1998; van de Walle 2014; Weyland 1996). Meanwhile, because they face the threat of popular uprising or splits in rulings coalitions, autocratic regimes also have incentives to secure support and stability to the majority of their population (Hickey and Lavers 2016). Understanding political commitment to the poor is not as simplistic as differentiating between democratic and autocratic institutions (World Bank 2016), even though the progress of democracy in Africa opens space for greater representation of the interest of the poor.

Box 3. 1: Social Contracts and Social Safety Nets

A social contract involves the interplay between a society's expectations that the state will provide services to and secure revenue from its population, backed by the will of policy makers to direct public resources and the capacity of governments to fulfill social expectations (OECD 2008; Rousseau 1968). The deployment of social safety net programs, similar to other government interventions, depends on the social contract between government and citizens (Hickey 2011). In most African countries the social contract remains mostly founded on intragroup solidarity rather than on the government-led provision of benefits. Assistance to the poor and vulnerable is predominantly provided through private solidarity networks shaped by kinship (Hill and Verwimp 2017).

Social contracts evolve as a result of changing contexts. During the period of strong economic growth in the 2000s, social contracts in many Latin American countries changed and led to increased social spending. Public resources were used to promote education and health care spending, as well as transfers to the poorest population groups (Breceda, Rigolini, and Saavedra 2008). Social contracts also shifted rapidly in the Arab world in the early 2010s as a result of growing discontent over limited political accountability and voice from a burgeoning middle class, especially youth, whose aspirations were not being met (Silva, Levin, and Morgandi 2013; World Bank 2015).

Social safety nets not only emerge as a response to changing social contracts, but their existence also likely modifies the social contract over time as a growing number of individuals become familiar with these programs and as the programs demonstrate their impact and effectiveness.

The political economy of safety nets in Africa is evolving, and policy has a big role to play in changing political preferences and incentives. By recognizing this process, stakeholders may harness rather than bemoan the politics of building and sustaining safety net systems.

Stimulate Political Appetite for Adopting and Expanding Safety Nets

Analysis of the evolution of social safety nets in many African countries suggests that the appetite for the adoption or expansion of safety net programs evolves in response to three main factors: a rapidly changing economic environment, changes in beliefs and perceptions about redistribution, and the influence of external actors, including development partners.

Identify windows of opportunity in rapidly changing environments

Crises have often provided momentum to establish safety net programs. The political appetite for social assistance programs may evolve quickly during periods of rapid economic or social change, which may arise because of crises (climate shocks, economic downturns, social conflicts) or large-scale reforms. Common to these periods is widespread insecurity in economic status. Incentives to create or strengthen safety nets may arise from the need to assist the vulnerable households that are most affected by the changes or to broaden the support for reforms by minimizing the adverse impact of reform on certain groups.

Emergency responses to conflicts or famines have formed the basis of sustained safety nets systems in many countries across Africa. In Ethiopia, a major food crisis in 2002–03 exposed the limitations of the prevailing agricultural development strategy and led to the adoption of the Productive Safety Net Program (PSNP) in 2005 (Lavers 2016a). A large number of programs were launched or expanded in the wake of the food, fuel and financial crisis of 2008-2009. Droughts, such as in Botswana or Mauritania, or conflicts, such as in Mozambique and Sierra Leone (Albrecht 2017; Buur and Salimo 2017; Seekings 2016a), have pushed governments to set up emergency assistance programs and lay down the foundations of safety net systems. Social Funds such as the Tanzania or Malawi Social Action Fund were initially established to provide community infrastructure in response to economic crises, but evolved over time into full blown safety net programs.

Similarly, major health crises have played a significant role in raising interest for improving social safety nets in affected countries. The disruption of solidarity and protection mechanisms caused by the spread of HIV/AIDS, which led to the incapacity or death of many parents, was an important driver of the establishment of safety nets in Botswana, Kenya, Lesotho, and Zambia (Granvik 2015; Hamer 2016; Pruce and Hickey 2017; Wanyama and McCord 2017). The impact on family structures shaped the design of safety net programs, with a common emphasis on supporting the elderly, given their additional care burdens, and sometimes also orphans and vulnerable children. Rapidly expanding safety nets in the form of cash transfers was also a key pillar of the Sierra Leonean government's response to the widespread socioeconomic impacts of the Ebola outbreak in 2014. At the time of the outbreak, a cash transfer program was being introduced, with previous safety net programs limited to labor-intensive public works. As the epidemic unfolded, authorities became concerned that the disruption of economic production and a potential fall in agricultural outputs would result in food shortages and other adverse socioeconomic impacts. In response, the roll out of cash transfer program was accelerated, expanded to cover four times more beneficiaries, the benefit size doubled, and the targeting mechanisms made more agile and adapted to Ebola vulnerabilities. The urgency of the situation also prompted the government to strengthen implementation quality and to harmonize delivery by government and non-government institutions, through the adoption of Standard Operating Procedures. The expansion and consolidation of the program after Ebola has been partially sustained over time, and the government has since devoted a line to social safety net in the domestic budget for the first time in history.

In many cases, emergency response programs established outside the sphere of safety nets have created the political buy-in and delivery infrastructure on which programs have been developed. Food aid programs have often laid the foundation for safety net programs. Safety nets in Botswana, Ethiopia, and Zimbabwe have been built directly on long-standing emergency drought relief programs involving public works and food aid components (Chinyoka and Seekings 2016; Hamer 2016). Another example is offered by Mozambique, where the donor promotion of social safety net sought to build on a long-standing government program, the Food Subsidy Program. In such cases, governments and development partners have leveraged the continuity in public provisioning. This has not only helped secure political support for new initiatives, but also facilitated implementation by enabling programs to build on existing delivery mechanisms and administrative systems.

The links between crisis response mechanisms and safety nets further manifests itself in the recent development of adaptive social safety net programs. Such programs strive to embed mechanisms for rapidly expanding the coverage of safety nets to include households or areas as soon as they are hit by a shock, as is the case for example in the multi-country Sahel Adaptive program launched in 2014. By building on safety net delivery systems, such mechanisms increase the efficacy of emergency programs. They also demonstrate how safety nets may serve populations whose needs for assistance are beyond question.

Economic reforms—often a response to shocks—may also raise the political support for safety nets if there is an anticipated need for compensation among certain categories of people. In Mozambique, urban protests and riots that began in Maputo and spread across the country in 2008 and 2010 focused on the government's removal of subsidies under pressure from donors and the rising costs of food and fuel. These disturbances constituted existential threats to the Mozambique Liberation Front, the dominant political party. The protests provided the impetus for the adoption of social safety net policies, notably the Productive Social Action Program launched in 2013 (Buur and Salimo, 2017).

Safety nets are becoming an explicit part of macroeconomic policy reforms. In the current context of fiscal tightening, many countries are looking for ways to rationalize and target assistance schemes more effectively. Terminating universal subsidies, a poorly targeted and expensive program, may save public resources, but also negatively affects segments of the population. In Sierra Leone, a first wave of removal of subsidies in October 2016 resulted in a price hike potentially harmful to the poor. This prompted the Government and the IMF to discuss linking any further wave of subsidy removal to further expanding the safety net program. In some countries in Asia, programs have also been expanded as part of an effort to stimulate economic growth. Examples include the expansion of social pension systems in China and Thailand during the global recession (ADB 2009; Kidd and Damerau 2016; Suwanrada and Wesumperuma 2012).

Political crises or the threat of political unrest may also prompt governments to consider adopting or expanding safety nets. In Senegal, where rising fuel and food prices following the 2008–09 financial crisis, alongside the decline in the important peanut and fishing economies, contributed to political demands for regime change and Macky Sall's emphasis on social programs following his 2012 election (Ndiaye, 2017). In Kenya, in response to the violence that followed the 2007 elections, the government launched a public works program targeting young people in poor and vulnerable communities, and initiated a cash transfer program in Nairobi, later expanded to Mombassa.

Thus, because the political willingness to adopt or expand social safety nets may shift during periods of rapid change, stakeholders should monitor windows of opportunity and be ready to respond by scaling up programs. The rapid change may be caused by a large range of factors: climate stress, natural disasters, social tensions, economic crises and reforms, political conflicts, external or internal shocks. In providing a clear rationale for direct assistance to populations, they may alter the incentives facing decision makers and open the space for shifts in the status quo. It is critical that the decision and policy makers involved in responding to crises or shocks have a good understanding of the potential of safety net systems to help them achieve policy and political objectives.

Shape the policy dialogue to change misconceptions

Preconceived ideas on social assistance may constitute a barrier to political buy-in and adoption. Commonly held preconceptions include the belief that recipients of safety nets are lazy and undeserving of assistance and that safety net programs do not have productive impacts and are therefore a waste of public resources. Addressing these concerns carefully is critical to promoting the adoption of safety nets (box 3.2).

Box 3. 2: Changing Beliefs are Part of Changing the Governance Landscape

Governance – the process of designing and implementing policy – underlies every aspect of how countries develop and how their institutions function. Unfortunately, quite often, the governance process fails to deliver. Despite being armed with national development strategies as outlined in chapter 3, governments may then fail to adopt pro-growth or pro-poor policies. Or when adopted, these policies may fail to achieve their intended goals. Putting governance front and center of the development debate is essential for promoting sustained economic growth and encouraging more equitable and peaceful societies. It is also critical for successfully scaling up safety nets.

Despite the sizable challenges, there are experience where countries have improved rules, institutions, and processes that have helped them move closer to reaching their development goals. Change happens not only by reshaping *preferences and beliefs* of those in power, but also by shifting *incentives* and taking into account the interests of previously excluded participants, thereby increasing *contestability*.

The *preferences and beliefs* of decision-makers matter for shaping whether the outcome of the bargain will enhance welfare and whether the system will be responsive to the interests of those who have less influence. Changes in preferences can help jump-start coordination working toward a better-for-all situation. Accumulating evidence about the positive impact of safety nets (see chapter 2), for example, can shift beliefs of decision-makers about social safety nets.

Incentives are fundamental to enabling commitment in the policy arena, including policies that benefit the poor. The low quality of public services such as schools and health centers, may prompt the upper classes to utilize private services, which in turn weakens their willingness or incentive to fiscally contribute to supporting public services. The right incentives can spur change: The first antipoverty programs in 19th century England and Wales were pushed by the wealthy land gentry eager, against the backdrop of the industrial revolution which was drawing labor to cities (as well as the threat of the neighboring French Revolution), to keep labor in rural areas.

Contestability, who is included—or excluded—from the policy arena, is determined by the relative power of the different actors and barriers to entry. When procedures for selecting and implementing policies are more contestable, those policies are perceived as fair and induce cooperation more effectively—that is, they are seen as more legitimate. Participation and ownership in the design of rules can also increase voluntary compliance. However, entrenched social norms may make it difficult for poor and disadvantaged groups to participate in policy discussions and formulation; participants in civic activities tend to be wealthier and better education.

Source: World Bank 2017.

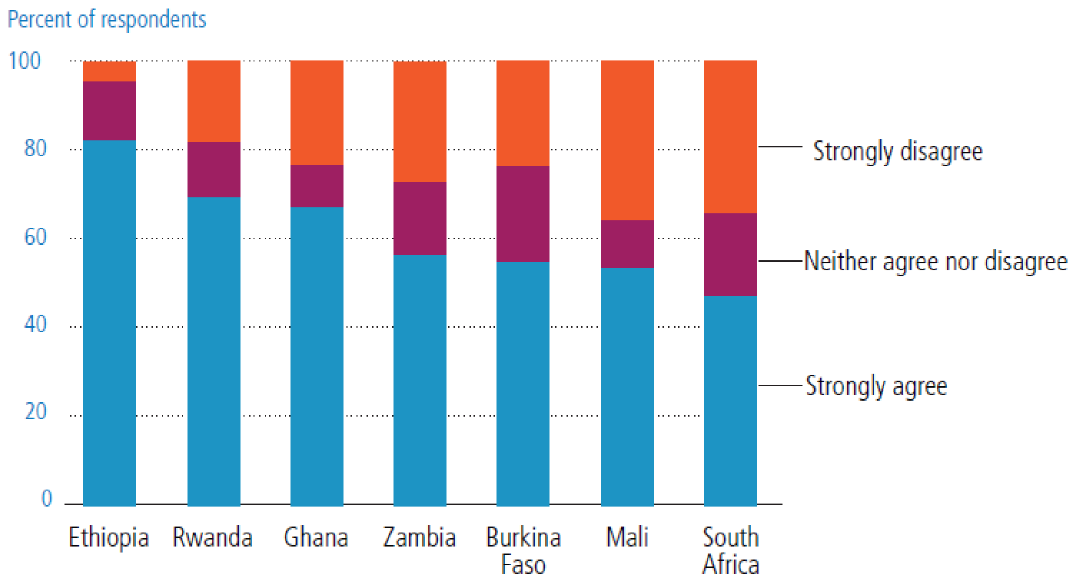
The idea that government support is likely to make people lazy and dependent on assistance is deep-rooted. Analysis in the United Kingdom and the United States suggests that attitudes toward the poor influence the support for programs (Alesina et al. 2001; Baumberg 2014; Graham 2002). According to van Oorschot (2000, 43), "whether people in need can be blamed or can be held responsible for their neediness seems to be a general and central criterion for deservingness." This holds true in Africa, too. Ideas about deserving groups have played a critical role in shaping domestic political imperatives and have often proven more significant than programmatic platforms or external pressure (Seekings 2015). In Zambia, for example, the safety net agenda was opposed most strongly by a minister of finance who denied the existence of poverty in the country by claiming that the poor were really only lazy (Pruce and Hickey 2017). In light of concerns about laziness, Government officials in Mozambique launched a public works program in after the food crisis, rather than other types of programs (Buur and Salimo, 2017).

The distance between decision-makers and the poor may account for such enduring preconceptions. Economic and social distance between groups can undermine support for social policies while proximity results in greater support for redistribution (Graham 2002; Luttmer 2001; Pritchett 2005). African societies are highly unequal, with the urban-rural divide and educational gaps representing the largest and most persistent sources of inequality (Beegle et al. 2016; Bossuroy and Cogneau 2013). With decision makers socially, geographically, and psychologically distant from the poor, they are less likely to make social assistance a priority. Sen (1995, 21) makes an analogy involving infectious diseases, which receive greater attention than noninfectious diseases because of the risk of contagion.

"I sometimes wonder whether there is any way of making poverty terribly infectious," he writes. "If that were to happen, its general elimination would be, I am certain, remarkably rapid."

The emphasis on self-reliance and individual responsibility may further fuel this perception of the poor, and depress the interest in safety nets. The ability to provide for the needs of one's family is usually considered an aspect of human dignity. In countries where such data exist, a majority of the population declares that it is humiliating to receive money without having to work for it (figure 3.2). This notion may be even more prevalent among well-educated segments of the population who were trained on the fundamentals of neoclassical economics, which emphasizes individual endeavor, much more than on the structural conditions that underpin poverty and vulnerability.

Figure 3.2: Most people think it is humiliating to receive hand-outs



Source: Wave 6, 2010–14, WVS (World Values Survey) (database), King's College, Old Aberdeen, United Kingdom, http://www.worldvaluessurvey.org/wvs.jsp.

There are also widespread concerns that transfers to the poor are wasted resources. Even though most safety net programs represent less than 1 percent of GDP, governments tend to oppose affordability as an argument against adopting or expanding such programs. This is usually accompanied by a preference for investing in programs that are perceived as more productive or better aligned with the small government model, which is focused on producing public goods, fixing market failures, and regulating free competition. The low-cost criterion of safety net programs is thus associated with political, normative, and ideological factors rather than simply an assessment of the available fiscal space (Seekings 2016b).

Fears of dependency on social assistance can be partly addressed through the dissemination of rigorous evidence (see chapter 2). There is growing evidence on the positive impact of safety nets on a range of indicators. The claim that social assistance may represent a work disincentive among beneficiaries was largely disproven (Banerjee et al. 2015b). Similarly, it has been found that beneficiaries do not tend to use social transfers to purchase temptation goods, such as alcohol and tobacco, but rather to smooth consumption and raise human capital expenditures (Evans and Popova 2014, Handa et al 2017).

Further, growing evidence shows that cash transfers do have productive impacts. These impacts mostly become manifest through investments in human capital through greater expenditures on nutrition and education among children (Alderman and Yemtsov 2012). Social safety nets may be considered an investment in future generations, with potentially large impacts on productivity and growth (Gertler 2014). The strong productivity impacts of combinations of cash transfers and productive interventions such as training, savings, and insurance have been demonstrated (Argent et al. 2014; Banerjee et al. 2015; Blattman et al. 2014; Premand and del Ninno 2016). This accumulating evidence is shifting the policy dialogue away from the preconception that safety nets promote an alleged culture of dependency and helping make the case that safety nets foster poverty reduction and economic advancement.

Perceptions of social safety nets may also shift dramatically following study tours and other forms of direct learning from similar programs around the world. In Ethiopia, the integration of social protection objectives in a rural development program partly drew on a 1990s study tour by government officials to the Maharashtra Employment Guarantee Scheme, in India, for inspiration (Lavers 2016a). Senegal's PNBSF reflects the influence of the Brazilian and Mexican experiences, to which a senior official had been exposed in a previous position, specifically on the use of conditionality (Ndiaye, 2017). Study tours by government officials from Kenya and Uganda to the Pilot Social Cash Transfer Scheme in Zambia helped spread the model of cash transfers stripped of conditionalities (Wanyama and McCord 2017, Hickey and Bukenya 2016, Pruce and Hickey 2017). Visits to Ethiopia by government delegations from Mozambique, Rwanda, and Tanzania convinced key decision makers of the appeal of the PSNP (Buur and Salimo, 2017; Lavers 2016b; Ulriksen 2016). Study tours have helped persuade some erstwhile opponents, such as in the case of Uganda (Hickey and Bukenya 2016). In Mozambique, one of the key turning points in the government's decision to embrace safety nets was a study tour to South Africa, when key officials realized safety nets would be a useful means of maintaining stability (Buur and Salimo, 2017).

Given the importance of direct exposure to programs, pilot projects can play a major role in convincing various constituencies of the merits of a safety net program. In Zambia, the main mechanism of fresh awareness has been rigorous evaluations of the effects of cash transfers at pilot stage, which created a viable evidence base that civil servants could later use once a political opening arose. In Uganda, an important factor in stimulating political support for the social safety net agenda has been the rollout of the Senior Citizens Grant Program. The promotion of the program as a success story through field visits, media story placements, and an evaluation seem to have created sufficient support to make the program a political reality that can no longer be challenged (Hickey and Bukenya 2016).

Carefully countering misconceptions and shifting beliefs is critical in shaping the policy dialogue around social assistance. There is accumulating evidence that addresses the main causes of resistance, such as the notions that safety nets may provide work disincentives and promote a culture of dependency, or that they do not have productive effects and should therefore be allocated a minimal share of public resources. Monitoring, disseminating the resulting evidence, and supplying direct exposure to existing social safety net programs may go a long way to shifting misconceptions and demonstrating that safety nets generally do not harm, but rather promote productive behavior.

The role of international platforms and partners

Regional or global organizations, to which the large majority of African countries participate, provide a normative framework for social safety nets and social protection more generally. Growing enthusiasm for social safety nets throughout the world has resulted in initiatives such as the African Union Social Policy Framework, the United Nations Sustainable Development Goals and associated targets, and the United Nations–wide Social Protection Floor Initiative. Social safety nets figure prominently in the Sustainable Development Goals. Goal 1.3 calls for the implementation of "nationally appropriate social protection systems and measures for all, including floors" and, by 2030, the achievement of "substantial coverage of the poor and vulnerable." In 2006, the African Union issued the Livingstone Call for Action on Social Protection in Africa, which notes that the "guarantee of basic social protection strengthens the social contract between the state and citizens, enhancing social cohesion" and appeals for greater reliance on social transfer programs.

Most countries have even entered legally binding agreements to advance human rights, among which the right to an adequate standard of living, security and protection in case of shocks. Except Botswana, the Comoros, Mozambique, and South Sudan, all countries in the region have ratified the International Covenant on Economic, Social, and Cultural Rights, and all but South Sudan and the Comores are State Parties to the International Covenant on Civil and Political Rights. As of February 2017, the African Charter has been ratified by all countries, except South Sudan. The core values of human rights are enshrined in the constitutions of most countries (see chapter 4). While rights-based arguments may not have played a significant role in the adoption or expansion of safety nets in the region, safety nets can help governments fulfill their human rights obligations by promoting social and economic rights, as well as broader political rights. Conversely, human rights principles can also help promote the sustainability of safety net programs (box 3.3).

Box 3. 3: Social Safety Nets and Human Rights Reinforce Each Other

Social safety nets can contribute to realizing the right to social protection (or social security, used here interchangeably). The right to social protection is recognized in Article 22 of the Universal Declaration of Human Rights, which states that "Everyone, as member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality." It is further recognized in Article 25 as an essential component of the right to an adequate standard of living. The right to social protection is made legally binding in a number of international treaties including the International Covenant on Economic, Social and Cultural Rights (ICESCR), the International Covenant on the Elimination of All Forms of Racial Discrimination, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Convention of the Rights of the Child (CRC), the International Convention on the Protection of the Rights of All Migrant Workers and Their Families and the International Covenant on the Rights of People with Disabilities (CRPD). The right is further enshrined in various conventions adopted within the framework of the International Labor Organization (ILO).

Regionally, the African Commission on Human and Peoples' Rights has confirmed that "[t]the right to social security is of central importance in guaranteeing human dignity for all persons when they are faced with circumstances that deprive them of their capacity to fully realize their rights". They have concluded that "[..] although the right to social security is not explicitly protected in the African Charter on Human and Peoples' Rights, it can be derived from a joint reading of a number of rights guaranteed under the Charter including (but not limited to) the rights of life, dignity, liberty, work, health, food, protection of the family and the right to the protection of the aged and the disabled. In addition, it is strongly affirmed in international law." The Commission lays out the obligations on States parties (see ACHPR 2011).

Social safety nets and social protection more broadly can also contribute to realizing other human rights. This includes, among others, the right to an adequate standard of living, the right to health and to education, as well as the right to work and to rights at work, the right to participation in public life, the right to access to information and freedom of expression, association and assembly. By bringing the poor, remote populations, and other vulnerable groups into the realm of public policies, and by providing entitlements and contributing to access to public services, social safety nets may make it easier to realize other human rights. For example, social safety nets for people with disabilities may increase their independence, making it easier to access information and participate in society. Safety net programs can contribute to building democracy from the bottom up by strengthening civil and political rights and contributing to the achievement of social justice (see section 3.4). In turn, the realization of all human rights can facilitate the achievement of the right to social protection, and violating a human right affects the exercise of others. For example, it is difficult or impossible to realize the right to social protection if there is a breach of the right to non-discrimination, or of the right to freedom of expression.

The Committee on Economic, Social and Cultural Rights has developed the normative content of the right to social protection. In General Comment 19, the committee defines the essential elements of the right, and specifies that the conditions for obtaining the benefits must be reasonable, proportionate, transparent and accessible to all who are entitled to them. Further, they must be at an adequate level, and priority must be given to the most disadvantaged groups. As all other human rights, the right to social protection must be exercised in a manner that respects the human rights principles. The principle of *equality and nondiscrimination* call for designs that avoid discrimination on various grounds and promote gender equality. It requires identifying the most marginalized, and taking into account that some groups experience multiple grounds of discrimination. *Meaningful and effective participation* requires engagement with rights-holders in program design and implementation. This principle demands a proactive approach in addressing obstacles that individuals or groups may face in exercising their right, for instance by deploying outreach. *Transparency and accountability* can be realized through mechanisms to promote adequate public awareness about entitlements and eligibility criteria, and options for expressing grievances and seeking redress. Respecting all human rights principles likely improves the quality of programs and therefore development outcomes, and leads to long-term sustainability as it ensures ownership, balances asymmetries of power, and calls for institutionalization.

While there is an immediate obligation to respect and ensure all civil and political rights, the concept of 'progressive realization' applies to economic, social and cultural rights. It includes States' obligation to take appropriate measures towards the full realization of these rights to the maximum of their available resources, but recognizes that it may take time to achieve the full realization of these rights because resources may be lacking. However, progressive realization does not preclude certain immediate obligations of States. For the right to social protection, this is defined in General Comment No. 19 as minimum core obligations. This requires for example that benefits are adequate in amount and duration, that no group is discriminated against and that disadvantaged and marginalized individuals and groups are prioritized as targeted steps are taken to implement social protection schemes. Furthermore, retrogressive measures, whereby the State limit existing levels of enjoyment of the right to social protection, are generally unacceptable, and if undertaken, have to be duly justified.

S*ource:* Prepared by Eva Kloeve, drawing on Sepúlveda and Nyst (2012) and the human rights framework.

Regional organizations and the related commitments of their members could contribute to shifting incentives among policy makers. However, these various agreements are not mentioned in most case studies, and, for example, decision makers behind the Vision 2020 Umurenge Program (VUP) in Rwanda were unaware of the African Union framework, although Rwanda is a signatory (Lavers 2016b). This framework was only mentioned as a factor for the expansion of safety nets in Mozambique (Buur and Salimo, 2017).

Development partners may exert strong influence on national safety net adoption and expansion. Donors can be important players behind changes in social policy through financing, but also by providing technical assistance, funding study tours and training, amassing and sharing knowledge, and piloting interventions (Chinyoka and Seekings 2016; Siachiwena 2016; Ulriksen 2016). Analysis of programs in Ethiopia, Ghana, Kenya, Lesotho, Mozambique, and Zambia suggests that international development partners tend to assign weight to existing national civil society and public sector proponents of social safety nets, help strengthen institutions entrusted with the delivery of programs, and encourage the adoption of innovative mechanisms for more transparent and accountable delivery systems (Cherrier 2015).

Donor advocacy and financing can contribute to the national debate, but they are not sufficient alone to realize a shift toward the political adoption of social safety nets. Until domestic political dynamics helps generate the commitment of key stakeholders, donor influence is mostly effective in securing the capacity and commitment of bureaucrats rather than political actors. In no case was donor pressure alone sufficient to generate substantial political commitment (Hickey and Lavers 2017). Programs that have not been integrated within national policy can quickly lose ground if donor funding is scaled back. As programs expand and become more permanent, donors may be called on to help during periods of crises when needs are growing, and government resources are diminishing. Ensuring that social safety net spending in developing countries is countercyclical rather than procyclical is challenging and unlikely until programs are fully funded in stable times (Cherrier 2015; Grosh et al. 2008).

So, overall, the initiative to introduce or scale up social safety net programs can generally be traced to domestic political dynamics, with donors engaging once elite commitment has been secured. For example, in Rwanda, the initiative leading to the VUP originated in internal government debates over the Poverty Reduction Strategy Paper, with apparently no donor involvement. It was only after identifying the need for a poverty reduction program that the government approached partners for assistance in designing what ultimately became the VUP (Lavers 2016b). Similarly, in Ethiopia, various donors had long voiced their concerns about the dysfunctional emergency food system constructed beginning in the 1980s and proposed a shift to cash and longer-term, predictable support. However, it was only when this coincided with Ethiopian government concerns precipitated by a series of crises that the government began to take donor proposals seriously (Lavers 2016a; see section 2.1). In Senegal, while donors had been involved in the social safety net sector for some time, the adoption of the national household conditional cash transfer program appears to have been an internal decision by the Sall administration, notably at the recommendation of a key adviser who had been exposed to the Brazilian and Mexican conditional cash transfer schemes (Ndiaye, 2017). In general, decisions to scale up social safety nets have tended to occur within broader government strategies, even if they are largely financed by development partners (Cherrier 2015).

Choose Politically Smart Program Parameters

Politics play an important role in program design. Program parameters must take prevailing preferences, incentives, and perceptions into account. The best designs are those that are technically sound, administratively feasible, and politically savvy as they increase political buy-in while maximizing impacts. The elements of technical soundness and administrative feasibility are often addressed during program design, but the politically palatable aspect is often underestimated or dealt with reluctantly (Pritchett 2005). At the extreme, a perfect technical design that ignores the politics of support for social safety nets could eventually be the worst option for those it means to serve. Policy makers, in the words of Pritchett (2005, 5–6), who "ignored electoral politics would not just not do the 'optimal' thing for the poor, but would do the 'pessimal' thing for the group they were trying to protect," as becomes clear if support for the program decreases, and the budget shrinks accordingly.

Political obstacles can be overcome to some degree by, for instance, choosing the characteristics and parameters of the programs so as to factor in political preferences or adapting targeting to make it compatible with political incentives. However, political tweaks need to be introduced as a last resort, kept to a minimum, and mitigated by a careful focus on inclusiveness and program transparency to avoid risks of capture.

Factor in prevailing preferences in selecting the type of safety net program

Several types of programs can be implemented as safety nets, and various parameters can be included in the design. These include public works, cash transfers with or without conditionalities, accompanying measures, program duration, and graduation criteria. The decision to include these parameters is primarily a technical one taken to maximize anticipated impact, but political considerations often come into play to maximize buy-in.

Conditionalities linked to particular behavioral changes, sometimes imposed to boost the impact of programs, may also be put in place to address concerns of undeservingness. To promote investments in the human capital of household members, especially children, some programs condition the receipt of benefits to participation in information sessions on good practice behaviors, or to actual behavioral changes such as school registration and attendance or regular visits to health care facilities. These conditions, in addition to contributing to investments, can help address perceptions related to deservingness by requiring beneficiaries to undertake extra efforts (see box 1.4 in Chapter 1).

Work requirements may help overcome concerns about the alleged laziness of transfer recipients. Labor-intensive public works are used for a range of reasons, including the embedded self-targeting mechanism or the need for community infrastructure. For example, in Rwanda the VUP officially has a dual objective: to provide support for the poorest and to make an economic contribution by building community infrastructure (roads and health care and education facilities). But work requirements also ensure that beneficiaries put in visible effort to receive benefits. Concerns about dependency have been dealt with in Rwanda through a strong focus on public works for all able-bodied people, while unconditional support is provided only for those who cannot work.

To promote a productive impact, social safety net programs are sometimes cast as a component of a larger productive or developmental program. In several cases, complementary initiatives, such as credit and extension programs, provide a potential route toward graduation (box 3.4). The emphasis on self-reliance shows that social safety nets are expected to make an economic contribution or, at least, limit future government financial exposure. Ethiopia's PSNP and Rwanda's VUP are intended to be much more than transfer programs, but are explicitly framed as rural development programs, linking protective and productive functions through transfers, credit, and extension programs and public works. As a result, while donors framed the PSNP as the largest social safety net program in Africa from its inception, the government described it as a food security and agricultural program until 2012 (omitting social protection entirely from national development strategies in 2006 and 2010). In Tanzania, the productive orientation of the Productive Social Safety Net was a major factor in convincing the government and securing political support because it linked the program to general concerns about dependency and the importance of self-reliance, an idea which goes back to Nyerere, but also to the developmental vision of contemporary governments (Ulriksen 2016). Having a broader productive focus can also help a broader set of stakeholders relate to programs and appreciate their value.

Box 3. 4: Graduation in Safety Net Programs

Social safety nets are designed to support the poor and vulnerable, but usually not on a permanent basis. Ideally, as households acquire resources and improve their ability to provide for themselves, they should graduate from the program. To complement modest transfers, programs sometimes provide expanded social safety nets to enhance livelihoods and strengthen resilience to lift people out of poverty (Daidone et al. 2015). These graduation components often include skills training, coaching, asset transfers, and the promotion of savings, in addition to the basic cash transfers. Evidence of the impact of pilot interventions of a graduation model in six countries shows positive results, and many programs have incorporated elements of graduation in their design (Banerjee et al. 2015).

The VUP in Rwanda provides an example of a coordinated graduation system. The program design allows for (a) reduction of income poverty through direct support involving cash transfers and public works wages; (b) facilitation of access to basic services for all beneficiary households, together with access to vocational training; and (c) streams of income generated from livelihood projects supported through financial services and other means (Gahamanyi and Kettlewell 2015). Participants along each of these pathways are expected to graduate to another pathway or exit the program after receiving one or a combination of these benefits over a significant period of time.

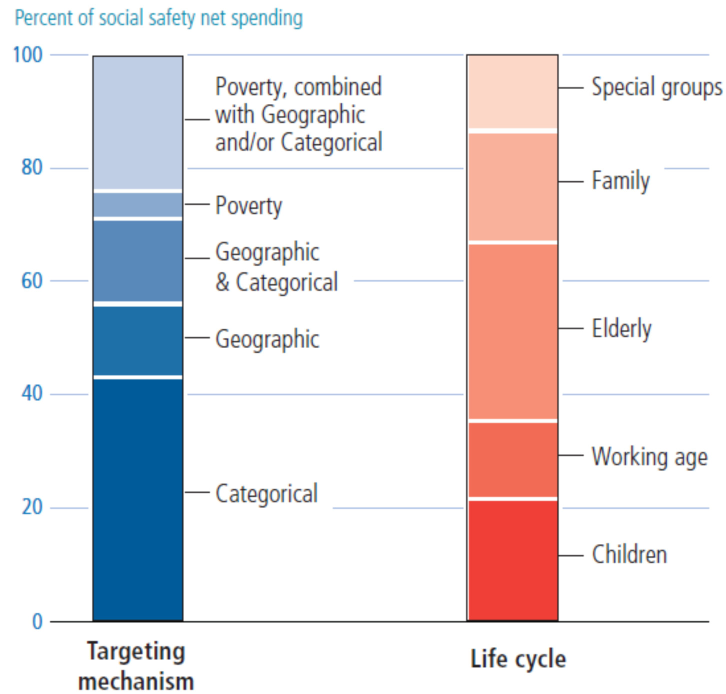
The fear of promoting a culture of dependency may also be addressed by including clear time bounds in assistance programs. In most cases, beneficiaries are only eligible to receive social assistance for a fixed time, usually 24 months or so. The main rationale is generally that, within a restricted budget, limiting duration is a condition for expanding coverage and therefore maximizing the impact and fairness of the program. However, imposing a clear time limit has also been used as a way to reassure decision makers nervous about encouraging long-term reliance on government-provided assistance. For example, in the 2010 a combination of these reasons led Ethiopian development strategy to adopt an enormously ambitious target of graduating approximately 80 percent of PSNP participants by 2015 (Lavers 2016a). Recertification processes can be considered a flexible time limitation. For instance, in Senegal, the national household conditional cash transfer program includes households for a five-year period, after which a recertification process is planned to evaluate whether households should stay in or exit the program. Recertification does not automatically push beneficiaries out of social assistance as in a time-bound design, but it may offer reassurance that the program is based on actual needs.

Adjust targeting to garner support for social safety nets

Political preferences and incentives shape the selection criteria of safety net beneficiaries, and targeting methods often reflect a balance between programmatic and political objectives.

In many contexts, the response to concerns about deservingness and self-reliance has been to target only those who are clearly unable to provide for themselves. For instance, programs in Kenya, Senegal, Uganda, and Zambia are categorically targeted, as well as means-tested in most cases, to focus on groups that are considered deserving of support, most notably mothers, the elderly, but also children or the disabled. Most of safety net spending goes to programs focused on elderly and children across Africa (figure 3.3).

Figure 3. 3: Targeting is Often Categorical and the Elderly and Children Benefit Most



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/
Note: The category labelled "poverty" includes all programs that explicitly target households on the basis of their welfare, poverty or vulnerability. To identify households, these programs use community targeting, means or income test, proxy-means test, pension test, self-targeting, or a combination of these approaches.

The need to support the most vulnerable groups is sometimes enshrined in legal systems. Constitutions often single out categorical groups as worthy of public assistance, rather than the poor in general (table 3.1). Of course, programs with objectives different or additional to poverty reduction warrant a categorical approach, for example a focus on children or pregnant women. But selecting beneficiaries based on clearly vulnerable categories also helps advocate for higher levels of assistance.

Table 3. 1 Constitutions cover some Vulnerable Groups

Country	Women	Elderly	Disabled	Orphans	Children	Youth	Indigent	Minorities	Survivors of conflict
Ethiopia		X	X	X					
Kenya	**X**	X	X	X	X	X		X	
Mozambique	**X**	X	X	X	X	X			X
Rwanda		X	X				X		X
Sierra Leone		X	X			X			
Uganda		X	X					X	
Zambia		X	X						

Source: Authors' review.

Political incentives may also lead to targeting more groups than only the poorest so as to expand support for the program. In some cases, while focusing on specific geographical areas would make sense from a poverty perspective, national coverage might be necessary to secure support (van de Walle 1998; Moene and Wallerstein 2001; Gelbach and Pritchett 2002). This may stem from concerns about equity and universality, or the fear of alienating powerful constituents by excluding them. For example, while designing a new national social safety net program in 2016, the Nigerian government determined that for political reasons all six geographical zones had to be covered by a pilot of productive activities, which led to an adjustment of the targeting protocol. In Kenya, the consensus reached by members of Parliament was to deliver about 30 percent of all transfers to all constituencies regardless of need (in line with political incentives), while allocating the rest according to the local prevalence of poverty, thereby maintaining pro-poor targeting, while ensuring political support. In Uganda, the choice to roll out the Senior Citizen's Grant by targeting the 100 eldest pensioners in new districts arguably reflects a political move to distribute a small transfer as widely as possible, rather than pursue a more technically well informed and pro-poor design. At the end of the spectrum, universal coverage can be the preferred option if the focus is on strict equality of treatment and the avoidance of any form of discrimination.

"The beneficiaries of thoroughly targeted poverty-alleviation programs are often quite weak politically and may lack the clout to sustain the programs and maintain the quality of the services offered," writes Sen (1995, 14). "Benefits meant exclusively for the poor often end up being poor benefits."

Similarly, politically influential groups tend to receive more benefits than their economic situation would call for. For instance, the elderly tend to be disproportionately supported relative to children, even though universal programs for children would have a much larger impact on poverty reduction than social pension programs (Guven and Leite 2016). This might be because the elderly can be relatively powerful voters, while children's voices are not taken into account.

Even when programs are targeted on the basis of the welfare or poverty levels of households, the targeting methodology should be chosen with consideration for its consequences on voice and agency in the community. Targeting based on independent data collection, such as the proxy means test, can offer some guarantees of independence and minimizes the risks of capture, but may be viewed as an exogenous technical process with little community involvement. Conversely, community-based targeting can foster ownership and buy-in by communities or local leaders, but can also expose programs to some risk of local capture if the program is not run properly. Beyond the various statistical properties that distinguish both methodologies, choosing to use either one or to combine them may also respond to a need to adapt to political constraints or foster buy-in by certain groups.

A possible trade-off between political and technical imperatives

Taking political considerations into account when designing a safety net program may result in technically sub-optimal programs. In Rwanda for example, the emphasis placed on infrastructure development has made it challenging to ensure the labor intensity of public works. Indeed, faced with strong incentives to meet infrastructure targets, local government officials have tended to resort to capital intensive production techniques, thereby reducing the proportion of resources available to wages, and to favor strong, able-bodied participants, who might not be the poorest (Lavers 2016). Similarly, imposing conditionalities might result in greater impact, but their enforcement can be costly and resource-intensive. Finally, imposing time limit or graduation targets can conflict with objectives of poverty reduction. For instance, the Ethiopian government graduated a large number of beneficiaries of the PSNP in 2014, to demonstrate progress towards the ambitious objectives set out in its development plan. This resulted in the premature exit of households who had not met the asset threshold ("graduation benchmarks"). .

When political considerations inform the choice of target groups, transparency and effectiveness are of paramount importance to protect programs from capture. The competing tensions between political incentives and more technical approaches to designing pro-poor programs is particularly evident with regard to the issue of targeting and the selection of beneficiaries and districts. For example, the selection of program participants in Kenya was initially conducted by Location Committees and reflected chiefs' preferences, despite subsequent validation by the national social protection secretariat. This process has been revised since, with the creation of Social Assistance Committees, as a result of demands by MPs to have a greater involvement in program management in their constituencies, but the number of political appointees on these new committees have triggered fears of patronage (Wanyama and McCord 2017). Where this process is politicized, there is a need for delivery agencies to become (as far as possible) pockets of bureaucratic effectiveness (Roll 2014) that are not only well led and managed but also more autonomous from political pressures.

It is therefore critical to only resort to political tweaks to program design when resistance could not be addressed through evidence-based dialogue, and to impose strict safeguards. Strengthening the foundations of programs can prevent distortionary use of programs for political gains. Clear operational manuals, information campaigns, and accountability mechanisms can help promote the faithful implementation of programs following its design. While the parameters of programs should not be set too firmly, for they might need to be adjusted as conditions evolve, explicitely spelling out the objectives of programs, precising the groups or individuals targeted by programs and the rules for their eligibility, and institutionalizing human rights norms and principles can protect agains potential manipulation for political gains (see chapter 4).

Harness the Political Impacts of Safety Nets for Greater Sustainability

The political environment is not an exogenous, unalterable factor that over-determines policy choices: politics and policies have a two-way relationship. By promoting the empowerment of their beneficiaries and changing the way beneficiaries relate to governments, social safety nets can shift the incentives faced by decision makers and promote their sustainability.

Social safety nets may foster empowerment of individuals and communities

Safety net programs may increase power and promote autonomy for beneficiary households. In addition to their broader impact on well-being presented in chapter 2, cash transfer programs are found to enhance self-esteem at the individual level, though they can also in some cases have negative side effects such as feelings of shame due to reliance on the program for support. Positive impacts on psychosocial wellbeing in turn lead to positive impacts on educational performance, participation in social life and empowerment for decision making. In Kenya, Zamia and Mozambique, orphan/vulnerable children and disabled beneficiaries reported the cash transfer as having increased their sense of self-confidence, dignity, ability to be more assertive and perception of future well-being (Attah et al. 2016; Jones et al.; Handa, Martorano, Halpern, Pettifor, and Thirumurthy 2014a, 2014b; Haushofer and Shapiro 2013; Handa, Seidenfeld, and Tembo 2013). However, social safety net programs can also be associated with stereotype threat or stigma because their beneficiaries are labelled as extremely poor (Molyneux et al. 2016). Sen (1995) warns that any program that requires people to be identified as poor and unable to provide for themselves "would tend to have some effects on their self-respect as well as on the respect accorded them by others."

Beyond individual households, social safety nets may promote greater cohesion and empowerment in recipient communities. By improving living conditions of their beneficiaries, programs can promote their greater inclusion – by reducing stigma from people with disabilities in Ghana (Oduro 2014), ensuring children can go to school well dressed and clean in Zimbabwe and Lesotho (Attah et al.), or more generally by increasing the social status of the poorest thereby promoting a 'greater willingness to befriend recipients of cash transfers,' in Malawi (MacAuslan and Riemenschneider 2011). Greater inclusion is also obtained when beneficiaries can meet their social obligations and engage in relations of reciprocity, such as paying church tithes or funeral group fees, contributing to the savings group, and attending weddings as discussed in chapter 2 (Pavanello et al.). Households in Ghana, Zimbabwe, and Lesotho were able to re-enter risk-sharing networks (Attah et al. 2016). Investing in these risk-sharing networks can improve households' social support, and resilience to shocks. As highlighted above, cohesion and proximity can increase support from richer households for social safety net programs, hence potentially contributing to the sustainability of such programs.

However, the impact on social cohesion depends on the acceptability of the selection process for non-beneficiaries. Indeed, programs can also have negative impacts on inclusion and solidarity, for instance when the process of selecting beneficiaries is perceived as unclear or unfair or where poverty levels are high (Ellis 2012). In Lesotho, tensions between transfer recipients and non-recipients grew due to a lack of knowledge about selection criteria and the perception that deserving households had been excluded from the program (Attah et al. 2016). Safety net programs can also alter preexisting patterns of informal support within communities, eroding traditional moral obligations toward the poor. In Zimbabwe, non-recipients were more reluctant to share agricultural inputs or participate in community work to build shared assets (MacAuslan and Riemenschneider 2011), and in Ghana beneficiaries expressed fears about the consequences they would face if the program ended in light of eroding traditional support practices (Oduro 2014).

Introducing social safety nets may therefore affect the local political economy. If the selection process is handled in a way that minimizes stereotype threats and resentment from non-beneficiaries, safety net programs may promote greater empowerment for their individual beneficiaries as well as greater cohesion in communities. In African countries, like elsewhere, cultural norms are not static, and are indeed influenced by policies.

Shifting the public's expectations from governments

Safety net programs can bring governments closer to beneficiaries by showing how they can effectively respond to their needs. New programming can offer important entry-points for shifting interactions between governments and individuals (Jones et al. 2016). In South Africa, social safety net programs reportedly made citizens proud of their country (Plagerson et al. 2012). Programs can shape this relationship by providing spaces for regular interaction between representatives of the government and individuals. In Ghana, beneficiary forums designed to raise awareness of the duties and responsibilities that came along with cash transfers also provided the opportunity for beneficiaries to interact directly with government institutions and helped encourage a "partnership" between the government and beneficiaries (Oduro 2014). Cards issued for payments "served as a form of contract between the state and beneficiaries" and provided a means for beneficiaries to make claims and access social services (Oduro 2014). In South Africa, the affidavit required as proof of a beneficiary's income was considered to provide a direct channel of communication with the government (Plagerson et al. 2012). When programs are centralized and frontline service providers have limited authority to respond to specific queries or complaints, the connection between a program and its beneficiaries is likely to be reduced (Jones et al. 2013; Ayliffe et al. 2016).

Some programs make explicit efforts to establish and promote relationships between the Government and beneficiaries. In Mauritania, a contract is signed between beneficiaries and the government as households are registered, which highlights the contractual basis of the program. This is similar to the efforts in some Latin American safety net programs to reshape the relationships between governments and individuals, by signing contracts of 'co-responsibility' whereby beneficiaries commit to using basic services while the government commits to ensuring adequate provision of these services, thereby emphasizing the active participation of beneficiaries and seemingly reciprocal relationship with the provider (Fiszbein et al 2009). In South Africa, communications about transfer programs reportedly made recipients feel responsible for using public resources prudently and in turn increased their expectations of the government's responsibilities to individuals (Plagerson et al. 2012).

Safety nets can help further reshape the relationship between individuals and the state by increasing individuals or groups' capacity to access other government processes, for instance by supporting households in their efforts to obtain national identity numbers or cards. For example, showing a valid birth certificate has been a condition for receiving the Child Support Grant in South Africa. As this requirement effectively barred access to the program to certain groups, a new procedure was introduced for delivering birth certificates directly at hospitals, thereby giving access to formal identification to new segments of the population (Glassman and Temin 2016). This not only allows full participation to the program by the poorest or most vulnerable, but it may also bring further benefits to recipients (Hurrell and MacAuslen 2012).

Safety nets may induce changes in discourse on poverty and the role of government and public policy, including perception of obligations from the government to fulfil certain rights. Social safety net programs can help build awareness that individuals are rights-holders, especially if combined with language around human rights and awareness campaigns that aim to increase access to information about the right to social protection or rights related to a particular program. (box 3.3).

Social accountability mechanisms may strengthen the political feedback loop

Social accountability mechanisms may contribute to increased empowerment for beneficiaries. In recent years, accountability elements have been increasingly included in safety net programs both to limit exclusion and to promote voice and rights. Program features such as grievance redress and community/beneficiary participation (Ringold et al., 2012) may be contributing to the development of social contracts. Molyneux et al. (2016, p4) argue that social accountability mechanisms can 'create some of the embryonic forms of citizenship that can emerge when recipients of welfare begin not only to "see the state" (Corbridge et al 2005) but also engage with it and challenge it where it falls short of expectations'. They can stimulate a greater awareness of entitlement, and encourage the capacity to make claims (Harland 2014). Osofian (2011), for instance finds that the Hunger Safety Net Program in northern Kenya, which included a grievance mechanism and a rights education component, has helped communities hold local government to account. In Sierra Leone, confidence in the safety net program is reportedly greatly improved by the fact that grievance redress is handled by the independent Anti-Corruption Commission, using technology to shorten the response time.

Social accountability may not work equally in all programs or for all types of beneficiaries. Social accountability mechanisms tend to be deployed most effectively by better educated, wealthier and able-bodied citizens rather than the poorer and more vulnerable groups with less capacity to organize and voice their concerns (Giannozzi and Khan, 2011; Hickey and King 2016). For example, in Kenya the low political mobilization around the Hunger Safety Nets Program (HSNP) may be attributed to the fact that its beneficiaries were mostly nomadic pastoralists in northern Kenya, a marginalized group "that has tended to stay outside most domestic politics and has little leverage to make large demands" (Hurrell and MacAuslan 2012a:268). The poor might also not be part of networks that are critical to disseminate information and convey concerns (Grandvoinnet et al. 2015) or may have limited agency to raise their concerns. Programs that are explicitly time-bound will also prevent a broader sense of rights and entitlement to benefits.

The design of social accountability mechanisms is therefore critical to maximize their potential. For example, the composition of oversight committees appears to be an influential determinant of their effectiveness and impact on beneficiaries. It is critical that grievance or redress offices are independent of the program implementation system so they may rectify errors rather than strengthen the position of program officers (Hurrell and MacAuslan 2012a, 267). Social accountability mechanisms may have greater potential when programs facilitate the formation of groups of beneficiaries that can leverage collective action, in spite of the private nature of the good involved and the individual level of targeting. Efforts to increase the bottom-up accountability mechanisms could be reinforced through stronger incentives for frontline providers, thereby linking the hierarchical discipline associated with top-down governance approaches with the legitimation and empowerment of bottom-up approaches (Brett, 2003).

Social accountability mechanisms may take time to deliver impact on power relationships. At early stages the effectiveness of social accountability mechanisms in Africa is likely to be influenced by local power dynamics and social norms (Tembo 2012). It takes significant time to build an environment that promotes voice and accountability, and progress is not linear (Grandvoinnet et al. 2015). In settings where patron-client relations are pervasive, maintaining good relations with the powerful individuals is the rational choice for the poor (Cornwall et al. 2011). In Zambia social accountability mechanisms in social safety nets have so far not challenged the patron-client networks (Harland, 2014), although this could in part reflect the weak effort to incorporate such mechanisms within the cash transfer program there to date. In Ethiopia, the PSNP's grievance and appeals systems does not seem to be fully implemented and many participants were concerned that making claims would damage their chances of inclusion (Cochrane and Tamiru 2016).

Yet feedback loops may matter a great deal right from the outset of a program, and pay off in the long run through various channels. Much of the institutionalist literature argues that policy feedback may be particularly influential at nascent stages of social policy development, establishing patterns of path dependence (Pierson 1993).

Closing the loop: the risks and opportunities of politicization of safety nets

Introducing or expanding social safety nets affects the relationship between the poor and vulnerable and their government. It also modifies incentives for politicians. Evidence is building that direct assistance to the poor can become a significant topic in electoral processes, on which competing parties or candidates campaign. With increasingly closely-fought elections across Africa, ground is getting more fertile.

Indeed, safety net programs may be adopted or expanded to strengthen electoral support (box 3.5). There is some evidence that elections have played a role in catalyzing a policy focus on social safety nets, such as the correlation between the 2002 and 2007 elections and spikes in social assistance expenditure in Kenya, the introduction of LEAP before the 2008 elections in Ghana or also the introduction of PSNP in an election year in Ethiopia. In Botswana, the Ipelegeng public works program specifically extended the previously rural drought relief programs to urban areas where opposition support had been growing (Hamer 2016). In Uganda, pilots and subsequent roll-out of social safety nets have been shaped by the need of the ruling NRM to secure support in the previously opposition leaning North, especially in the run up to the 2016 elections (Hickey and Bukenya 2016). In Senegal, President Wade proposed his Plan Sésame the year before elections in 2007, which may have contributed to his electoral victory but collapsed shortly after the elections in the absence of funding or sustained political commitment (Ndiaye 2017).

The political appetite for expanding safety nets may also come from lower levels of government and local politicians. Pressure from local members of parliament to expand programs in their districts suggests that they realize the potential rewards which could come with safety net programs. For instance, in Kenya and Zambia there has been pressure from members of Parliament to expand small-scale pilots to new districts as a result of positive perceptions about the programs and the sense that there are political benefits to be gained for delivering benefits to their communities (Wanyama and McCord 2017; Pruce and Hickey 2017).

Box 3. 5: Distinguishing Between Electoral Accountability and Clientelism in Theory and in Practice

Politicians making promises regarding the policies and programs they will enact once in office is a key element of democratic electoral competition. Such promises provide voters with information with which to evaluate different parties' programs and decide how they cast their vote, and enable voters to hold politicians to account for the success or failure in delivering on their promises. A functioning competitive democracy rests on the fact that politicians aspire to reap electoral benefits from enacting programs that improve the welfare of their constituents.

Clientelism is different. While programmatic mobilization involves politicians promising and then delivering goods to all members of a particular group, regardless of whether they as individuals voted for the candidate in question (Stokes 2007), political clientelism involves an unequal exchange whereby the patron trades the distribution of money or other resources for votes and other forms of support (Kitschelt 2000, Van de Walle 2007). The fundamental difference between the two is whether promises and provision of support are impersonal or personal.

Political clientelism and vote-buying are problematic for two main reasons. First, because patronage can undermine democratic processes, enabling political elites to secure the political support of the poor—who are likely to be willing to sell their votes at a lower price—while ignoring their interests (Stokes 2007). Second, because social safety net benefits delivered as patronage would be distributed based on the political importance of would-be recipients, rather than their needs, likely undermining the objectives of the program.

Individual vote buying is made difficult by secret ballots, which limit the ability of political parties to effectively monitor individual votes. Argentina's Peronist party strove to indirectly assess individual vote through the deployment of local-level agents to monitor people's attendance at party events or whether they went to the polls (Stokes 2007), but this requires capacity and manpower that the majority of political parties in Africa lack (van de Walle 2014). Furthermore, the design of cash transfer programs, which increasingly rely on electronic transfers and contain oversight mechanisms, present further logistical challenges to the use of social safety net for clientelism.

However, in practice there is a grey area between electoral accountability and vote buying (Stokes 2007, Lippert-Rasmussen 2011). Political parties may reward or punish whole communities based on aggregate votes within a particular district. In some cases, candidates' promises and distribution of resources may be seen as a 'gift of munificence' or 'legislative pork' (Van de Walle 2007, p. 64). In contexts in which patronage is deeply embedded in social and political relations, it is quite possible that the distribution of benefits, though not strictly speaking conditional, may be interpreted by recipients as involving an obligation of political support.

As they gain prominence and visibility, social safety nets become more central as a topic for political branding and electoral campaigns. In many cases, individual leaders seek to associated themselves with particular programs. For example, Prime Minister Mosisili was a key figure pushing for the adoption of the Old Age Pension in Lesotho, which became highly personalized in its delivery to the point to which pensioners regularly talk of going to 'collect their Mosisili' (Granvik 2015, p. 21). Similarly, President Khama of Botswana portrayed expanded public employment programs as his direct contribution, leading to the frequent reference to 'Our Father's Programmes' (Hamer 2016). To some degree this mirrors the common reference to the VUP in Rwanda as a 'gift from Kagame'.

More broadly, social safety nets have become a more integral part of political debate and electoral promises. In highly competitive settings such as Malawi, safety net programs have been used by some presidential candidates as a 'brand' to help differentiate themselves from political rivals during election campaigns (Hamer 2015). In Lesotho, the Old Age Pension became an electoral issue in 2007 when the main opposition party pledged to more than triple the monthly payment. Ultimately, the incumbent won the election, potentially partly a result of its responsibility for the introduction of the pension, but in the process the opposition also increased its level of support for the program, consolidating its sustainability (Devereux and White 2010, Granvik 2015).

Overall, voters tend to reward politicians for safety net programs when they are well implemented. Evidence on the effect of social safety nets on voting behavior and electoral outcomes comes mostly from large-scale cash transfer programs in Latin America and Asia (box 3.6). At the national level, electoral benefits generally extend to members of the incumbent party. Impacts are lasting, but eventually taper off. Indeed, over time voters are found to reward incumbent parties, rather than the parties that initiated the programs – suggesting that adopting programs from previous rulers and supporting their expansion can bring political rewards. In the Latin American and Asian studies, gains also seem to be made at the local level, even for national programs. Electoral returns are reported for local officials, sometimes in place of the returns for national level elected officials, as voters often seem unclear about whom to credit for safety net programs and may mistakenly attribute programs to the wrong level of government or the wrong institution. This support doesn't stop recipients from holding the government accountable for poor performance (see the analysis in 16 Latin American countries in Pavao 2016).

Box 3. 6: Electoral Impacts of Safety Net Programs in Asia and Latin America

Cash transfers bring electoral benefits to incumbents. In Brazil, Bolsa Família significantly increased the incumbent's vote share in all three presidential elections from 2002 to 2010, increasing the probability of the poorest voters choosing the incumbent by 32 percent in 2006 and by 21 percent in 2010 (Zucco 2013). In Colombia, Familias en Acción beneficiaries were more likely to register to vote, cast a ballot, and vote for the incumbent party in the 2010 presidential election (Baez et al. 2012). A 12.5 percent increase in the beneficiary rate in a municipality led to a 1 percent increase in the incumbent's vote share (Nupia 2011). In Mexico, the program led to a 7 percent increase in voter turnout and a 9 percent increase in the incumbent vote share among beneficiaries during the 2000 presidential elections (De La O 2013). In 2006, candidate from the incumbent party led among beneficiaries by double digits, while among non-beneficiaries he was even with the opposition candidate (Diaz-Cayeros et al. 2009). In Uruguay, beneficiaries of a temporary cash transfer program were 11-13 percent more likely to express support for the incumbent compared to those just above the program cutoff (Manacorda et al. 2011). The electoral benefits often extend to members of the incumbent party, not just the incumbent him or herself.

These effects last for a while, but seem to decline over time, and cash transfers can also push non-beneficiaries to defect from the incumbent. Political gains last for a while but then decline. Indeed, parties that originally initiate programs do not receive the same electoral benefits as incumbents (Mexico and Honduras, Diaz-Cayeros et al. 2009 and Linos 2013). Also, while beneficiaries were more likely to support the incumbent, there are also often increases in defections from the incumbent's electoral base among voters who oppose the programs (in countries with large, visible programs). Over time, while anti-program voters continue to defect for several years, pro-incumbent effects diminish over time as voters mobilized less (Correa and Cheibub 2016).

Cash transfers bring electoral returns for local officials. A field experiment in the Philippines found that incumbent mayors' vote share was 26 percent higher in competitive elections in municipalities where a cash transfer program was implemented in all villages, compared to municipalities where the program was only implemented in half the villages. (Labonne 2013). In Honduras, the PRAF program increased an incumbent mayor's probability of reelection by 39 percent but didn't influence voting in the presidential election (Linos 2013). A program in Indonesia that targeted benefits at the village-level increased vote shares for legislative candidates from the incumbent president's party in the 2009 elections, but did not increase votes for the incumbent president and had no effect on village level politics (Julia et al. 2014).

Voters often seem unclear about whom, or what level of government, to credit for safety net programs. The program in the Philippines helped mayors' reelection chances despite the fact that the program was implemented by the central government with no input or influence form the mayor (Labonne 2013). Similarly, in Honduras the mayor and local government played no role in determining whether municipalities were selected for the cash transfer program (Linos 2013). A state-level program in Brazil significantly increased support for incumbent mayors (Correa 2015). In Uruguay, however, beneficiaries seemed able to differentiate between government entities, giving higher approval to institutions that played a role in their cash transfer but not to those who didn't (Manacorda et al. 2011).

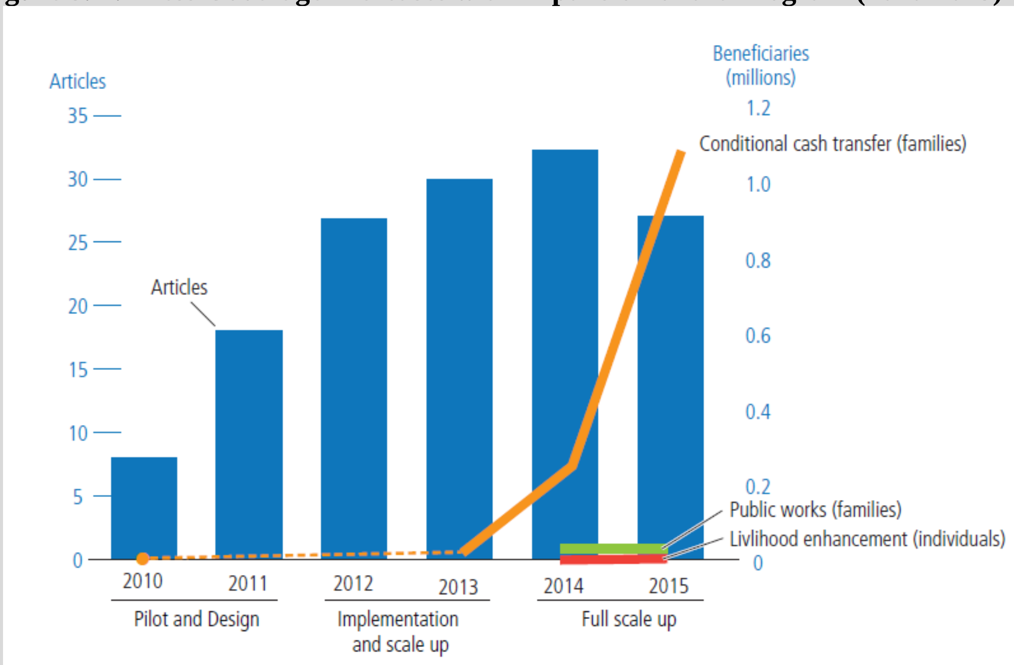
Source: Based on a literature review by Jennifer Turner.

Growing political stakes make program manipulation and capture more attractive. As programs are increasingly seen as having the potential to secure political support, they can become vulnerable to capture and fall in the grey area between electoral promises and vote buying (box 3.7). This in turn could encourage the targeting of programs on the basis of patronage rather than needs (Stokes 2007, Lippert-Rasmussen 2011). For instance, in both Uganda and Zambia, programs that were relatively protected to date are reportedly increasingly politicized with members of parliament putting technocrats under pressure to include their districts in the roll-out. Targeting could also be manipulated to reward supporters of a political party and punish opponents. Here again, a strict respect of the human rights principles, an explicit focus on equity, as well as clear and transparent operating procedures are of paramount importance to avoid any suspicion of politically-motivated fraud or abuse.

Box 3. 7: Media Coverage of Tanzania's PSSN Increased and Was More Favorable During Expansion

A rigorous analysis[a] of the media coverage of Tanzania's Productive Social Safety Net Program (PSSN) shows that coverage intensified as the program scaled up. The PSSN was designed in 2011 after the successful pilot of a conditional cash transfer (6,000 beneficiaries). It developed over time into a program providing a combination of labor-intensive public works, conditional cash transfer interventions, and productive activities (basic skills and awareness training, savings promotion, productive grants and coaching). During the first stage of the program (2012-2013), expansion was modest. A full scale-up started in stage 2 (2014-2016) reaching 400,000 beneficiaries in 2014 and more than one million households in 2015. Media coverage was almost inexistent in the early stages of development of the program, and increased along with program coverage during the first stage of the scale-up. In 2015, media coverage stabilized even though the number of beneficiaries tripled.

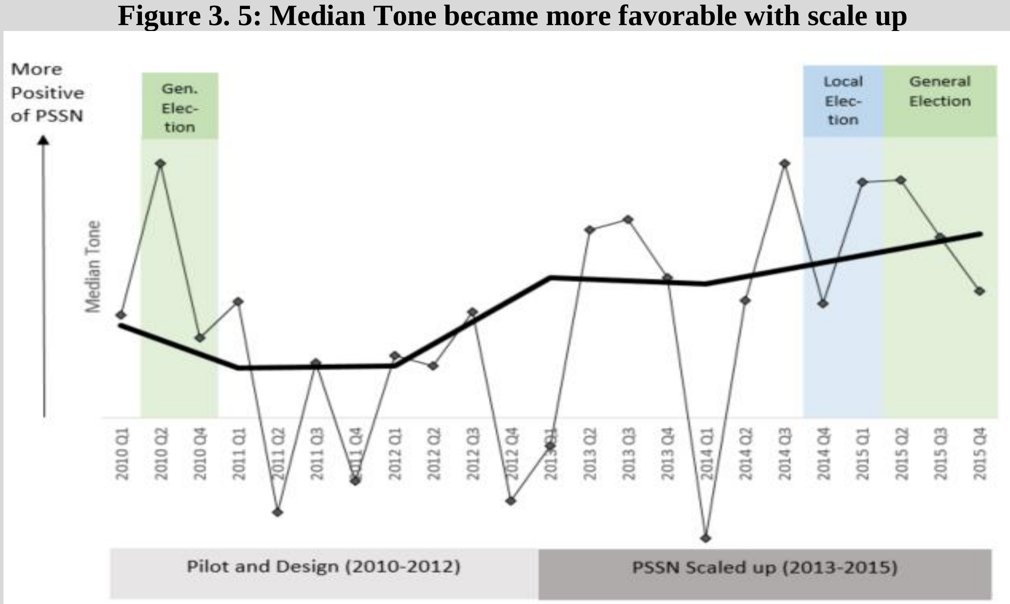
Figure 3. 4: Press Coverage Increases with Expansion of the Program (2010-2015)



Source: Number of beneficiaries from ASPIRE database.

Overall, the sentiment analysis shows that the media has been increasingly supportive of the PSSN as an instrument that helps reduce poverty and inequality. The overall perception of the program between 2010-2015 has been positive and improving; 76 percent of the articles had a tone that was favorable. Examples of positive coverage include praise for the program as "*a vital vehicle for government to eradicate poverty in the country"* (2015), as *"helping people to get out of poverty and improving social and economic welfare"* (2014), "*promoting health and boosting education in the country's poorest households"* (2014). The average tone increased markedly over time as the program expanded.

Figure 3. 5: Median Tone became more favorable with scale up



Source: Coudouel et al. 2017

Beyond the poverty impacts of the program, the media mostly discussed coverage and targeting, conditionalities and productive activities. The direct beneficiaries are people currently living below the poverty line as well as those temporarily affected by short-term shocks. During the first years of the program, news articles focused on the need to expand the program to "*cover every poor person in the targeted areas"* (2013) and worried that *"the poorest families tend to be left behind"* (2014). In general, conditionalities and productive activities are praised as a way to motivate beneficiaries to participate and commit to the program. For example, the program is said to have "*helped poor households to engage in economic activities thus improving their welfare"*, and "*helped to improve academic performance of children from poor households"* with an "*increase in school enrollment*" (2013). Finally, several news outlets discussed the graduation strategy as they urge beneficiaries to make proper use of trainings and resources provided to establish income generating activities, thereby linking the impacts of the program to the values and ideas of self-reliance. The program is said to have been *"requested by poor households (…) to provide them with training on entrepreneurship and financial management so they would be self-dependent"* (2014).

In line with international experience, press coverage of the program was influenced by the election period. In the run-up to the 2010 and 2015 general elections, the media emphasized the president's achievements in his final term. Positive perception of the PSSN increased initially but decreased as the election drew closer. Different trends were found for elections in 2014. As has been the case internationally, for example in similar programs in Latin America, in the run up to elections some media articles raised questions about perceived political use of the PSSN program. For instance, by the end of 2014 new articles report concerns of politically-motivated uses of the program: "politicians have been warned to stop utilising the projects implemented under the Tanzania Social Action Fund programs for their political advantages" (2014). Although these reports were not substantiated and it is unclear whether it was the incumbent party or the opposition who sought to get political mileage out of the program, the results of this analysis highlight the potential for politicization of cash transfers during the electoral season.

Soure: Coudouel et al. 2017

a. The study is based on a total of 142 newspaper articles published in English over the period 2010-2015. The total list of articles was filtered from the Factiva database using search-constructs related to the Tanzania Social Action Fund and PSSN, and includes articles from the Tanzania Daily, The Citizen, East Africa Business Week, Arusha Times, The New Times, Business Daily, The Nation and The Observer. The Tanzania Daily News however accounts for more than 85% of the news articles. The sentiment analysis indicates the general perception (positive or negative) of the selected articles. It follows the dictionary approach which utilizes a simple counting methodology of negative and positive words, the list of which is provided by the sentiment dictionary created by Hu and Liu, KDD (2004). This method assigns values of 1 to positive words and -1 to negative words. The sentiment index for every article is the normalized sum of positive and negative values. Words such as "poverty" and "poor", which are included in the Hu and Liu negative words list but do not have this connotation in the context of safety net programs, were excluded.

Once they expand beyond a certain size and demonstrate their impacts, programs create long-term commitments that are politically difficult to discontinue. In Brazil, Colombia or Mexico for instance, programs have been in place for over a decade and demonstrated their impacts. They have progressively been adopted by parties and elites across the board, even if each new administration typically adjusts the program to reflect changing contexts of their focus on particular policies or approaches to poverty reduction, often changing the name of the intervention while maintaining its core features. For instance, in the 2006 Brazilian elections, the four main presidential candidates, who represented parties ranging from the far left to the center-right, all called for expanding *Bolsa Familia*. Following expansion, no major candidate called for eliminating the program during the following election (Zucco 2013).

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CHAPTER 4

Anchoring Safety Nets in Strong Institutions

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Introduction

Social safety nets are emerging in many African countries. Yet, in many countries, these efforts consist of separate and uncoordinated interventions, implemented by various ministries, newly established organizations, or partners such as NGOs and donors. Programs within country may have their own priorities, eligibility criteria, benefit structures, instruments, and implementation guidelines. When the mandates of newly created agencies are unstated or unclear, these agencies then have little political weight relative to agencies in more traditional sectors such as health, education, and agriculture. And services delivered by external partners, such as NGOs, may vary significantly in design and quality, and may not be coordinated with other services or even monitored by governments. As a result, the institutional environment governing social safety nets in Africa are often weak.

Strong institutional arrangements are necessary if social safety nets are to be scaled up. In small programs, processes can be tailored to specific communities or target individuals. But for interventions to operate effectively at scale, rules need to be standardized. Also, as programs expand, governments need to bring a range of service providers into a common framework and ensure oversight, or to shift towards the implementation of safety nets through national channels. This evolution is already evident across Africa, although with varying speed, as governments launch national safety net programs and set out frameworks for the delivery of social safety net programs by nongovernmental actors.

The concept of institutions encompasses organizations and agencies, but also includes a broader range of formal and informal rules and procedures. An organization or agency is a particular type of institution, and other types exist, whether formal (written and codified) or informal (common practice and unwritten rules). Institutions are the various rules, structures, or mechanisms that govern behaviors or interactions. Following UNDP (2009), "institutional arrangement refers to the policies, procedures, and processes that countries have in place to legislate, plan, and manage the execution of development and the rule of law, to measure change, and to oversee other functions of [the] state".

Institutions play a range of roles in establishing and scaling up social safety nets. They are involved in every aspect of program roll-out: deciding on the nature of programs, determining the key program parameters, designing interventions, supporting delivery to beneficiaries, supervising implementation, and reporting on achievements. Institutional arrangements for social safety nets, whether explicit (formal) or implicit (informal), can be classified into four categories broadly described as: frameworks, oversight, management, and implementation.

Frameworks includes laws, policies, and norms that govern the overall development and management of social safety nets. This includes countries' commitments to particular social contracts, as discussed in chapter 3, and as well as government strategies that define the vision for social safety nets in terms of target groups, program types, financing, coordination, etc. Anchoring social safety nets in such vehicles can ensure that they program thrive and protect against their being captured by political processes.

Specific institutions – agencies, mechanisms, procedures – are responsible for policy-making, oversight, and coordination. In many countries, social protection or social safety net strategies or policies explicitly mandate a ministry or council to play these functions. In other countries, the responsibility has developed organically (implicitly) or remains unclear or unofficial. Operational systems or tools such as shared registries and payment systems that serve more than one program are increasingly being used to support coordination in social safety nets, and fall under this category of institutions.

The management of social safety nets is located in a range of organizations. Choices regarding target groups and intervention mechanisms, combined with the views on the role of social protection within a government and among development partners, are reflected in the selection of which organization manages social safety net programs.

Finally, the fourth category of institutional arrangement relates the delivery or implementation of social safety net programs. These may include governmental agencies, nongovernmental organizations (NGOs), private sector actor, and community structures. Also important are how these entities are staffed and managed and whether the processes they use reward or stifle good performance.

Institutions arrangements change as social safety nets evolve. Each step along one parameter can build momentum for progress in other parameters (table 4.1). As coverage expands, programs may consolidate and financing approaches shift, and institutional structures related to anchoring in laws, management, and implementation evolve. Oversight is less prone to changes as programs evolve and so is missing from the table. The launch of a pilot program can help develop the government's vision and establish key social safety net choices. The inclusion of programs as flagships of government policy can build long-term commitment to financing social safety nets. Going to scale will require changes in implementation arrangements and the establishment of a dedicated implementation team. But going to scale and building a social protection system may not necessarily mean focusing on a single entity or agency to manage multiple programs (Robalino, Rawlings, and Walker 2012).

The scale-up of social safety nets does not follow a single path. In some countries, such as Ethiopia, the development of a social protection policy took place after significant consolidation of social safety net programs and the achievement of near national coverage. In other countries, such as Chad, Niger, and Sierra Leone, the development of social protection policies took place quite early in the evolution of social safety nets and encouraged the implementation of small pilot programs. In Latin America, the need for greater coordination among a growing number of social programs encouraged governments to bring these into a coherent safety net system, usually guided by a social protection policy.

In delving into these four categories of institutions related to social safety nets, one can look at experience both from the Africa region – countries at different stages of scale-up—and well as experience from countries in other regions. From these experiences, lesson can be identified and taken forward as countries continue to scale-up their social safety nets.

Table 4. 1: Scaling up of Safety Nets Means Evolving Institutions

	Time →			
Coverage	Low coverage, scattered geographically	Expanding coverage, still geographically focused	National or near national coverage for eligible groups	National coverage for eligible groups
Consolidation	Multiple ad-hoc (often NGO-led) programs	One to three government programs supported by development partners	Consolidation, clarifying who implements which program	Formalizing programs into core governmental services
Financing	Donor financed	Largely donor-financed	Some domestic financing	Significant domestic financing
Anchoring in laws or policies	Poverty alleviation strategies and constitutional rights	Development of national safety net or social protection policy/strategy		Statutes or laws defining entitlements and responsible parties
Management and implementation	NGOs, contract staff	Government managed; use of program implementation unit, contract staff, or additional workload for existing government staff	Government managed; more full-time civil servants involved	Government managed, government department or agency, staffed by civil servants

Source: Authors.

Anchoring social safety nets within national frameworks

Anchors refer to the existence of provisions on social safety nets in national policy documents, laws, and constitutions. These may specify eligible groups, describe social safety net provisions, and allocate responsibility to organizational entities for delivering these services. It also extends to a country's adoption of the international human rights legal framework and its inclusion in domestic measures and legislation.

Adopting universal declarations, constitutions, policies, and strategies on safety nets

There is significant variation in the degree of legal anchoring of social safety nets in Africa. In some countries, the legal support is limited to general statements regarding care for the vulnerable in national constitutions; in others, laws identify specific institutions mandated to deliver social safety nets.

As discussed in chapter 3, most African countries are signatories of international agreements which encompass social safety nets. While these are 'soft' and non-binding, they can potentially build momentum at the national level for scaling up of safety nets (Kaltenborn et al. 2017). The Universal Declaration of Human Rights commits Governments to recognize and fulfill the right to social protection, further articulated in article 9 of the International Covenant on Economic, Social, and Cultural Rights. This commitment has been translated into law in the form of treaties, customary international law, general principles, regional agreements and domestic law through which human rights are expressed and guaranteed. The African Charter on Human and People's Rights reinforces the relevant covenants (see Box

3.3 for further discussion). By being signatories to these conventions, African countries are laying the foundation to promote social security, including social safety nets. More specific commitments are implied in other regional and international declarations. Recommendation R202 of the International Labor Organization provides guidance on extending and adapting social protection floors to national circumstances. It states that national social protection floors should provide four essential guarantees, including provisions on basic income security. The Ouagadougou Declaration and Plan of Action (2004), the Livingstone Call for Action (2006), the Social Policy Framework for Africa (2008), and the Yaoundé Declaration (2011) all highlight commitments by African governments to improving the living conditions of vulnerable people through better social protection services. The commitments expressed during these meetings and summits mirror the recent growth in social safety nets in Africa (Garcia and Moore 2012).

At the national level, a human rights-based approach to social protection sets forth that social protection policies and institutions be based on human rights embedded in the constitution (Sepulveda 2014). Translating international commitments into judiciable rights for people often requires governments to enshrine these rights in their constitutions or other legal frameworks. Constitutional provisions have been shown to have important influence on the subsequent design of strategies and new social protection systems (Kaltenborn et al. 2017).

The constitutions of 12 out of 16 African countries reviewed make some provision for some form of support to particular groups (table 4.2). For example, the constitution of Kenya stipulates the "right for every person […] to social security and binds the State to provide appropriate social security to persons who are unable to support themselves and their dependents." In Niger, the constitution explains that "[Everyone] has the right to life, to health, to physical and moral integrity, to a healthy and sufficient food supply, to potable water, to education and instruction in the conditions specified by the law;" and "the State sees to the elderly through a policy of social protection." In Rwanda, "The State shall, within the limits of its capacity, take special measures for the welfare of survivors of genocide who were rendered destitute by genocide committed in Rwanda from October 1st, 1990 to December 31st, 1994, the disabled, the indigent, and the elderly as well as other vulnerable groups." Even countries without specific provisions in their constitutions (such as Senegal, Chad, Republic of Congo, and Mauritania) have adapted relevant articles of the International Covenant on Economic, Social, and Cultural Rights and the Universal Declaration of Human Rights in their constitutions.

Despite overarching commitment, most governments are reluctant to use a terminology of entitlement in descriptions of social safety nets. While most countries focus on expanding coverage, many are reluctant to create entitlements. The governments of Cameroon and Uganda, for instance, expressed concern about creating an entitlement to social safety nets that they may find difficult to realize in the future. Such reluctance to establish entitlements can undermine the development of effective institutional arrangements because of the uncertainty around the sustainability of programs. Yet, at least from a human rights based approach, "social protection programmes must be enshrined and defined in national legal frameworks, and supported by a national strategy and plan of action" (Sepúlveda and Nyst 2012).

Drilling down from the level of the constitution, embedding social safety nets in national development strategies or plans is an opportunity to create cross-sectoral synergies in order to improve well-being (Carroll 2011). In all 16 countries reviewed, the national development strategy or plan mentions safety nets. Most (13 out of 16) have adopted social protection strategies or policies. Among all 48 countries in the region, 38 have such policies approved or in process (table 1.1). Policies or strategies present the overarching principles that govern the operation of social safety net programs nationwide. These set out a vision for safety net programs in the country, the main target groups, and the types of benefit provided by programs. These are agreed upon across various government agencies and, typically, development partners. For most counties, these strategies or policies are quite recent; with the exception of South Africa (1997), they are from 2005 or later. In some cases, they are updated, as in Senegal whose 2005 strategy (2005) is currently being updated (in progress as of 2017) (appendix table D.1). While strategies and policies make important statements about a government's ambitions, no government has yet fully implemented the policies or strategies, partly because they often include generic provisions which are quite ambitious in prevailing contexts. This may be partly due to the influence of development partners, which results in strategies that do not necessarily reflect priorities of the government.

Table 4.2: Most Countries have Some Legal Anchoring for Safety Nets

Country	Constitutional include support for particular groups	Safety net interventions in national development strategy/plan	Existence of social protection policy/ strategy that includes social safety nets	Social safety net entitlements and/or institutions enshrined in national laws
Botswana	Yes	Yes	No	Yes
Chad	No	Yes	Yes	No
Republic of Congo	No	Yes	Yes[b]	No
Ethiopia	Yes	Yes	Yes	No
Ghana	Yes	Yes	Yes	No
Kenya	Yes	Yes	Yes	Yes[c]
Mauritania	No	Yes	Yes[d]	No
Mozambique	Yes	Yes	Yes	Yes
Niger	Yes	Yes	Yes	No
Rwanda	Yes	Yes	Yes	No
Senegal	No	Yes	No[e]	No
Sierra Leone	Yes	Yes	Yes	No
South Africa	Yes	Yes	Yes	Yes
Tanzania	Yes	Yes	No[e]	No
Uganda	Yes	Yes	Yes	No
Zambia	Yes	Yes	Yes	No

Source: Authors' review of national documents.

a. The social development policy describes the various social safety net provisions.

b. *Document de Stratégie pour la Croissance, l'Emploi et la Réduction de la Pauvreté*.

c. However, the Social Assistance Act contains provisions that have not been implement, and is expected to be repealed and replaced with a new act.

d. Strategic framework of the fight against poverty

e. Social protection strategy is in progress and waiting for approval.

Strategies usually include guidance on institutional frameworks, which this is often focused on oversight and policy coordination rather than on implementation. And this oversight or coordination is not necessarily realized. The social protection policies of Ethiopia and Kenya (2014 and 2012, respectively), describe the intention to establish social protection councils but to-date these have not been created. They do not name the agencies responsible for the delivery of safety net services. This is despite the fact that, in both countries, significant scale up of interventions had been achieved prior to the formulation of the policy.

Few African countries support safety net interventions with legislation defining institutional arrangements, benefits, or appeal mechanisms. This is true in general, and for in countries where social safety net strategies are supported by development partners (e.g. in the Republic of Congo, Mauritania, and Uganda). Their strategies generally outline the overall vision of social protection and list programs by what groups of the population they target (vulnerable children, elderly, food insecure households etc.) but without indicating how these should be implemented and operationalized on the ground in a coordinated fashion. Lacking this jeopardizes realizing the goal that benefits that are at an adequate level, "sufficient in their amount and duration to ensure an adequate standard of living and health care" (United Nations Economic and Social Council 2007).

With the exception of Botswana, Mozambique, and South Africa, social safety net programs in the other 13 countries reviewed (table 4.2) are based largely on policies, strategies, or operational manuals and guidelines without legal authority. A Social Assistance Act was passed in Kenya in 2012, though no plans exist to date to provide the prescribed benefits or develop the institutional arrangements described in the law (rather, the government is currently seeking to replace this law with one that better reflects current realities and plan). On the contrary, in Mozambique, the development of an appropriate legislative framework was key to establishing social safety nets. After passage of the Social Protection Law of 2007 and the subsequent announcement of a National Strategy for Basic Social Security in 2009, coverage and government financing were significantly expanded. Between 2012 and 2015, the number of households supported by programs of the National Institute for Social Action, the government agency responsible for implementing basic social security interventions, rose from 318,033 to nearly 458,855, and budget allocations increased from 0.22 percent to 0.56 percent of gross domestic product (GDP) (ASPIRE).

In most countries, benefits and implementation arrangements are not enshrined in law, but they are described in program manuals and guidelines. Even if benefits are clearly listed and grievance procedures described in such documents, the lack of legislation means they are not legally enforceable. This implies that there is no legal obligation to response to complaints and resolve them. In practice, program monitoring and operations research show that, while some complaints are addressed, other may not be, particularly those related to targeting.

Without an appropriate legal framework, the establishment of sustainable institutional arrangements can be difficult. A law is almost always required to create a governmental agency, and adequate legal anchoring supports the establishment of departments, changes in staff profiles, and the appropriation of appropriate resources. Furthermore, supportive laws can help define responsibilities and institutional arrangements in countries with significant decentralization. The absence of an adequate legal framework can be taken as a sign of the immaturity of the social safety net sector and lack of mainstreaming of relevant services.

Anchoring safety nets in legislation can limit political interference. Without the support of a legal framework, programs can be more easily halted, launched, or boosted depending on the needs of political expediency. This may interfere with the rights of current or potential beneficiaries and can undermine the impact of programs. Legislation can limit political interference by ensuring program management and delivery is not politicized. For example, in Pakistan, the Benazir Income Support Program (BISP) is enshrined in a Parliamentary Act that, among other things, introduced an evidence-based objective means of selecting households into the program.

A legal framework can empower vulnerable citizens to more effectively access benefits. By enshrining services and benefits in law, interventions become justiciable, and benefit decisions can be litigated using regular legal procedures. For example, in South Africa, the constitution includes a Bill of Rights that guarantees the right of all South Africans "to have access to. . . social security, including if they are unable to support themselves and their dependents, appropriate social assistance" (Black Sash 2010). This right has been formally recognized in law through the Social Assistance Act of 2004, which defines eligibility criteria and other parameters of the social grant system. The establishment of an Independent Tribunal for Social Assistance Appeals means that citizens can also appeal if they believe they have been denied benefits to which they feel they are entitled or if they feel they have been otherwise treated unfairly by the South African Social Security Agency, which is responsible for delivering grants.

The evolution of the anchoring of social safety nets

The legal anchoring of social safety nets tends to advance in line with the growth of safety net programs across a range of parameters. As programs become larger and reach national coverage, they require more robust support and garner greater political attention. As the government increases financing, safety net programs tend to become more formal, and a need for more accountable management emerges. The new management may need to be established in law, and the formality of systems and benefits tend to become recognized in statutes and acts. Because legal anchoring can be a precursor to significant government or donor financing and may be required to support solid institutional arrangements, it will be a critical ingredient for building sustainable programs with nationwide coverage.

However, laws are more effective if they are realistic and achievable, and do not create impasses. Defining entitlements or roles and responsibilities in law without provisions for planning or financing may undermine the ability to implement the social safety net or to legislate in future, as in the case of the Social Assistance Act in Kenya. In 2012, the Kenyan parliament passed a private member's Social Assistance Bill. The resulting Act was, however, not informed by entitlements or targeting criteria of the existing social assistance programs nor the existing or planned institutional arrangements. As a consequence the Act was not enforceable. The Ministry responsible for social protection in Kenya is currently trying to codify the current social assistance provisions in law. In order to do so, they will first have to repeal the 2012 act before passing a new bill – a more complex and time consuming process than passing a bill for the first time. In the meantime, the existence of the bill has created a misunderstanding of the available provisions with potential beneficiaries of the existing social assistance unable to understand the rationing and poverty targeting that is part of the eligibility assessment process. The timing for the passage of laws is therefore important. Ambitious policies can help create momentum for change, and laws on various elements of an effective policy can be usefully passed during the development of social safety nets, allowing for space for debate on vision and priorities for the future.

Responsibility for social safety net policy setting, oversight, and coordination

Selection of the responsible organizations

Responsibility for determining policies and strategies, overseeing programs, and coordinating interventions is usually formally vested in a social ministry (15 out of 31 countries reviewed) or central agency (10 out of 31). The social ministries might include ministries of social action or affairs; labor; women, family and children; or social security (managing contributory pensions and work-related benefits that are part of social protection, but not social safety nets). In five countries, this responsibility is in a non-social ministry. In two countries (Chad and Mauritania), it is held jointly (figure 4.1).

Policy setting, oversight, and coordination are not necessarily housed together with program management and implementation. In about half of the countries reviewed (16 out of 31), the mandate for policy-setting, oversight and coordination, and that for implementation of social safety net programs are assigned to separate institutions (table 4.3). In many countries, there are multiple social safety net programs and multiple ministries or agencies responsible for their implementation.

Figure 4. 1: Social Ministries are not the Only Entity for Policy Setting, Oversight, and Coordination

Central Institution[1]	Social ministry[2]	Other Sectoral Ministry[3]	Other Arrangements[4]
Benin, Burkina Faso, Cameroon, Malawi, Mali, Niger, Nigeria, Senegal, Sierra Leone, Swaziland	Angola, Cote d'Ivore, Ehiopia, The Gambia, Ghana, Kenya, Lesotho, Liberia, Madagascar, Mozambique, South Sudan, Tanzania, Togo, Uganda, Zambia, Zimbabwe	Bostwana, Mauritius, Rwanda,	*Joint:* Chad, Mauritania *Social Action Fund:* Burundi

Source: Authors' review of program documents.
Notes:

1. Central institutions include the Prime Minister's office (Burkina Faso, Niger, Swaziland); the Office of the Presidency (Senegal, Sierra Leone); and central institutions such as the Ministry of Development in Benin, the Ministry of Economy, Planning, and Regional Development in Cameroon, the Ministry of Budget and National Planning in Nigeria, the Ministry of Economy, Finance and Budget in Mali or the Ministry of Finance, Economic Planning and Development in Malawi.
2. Social Ministries include the Ministry of Social Assistance and Social Reinsertion in Angola, the Ministry of Employment and Social Protection in Cote d'Ivoire and Ethiopia, the Ministry of East African Community, Labour and Social Protection in Kenya, the Ministry for Gender, Children and Social Protection in Ghana, Liberia and South Sudan, the Ministry of Health and Social Protection in Togo, and the Ministry of Community Development and Social Services in Zambia.
3. Other sectoral ministries include the Ministry of Local Government and Rural Development in Botswana, the Ministry of Social Security, National Solidarity and Reform Institutions in Mauritius, and the Ministry of Local Government in Rwanda.
4. Other arrangements: In Mauritania, the National Social Protection Strategy was developed under the joint leadership of the Ministry of Economy and Finance and the Ministry of Social Action, Children and the Family; and these two ministries hold joint responsibility for implementing it. In Chad, the Ministries of Planning, of International Cooperation, and of Social Action play key co-ordination roles. The Social Action Fund in Burundi is the secretariat of the National Social Protection Commission, which reports to the Minister of Gender, Social Affairs and Human Rights.

The selection of a social ministry may reflect a desire to name a ministry that already provides services of a similar nature or to similar target groups or has the strongest mandate to support the poor and vulnerable. For example, the decision might be to group together aspects of the social protection system, such as social pensions or social assistance for those affected by an emergency such as illness or accidents, or services for children or those affected by disability (whereas contributory pensions are usually managed by a separate agency). However, while social ministries may have the strongest mandate to support the poor, they often have limited financial resources and political influence, including limited authority to require other ministries to collaborate and to coordinate activities.

Central institutions—the office of the prime minister, the office of the president, or ministries of finance and planning—tend to have greater political influence. However, the organizational culture may be less sympathetic to the need of the vulnerable for social transfers. The focus in these ministries are generally on economic growth and expanding employment and productivity while some of the households that are in most need of safety net support tends to be those who face the biggest challenges in accessing productive employment and livelihoods. There is thus a trade-off inherent in the choice of agency for coordination and oversight (box 4.1).

Box 4. 1: Nigeria's Process to Establish a Coordination Function

In Nigeria, there were many questions about institutional and coordination functions and structures when the government embarked on the design of an ambitious new national safety net program in 2015. The political economy of federalism implies a diverse landscape for potential reforms and a complex context for the implementation of national programs. While autonomy provides Nigerian states, particularly those with dynamic and progressive leadership, an opportunity to move ahead on their own, it also poses a challenge for building a national consensus across the various levels of government.

In developing a coordination function, the government of Nigeria reflected upon analysis of institutional arrangements focused on institutional forms and functions in countries with similar national safety net programs, as well as the experience of countries that have established successful safety nets. Countries have adopted different institutional arrangements and there is no single general model. Yet, a number of functional capabilities emerged as common across programs, including convening ability, political visibility and influence, operational capabilities, ability to coordinate with other social programs, resilience, and transition capacity.

Using these capabilities as a guide, Nigerian agencies that could potentially house a national safety net program were identified. Attention was paid to the implications of the Nigerian federal system, including the decentralization of roles and responsibilities among states. Several roundtable discussions were held with key government stakeholders and development partners. The government decided to house the main body for social safety net coordination and delivery at the Office of the President.

Source: Holmemo and Ort 2017.

The challenges of coordination and oversight

Coordination structures aim to provide broad oversight of the safety net strategy, but these structures frequently do not function as planned. The social protection policies often include the creation of interministerial coordination bodies. For instance, in Burkina Faso, the intersectoral national council for social protection, only meets once or twice a year, and mainly focuses on information sharing (where the main output is a list of programs and the resources spent). These types of committees are often expected to be chaired by ministers or cabinet secretaries in ministries with lower levels of decision-making and convening power or by ministers in central ministries with competing demands on their time. Hence, forming such committees (or calling meetings once they are formed) are rarely prioritized. This lack of prioritization also arises because there are frequently no clear, time-bound outcomes that such committees are expected to produce. Instead, their stated roles include providing oversight, offering guidance, or ensuring integration. In contrast, successful coordination has involved leadership groups that are assigned specific output goals. In Ethiopia and Kenya, predecessors to the social protection councils were tasked with developing the respective social protection policy.

Other ministries or organizations can play key policy setting, coordination, or oversight roles. In countries where humanitarian programs are prominent, a government department responsible for the coordination of emergency responses (implemented by government, NGOs and development partners) could play a key role in coordinating social safety nets. Indeed, the coordination and oversight of these large programs implemented outside of government is sometimes of more practical importance than that of smaller, non-emergency, social safety nets. In most Sahelian countries, humanitarian actors themselves have initiated efforts to coordinate interventions, capitalize on good practices, and engage in advocacy. They have sometimes been formalized as alliances, such as in Mauritania, Niger, and Senegal. They can play a role in supporting the government's efforts to coordinate response to shocks. Coordination has recently been strengthened through the organization of regional alliance meetings (Niamey in 2015 and Dakar in 2016).

Too often, though, there is a focus on coordination structures and tools, but insufficient attention to coordination objectives. Many of the challenges described above may be attributed to the insufficient attention paid to identifying and reaching consensus on the shared objectives of any coordination effort, the appropriate coordinating entity, and the target of coordination. Typically, a general need for coordination is identified, and initiatives to establish structures without clearly identifying the purpose and, therefore, the most appropriate mechanisms to achieve all goals. Coordination at lower levels, particularly among front-line service delivery staff, is often easier, as shared objectives are clearly set out in providing support to beneficiaries and difficulties in communication are overcome through proximity of offices and staff.

Central tools can help promote effective coordination

Coordination can be supported through the development of centralized tools. As social safety nets expand, the need to establish centralized tools that can serve multiple programs becomes apparent. This was the experience in Brazil in the late 1990s and early 2000s (box 4.2). Registries, common targeting tools, and shared payment mechanisms are approaches that have been tried with some success in different contexts. They help raise efficiency (as discussed in chapter 5) as well as foster coordination.

In Kenya, the launch of the National Safety Net Program (NSNP) represented an attempt to coordinate four existing cash transfers **(**the hunger safety net program and cash transfer programs for old people, orphans and vulnerable children, and persons with severe disabilities). The consolidation strategy brought three of the four cash transfers under the management of a single department with all key functions carried out by a single team. Staff of the fourth program participate in coordination meetings. At the local level, where the programs are implemented, the Government has merged local community structures to support complaints and case management and is piloting a harmonized targeting approach. A shared registry of beneficiaries has been created from the four programs' management information systems, as well as data of the Cash for Works/Food for Asset Programs of the World Food Programme. There are plans to expand this registry, so that it can act as a resource for multiple programs that may adopt the harmonized targeting approach.

Box 4. 2: How Brazil Approaches Coordination

Bolsa Familia, Brazil's national social safety net program, was created in 2003 with the objective of unifying the management and execution of several overlapping social safety net programs. A registry, *Cadastro Único*, was also created to serve multiple programs.

Beginning in 1995, various municipal and state social safety net programs were developed, including the *Garantía de Renda Familiar Mínima* program (guaranteed minimum family income) in the municipalities of Campinas and Ribeirão Preto (São Paulo State) and the *Bolsa Escola* (school allowance) in Brasília. By 2001, over 1,000 municipalities financed and implemented local safety net programs. At the federal level, there was the *Programa de Erradicação do Trabalho Infantil* (program to eradicate child labor), the *Bolsa Alimentação* program (food allowance), and the federal *Bolsa Escola* program, run by the ministries in charge of social protection, health care, and education, respectively. While these programs targeted poor households, there was no coordination in targeting, methods of identifying eligible beneficiaries, or the level and duration of benefits. Each of the federal programs had its own information system, executing agency, and source of funding. The benefits of federal programs often overlapped with those of municipal and state programs.

To address these issues, the government decided to merge *Bolsa Escola*, *Bolsa Alimentação*, and two other programs—*Cartão Alimentação* (food card) and *Auxílio Gás* (cooking gas supplement)—and scale them up by creating *Bolsa Família* in 2003. This was the start of an effort to eliminate the replication of programs and benefits by establishing coordinated operational procedures and tools. Beneficiaries of the predecessor programs were progressively integrated. Also, all households living on less than a threshold minimum income could be included in the *Cadastro Único,* a unified national registry used by *Bolsa Família,* as well as other programs. Registration in the *Cadastro Único* is the responsibility of municipalities. *Caixa Econômica Federal*, a federal government bank, manages the registry database. It also pays the transfers to *Bolsa Família* beneficiaries through a smart card.

Since 2003, the program has gone through a number of reforms and is today a nationwide program covering over 14 million households. These reforms have contributed to improved access to social assistance services; the definition of standards for receiving benefits; a management and payment model also used in other areas (such as culture and sports); and a system that serves as a vehicle for receiving a larger set benefits. Today, *Bolsa Família* and the *Cadastro Único* are the axis of Brazil's social assistance policy.

Source: Interview with program experts.

The government of Senegal is building a registry, to be used by programs that address chronic poverty and support vulnerable households. In 2012, it created a social protection agency housed in the President's office, to lead the formulation of a social protection strategy, the design of safety net interventions, and their coordination. As a main pillar of this effort, the government has established the *Registre National Unique*, which by 2017 included data on the 450,000 poorest households nationwide (around 30 percent of the population) (appendix table D.2). It already serves as an entry point for several targeted interventions, including the main conditional cash transfer program and the subsidized health insurance program, and its use is expected to expand, in particular to programs that respond to regular shocks. The registry is housed in a dedicated department, independent of the department in charge of the implementation of national cash transfer program.

In the Republic of Congo and in Mali, the cash transfer programs have been steadily scaled up since their launch in 2013 and the establishment of a national registry has been a key part of this process (appendix table D.2). The development of these two national registries was undertaken while the programs were being conceived. In Mali, the creation of the *Registre Social Unifié* began with the establishment of the Jigisemejiri cash transfer program. Its objectives are to reduce costs and program coverage overlap, facilitate the rapid scale-up of programs to respond to shocks, and monitor the incomes of beneficiaries. In the Republic of Congo, a registry was developed out of the conditional cash transfer program.

In West Africa, humanitarian actors have developed and adopted common tools to harmonize their actions. The *Cadre Harmonisé* developed by the Permanent Interstate Committee for Drought Control in the Sahel is used to identify areas at risk of food insecurity and estimate the number of people affected. Also, a common post-distribution monitoring design is used by all actors in Niger, and a joint grievance mechanism has been established in Senegal. Humanitarian actors are also seeking to create links with government programs. In particular, technical collaboration has emerged in several countries in building unified national registries (Burkina Faso, Chad, Niger, Senegal) and using these to identify and target households during responses to shocks (Mauritania, Senegal).

Management arrangements for social safety nets

One of the key questions during the design of any safety net program is which entity should be responsible for managing implementation. Should it be a new or existing entity? In which ministry would it most appropriately be sited? Among other considerations, the institutional home for the management of a social safety net will depend on the context in which the program is operating and on its objectives. For instance, a program that emerges as a short-term response to an emergency may be located in a high-profile agency, such as the Office of the President, where it may respond rapidly and with high visibility. However, as programs become more mature and better integrated into longer-term social protection policy, a social ministry or agency with a policy mandate to serve the vulnerable may become a more appropriate home.

The landscape of agencies managing social safety net programs

The choice of the institutional home is influenced by and affect the narrative of social safety nets in a country. Social workers in a social ministry will focus on the specific needs of vulnerable groups. This will affect how the program design evolves. Stakeholders and organizations involved in public works programs may have a different outlook, being more concerned about the contribution of programs to economic growth and graduation out of poverty than inclusion. As a result, safety net programs with a 'protective' focus (such as unconditional transfers to categorical groups considered vulnerable) tend to be housed in social ministries, such as social safety net programs in Kenya (the cash transfer for orphan and vulnerable children; the cash transfer for older persons; and the person with severe disabilities cash transfer), child grants in South Africa, and social pensions in Uganda and Zanzibar. Programs that focus more on 'productive' aspects may be more frequently housed in ministries of rural development, agriculture, roads, infrastructure or water. One of Ghana's flagship social safety net programs is the Labor-Intensive Public Works Program which is managed by Ministry of Local Government and Rural Development. In Lesotho, the Public Works Program is managed by the Ministry of Forestry.

The overarching responsibility for managing safety net interventions is frequently housed in a ministry that is not responsible for policy, coordination, and oversight **(**table 4.3 and appendix table D.3). Of the 43 programs reviewed, less than half (19) were managed in the same agency that does policy, coordination, and oversight. In Ethiopia, the Ministry of Labor and Social Affairs led the development of the national policy and is mandated to carry out the coordination and oversight function. The largest social safety net program, the PSNP, is managed by the Food Security Coordination Department in the Ministry of Agriculture and Natural Resources. Governments have followed a range of options – including social ministries, non-social ministries, central government institutions, or development partners. Out of the 11 large programs reviewed in table 4.3, 4 are managed by a social ministry, 5 by a non-social ministry, and 2 by central institutions. Non-social ministries include ministries of agriculture (as in Ethiopia) or local government (as in Botswana and Rwanda). Central government institutions might include offices of the prime minister or president (as in Senegal), planning ministries or finance ministries. In countries where social safety net programs are nascent, as in Chad (not in the table), some programs are typically managed by NGOs with limited involvement from the government.

Table 4.3: Organizational Homes of Social Safety Nets in Africa Vary

Policy, oversight, coordination	Country	Program Name	Program Management Organization				Program Management Unit				
			Central Ministry	Social Ministry	Other Sectoral Ministry	Other	PIU	Specialized Department	Existing Department	SAGA	Non-governmental institution
Central Ministry	Benin	Humanitarian programming				√		√			
	Cameroon	Multiple programs	√				√				
	Malawi	Public works program (MASAF)				√	√				
	Malawi	The Malawi Social Cash Transfer Program (SCT)		√						√	
	Mali	Jigisemejiri	√				√				
	Burkina Faso	Social Safety Net		√			√				
	Niger	The Safety Nets (CFS)	√				√				
	Nigeria	The conditional cash transfer in the In Care of the People (COPE) program, The DFID-supported Child Development Grant Programme (CDGP)	√				√				
	Senegal	Programme National de Bourses de Sécurité Familiale, PNBSF	√							√	
	Sierra Leone	National Social Safety Net (SSN) Program				√				√	
	Sierra Leone	Labor Intensive Public Works				√				√	
	Swaziland	Old Age Grant, Orphans and Vulnerable Children Grant	√						√		
Social ministry	Angola	Multiple programs				√			√		
	Côte d'Ivoire	Social Safety Net Project and Youth Employment and Skills Development Project				√	√				
	Côte d'Ivoire	WFP food-for-work and cash for work programs				√					√
	Ethiopia	Productive Safety Net Program			√					√	
	Ethiopia	Urban Productive Safety Net Program (UPSNP)			√		√				
	Ghana	Livelihoods Empowerment Against Poverty (LEAP)		√			√				
	Ghana	Labour Intensive Public Works			√				√		
	Kenya	Social assistance unit programs (transfers for orphans, vulnerable children, elderly, and disabled)		√						√	
	Kenya	Hunger Safety Net Program			√		√				
	Lesotho	Universal non-contributory pension OAP			√				√		
	Lesotho	Child Grant Programme(CGP), Orphan Vulnerable Children Bursary Program (OVC), Public Assistance program (PA)		√					√		
	Liberia	Liberia Social Safety Nets Project (LSSN-P, 2015)		√				√			
	Madagascar	Productive Safety Nets Program and Cash Transfer Program (HDCT)				√	√				

	Mozambique	The Basic Social Subsidy Program (PSSB), The Productive Social Action Program (PASP), Direct Social Action Program (PASD)		√						√	
	South Sudan	Emergency food distribution programs				√					√
	South Sudan	Safety Net and Skills Development Project			√				√		
	Tanzania	Productive Social Safety Net	√				√				
	Togo	Community Development Safety Nets (CDSNP)		√							√
	Uganda	Social Assistance Grants for Empowerment		√			√				
	Uganda	The Third Northern Uganda Social Action Fund (NUSAF 3)	√				√				
	Zambia	Social Cash Transfer Scheme (SCTS), the Public Welfare Assistance Scheme (PWAS), the Food Security Pack (FSP) and the Women Empowerment Fund (WEF).		√						√	
	Zimbabwe	Harmonized Social Cash Transfer (HSCT)		√							√
Other Sectoral Ministry	Botswana	Orphan Care Program (OCP), Destitute Persons Program (DPP), Old Age Pension (OAP), Public works (Ipelegeng) program			√				√		
	Mauritius	Set of universal programs: retirement (old-age), invalid, widows and orphans' pensions, child allowances and guardians' allowances (for carers of orphans), inmates' allowances, and carers' allowances (for carers of older people with disabilities			√					√	
	Rwanda	Vision 2020 Umurenge Program			√					√	
Other Arrangements	Burundi	World Bank Cash Program (under preparation)		√			√				
	Burundi	Public Work Programs				√					
	Mauritania	Social Safety Net Project				√				√	
	Chad	Emergency safety nets to address food insecurity				√					√

Source: Authors’ review of program documents.
Note: Central institutions include Offices of the President, Offices of the Prime Minister, and Ministries of Planning or Finance among others. PIU stands for project implementation unit. SAGA stands for semi-autonomous government agency.

Several factors should be considered in determining program management arrangements**.** Safety net programs are administration-intensive. The institutional capacity to deliver such programs is therefore critical. Political buy-in is also important in management (as it was in policy, coordination, and oversight). There may be a tendency to house the management of programs in more politically well-connected institutions. The choice of management arrangement will, to some extent, depend on the size and complexity of programs. Universal, untargeted programs can require less complex arrangements than, for instance, targeted cash transfer programs or public works which rely on coordination across multiple actors. The location of program management might also depend on the operational capacity to deliver benefits in local areas. Central institutions may have less presence within district or departments than social or agriculture ministries.

Within the institution selected for management of social safety net programs, there are five main categories of management unit – the structure within the institution (or outside) that is effectively responsible for the daily management of programs.

A pre-existing department within the responsible government organization may take on the responsibility for managing a safety net program, often alongside their other pre-existing responsibilities. Selected staff within these departments may be assigned responsibility for the program, either in addition to their pre-existing responsibilities or exclusively. This is the case of the Lisungi cash transfer program launched in the Republic of Congo in 2013.

A special-purpose department within the responsible government organization may take responsibility for the management of one or several safety net programs. Such departments tend to be formed only once programs have reached a certain size and governments have made political and financial commitments to ensure long-term implementation. An example is the Social Assistance Unit in Kenya that manages the cash transfers for orphans and vulnerable children, the elderly, and persons with severe disabilities.

Alternatively, a project implementation unit (PIU) may be established within the responsible government organization. These are usually staffed by fixed-term contractors, rather than public sector employees. They may attract high-caliber staff through competitive employment terms and conditions. However, they are usually dependent on development partner financing and may not build long-term capacity within the public sector. This is the case for the safety net programs in Togo and Benin.

A semi-autonomous government agency (SAGA) might respond to the responsible government organization. Such agencies are usually answerable to a ministry, but enjoy some degree of autonomy not experienced by core ministerial departments. The autonomy may extend to finance, personnel, or organization and may help ensure that the agency's structure and procedures reflect its needs and function. In Senegal, the national agency for social protection and solidarity (*Délégation Nationale à la Protection Sociale et Solidarité Nationale*), which responds to the President's office, is responsible for the management of the national cash transfer program.

Lastly, non-governmental institutions (NGOs, UN agencies etc.) maybe delegated with management responsibility by the responsible government organization or NGO. These are more commonly used when capacity is limited, in fragile or humanitarian contexts, or for programs that are still small or at the pilot stage (such as in Somalia and South Sudan).

Management arrangements vary by context. When programs are managed by governments, departments are the most common form of management units. If programs are small and new, they may be added as an extra responsibility to a pre-existing government department. As the programs become larger or more established, a special-purpose department might be established. This was the case in Kenya, where a new Social Assistance Unit was established to manage three programs that were initially run by different pre-existing departments within the Ministry of Gender, Children, and Social Development. The cash transfer program for orphans and vulnerable children program was run by the Department of Children's Services, while the cash transfer programs for older persons and persons with severe disabilities were run by the Department of Social Development. Indeed, as the three programs expanded and procedures were harmonized across programs, the new unit was created to take over the management of these programs.

Programs which start within separate project implementation units, might migrate to a regular department within the responsible government organization as it gains sustainability. For instance, in Indonesia, the management of the *Program Keluarga Harapan* (PKH) was initially located within a project implementation unit housed in the Ministry of Social Affairs and relied largely on contract staff. It was later moved to a Direction of the Ministry (with civil servants carrying-out a greater range of tasks) to strengthen its institutional sustainability.

The establishment of a project implementation unit (PIU) is often a response to a perceived lack of capacity in ministries and is common in contexts in which fiduciary management is a concern. For instance, lack of capacity and fiduciary concerns led to the decision to locate the Hunger Safety Net Program in Kenya and the Social Assistance Grants for Empowerment Program in Uganda in PIUs. Specific arrangements were put in place to manage funds for both programs, and the PIUs used mostly fixed-term contractors. PIUs are also common if programs are established in central organizations, such as Offices of the president or prime minister or Ministries of finance or planning, as they tend to lack the operational capacity required to manage programs. This is the case in Niger.

Semi-autonomous government agencies are less common in Africa. The South African Social Security Agency (attached to the Ministry of Social Development) is a SAGA that manages various government benefits. Its establishment and key functions were gazetted in the 2004 South African Social Security Agency Act. Outside the region, the SAGA managing the BISP in Pakistan has national and provincial offices and is responsible for all aspects of the management and implementation of the social grants system. The Rwandese Vision 2020 Umerenge Program is run by the Local Administrative Entities Development Agency, a SAGA responsible for several rural development programs. Senegal recently established the national agency for social protection and solidarity in 2012. It manages the national cash transfer program *(Programme National de Bourses de Sécurité Familiale*), as well as the national unique registry and food assistance and emergency interventions.

SAGAs have advantages over government departments, as may PIUs. Management by government departments can be hampered by the need to abide by ministerial fiduciary procedures or hiring standards that are typically more restrictive (Although in Burkina Faso, even program with contract staff financed by development partners have to obey by the rules set out in a government degree in hiring and compensating staff.) However, the establishment of a SAGA does not eliminate the role of ministries or departments within ministries. In the case of South Africa, for example, the Department of Social Development remains responsible for developing policies and standards and evaluating the services managed by the Social Security Agency.

Evolution of institutional arrangements for safety net program management

As social safety nets grow, the institutional arrangements evolve. And this evolution can be impacted by the early choice of managing institution. In Kenya, the cash transfer for orphans and vulnerable children was launched in response to the growing number of children in households affected by HIV/AIDS. The government was keen to explore options that would provide support to orphans, while avoiding expansion in orphanages. The provision of cash transfers was expected to enable households to continue to care for orphans and vulnerable children. Responsibility was given to the unit responsible for the care of orphans, the Department of Children's Services, also supported by the United Nations Children's Fund (UNICEF), which played a key role in the pilot initiative. The early successes of the program influenced the Department of Social Development to pilot the cash transfer program for older persons, and for persons with severe disabilities. Overall, the programs grew from around 200,000 beneficiaries in 2011 to about 765,000 households in 2017.

In contrast, the PSNP in Ethiopia was initiated in response to chronic food insecurity. It was viewed as part of an overall food security strategy (associated with the launch of other resettlement and food security programs). Subsequent changes have sought to improve the ability of the program to scale up in response to shocks and reduce the number of households becoming food insecure through livelihood support. The Ministry of Labor and Social Affairs – which was given responsibility for oversight in the new social protection policy - recently became a stakeholder. The government view is that households that appear able to graduate should remain beneficiaries of a public works program run by the Ministry of Agriculture and Natural Resources, while those who are unable to participate in public works should receive permanent support from the Ministry of Labor and Social Affairs.

In Cameroon, the Projet Filets Sociaux's cash transfer and public works programs are managed by the central Ministry of Economy, Planning and Territorial Management. These programs were launched in parallel with reductions in general subsidies and to respond to security and humanitarian concerns in the country's northern parts.

In some countries, there may be multiple views on the role of social safety net. There are diverse views within government, across development partners, and among other stakeholders on how safety nets should be designed and operate. The choice of institutional arrangements may reflect the views of stakeholders within and outside government. In particular, development partners often play a decisive role to the selection of a ministry especially in countries where partners are closely involved in financing and setting up new safety net programs. This can contribute to the decision to locate similar programs in different ministries. Box 4.3 illustrates how contrasting narratives have influenced the evolution of safety nets in Tanzania and Uganda.

Box 4. 3: Contrasting Social Safety Net Narratives in Tanzania and Uganda

Different stakeholders have different perceptions of the role or focus of social safety nets. For some, the preference is for programs that provide universal coverage among specific categorical groups identified as vulnerable. For others, the focus is on targeting support on the basis of poverty status. In Uganda and Tanzania, the co-existence of multiple narratives has led to the development of distinct programs, all providing transfers, but with different approaches and housed in different institutions.

Uganda. Safety nets have not yet gained a substantial foothold in Uganda. Two development partners—the U.K. Department for International Development (DFID) and the World Bank—have partnered with different government ministries for programs reflecting two approaches.

Through the Expanding Social Protection Program, DFID is providing support to the Ministry of Gender, Labor, and Social Development. Although this ministry is considered to have limited implementation capacity, the social protection policy identified it as the entity responsible for spearheading social protection. With little existing capacity for administering cash transfers, investing in the appropriate long-term home was considered the right approach. DFID's preference for unconditional cash transfers also informed the decision.

World Bank support for safety nets is channeled through a third phase of the Northern Uganda Social Action Fund, managed by the Office of the Prime Minister. This phase will scale up public works. The World Bank's choice builds on an existing relationship and may help in promoting government's commitment to safety nets. Operational capacity was not a significant consideration because district governments are responsible for most of the implementation.

Tanzania. In Tanzania, in 2011 the World Bank was supporting pilot public work interventions and conditional cash transfers through the Tanzania Social Action Fund (under the Office of the President), while other actors were supporting unconditional categorical transfers (including the Kwa Wazee Pension Program, for which the main partner was the Ministry of Labor and Employment).

In 2012, the government reoriented the social action fund to become the Productive Social Safety Net (PSSN) providing a combination of unconditional cash transfer, conditional supplements linked to health and education services, public works, and livelihood support. The PSSN has become a national program, that operates in all districts. The fund's unrivaled capacity and the World Bank's relationship with the Office of the President contributed to the decision to retain the institutional arrangements from earlier phases of the fund, despite the forthcoming social protection framework, which identifies the Ministry of Labor and Employment as the lead oversight agency for social protection.

Even after the launch of the PSSN, many stakeholders kept a strong interest in social pensions, including several NGOs and UNICEF. In 2016, the semiautonomous region of Zanzibar launched a social pension program to address poverty and vulnerability among the elderly who lacked formal pensions, the Zanzibar Universal Pension Scheme. The program is managed by the Zanzibar Ministry of Labor, Empowerment, Elderly, Youth, Women, and Children.

The existence of competing narratives enables different approaches to be tested, but it may result in fragmentation. If social safety nets are new and small, it can be useful to explore various options to identify the approach attracting the greatest political support—a key to scaling-up—and having the greatest impact. But elaborate and more permanent structures should not be created for small pilot programs. However, when government and external stakeholders become too attached to specific approaches, contradictory messages can create factions, generate confusion, and eventually undermine optimal safety net choices in the long term. This might also result in multiple, fragmented, program, which compete for resources and capacity.

Project implementation units likely to be remain appropriate once programs reach a certain size, duration, and level of financing. As programs become more established and reach national coverage, their management should move to permanent departments or units, and managed by civil servants with the appropriate professional profile.

In Africa, since programs are relatively new, there are few examples of changes in institutional arrangements. Where social safety nets have been in existence longer, there are more examples of changes in institutional arrangements. In Colombia, the conditional cash transfer program *Familias en Acción* was launched in the late 1990s, as part of the Social Support Network created to offset the impact on poor households of a severe economic crisis. It was initially set to last three years and, in line with this short-term emergency mandate, was operated by *Acción Social*. As the crisis subsided, the original emergency role became obsolete, and programs were refocused more broadly on the promotion of human capital. The initial arrangements had allowed for rapid implementation as operating rules were less constraining, but had also resulted in isolating *Familias en Acción* from other prevailing social institutions and coordination mechanisms. To establish links to other institutions and contribute to the broader human capital development strategy, the program began to act as a liaison between service providers and beneficiaries—the poorest households. This evolution, from emergency to part of a broader social policy, required changes in institutional arrangements. In 2011, the *Departamento Administrativo de Prosperidad Social* was created (Ministry for Social Prosperity) and took over the responsibility for management from the Office of the President. Today, *Familias en Acción* reaches over 2.5 million households, about a quarter of the population, and is strongly anchored in national legislation.

Implementation arrangements for the delivery of programs

While a specific entity may be responsible for program management, implementation often involves several departments, perhaps across ministries, along with the private sector, NGOs and community groups. The personnel engaged in working on the program may be staff dedicated to it, or they may be staff who have other responsibilities and have taken on additional responsibility for the implementation of some elements of safety net programs.

The actors involved in implementation

Several agencies are involved in the implementation of most safety net programs. Table 4.4 drills down into details from the national to local level implementation for three large social safety net programs in Ghana, Rwanda, and Senegal. Across Africa, variations in how implementation takes place may reflect the nature of each program, as well as the national context particularly in respect to devolution and decentralization. Universal or unconditional programs may be associated with simpler institutional arrangements run broadly through one sectoral entity and national and local representatives. In the context of decentralization, staff on the front lines of delivery may report to others besides the entity managing the safety net program. Conditional programs often require the engagement of related sectors, such as the ministries of health and education, and robust procedures for collecting information from health centers and schools on individuals' compliance with conditions. Public works programs often require the involvement of diverse technical staff. Their implementation depends heavily on local governments (some programs are effectively devolved to local agencies). They also often require coordination with departments involved in road, water, and natural resource management. There are many examples in Africa of practical coordination in implementation. The Rwanda Vision 2020 *Umerenge* Program and the Tanzania Productive Social Safety Net have achieved significant levels of interagency coordination, particularly at the local level. The effectiveness of coordination structures established to implement the PSNP in Ethiopia benefited from the Safety Net Support Facility, which provided training and support on leadership, understanding the committee's terms of reference, preparing agendas, chairing meetings, dealing with nonattendance, and documenting action points.

Table 4. 4: The Type of Program Affects the Complexity of Implementation Arrangements

Level	Unconditional transfer program Ghana LEAP (Livelihood Empowerment against Poverty)	Conditional transfer program Senegal PNBSF (Programme National de Bourses de Sécurité Familiale)	Public works program Rwanda VUP (Vision 2020 Umerenge Program)
National	• LEAP is managed by the LEAP Secretariat within the Ministry of Gender, Children, and Social Protection. • A national program steering committee provides oversight and enables coordination between the program and the Labor-Intensive Public Works Program.	• PNBSF is managed by a team in the National Agency for Social Protection and National Solidarity (DGPSN), a SAGA under the Office of the President. • A multi-sectoral safety net steering committee provides regular technical oversight, and key institutions (health, education nutrition) expected to have more regular engagement.	• The VUP is managed by the Social Protection Programs Division of the Local Administrative Entities Development Agency (under the Ministry of Local Government). • The Social Protection Sector Working Group has been established to coordinate and share information. It is supported by a number of thematic subcommittees that meet more regularly.
Local	• District social welfare officers, answerable to district assemblies (and thus under the Ministry of Local Government), are the main actors in the districts. Their main roles include supporting the targeting and	• NGOs and their networks of social workers provide much of the front-line support for the program (registration, social promotion activities, case management, etc.). • Delivery of social promotion activities by	• Decentralized government line departments support planning, implementation, and quality control in public works and assist in the Ubedehe wealth-ranking process used to target the VUP and other programs. • Support for planning and

	enrollment processes and undertaking case management. • Payments are managed by e-zwich, a national smart card payment system.	deconcentrated sectoral ministries is piloted in one region. • Payments are managed by the post office and a mobile telephone company.	implementation includes ensuring that community plans fit with sectoral development plans, checking the adequate design of subprograms, and managing the provision of nonwage inputs into public works programs. • Funds transferred from local finance office to SACCOs (savings and credit coorperatives), which makes payments to beneficiaires
Community	• Community implementation committees consisting of community volunteers who identify potentially eligible households, assist in household data collection for targeting, and act as an information channel between the program and beneficiaries.	• Local community committees identify potentially eligible households as part of the National Unique Registry, which is in turn used to identify PNBSF beneficiaries.	• Communities are expected to lead in the identification of public works subprograms through voluntary community meetings. • Communities also play key roles in the Ubedehe wealth-ranking process, and subsequent identification of eligible households.

Source: Authors' compilation.

Actors involved in implementation may be located within the government or in the private sphere. In the Democratic Republic of the Congo, UNOPS has been sub-contracted to carry-out labour intensive public works that focus on road rehabilitation. In Guinea, WFP has been subcontracted to carry-out school feeding. Increasingly, responsibility for payment of social safety net benefits is outsourced to payment service provides or financial institutions. In Niger, Cameroon, and Burkina Faso, payments are provided through micro-finance institutions or money transfer agencies under contract with the agency managing the program. The Urban Safety Net Program in Ethiopia is setting up a payment system through the Commercial Bank of Ethiopia. Similarly, complementary services, such as behavioral change activities that target safety net beneficiaries, are often contracted to specialized UN agencies (such as UNICEF) or NGOs.

Social safety nets, devolution, and delegated implementation

In most African countries, social safety nets are considered a national mandate, but implementation is the responsibility of lower government levels. Most often, safety nets are the responsibility of national governments and are thus funded centrally, with ministries setting out key parameters and guidelines. Actual implementation may vary, however. In some countries, such as the Republic of Congo, the national ministry delivers the safety net program, with front-line social works accountable to the Ministry. Where implementation is through a PIU, delivery is often centralized, with project staff being hired to coordinate local-level implementation, such as in Burkina Faso. In other cases, the front-line delivery of safety net support falls to local governments, which are required to follow the centrally established guidelines and standards. This model is prevalent across many countries in Africa, as most African countries have undergone some degree of decentralization or deconcentration. As a result, many of the institutions responsible for program management do not directly manage front-line staff, as most district government staff are accountable to district authorities responsible for defining district priorities, recruitment of local staff, and, in some cases, determining budget allocations (table 4.5).

This devolution and deconcentration may have significant implications for the delivery of safety nets that may not be understood during program design. When local governments manage the staff responsible for safety net implementation, it is necessary that program activities are adequately reflected in district plans and the terms of reference and work plan of local staff. In many cases, the job descriptions of local staff do not include responsibility for safety net activities. Even in countries such as Botswana, where the safety net is more mature and has been fostered mainly by national stakeholders, this disconnect is still evident. As programs grow, the need to address this disconnect between program management and implementation may come to the fore. In South Africa, recent reforms have sought to increase the nationwide standardization of service provision through the introduction of the national South Africa Social Security Agency. Prior to the launch of the agency, nine provincial governments were responsible for implementation of seven social grants offered by the government. This devolved implementation was characterized by delays in the processing of grant applications, delayed grant payments, concerns over fraud and corruption, and high administrative costs. The reform that led to the creation of the new agency assigned the responsibility for the management and implementation of these grants to one administrative unit with a central office and service offices in each province.

Table 4. 5: Service Delivery is Often Devolved

Country	Program name	Centralized vs. Devolved service delivery
Botswana	Social Cash Transfers	Devolution. Social workers supporting front-line implementation are accountable to local authorities
Ethiopia	Productive Safety Net Program	Devolution. District committees have overall responsibility. District departments are involved in front-line implementation
Ghana	Labor-Intensive Public Works	Devolution. District assemblies have overall responsibility. Technical departments play key roles
Kenya	Social assistance unit programs (transfers for orphans, vulnerable children, elderly, and disabled)	Centralized with local staff supporting targeting and payments.
	Hunger Safety Net Program	Centralized. Some implementation by the PIU with program staff assigned to county levels.
South Africa	Various social cash transfers	Centralized. Development of a single responsible agency that operates locally.
Tanzania	Productive Social Safety Net	District-based program staff support local governments.
Uganda	Social Assistance Grants for Empowerment	Devolution, but limited front-line implementation.

Source: Authors' compilation.

National standardized guidelines for program implementation exist for most programs, but several programs are also guided by provisions on local decision-making. National guidelines typically describe the various procedures to be followed in implementing program targeting, registration, payments, case management, grievance mechanisms, and exit. The guidelines often allow implementers some leeway in making some decisions so programs are suited to local conditions. For example, local decision-making can include community involvement in the identification of beneficiaries; community or district involvement in the choice of projects in public works schemes; district involvement in priority setting; and community or district decision-making on the penalties for non-completion of public works projects or failure to meet health care or educational objectives.

In addition, in many contexts, there are slight variations in the application of guidelines across communities. This can be deliberate, or the result of limited communication around guidelines to all those involved in implementing the program. National standards enable consistent safety net implementation, but some tasks can also benefit from devolved decision-making so programs take local realities into account. This flexibility can result in more effective processes (such as in the context of some targeting processes) and can encourage local buy-in. However, it can also result in distortions or biases in the implementation of programs – where local norms or practices can result in favoring particular groups or objectives over others. Additionally, if safety nets are not well understood by district authorizes, there may be a failure to prioritize safety net activities among other competing policy priorities. Table 4.6 provides examples of the variation in the delegation of selected tasks and decision making to local structures.

Notably, however, many of the challenges associated with coordination and communication that are experienced among ministries and agencies at the national-level are less apparent among local-level implementers. Office that are located in close proximity facilitate communication among staff of national agencies. Within devolved structures, reporting to the local government authority may assist in setting out common objectives that are then the basis for coordination.

Table 4. 6: Activities can be Centralized or Delegated in both Implementation and Decision Making

Activity	Centralized decision making and implementation	Delegated implementation	Devolved decision making and implementation
	Budgeting		
Setting district resources	In many countries, poverty data are used to determine the number of target beneficiaries in each district; in South Africa, the number of beneficiaries in each geographical area is based purely on the number of people meeting eligibility criteria. In Burkina Faso's Burkin-Naong-Sa ya program, the number of beneficiaries by region is centrally set but based on the level of poverty and the size of the population in each participating region.		
Setting subdistrict resources	In Cameroon there is a nationally-set quota for the number of beneficiaries in each commune.	In Burkina Faso's Burkin-Nanong-Sa ya all communes in the regions are eligible and participate in the program but the selection of participating villages is random (as no poverty estimates exist below the regional level). However, in the scale up phase the program on moving towards selecting communes based on	Decisions on the number of beneficiaries in each sub-district in Ethiopia's PSNP are left to district authorities

Activity	Centralized decision making and implementation	Delegated implementation	Devolved decision making and implementation
		the presence of social action offices and social workers.	
		Targeting	
Choice of criteria and methodology	In almost all countries, the targeting methodology is set at the central level.		Both the Ethiopian PSNP and UPSNP and the Burkina Faso Burkin-Naong-Sa ya program provide some flexibility to include locally appropriate targeting criteria
Data collection	Senegal's PNBSF, and Mauritania's Tekavoul program depend on national registries to identify the selected households in each district. In Cameroon data are collected using the Central Statistical Agency.	In Kenya, targeting is done by enomerators managed by Country and Sub-county Officers from Department of Children's Services (CT-OVC) and Department of Social Development (OPCT, PWSD-CT), with oversight from HQ level. In Burkina Faso private firms are hired to collect the data using a nationally developed and vetted questionnaire	
Household selection		In South Africa, branches of the South African Social Security Agency review applications to assess whether households meet national eligibility criteria	In Ethiopia's PSNP, communities make key decisions on which households are targeted for the PSNP.
	Many programs—Kenya's social assistance unit, Senegal's PNBSF (national cash transfer program), and Sierra Leone's Social Safety Net Program, Burkina Faso's Burkin-Naong-Sa ya, Niger's Projet Filets Sociaux—use a combination of community identification of potentially eligible households, a nationally applied poverty measure, and a community validation to select program beneficiaries. They do this either themselves, or by relying on national registries which combine these elements. In Cameroon and in Benin communities first identify potentially eligible households, then finalize the selection using a national poverty measure.		
		Public works and conditions	
Rules regarding conditionality[a]	Most conditional programs have nationally set conditions.		Ethiopia's PSNP introduces conditions that may be varied according to the services available.
Rules regarding work parameters[b]	In national programs, norms are usually set at the national level; Ethiopia's PSNP provides for reduced work norms in hot lowland areas, but these are also set at the national level		

Activity	Centralized decision making and implementation	Delegated implementation	Devolved decision making and implementation
Public works planning			All public works programs allow district or community identification of public works, to reflect local needs, for example in the northern parts of Cameroon.
Assessing adherence to conditions and public works requirements	In a number of programs (Tanzania's Productive Social Safety Net conditional component, Kenya's conditional component of the cash transfer program for orphans and vulnerable children), monitoring and reporting on conditions are a delegated responsibility, but calculating deductions takes place at the national level		
		Where responsibility for making payments is delegated (Tanzania's PSSN public works component, and Uganda's Northern Uganda Social Action Fund 3), decisions on which household should be penalized are delegated, but expected to adhere to national standards	
Complaints and case management			
Documenting complaints and beneficiary information updates		Most programs with a national MIS or a single registry have delegated responsibility for collecting reports on complaints or updates to districts or communities	
Approving beneficiary updates and resolving complaints	Most programs with a national MIS or single registry require central authorization to resolve major complaints or update beneficiary information	Kenya's Hunger Safety Net Program allows district and county staff to propose updates from within the MIS, but, they still require approval from the head office	Programs without a national MIS, such as Ethiopia's PSNP, lack meaningful controls to prevent local decision making; however, targeting complaints can rarely be resolved in favor of the complainant since quotas limit the option to add beneficiaries

Source: Authors' compilation.

Notes: a. This refers to the setting of conditionalities (sometimes called co-responsibilities) for households, usually related to cash transfer programs with an objective to impact health and/or education outcomes. b. This refers to the set of rules regarding working hours and other work conditions related to public works activities.

Staffing and contracting arrangements for implementation

In addition to the selection the implementing agency, different dimensions of staffing will vary. Programs may be delivered by staff who are fully dedicated to programs, or by staff who add their safety net activities to their other existing workloads. Staff may be civil servants or temporary staff on fixed-term contracts. As described above, key functions might also be contracted out to private sector provider, such as administering payments (contracted to post offices and a mobile phone company in Senegal for instance), organizing training activities (NGOs in Senegal's PNBSF) or even running the program implementation unit. Many programs also make use of voluntary community structures for elements of program implementation. Most programs use a combination of these arrangements. Table 4.7**Error! Reference source not found.** highlights selected strengths and weaknesses of various approaches. For example, centralized staff may work full-time on a program, but safety net activities may represent only a small part of the labor burden of district staff, and core government staff may also work alongside contract staff.

Table 4. 7: There are Tradeoffs in Different Approaches to Staffing

Approach	Strengths	Weaknesses	Most appropriate use
Staff dedicated exclusively to the program	Allows investment in the specific skills required for operationalizing safety nets; ensures that tasks are not neglected by staff forced to prioritize other activities	Can cause the implementation of safety nets to occur in silos, without appropriate links to other, related services	At headquarters, to ensure adequate oversight and management of key tasks
Staff for whom safety nets are an additional activity	Limits the need to recruit new staff or set up new departments during the pilot phase of a program; can promote a better-integrated approach; may allow the engagement of staff in other activities which only require part time efforts	Unless safety net responsibilities are carefully written into job descriptions and performance contracts, they may be neglected; they may also overburden staff and lead to unrealistic workloads	If an integrated approach is needed that requires the participation of front-line staff; if core activities are shared in related programs, such as benefit schemes; if engagement from other sectors is needed part time (responsibilities should be carefully written into job descriptions and performance contracts)
Contract staff	Allows high-caliber staff to be recruited through better pay and conditions; may facilitate a rapid surge in capacity	May prevent capacity gaps from being structurally addressed; training and investments go toward staff who will only work on the program for a limited duration; working relationships may be difficult with contract staff, who will lack authority and might be resented for their better pay and conditions	To provide technical expertise not immediately available within the government; to work with government staff to develop skills and procedures; to provide surge capacity during periods of particularly high workloads
Staff who work in Implementation coordinate	Allows different aspects of a safety net to be delivered by the agency with the appropriate skills and procedures; facilitates links	The non-lead agency is likely to assign its own core activities a higher priority than safety net implementation; may be difficult to establish	Necessary for public works programs and conditional transfer programs; however, it is important to find advocates within each agency; it is also

Approach	Strengths	Weaknesses	Most appropriate use
d among agencies	to complementary programs	coordination mechanisms that function as needed	important to consider safety net tasks in staffing, job descriptions, and budget allocations
Contracting key functions to the private sector (including NGOs)	May ensure that key functions, such as payments, are carried out by organizations with appropriate skills, operating procedures, and safeguards; may allow skills and procedures not readily available in the government to be accessed, such as MIS development; may promote independence in evaluations and audits; may limit capture	There may be a lack of private sector organizations capable of undertaking tasks; difficulties in managing the contract as a result of poor contract management skills in central agency	For the technical design of key systems (targeting, MIS, and so on); for the provision of services for which the private sector has a comparative advantage (payment services, provision of training, family support, etc.)
Use of voluntary community structures	Builds community ownership of key program procedures, such as targeting; helps ensure program responsiveness to local needs, such as planning public works projects; facilitates outreach from district headquarters	Risk of elite capture and may affect social relationships, particularly in targeting; difficult to ensure consistent quality in implementation; the opportunity costs of the time spent participating in community activities and performing tasks as volunteers (may result in demands for payments)	Most programs benefit from using voluntary community structures, but the risks need to be managed; in particular, wasting time in unnecessary meetings needs to be avoided, and the community volunteers must not be overburdened, but must be adequately supervised

Source: Authors' compilation.

In the launch of new programs, the institutional arrangements may reflect the need to achieve rapid results rather than the need to develop durable systems, capable of growing as service provision expands. As programs become established, the emphasis should shift to the development of durable institutional arrangements. Durable arrangements would likely include greater use of full-time civil servants and other government staff rather than short-term contractors and the revision of job descriptions, performance contracts, and other standard government documents, such as planning guidance, to facilitate safety net–related tasks.

Endnotes

[1] Decentralization includes the relinquishment of power by the central government to actors at a lower level in a political-administrative hierarchy. At a minimum, it devolves substantial decision-making powers to locally representative bodies, but it may also include the decentralization of fiscal resources and revenue-generating powers. Deconcentration tends to involve only the delegation of certain tasks and decisions, though the upward accountability to supervising ministries tends to take precedence over any local accountability. See Ribot (2002).

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CHAPTER 5

Harnessing Resources to Expand and Sustain Social Safety Nets

Lucilla Maria Bruni, Melis Guven, and Emma Monsalve

How to finance the scaling-up of safety nets in a sustainable manner is a pressing question among policy makers. This report argues that scaling-up social safety nets will be key to responding to the challenges of chronic poverty and vulnerability to shocks across the continent. However, nearly all countries in Africa face a fiscal deficit and have very limited fiscal space (figure 5.1), and as a result expanding coverage of the poor and vulnerable in this context represents a significant challenge.

This chapter makes the case that governments in Africa are advised to adopt a clear strategy for social safety net spending and financing, since these programs are increasingly used to reduce poverty and manage risk and shocks. Efficiency in administration and effectiveness of programs become paramount in all countries to make the best use of existing resources, but also to strengthen the case for social safety net programs as a cost-effective mechanism to achieve their goals. However, such gains will not be sufficient. For sustainable financing, governments need to adequately budget for safety net programs from domestic fiscal resources, and carefully choose the right mix of financing between domestic and foreign, public and private sources. Furthermore, given the increasing role safety nets are playing in emergency response, and the decreasing ability and willingness for external actors to finance responses to chronic shocks, countries need to develop nationally owned strategies for financing risk management and crisis response.

Figure 5. 1: Fiscal Space is Limited

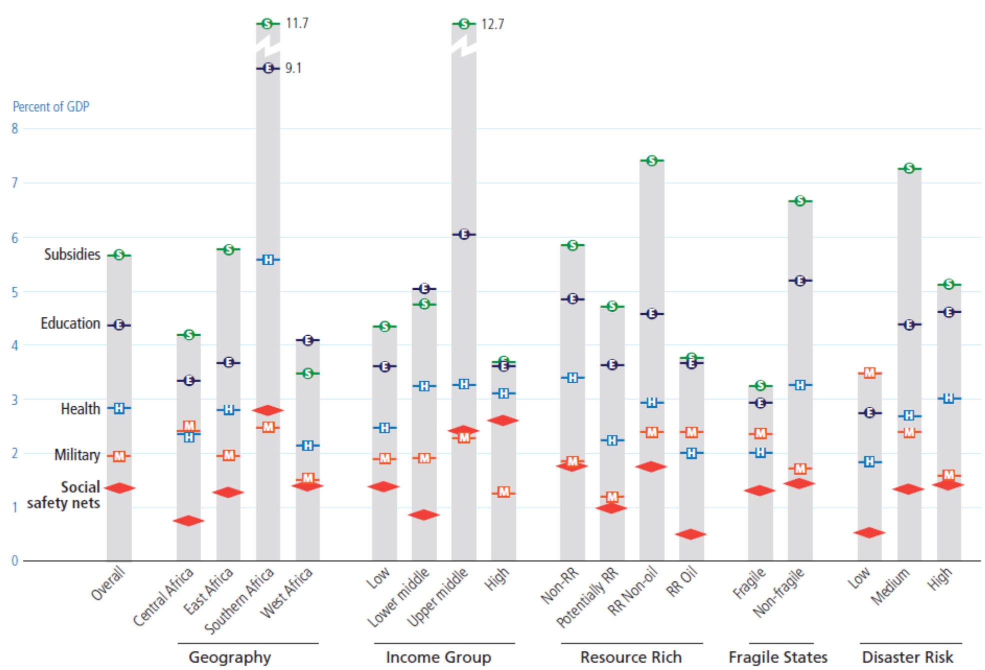
Source: IMF World Economic Outlook (WEO) Updated January 2017. Data corresponds to 2015.
Note: Graph presents general government revenue (expenditure and primary net lending/borrowing) as a percent of GDP.

Spending and financing for social safety nets in Africa: a snapshot

Spending on social safety nets as a share of GDP in Africa is generally low, but there is great variation across the region. On average, the region devotes 1.35 percent of GDP for safety nets, compared to the global average of 1.6 percent. This spending is lower than spending on other sectors such as energy subsidies, health care, education, and, in some cases, the military (figure 5.2 and appendix table G.1). In particular, spending on consumer price subsidies are more than four times larger than spending on safety nets in Central African countries, and they are often regressive benefitting more upper part of the income distribution who consume more energy. Spending levels vary greatly across the region: upper-middle-income countries in Africa spend an average of 2.6 percent of GDP, while low income countries only spend 1.15 percent of GDP on average (figure 5.2 and chapter 1). Southern Africa spends an average of five times more than Central and East Africa and two times more than West Africa. Average spending on social safety nets is lower in fragile states, and non–resource-rich countries devote almost twice as much to safety nets (1.75 percent of GDP) as resource-rich countries (1.03 percent of GDP). Countries with higher exposure to natural disasters allocate more resources to these programs than those with low or medium disaster risks (appendix table G.3).

Current spending levels are inadequate to face the high chronic poverty rates and vulnerability to shocks experienced in the continent. Many of the poor do not have access to safety net programs: average coverage is 9 percent of the total population (appendix table F.2) while the average poverty rate is above 41 percent (figure 1.1 in chapter 1). Assuming perfect targeting of safety net interventions, this implies that less than 20 percent of the poor are covered. Most countries in Africa spend on safety nets significantly less than the aggregate poverty gap: the aggregate poverty gap is on average 14 percent of GDP (see chapter 1), while safety net spending is 1.35 percent of GDP. Only upper-middle-income countries, some lower-middle-income countries, and countries in southern Africa spend on safety nets amounts similar to their poverty gap.

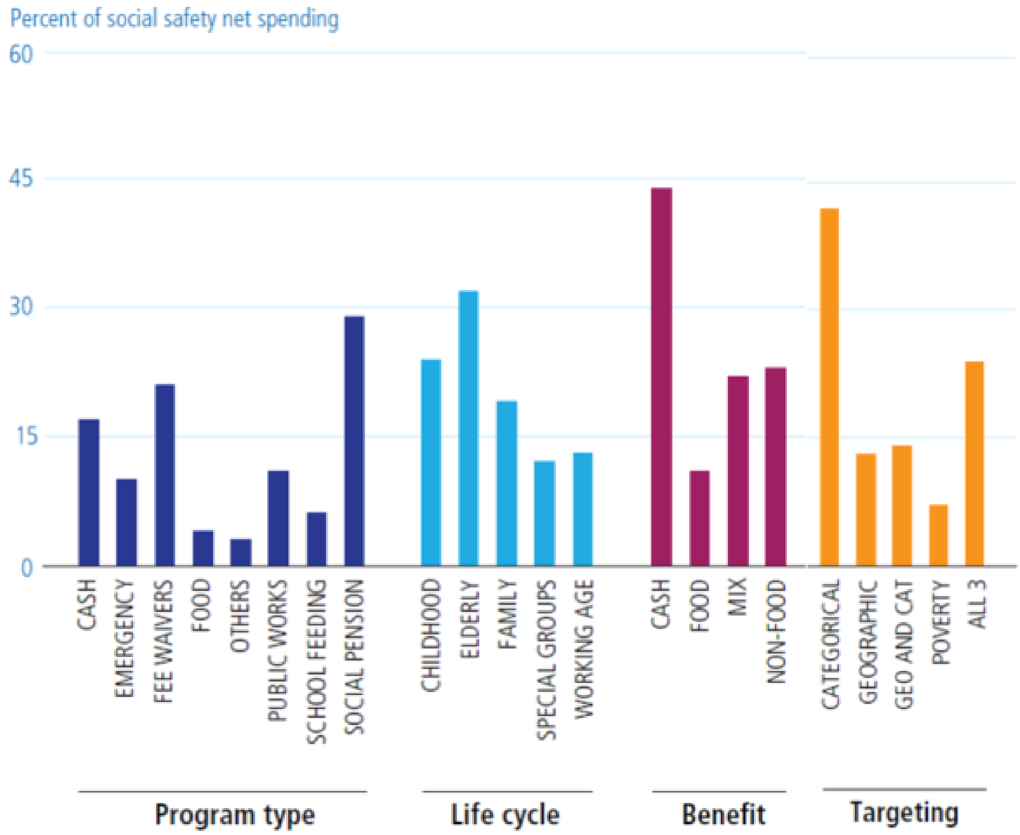
Figure 5. 2: Spending on Safety Nets is Lower than Other Sectors and Varies Geographically



Source: Spending data from ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/. Other data: World Development Indicators.

Most safety net spending goes to programs that deliver cash and are targeted categorically, particularly social pensions (figure 5.3 and Appendix table G2-G3) and is delivered in the form of cash, or a combination of cash and in kind (amounting to two thirds of total spending). 42 percent of total spending is allocated to categorical programs, versus 30 percent to programs that target households on the basis of their welfare or poverty levels (a significant share of spending is received by the relatively more well off in Africa, see chapter 1). Social pensions receive the largest share of total safety net spending in the region (29 percent), followed by fee waivers (21 percent). As a consequence, most of the spending accrues to the elderly (32 percent) despite the overall youthful demographics of the region, followed by children (24 percent). Social pensions are especially important in upper- and lower-middle-income countries, and contribute to the high total spending observed in a few countries (Lesotho, Cabo Verde, Mauritius, Namibia, Seychelles and South Africa, see chapter 1 and appendix table G.3).

Figure 5. 3: Most Spending Goes to Cash and Categorical Programs, Particularly Social Pensions

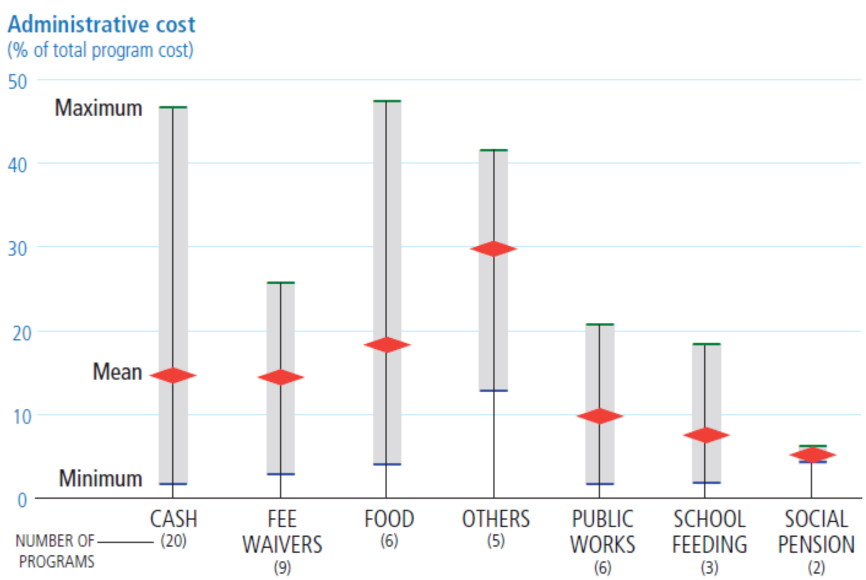


Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/.
Note: The category labelled "poverty" includes all programs that explicitly target households on the basis of their welfare, poverty or vulnerability. To identify households, these programs use community targeting, means or income test, proxy-means test, pension test, self-targeting, or a combination of these approaches. All 3 refers to poverty, combined with geographic and/or categorical.

Administrative costs are significant, and do not necessarily decrease with scale. Administrative costs of safety net program in Africa are on average 18 percent of total program spending (appendix table G.6), compared to a range between 7 and 10 percent in Eastern Europe (the only region with reliable data)

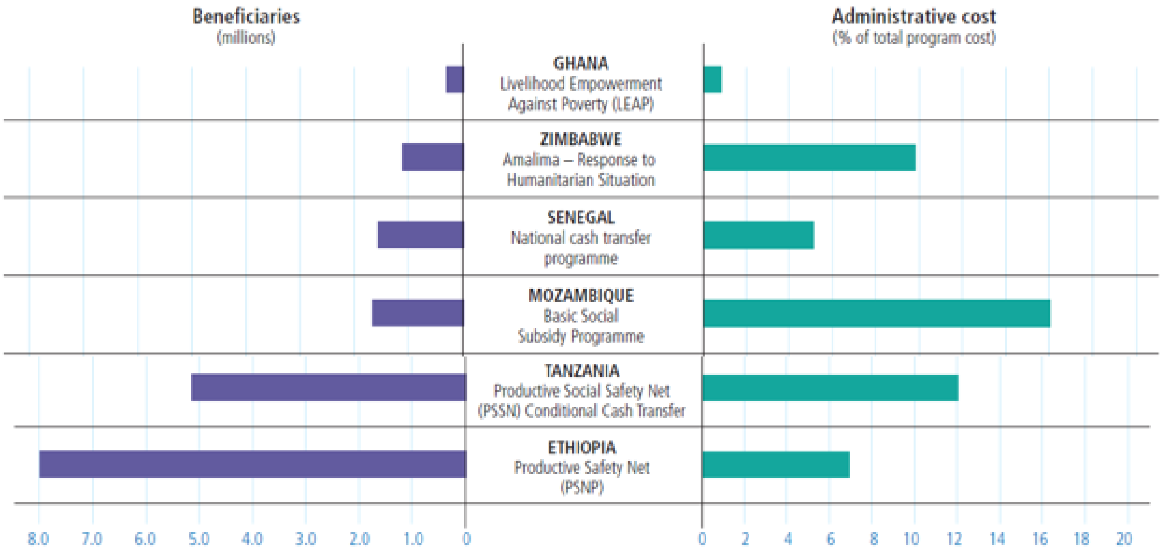
(Tesliuc, et al. 2014). While data is limited, the share of administrative costs seems to be higher in food and in-kind programs (17.6 %), cash programs (14%), fee waivers (13.8%) and public works programs (9.1%). Social pension and school feeding programs appear to have the lowest administrative cost: 4.5% and 6.9% respectively (figure 5.4 and appendix table G.6). Administrative costs tend to be higher during a program's start-up phase. For example, the administrative costs of Ethiopia's Productive Safety Net Program accounted for almost 8 percent of total program costs in 2010/11. Within two years of the launch of the program, the share was brought down to 5.9 percent; and in 2016 to 6.9 percent of total program spending. Similarly, the national cash transfer program in Senegal reduced by more than half the share of administrative cost from a 14 percent in 2013 to 5 percent in 2015, while the number of beneficiaries quadrupled (figure 5.5 and appendix table G.6). However, some large-scale programs such as the Tanzania flagship program, still have high administrative cost accounting for almost 12 percent of its budget. In Tanzania, where the significant expansion in coverage took place mostly through the inclusion of additional villages, the highly decentralized delivery mechanism (payment, monitoring of compliance, etc. which take place at the village level) means that such geograhical expansion does not reduce the share of administrarive cost.

Figure 5. 4: Administrative Costs can be High



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/.

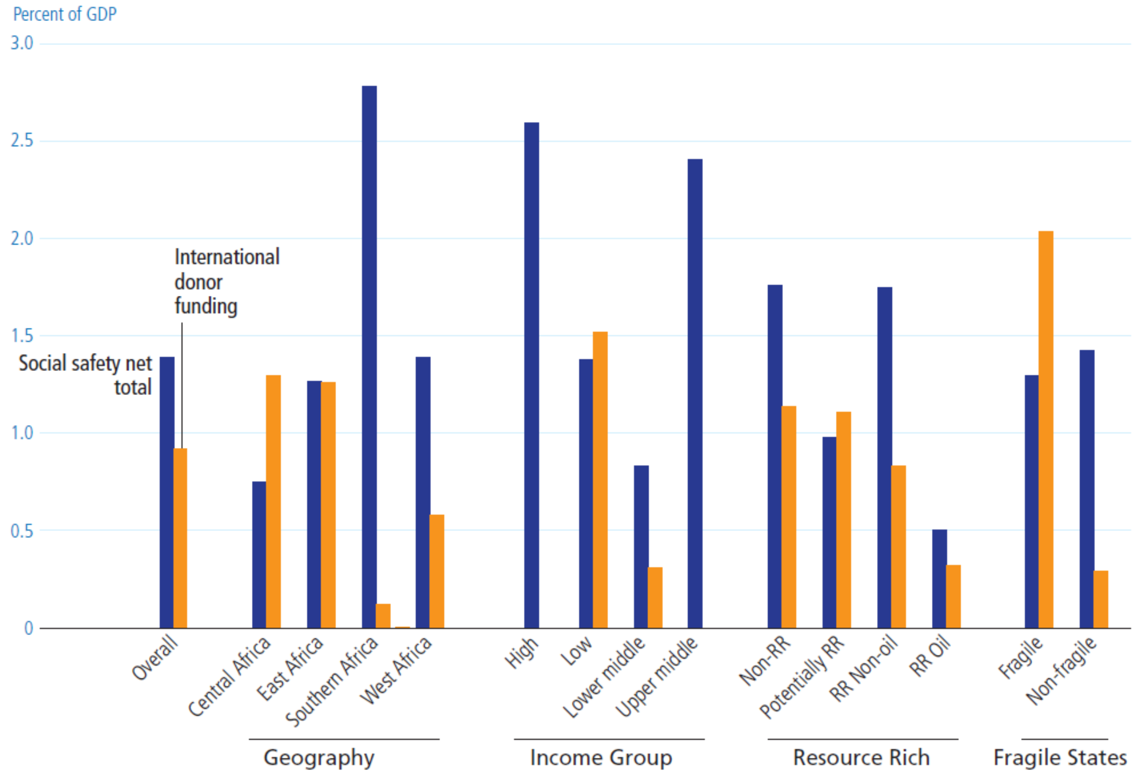
Figure 5. 5: Administrative Costs do not Decrease with Scale



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/.
Note: Beneficiarie's numbers refer to total individuals and include both direct and indirect beneficiaries.

Governments finance 44% and donors the remaining 56% of safety net spending in Africa (figure 1.15 in chapter 1). Donors finance a higher proportion in lower income, fragile settings and in humanitarian crises. Donors often entirely finance safety net interventions in fragile (72 percent of total spending), non-resource rich economies (66 percent) and high disaster risk countries (55 percent) (chapter 1). Most of these interventions prioritize food-based programs such as school feeding, food for work, and vouchers (Appendix G.5). Donors represent the main source of funding in emergency situations. The average amount of humanitarian aid flowing to fragile and conflict countries (2 percent of GDP) is larger than what governments in these countries spend on safety nets (1.3 percent of GDP). East Africa, low income countries, and non-resource rich economies also receive larger share of humanitarian aid compared to governments' allocation (figure 5.6 and appendix table G.1).

Figure 5. 6: Humanitarian Aid is a High Share of Social Safety Net Spending in Some Countries



Source: Spending from ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/. International humanitarian assistance: UN OCHA, http://www.globalhumanitarianassistance.org/data-guides/datastore. Recipients of international humanitarian assistance.

Making better use of existing resources

Maximizing the efficiency and effectiveness of safety net programs is paramount, given the tight fiscal environments and competing policy priorities. For the purposes of this study, the general concept of "efficiency" relates to the achievement of desired outcomes at the lowest possible cost, while that of "effectiveness" to the highest possible impact for a given budget. Desired outcomes and impacts depend on policy goals and preferences, country context, and specific programs. For example, the desired outcome of a particular cash transfer program could be limited to immediate reduction of monetary poverty, while that of others could include increasing the human capital of children, social cohesion, or resilience to natural disasters. It is important to note that the discussion below mostly focuses on impact in terms of monetary poverty reduction, because of data availability and to allow cross country comparison. Box 5.1 offers a more detailed discussion of the definition and measurement of efficiency and effectiveness of safety nets.

In Africa, efficiency and effectiveness in terms of reduction of monetary poverty vary widely across countries and programs, and the two variables do not necessarily move together (table 5.1). For instance, simulations show that, for each dollar spent on benefits in Rwanda's Vision 2020 Umurenge Program, 73 cents go directly to the poorest and reduces their poverty gap. However, the program only reduces the extreme poverty rate by 0.02 percent, making it more efficient, but less effective than other programs in table 5.1. In contrast, some programs are more effective, but less efficient in reducing the poverty headcount and the poverty gap among the extreme poor, such as the Social Aid Program and the noncontributory pension in Mauritius.

Table 5. 1: Efficiency and Effectiveness Vary Substantially across and Between Countries

Country, year	Program	Targeting method	Reduction in poverty headcount	Reduction in poverty gap	Cost-benefit ratio	Coverage (% population)	Spending (% GDP)
Mauritius, 2012	Social Aid (cash)	Means, income	33.92	51.98	0.11	3.43	
	Noncontributory pension	Categorical	87.24	94.65	0.06	15.49	3.19
Senegal, 2011	Community nutrition program	Geographical, categorical, and community-based	0.14	0.12	0.18	25.64	0.03
	Program for ages 60+, medical assistance	Categorical	0.00	0.25	0.34	0.62	0.01
Malawi, 2013	Malawi Social Action Fund public works program	Geographical, Categorical, Community-based and Self-selection (also a trial PMT)	1.03	0.6	0.28	15.24	0.16
Rwanda, 2010	Vision 2020 Umurenge Program	Community-based	0.02	0.21	0.73	2.4	0.48
	Genocide Survivors Support and Assistance Fund	Categorical and community-based	0.21	0.25	0.24	0.21	0.30
South Africa, 2010	Old-age grant, disability grant, war veteran's grant	Categorical and means, income	49.32	73.86	0.19	5.62	1.22
	Child support grant, care dependency grant, foster care grant, grant in aid	Categorical and means, income	46.11	66.99	0.23	21.30	1.09
Uganda, 2012	Direct income support under the Expanding Social Protection Program	Geographical and categorical	0.05	0.37	0.13	0.28	

Source: social safety net spending data from ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), http://datatopics.worldbank.org/aspire/, other data from World Development Indicators.
Note: The impacts are simulated.

There is significant space to improve the efficiency and effectiveness of some programs. We calculate an 'efficiency frontier' for safety net spending and its coverage of the poor, using a methodology explained in detail in Box 5. 1. Burundi, Guinea, Benin, Madagascar, Angola, Cabo Verde and Liberia are among the least efficient, and lie further away from the efficiency frontier. Generally, Central African countries, low income countries, resource rich economies and fragile states tend to be less efficient. Countries with a social protection strategy, ministry with a social protection mandate and national safety net system in progress or in place tend to be more efficient (Table 5. 2). While these measures should only be taken as indicative, they show that some countries do manage to achieve more with fewer resources. Together with the estimates for administrative costs presented earlier, this suggests there is room for improving efficiency and effectiveness.

Box 5. 1: How we Define and Measure Efficiency and Effectiveness for Safety Net Programs?

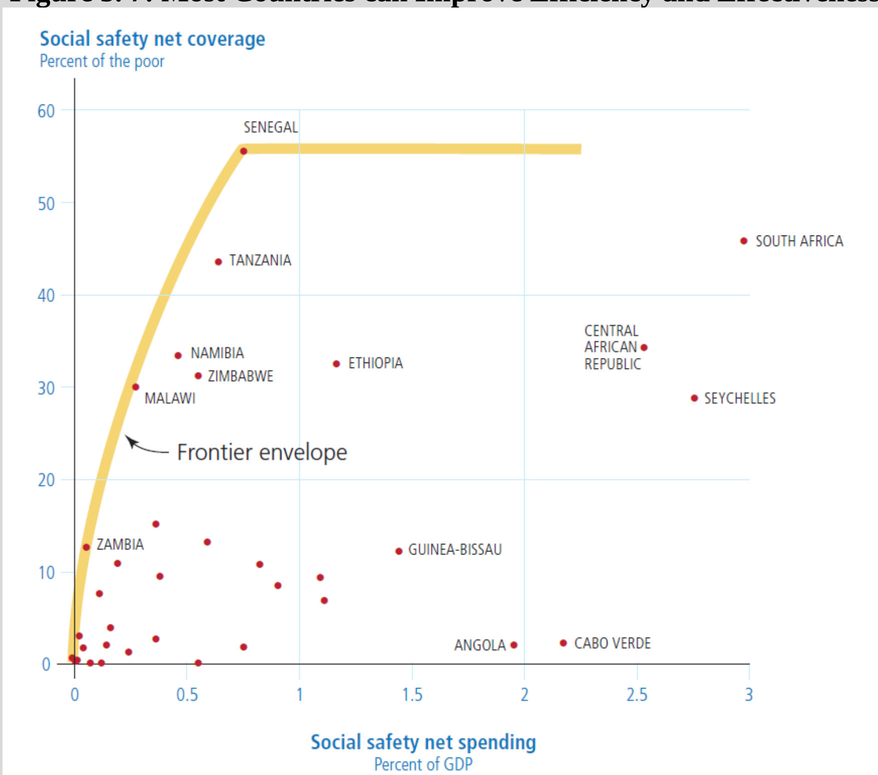
Concepts of efficiency and effectiveness represent a way to relate inputs, outputs, and outcomes (Farrell 1957). The definition of inputs, outputs and outcomes of safety net programs depends on the policy goals and parameters of each program. For example, outputs and outcomes for cash transfer programs could relate to child poverty, school attendance, earnings, etc. depending on their objectives. Defining the relationship between these variables is also challenging, given that most social outcomes are the result of many factors, and that social policies often do not produce a single outcome. Empirically, measurement is also often challenging, with data often not available or of poor quality.

The social protection literature presents multiple approaches to measuring efficiency and effectiveness (Castro-Leal et al. 1999; European Commission 2008, 2011; Herrmann et al. 2008; Galang et al. 2013; Bui et al. 2015; Sudaram et al. 2014). The two main ones are performance indicators and frontier analysis. Performance indicators include metrics such as the coverage and targeting of the poor, benefit incidence analysis, poverty reduction decomposition, and cost-effectiveness analysis. However, these do not include information on the maximum possible achievements, the yardsticks at the core of efficiency analysis. Frontier analysis, on the other hand, provides a benchmark to assess efficiency and effectiveness, by building a production possibility frontier based on cross-country data. There are multiple techniques to estimate a production possibility frontier, either parametric (Free Disposal Hull, Data Envelopment Analysis) or nonparametric (econometric methods such as Stochastic Frontier Analysis).

Results for the parametric data envelopment analysis are presented below to illustrate the kind of analysis that can be done though this is by no means an exhaustive examination of the efficiency and effectiveness of safety nets in Africa. Developed by Farrell (1957), the methodology compares actual spending with the minimum necessary spending to produce the same outcome (the input approach or efficiency within the definition of efficiency followed in this paper) or the highest possible level of output for a given level of spending (output-oriented approach or effectiveness according to the definition here). The approach considers discretionary inputs, the ones for which quantities can be changed rather autonomously by policy makers in each country (for example, government spending).

Figure 5. 7 shows the production possibility frontier calculated using safety net spending as a share of GDP as an input and coverage of the poor as an output. Lack of efficiency or effectiveness can be measured by computing the distance of each country from the efficiency frontier. The horizontal distance of one country to the efficiency frontier represents how much spending could be reduced without changing the coverage of the poor (input-oriented or efficiency). The vertical distance from each country to the frontier represents the amount coverage of the poor can be improved without changing the level of spending (output-oriented or effectiveness). It is important to note that this is only one way one might define inputs and outputs, and that the programs considered might have different policy goals than the coverage of the poor.

Figure 5. 7: Most Countries can Improve Efficiency and Effectiveness



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), DC, http://datatopics.worldbank.org/aspire/. Other data: World Development Indicators

Table 5. 2 shows the average output efficiency scores by country groups according to selected social protection policy features. While there is room to improve the effectiveness of spending in most countries, efficiency scores are higher in countries with more developed social protection policies.

Table 5. 2: Efficiency Scores are Higher in Countries with Better Social Protection Policies

Feature		**Efficiency Score**
Social Protection Strategy	Not Present	17%
	Present	45%
Ministry	None	22%
	Yes	41%
Donor	No	43%
	Yes	40%
Overall development of safety net system	No safety net in place	23%
	No solid plans for safety net system	31%
	System in progress	49%
	Safety net system in place	49%

Source: Authors calculations.

Improving efficiency with strong delivery mechanisms and a systems approach

Strong delivery mechanisms are the basis for an efficient system

Well-functioning administrative tools are critical to ensuring the timely delivery of safety net transfers to the intended beneficiaries, and governments across the world have recently put considerable emphasis on improving administrative processes and systems. Essential elements of an effective administration of social safety net system include, among others, processes for identification, targeting, enrollment, payments, service delivery, and case management. For example, the government of South Africa achieved significant efficiency gains by overhauling administration, by introducing a specialized agency for centralized administration and payments (the South African Social Security Agency), introducing biometric smart cards, reregistering of beneficiaries, and regular biometric proof of life verification.

The adoption of technology in all aspects of administration has played a leading role in lowering administrative costs (Box 5. 2). For example, the move from physical cash to electronic payments has led to substantial increases in efficiency by reducing leakage and allowing the integration of payments with information management systems. In Mexico, thanks to a campaign to integrate electronic payments and social assistance, 97 percent of 2.6 million pensioners are paid through a centralized electronic system, saving the equivalent of about $900 million annually in administrative costs.

Upgrading administrative processes and introducing technology can be costly, but benefits can be important in the medium to long term. For example, during the first seven years of Mexico's *Prospera* program, administrative costs fell from 51 percent of the program's overall budget to 6 percent. This was because of large up-front investments in systems (purchase of equipment, design of systems, definition of procedures, and so on) that yielded benefits for multiple years, as well as a gradual increase in the number of beneficiaries served by the systems (Lindert, Skoufias, and Shapiro 2006). Similarly, the administrative costs of Ethiopia's Productive Safety Net Program accounted for 16.7 percent of total program costs in 2010/11. Within two years of the program's launch, the share of administrative costs were reduced to 6.7 percent (DFID 2014 and 2015). Senegal scaled up its national cash transfer program from about 50,000 beneficiary households in 2013 to 300,000 in 2016 while reducing the amount spent in administrative cost from 14 percent to 5 percent in the same time period. The Livelihood Empowerment Against Poverty program in Ghana also scaled up, brining administrative costs to 1 percent of total program budget (ASPIRE database).

Introducing technology, however, does not guarantee cost savings: the quality of implementation and local conditions play a big role (Box 5. 2). For example, in a cash for assets program in Kenya, electronic cash payments were 15 percent less costly to implement than the distribution of food of equivalent value (CGAP 2013). However, in the Malawi Cash and Food for Livelihoods Pilot Program, cash was more expensive to administer than food (though it assured greater food security) because the program was able to purchase food at much lower and more stable prices in the context of weak food market integration (Audsley, Halme, and Balzer 2010).

Box 5. 2: Technology Plays a Role in Social Safety Net Systems

Technology plays an increasing role in reducing the cost and raising the effectiveness of safety nets. Mobile technology has been a particularly crucial in facilitating the exchange of information with beneficiaries and in providing transactions capability to beneficiaries and field staff – such as provision of payments and other services.

The introduction of technology has boosted efficiency by lowering administrative costs. The introduction of a biometric smart card for payments of cash transfers has generated an estimated savings of R 2 billion (roughly $150 million) a year in South Africa. In India, the introduction of biometric smart cards for beneficiaries of the National Rural Employment Guarantee Scheme and social security pensions resulted in time savings to beneficiaries valued at $4.5 million and reduced annual leakage by approximately $38.5 million in the National Rural Employment Guarantee Scheme and $3.2 million in the social security pension program. The efficiency gains are particularly large relative to the total cost of the introduction of the smart cards of $2.3 million (Muralidharan, Niehaus, and Sukhtankar 2016).

Technology can also promote effectiveness. For example, through a recent pilot program of *Fundación Capital* in Colombia, recipients of the *Más Familias en Acción* conditional cash transfer could use gained access to shared tablet computers and smartphones to use LISTA, an application designed as an alternative to in-person financial training through a peer-to-peer education methodology. Participants were able to use LISTA from home at their own pace and focus their learning on their choice of topics. Preliminary results indicate significant impacts on financial knowledge, attitudes toward formal financial services, the adoption of good financial practices, and financial outcomes.

Technology also holds promise for decreasing the cost and increasing the accuracy of targeting. In Sierra Leone and Tanzania, the governments are using innovative spatial statistical modeling approaches to target. Geo-referenced locational information (geotagged and satellite data) is combined with household survey data to generate poverty maps. In Tanzania, the maps are used to assess geographical targeting performance and will be used to select priority areas for retargeting and any eventual expansion of the program. In Sierra Leone, the maps are used to target multiple programs and are overlaid with other data depending on the needs of each program; they are also used to help harmonize interventions across governmental and nongovernmental institutions. (Gething and Rosas 2015; World Bank 2015a).

However, the adoption of technology does not *guarantee* increases in efficiency or effectiveness, and other factors play important roles:

- *The quality of infrastructure and implementation is critical for the successful introduction of technology*. In four cash transfer programs in low income settings (Haiti, Kenya, the Philippines, and Uganda), efficiency gains from the introduction of electronic payments were not immediately realized because of the required mobile infrastructure, high-quality management information system (MIS), technical capacity among administrators, and recipients understanding were not present to an adequate degree (CGAP, 2014). In Zambia, an innovative mobile technology enumeration and registration system for the Social Cash Transfer Program did not outperform the existing paper system in a small pilot, because of challenges largely "related to an isolated design flaw in the application, logistical challenges with power and network, and poor compatibility between the m-tech database and the existing management information system." (Dinsight 2015, p.1)
- *The start-up costs of technology might be high either because it requires infrastructure investments, or because switching technologies implies transaction costs*. A review of e-payments for emergency cash transfers in Kenya and Somalia found that the choice of payment modality is not a large determinant of overall costs and that e-payments are not necessarily cheaper than manual payments, often because of the higher start-up costs. Nonfinancial factors (such as timeliness, burden on beneficiaries, safety, risk of fraud, and so on) can then be the determining factors in the choice of payment modality. An e-voucher pilot initiative of the World Food Programme in Afghanistan found that, although the program was successful in many aspects, costs were not lower than those of the traditional paper vouchers because of the high costs of monitoring the pilot initiative, which would disappear in follow-up phases.
- *The legal and procurement aspects of technology introduction need to be carefully managed*. Contracting information technology service providers entails unique challenges, because such services can be based on proprietary source codes or other asymmetric information that can create excessive negotiating or market power by the service provider. Governments are advised

to carefully manage this risk, through careful legal and procurement processes, or by relying on open source systems to avoid vendor lock-in. While the South African social assistance identification and payment card is one of the most advanced in the world, in 2014 the South African Constitutional Court declared the tender process and thus the contract for its provision invalid. The contract with the service provider was continued in order to guarantee service, but the Court mandated that the South African Social Security Agency reopens the tender. Since then, the agency encountered numerous challenges in attempting to comply with these orders, and to date the same service provider still administers payments despite allegations of abuse of market power through the provision of complementary financial services using personal and biometric data collected through the grants payment system.

By weaving together programs and tools, a system approach can promote efficiency

All programs require basic administrative tools for identifying and enrolling beneficiaries, making payments, and managing information. Unifying these systems can lead to economies of scale and result in efficiency gains, and these tools also help improve efficiency to systematically tackle fraud and error (Box 5. 3). Beyond more efficient delivery mechanisms, a system's approach also encompasses program and policy integration, which can reduce costs and increase efficiency. Despite progress in achieving better coordination, safety net programs in Africa are still largely fragmented and responsibility for their implementation are typically spread over several ministries (chapter 4). Governments can save resources by creating an integrated and coherent social protection system, as demonstrated by the efficiency analysis presented above which suggested that countries with a social protection strategy, ministry with a social protection mandate and national safety net system in progress or in place were more efficient. Systems enable governments to respond more efficiently and effectively to chronic poverty, respond to shocks and promote well-being throughout the lifecycle.

Box 5. 3: Ways to Combat Fraud and Error in Social Safety Nets

The efficiency of safety nets can be improved by systematically tackling fraud and error. Fraud refers to intentional behavior to defraud the program, while error refers to unintentional mistakes on behalf of benefit claimants or program staff. Irrespective of their size and design, all safety net programs are prone to some level of fraud and error, including in more advanced countries with more sophisticated systems, clearer processes, and more robust governance structure. Reducing fraud and error would contribute to greater efficiency and effectiveness, by ensuring that more resources reach the intended beneficiaries. Importantly, combatting fraud and error also contributes to building public confidence in and support for safety net programs by demonstrating that efforts are made to ensure that taxpayer money is used efficiently (see chapter 3 for a discussion on the political economy of safety nets).

Improving clarity of business processes and introducing automation in the administration of safety net programs can provide opportunities for program administrators to institute more advanced and effective strategies to reduce fraud and error. For example, the level of benefit fraud in the United Kingdom fell by over 60 percent since 2010 as a result of the actions taken by the Department of Work and Pensions, the institution responsible for social protection policy. A cost/benefit analysis estimated that for every pound invested in data matching activity, the automated system identifies 24 pounds of irregularities (NAO 2008). These matching efforts resulted in fraud in the benefit system accounting for only 0.7 percent of total expenditure. In Romania, the government decided to strengthen the institutions in charge of combating error and fraud in 2010, by (a) implementing data matching across databases at the application stage to prevent ineligible households from registering for income or means-tested benefits that are intended for low-income households, (b) using risk profiles to target inspections by social inspectors on high-risk cases, and (c) introducing a sanctions policy to deter potential fraudulent claims and recover misspent resources. These efforts focused on large, high-risk programs and were accompanied by improved information technology and organizational structures. In particular, this included the review of the legislation supporting the legal power of social inspectors, a significant increase in their number, their allocation proportionally across program, the preparation of a manual, and the establishment of a risk analysis and profiling team. As a result of these efforts, spending decreased by $149 million from 2011 to 2012, and 84,000 beneficiary files were terminated. In 2013, $58 million in misspent resources because of error and fraud were recovered from beneficiaries.

Combating fraud and error holds promise for Africa, and some countries have embarked on such agenda. The introduction of biometric smartcards in South Africa resulted in the removal of more than 640,000 ineligible beneficiaries from the beneficiary roster, and in savings of approximately Rand 2 billion (about $150 million) a year (Alam, Mokate, and Plangemann 2016). The improvements contributed to the political acceptability of safety nets because people were aware money was not being wasted (Alam, Mokate, and Plangemann 2016). In Lesotho, demographic projections suggest that up to 25 percent of old age pension beneficiaries might be ineligible (World Bank 2016b). The government of Lesotho sets out to address this by performing cross checks with other databases, introducing regular proof of life verification, and implementing a new electronic payment system. Estimates suggest Lesotho could save up to 0.5 percent of GDP annually thanks to these measures.

While fraud and error in social safety net programs are inevitable, efforts to minimize them are important to maximize the share of resources reaching beneficiaries. Activities against fraud and error should be cost effective and strike a balance among prevention, deterrence, and detection.

Information systems are also a key tool behind the implementation of information systems and registries. Thanks to recent improvements in technology, countries have developed methodologies to integrate aspects of program management into Management Information Systems (MISs). Such information systems are comprised of components that automate various functions of the delivery chain in a complementary manner (box 5.4). Their development can result in significant savings (box 5.5).

Box 5. 4: Identifying Some Key Elements for Social Safety Net Programs and Systems

Social registries support the processes of outreach, intake and registration, and assessment of needs and conditions. Beneficiary registries and benefits administration systems support decision and notification phases along the delivery chain for a social program. When a number of beneficiary registries are linked or "integrated," they can support coordination across programs. For example, Kenya is taking steps to enhance the efficiency of its system by consolidating some of these programs, which include the Cash Transfer Program for Orphans and Vulnerable Children, the Older Persons Cash Transfer Program, the Persons with Severe Disability Cash Transfer, the Hunger Safety Net Program, and the World Food Program Cash for Assets Program. An integrated beneficiary registry was developed, and this so-called 'single registry' has allowed more efficient program monitoring, reduced double registration, increased transparency and accountability, promoted the efficient transfer of data, and enhanced the quality of operations.

Unique national identification systems support the process of assigning a unique identifier to an individual that establishes who this person is. Such unique identifiers are needed to integrate social safety net information systems and allow to: (a) verify and authenticate the identity of individuals; (b) link those individuals to families or households; (c) eliminate duplication of registered individuals; and (d) link with other information systems for the purposes of data sharing or cross-checks. India's Aadhaar unique identification number is a 12-digit random number issued to its residents based on voluntary enrollment. Aadhar is used as a basis to roll out several government safety nets and other social programs, and is the largest biometrics-based identification system in the world.

Payment systems support the administration and provision of payments service. Linking payment flows with other processes is especially critical to ensure the delivery of benefits to the intended individuals in a timely manner while minimizing costs. Case management systems support the management of individuals/families/households participating in one or many programs, including needs assessment, planning and implementing services, advocacy, making appropriate linkages with service provides and complementary programs, and monitoring the delivery and use of services, including conditionalities monitoring. Grievance redress mechanisms support filing of eligibility appeals, complaint handling, feedback and engagement of applicants, beneficiaries and potential beneficiaries of social programs. Business intelligence and analytics support the generation, aggregation, analysis, and visualization of data to inform and facilitate evidence-based policymaking and strategic decision support for social programs. These include but are not limited to data visualization, data mining, reporting, time series analysis (including predictive techniques), Online Analytical Processing, statistical analysis, etc.

Interoperability protocols for data exchange, including Application Programming Interfaces, Web Services, Enterprise Service Bus etc. to connect to a whole-of-government architecture are also key components of an integrated SP information system. Within the broader country context of Digital Governance, integrated SP information systems interact with numerous other administrative systems, such as the National ID, civil registry, tax authority, etc., exchanging and cross-checking data across central and subnational levels of government. Moreover, the architecture of integrated social protection information systems includes feedback loops between the various information systems components for managing social programs (e.g., with data on enrollment decisions from the Beneficiary Registry feeding back to the Social Registry).

Source: this box draws from World Bank (2017b)

Box 5. 5: How Strengthening Safety Nets' Information Systems Led to Savings Across the World

Brazil. The National Database of Social Information (NDSI) of Brazil keeps records of social security benefits (30 million beneficiaries, or 16% of the population, 34 different types of benefits). In 2009, NDSI's data were deemed legally sufficient as a proof of eligibility for social security benefits, meaning that when a beneficiary's records are complete, there is no need to provide additional documents proving contributions or period worked. This led to a reduction of the time spent to formalize retirement to 30 minutes. In addition, the unemployment insurance program processes 3.5 million requests per month, and uses data from NDSI to check in real time whether a person has another job or receives benefits. The NDSI also provides information on the wages of the last three months worked, which serves as the basis for calculating the benefit to be paid. Benefits can last for up to 5 months and every month, an automatic verification is performed to ensure that the eligibility criteria are met before payment. In 2013 approximately R$ 900 million (US$ 385 million) in payments were blocked as result of cross checking.

Kazakhstan. In Kazakhstan, individuals can receive 578 different services through the e-government portal. Since its launch, more than 77 million electronic services have been provided, including various certificates or statements and the e-government system registered more than 2.6 million users. The electronic licensing system has been introduced in more than three thousand public agencies and departments, and all the information on issued licenses is available in a database accessible to everyone, making it easier to perform verification at customs checking points (and exclude the provision of forged permits). By automating and optimizing business processes, the number of types of documents requested from the population decreased from 2,736 to 1,612, and the applications processing time was cut by half. The process of provision of many services has been simplified significantly. For instance, business registration which used to take at least 30 days, now takes less than four hours. To date more than 38 thousand companies have registered through the portal. The launch of the electronic notary system has allowed to reduce the cases of illegal activities in the notary by 50 per cent over two years. The information system of the Public Service Centers has allowed to automate 160 public services. The number of documents requested from citizens decreased from 851 to 411, and the processing time of applications was reduced from one hour to 15-20 minutes.

Kyrgyz republic. In 2014 the transition to an automated system of allocation and payment of social assistance and services using the Corporate Information Systems of Social Assistance (CISSA) began. After this transition, the time spent on the preparation of various reports and lists has decreased on average to just 2 minutes per report. An evaluation conducted in the Issyk-Kul region estimated the approximate time savings for various operations, as shown in Table 5. 3.

Table 5. 3: Automation Saves Time in the Kyrgyz Republic

Process	Time for manual work	Using CISSA	
Registration of application	10 minutes	First application:	Second application:
		5-7 minutes	3-5 minutes
Decision	10 minutes	5-7 minutes	3-5 minutes
Preparation of beneficiaries list	For 100 people – about 120 minutes, two employees	For 100 people – 5 minutes, one employee	
Generation of reports (gender, number of children in families, etc.)	From 60 minutes to two business days (depending on the category of participants and type of request)	2 minutes, regardless of the type of query and category of participants	
Generation of reports on the recipients of prosthetic and orthopaedic appliances	60-300 minutes, only at the district level; reports on the national level are unreliable, since manual calculations lead to errors	3-5 minutes, at the level of district, region or republic	
Generation of reports on disabilities	up to 2 days – sampling must done be by groups, timeframe, age, diseases	3-5 minutes regardless of the request's complexity	

Romania. By using a unique personal identification number in all major national databases (tax administration, social assistance, health, pension, disability), Romania was able to carry out cross-checks between social assistance and external data. In 2013, these checks led to a recovery of 1.5 million Euro (aproximatley US$1.65 million) (table 5.4) Cross matchings are now a regular activity for various social safety net programs and social services.

Table 5. 4: Data Matching Leads to Savings in Romania

Number of major suspicions (exceptions) identified by data matching for main programs	150.000
Number of suspicious cases investigated further	120.000
Total for overpayments (estimated debts)	€4 million (about US$4.4 million)
Total recovered debts	€1.5 million (about US$1.65 million)
Total costs	€450,000 (about US$495,000)
Cost-benefit ratio on over payments (estimated debts)	9.6
Cost-benefit ratio on recovered debts	4.7

Source: Staff Compilation, 2014

Russian Federation. In Moscow, the *Moscow city program of targeted social assistance* moved from paper-based in-kind assistance to an automated system: the Moscow Residents' Social Card. Elderly now receive payments directly to their social card rather than a box of goods, and can use their social cards for payments in authorized retail chains in Moscow. The introduction of this automated system reduced the process to 72 hours instead of weeks.

A strong public financial management system is also an important element behind the efficient allocation and effective use of social safety net resources. A country that operates a strong, open, and orderly public financial management system is more likely to exhibit the adequate and sustainable allocation of safety net resources, allow the resources to reach the eligible beneficiaries in a timely manner with minimal or no leakage, and enable the preparation and publication of credible accountability reports. Such a system typically includes policy-based and consultative budget preparation; effective budget execution processes, especially those relating to the identification and registration of eligible beneficiaries and the timely transfer of funds to beneficiaries; accurate and timely recording and reporting of safety net -related transactions; and high-quality external audits (oversight) with reports issued to parliament for scrutiny and follow-up.

Finally, it is important to note that the sequencing of administrative reforms and expansion is important, as these need to go hand in hand. Particularly in countries where there is already a foundation for a safety net system, priority could be given to improving and refining the efficiency of existing safety net programs before expansion to larger population groups, geographical locations, or benefits. This is because enhancing the administrative efficiency of existing programs would improve political and public acceptability and would thereby facilitate scaling-up and increased financing (see discussions on political economy in chapter 3). At the same time, the cost of implementing complex design increases and errors multiply as systems are taken to scale. It is important to keep systems as simple as possible prior to expansion and scale up.

Improving effectiveness by focusing on beneficiaries and goals

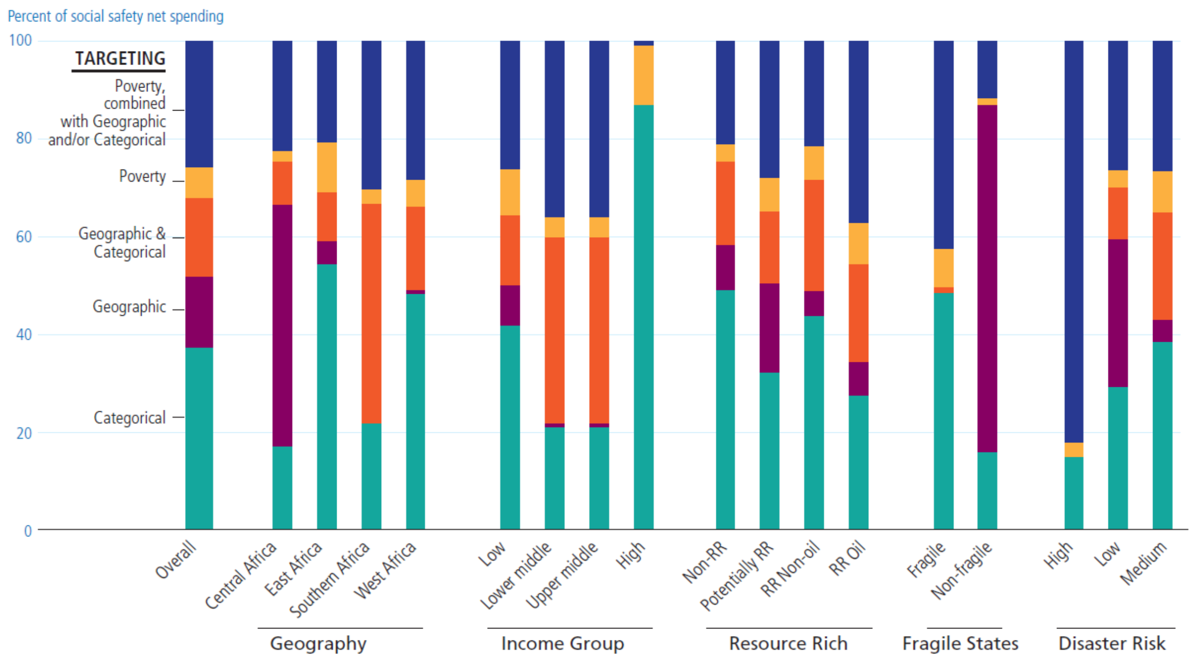
Re-focus spending on desired beneficiaries

The most prevalent approach to choosing program beneficiaries in Africa is categorical (figure 5.8 and appendix table G.2-G.3). Eligibility is determined based on membership in a population group, usually regarded as vulnerable, such as children, the elderly, or the disabled (see discussion on targeting in chapter 3). However, belonging to such groups does not necessarily coincide with poverty. For example, a review of 12 African countries shows that transfers targeted on the elderly (ages 65 and older) would be received mostly by households that are not poor (Guven and Leite 2016).

While poverty reduction (and more specifically, monetary poverty reduction) is the core objective of many social safety net programs, these can have multiple additional goals. For example, the protection of specific groups regardless of their poverty status, increased investment in human capital, provision of support throughout the life cycle, etc. Whatever their specific goals, it is important that programs maintain and monitor the selection of program beneficiaries carefully to maximize the effectiveness of spending. Having sound information systems in place, as described in the previous section, can help in this regard, since they allow to track beneficiaries over time and across programs.

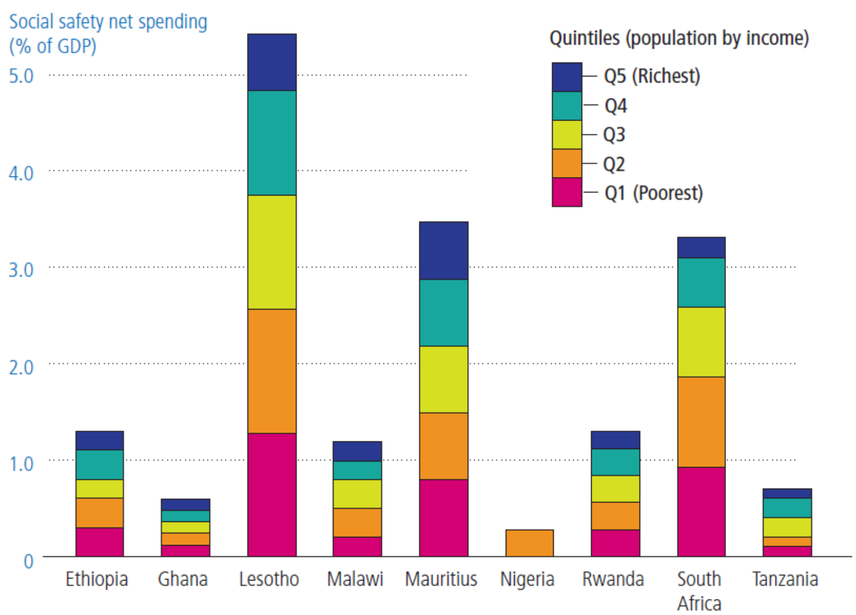
For social safety net programs, whose overarching goal is to reduce monetary poverty, targeting on the basis of houhoseld welfare, poverty or vulnerability levels can lead to stronger impacts on poverty. Beneficiary incidence analysis of selected flagship programs targeted to the poor show that these programs are generally pro-poor, but that a certain share of resources goes to richer households. For example, forty percent of beneficiaries of the Ethiopia PSNP and the Malawi MASAF public works belong to the two richest quintiles (see Fig. 1.12 in chapter 1). Overall, on average, in the 9 countries presented in figure 5.9 and appendix table G.4, 14 percent of social safety net spending is received by the richest 20 percent in the welfare distribution and another 20 percent to those in the second richest quintile. Simulations from data on Africa and Latin America suggest that poverty targeted programs have stronger poverty impacts for given budgets than categorical programs, even when taking into account targeting errors (Acosta, Leite, and Rigolini 2011; Guven and Leite 2016).

Figure 5. 8: Categorical Targeting is the Most Prevalent Approach



Source: ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), DC, http://datatopics.worldbank.org/aspire/. Other data: World Development Indicators
Note: The category labelled "poverty" includes all programs that explicitly target households on the basis of their welfare, poverty or vulnerability. To identify households, these programs use community targeting, means or income test, proxy-means test, pension test, self-targeting, or a combination of these approaches.

Figure 5. 9: A Large Proportion of Social Safety Net Programs Goes to Better Off



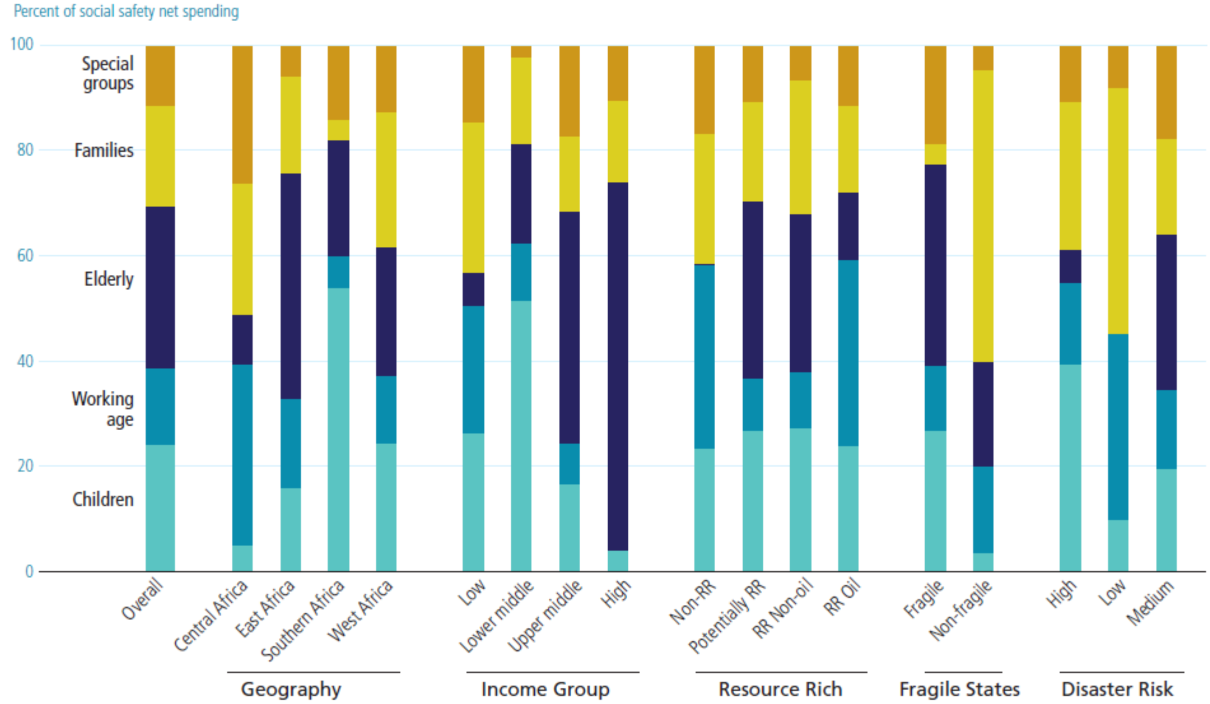
Source: Spending from ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/.
Note: Estimates based on beneficiary incidence and total spending

A number of factors are in play in determining whether targeting will improve the effectiveness of safety nets in reducing monetary poverty. In general, the higher the poverty rate, the lower the need for targeting because targeting and universal approaches would yield more similar beneficiary groups. In 15 African countries with very high poverty rates, perfect poverty targeting and universal transfers are simulated to have samilar impacts on a poverty index (Kakwani, Veras Soares, and Son 2005). Simulations comparing programs that are imperfectly targeting households on the basis of their poverty levels, in which targeting costs 15 percent of administrative costs, with a universal program in 13 countries in Latin America find that, although poverty targeting tends to deliver higher poverty impacts, categorical targeting (combined with geographical targeting) yields better overall results in low-income countries with widespread pockets of poverty. In Nicaragua, for instance, a categorical program only achieves about the same poverty reduction as an imperfectly targeted program that costs the same, but does not leave out 30 percent of the extreme poor. In contrast, in wealthier and more unequal countries, such as Colombia, the need to transfer larger amounts to a smaller pool of poor beneficiaries makes an imperfectly targeted system more attractive than a categorical program (Acosta, Leite, and Rigolini 2011). In addition to efficiency considerations, the choice of targeting also has political repercussions that might affect the amount of resources devoted to social safety nets (see chapter 3).

In fact, the additional costs of targeting could be compared with the savings achieved by improved targeting. These additional costs include administrative costs associated with gathering the information necessary to determine eligibility, costs of implementing targeting, and indirect costs of targeting such as any distortions in beneficiary behavior to qualify for benefits and the burden on beneficiaries (Samsen, van Niekerk, and Mac Quene 2011; Slater and Farrington 2009). Different targeting mechanisms imply various costs and levels of accuracy. For example, proxy-means testing and hybrid mechanisms, such as the combination of community-based mechanisms and proxy-means testing, are often costly to administer, but are relatively effective at excluding both the nonpoor and the poor, thereby increasing efficiency by decreasing leakage at the cost of substantial errors of exclusion (Brown, Ravallion, and van de Walle 2016; Karlan and Thuysbaert 2013).

In the African context of high poverty rates, there might be an argument for targeting social pensions, but a weaker one for targeting child-based programs. Indeed, while many of the elderly do not live in poverty (Guven and Leite 2016), the incidenc of poverty is much larger among younger cohorts (and hence gains from targeting child-focused programs are more limited and for elderly-focused programs). On average, the region allocates more resources to social pensions, followed by programs for children, and significantly less financing to programs for the working-age population (figure 5.10 and appendix table G.2 – G.3). Geographically, low and lower income economies spend more resources on programs targeted to children, while upper middle and high income countries allocate most of their spending on the elderly (see chapters 1 and 3 and appendix table G.3).

Figure 5.10: Most Social Safety Net Spending Goes to Programs Focused on the Elderly and Children



Source: Spending data from ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/.

Focus on programs that have proven impact on their stated objectives

The effectiveness of safety nets depends heavily on program choice and design. Indeed, even programs that have a poverty reduction mandate could have limited poverty reduction effects, if their coverage of the poor is limited, they are poorly targeted, the amounts are too small, or there is a narrow causal link between the intervention and poverty reduction. Evidence on the effectiveness of alternative program choices, design, and implementation arrangements, such as the information provided in chapter 2, can help policymakers make effective choices.

Energy subsidy are an example of programs that have often been put in place with poverty mandate but have weak poverty impacts, because they tend to benefit the more well off in society. Energy subsidies are typically regressive because large shares of benefits accrue to richer households who have the highest levels of consumption (Inchauste and Victor, 2017). A number of countries have phased out or reduced energy subsidies in favor of social safety net programs that target the poor and vulnerable, achieving stronger poverty impacts or fiscal savings. A key aspect of successful reforms was often the parallel creation (or expansion) of safety net programs as a compensation measure. For instance, in Iran in 2010, the government begun a large energy subsidy reform, undertaking extensive public communication and using cash transfers as a means to compensate people for the loss of the subsidies. As a result, the reform had positive effects on poverty, inequality, and overall costs (Inchauste and Victor, 2017; Guillaume, Zytek and Farzin, 2011). The government of the Dominican Republic adopted a similar approach, replacing an electricity subsidy with a targeted cash transfer to help poor households pay for the first 100 kilowatts of electricity each month. The effort was associated with an extensive community sensitization campaign, as well as the rehabilitation of electrical lines to guarantee access. The number of registered electricity users rose from 1.4 million to 2.3 million in three years and the government achieved considerable savings, with annual costs of $150 million for the subsidy, versus $55 million for the cash transfer program (Inchauste and Victor, 2017).

Overall, choosing programs with greater impact potential, improving program targeting, and selecting design features that maximize impacts are critical ways to improve the efficiency and effectiveness of social safety net spending (see also chapter 2 for lessons on specific design features which are more likely to yield strong impacts).

Increasing financing to scale up social safety nets

While improving the efficiency and effectiveness of programs can bring gains, most countries in Africa will need to increase safety net budgets in order to scale up and cover all the poor and vulnerable. This subsection explores a number of ways governments might develop more strategic approaches to managing and mobilizing additional resources, ranging from strengthening fiscal policy to incorporating risk assessment and contingent financing instruments into budget processes, to leveraging market risk capital and roles of the private sector.

Strengthening fiscal policy

Strengthening fiscal policy is the most sustainable option for financing sustained social safety net at scale, given uncertainties in the global macroeconomic and political context, increasing borrowing costs and predictability of external financing (IMF 2015). Improved taxation also benefits the consolidation of the citizen-state compact and promotes the accountability of government to taxpaying citizens: "(…) effective tax systems can be associated with a 'virtuous circle', whereby the generation of government tax revenues leads to improved service provision, which in turn increases citizens' willingness to pay taxes." (Bastagli, 2016, p.22).

There is scope to increase the domestic fiscal envelope available for social safety nets in Africa through increased taxation (OECD 2017). In Africa, total tax revenues stood on average at about 21 percent of GDP between 2011 and 2014, compared to over 30 percent in high income countries. While low, this represents a remarkable improvement: according to the IMF the region experienced the largest increase in tax revenue across the globe since the turn of the century (IMF 2015). With the exception of Botswana, Nigeria, Zambia, and a few fragile states, all African countries managed to increase their tax-to-GDP ratio in that period. Given their current level of GDP, the median country in Africa is estimated to have the potential to increase tax revenue between 3 to 6½ percentage points of GDP (IMF 2015).

Governments have a number of options to increase tax revenue. Box 5.6 describes the main factors behind low tax revenues in low income countries. We review options – dividing them between short-term quick wins and long-term deeper reforms. While the former yield immediate results, they will not be sufficient for equitable and sustainable domestic financing. Long term, deeper reforms will ultimately be needed.

Box 5. 6: Why is Tax Revenue Lower in Lower Income Countries?

Relatively low tax revenues in low-income countries arise because a number of country specific factors, such as the small per capita income levels, shares of national income that go to wages and salaries, as well as the high levels of informal sector activity, low urbanization, and a large agricultural sector. Economic growth, per capita income and wage increases and employment formalization will thus be important factors in widening the tax base over the future. However, these do not mechanically translate into higher revenue. Tax policy design and administration practices and improvements in tax systems are required to take advantage of such developments. Examples of the tax policy design and administration issues discussed in this strand of the literature include:

Tax incentives and tax breaks: Tax incentives or reduced tax rates designed to attract foreign investors have become more pervasive, despite limited evidence of their effectiveness (OECD, 2014). The share of countries offering tax holidays in Africa increased from 10% in 1980 to 80% in 2005 (Keen and Mansour 2009). While taxation matters for foreign investors, other considerations, such as infrastructure and rule of law, matter more and the lost potential revenue through tax incentives can be a significant drain on domestic revenue mobilization (Fjeldstad and Heggstad 2011; IMF 2011; Bastagli 2015).

The taxation of income and wealth: low tax rates applied to incomes that are not derived from wages and salaries, together with high levels of personal exemptions from income taxes, wipe out a large part of the tax base for personal income tax in some countries (Tanzi 2013).

The taxation of land and property: property tax has been neglected in favor of other, less conspicuous, taxes such as consumption taxes, yet displays some administrative advantages and the potential to enhance the accountability of municipal governments (Monkam and Moore 2015).

Tax avoidance and evasion: These include multinational enterprises that use transfer mispricing and other practices to shift profits and losses around the world in order to minimize overall tax liabilities, and tax avoidance schemes involving tax havens (Ortiz et al. 2015; Oxfam 2015; UNCTAD 2015).

Revenue diversification: revenue from natural resources presents an opportunity to finance social spending, though high reliance on this revenue source can expose countries to volatility. Moreover, there resource-rich countries tend neglect the development of non-resource taxation and revenues from extractive industries may deter deeper tax reforms (Crivelli and Gupta 2014; Hujo, 2012)

Technical, technological and statistical capacities: lack of basic information systems, trained staff and computerized accounts pose a challenge to collecting taxes and may facilitate tax avoidance and evasion; studies outline the types of administrative challenges encountered and policy options to address them (Keen 2012; Mascagni et al. 2014).

Source: Authors, mostly adapted from Bastagli (2016)

International experience identifies measures which can relatively quickly increase tax revenue (Pereira, Hoekstra, and Queijo, 2013), namely: (1) focusing resources on improving auditing, processes, and tools; (2) segmenting taxpayers according to attributes such as size, sector, and past behavior to identify larger tax collection opportunities; (3) targeting collections on offices with the largest outstanding debt; (4) ensuring regular updates to the taxpayer registry; (5) introducing electronic channels for simple transactions; (6) closing specific tax loopholes; (7) simplifying the tax system; and (8) enabling external checks that enforce compliance.

Indirect taxation, such as value-added taxes present an opportunity for more revenue than other tax instruments in many African countries in the short term (IMF, 2015). In isolation, indirect taxation is generally regressive since it increases inequality of disposable income (Bastagli, 2015), but its overall effect on distribution can be progressive when used to finance a strongly progressive spending. Indirect taxes can be implemented with a broad base, a fairly high threshold to avoid overburdening small businesses, and a single or limited number of rates to preserve simplicity and limit opportunities for rent-seeking (IMF 2015). Concerns over the regressive burden of indirect taxes can also be mitigated by design options, including ensuring that taxes on goods most consumed by the poor are low (Bastagli, 2016).

In the long term, improved administration of taxation has increased fiscal revenue in a number of countries. In Rwanda the government increased tax revenue as a share of GDP by approximately 50 percent in 2001–13 despite declining import duties (IMF 2009). Key reforms in Rwanda include: establishing a revenue authority to cover non tax-revenue and rationalize income taxation; introducing value added tax; aligning the tax system with development priorities; introducing tax audits, appeals, and penalties for evasion; and harmonizing its system with that of the East African Community. Through the expansion in tax revenues, the government was able to increase spending on infrastructure, education, health care, and social protection (AfDB 2010).

In South Africa, in 2009 the government simplified the tax revenue system by introducing a turnover tax on microbusinesses, the value added tax, the provisional tax, the capital gains tax, and the dividends tax. The system attracted more than 7,000 new taxpayers in the first year alone, a large number of which were converted from the informal economy. The additional revenue generated through the introduction of the turnover tax allowed the government to maintain the country's large social safety net system. The tax burden in South Africa is highly progressive, thus in line with the safety net system goal of reducing poverty and inequality (Inchauste et al. 2015).

In Georgia, tax simplification and improved administration have enabled greater domestic resource mobilization. Although fewer taxes were levied and tax rates were lowered, the government was able to double revenues, while reducing administrative costs to taxpayers and the government. The government reduced compliance costs by simplifying tax arrangements and concessions for microbusinesses; simplifying accounting, recordkeeping, filing, and payment arrangements for small businesses; and eliminating the obligation to file for individuals with relatively simple income tax obligations (McLaughlin et al. 2016). Through these reforms, the government has been able to increase spending on health care and education.

Explicitly linking a specific tax revenue source to safety net financing can help establishing a predictable and accountable domestic funding source for safety nets. In Ghana, a share of value added tax and payroll tax revenues is earmarked to finance the country's National Health Insurance System, improving the consistency of health financing and increasing spending on health care. However, despite this, the financial sustainability of the national health system is challenged by the growth of expenditures on claims, which is outpacing revenue growth (Blanchet and Acheampong 2013).

Another option for enhancing the financing envelope for safety nets involves finding ways to improve the complementarity of humanitarian and development spending. The World Humanitarian Summit in Istanbul in May 2016 highlighted the urgent need for humanitarian and development actors to work together and overcome the humanitarian-development divide. One option would be to channel humanitarian resources through government budgets and ensure humanitarian actors use national safety nets to respond to disasters. Using social safety nets can result in efficiency gains in the provision of humanitarian assistance (see box 5.7 for a detailed discussion of how social safety nets and humanitarian actions can be integrated, and the discussion of options for making financing available to expand safety net programs during emergencies outside of the humanitarian funding envelope).

Increasing revenue through payroll taxes can be an additional means to finance safety nets. Though usually used to finance social insurance, some countries have used employer and employee contributions (together with general taxation) to fund safety nets (Bastagli, 2015). For example, this can be done by making contributions payments compulsory (Namibia with the Social Security Act in 1994), extending participation to broader categories of companies and employees (Thailand extended coverage to firms with one employee or more), reducing the cost of compliance and regulation by simplifying administrative processes (Rwanda, South Africa and Georgia, see above), or enhancing the perceived benefits of formalization (Bastagli, 2015).

Increasing domestic revenue could also be made through the taxation of natural resources. However, reliance on revenue from natural resources is also associated with volatility, instability and financing sustainability concerns, as well as possible lower accountability from governments to citizens such revenues are 'unearned' (Bastagli, 2016, p. 23). Natural resource wealth has not always translated into good economic outcomes, and countries that have avoided the so-called resource curse and effectively promoted long-run development have pursued a balanced approach that has included investing in people (de la Brière et al. 2017). In Mongolia, for instance, the government has levied royalty rates of 5 percent on the extraction of natural resources, applied a 10 percent corporate income tax on profits, and established royalties and licensing fees for exploration and production. A fund was created, using such revenues to finance expenditures on health insurance and pensions, housing payments, cash transfers, and medical and education service payments (ILO 2016a).

Curtailing illicit financial flows – "capital associated with illegal activity or more explicitly, money that is illegally earned, transferred or used that crosses borders" (World Bank, 2016c) – can also free resources for social safety nets. They include traded goods that are mispriced to avoid tariffs, wealth transferred to offshore accounts to evade income taxes, and unreported movements of cash. In 2012, almost $1 trillion in illicit financial flows are estimated to have moved out of developing countries (Kar, Cartwright-Smith, and Hollingshead 2010) and these flows amounted to almost 10 times the total aid received by developing countries (Ortiz, Cummins, and Karunanethy 2015).

Leveraging the private sector

The private sector can be a valuable source of both capital (both risk and investment capital) and expertise, which governments could leverage. Guarantee instruments, which formalize risk-sharing agreements and reduce risk to attract investors, have considerable value in situations where risks and uncertainty are high. A guarantee can provide protection to an investor against loss and damages arising from specific political risks (such as expropriation, breach of contract, currency inconvertibility and transfer restriction, war and civil disturbance) and credit risks (such as default on payment obligations on bonds, loans, trade finance, and other financial instruments). Guarantees for political risk are relevant in fragile countries, and since premiums may be high, there may be a case for concessional co-financing. Political risk insurance (PRI) can be purchased through the market, at commercial rates, usually from reinsurance companies or obtained from institutions such as the Multilateral Guarantee Agency (MIGA).

Guarantee instruments can also be used to reduce risk associated with moving commodities from surplus to deficit areas, a role that could be given to private sector actors whenever possible. Production losses resulting from drought or conflict translate into higher food prices and uncertainty about access. When interventions designed to reduce these risks are themselves uncertain (both in timing and level), they may in practice, amplify them (by undermining commercial trading that can smooth supply and price volatility and by creating uncertainty for banks who could offer short-term finance to local traders). Guarantees from development partners for letters of credit, or other trade finance arrangements, can help support growth of the role of private sector actors in critical commodity supply chains by reducing risks.

Development impact bonds are innovative tools which governments could use to mobilize private sector financing for development objectives – including those of social safety nets. Development impact bonds are means to "provide funding for development programs by private investors, who are remunerated by donors or host-country governments—and earn a return—if evidence shows that programs achieve pre-agreed outcomes" (CGD 2013). The returns to investments are contingent on the achievement of the envisaged development objectives (Coleman 2016). The principle of this approach is that socially motivated private investors provide upfront funding to an implementer for a development program. Development impact bonds are the developing country adaptation of social impact bonds, used in higher income countries to promote socially desirable results mostly in the areas of on criminal justice, homelessness, and workforce. Most development bonds are still at the design stage, but early lessons are emering (Gustafsson-Wright et al. 2015 and Gustafsson-Wright and Gardiner 2016).

Diaspora bonds could also be used to direct remittances toward development goals. They are debt instruments issued by a government to raise financing from a diaspora (Ketkar and Ratha 2007). The bonds are long-dated securities that are redeemed only upon maturity. Typically, investors who purchase diaspora bonds are motivated by a desire to contribute to the development of their country of origin. Diaspora bonds have been successfully introduced in Israel, India, and Nigeria. State Bank of India had raised over $11 billion by 2007 (Ketkar and Ratha, 2007), while Nigeria issued $100 million in diaspora bonds in 2013, and, given the success of the first issue, decided to raise €300 million from a second diaspora bond issue under its 2016–18 borrowing plan (Ozaki 2016).

Governments can also capitalize on the role NGOs play in social safety nets, in terms of implementation as well as advocacy. NGOs have been supporting cash transfers and other safety net interventions across the world for decades. They are also often involved in targeting efforts and community-based schemes and have been key players in humanitarian assistance and disaster response. In 2014 NGOs channeled US$7.9 billion in humanitarian assistance from both public and private funding, by far the largest channel after multilateral organizations (Global Humanitarian Assistance and Development Initiatives. 2016). Because of their expertise, presence at the grassroots and commitment to communities, NGOs are a critical asset in promoting the social safety net agenda in Africa. In South Africa, they have played a crucial role in advocating for people’s constitutional right to social assistance (Alam, Mokate, and Plangemann 2016).

Corporate Social Responsibility (CSR) is currently underutilized for safety nets in Africa, relative to other social sectors and continents, but holds promise. A few governments have developed strategies and tools to access these resources to fund economic and development strategies. For example, in El Salvador, multinational companies have supported the creation of two major foundations in education and in broader socioeconomic development. In Mauritius, the Ministry of Finance requested that all firms spend 2 percent of their profits on CSR activities approved by the government or to transfer the funds to the government to be used for social and environmental projects. Some elements required for CSR to muster additional funding for social safety net programs in Africa include:(i) placing social protection on the global business development agenda as a sector of CSR activity, (ii) building government leadership in the development of CSR within countries, (iii) developing a national CSR strategy among public sector companies, (iv) ensuring that CSR activities are aligned with the development objectives of safety nets to maximize synergy, and (iv) defining the needs in social safety nets that can be effectively addressed by CSR activities and resources (Forstater et al 2010; GIZ 2012 and Visser and Tolhurst 2010).

Public-private partnerships also hold promise, and remain largely untapped for safety nets. they have the potential to bring efficiency and sustainability to the provision of public services by scaling up, through private investments, the capital that would be available to governments alone, leveraging the management expertise and innovative spirit of the private sector, and sharing risks with the latter. They differ from CSR in that they are joint ventures between governments and private firms rather than initiatives of a charitable nature by private firms. They have been applied mostly in infrastructure investment and, in the social sectors, in education, health care, and water and sanitation. There might be potential for public-private partnerships in social safety nets, for example in the provision of payment or employment and coaching services. The ILO has embarked on a number of such partnerships in the Global Coalition for Social Protection Floors, through which they partner with companies to develop systems for employees and document the impacts of coverage within firms (ILO 2016b).

Making financing available to expand social safety nets during crises

To better manage the risk of shocks, ensure predictable and timely access to resources, and ultimately mitigate long-term fiscal impacts, many governments are adopting a strategic approach to risk financing that uses a range of pre-planned, pre-negotiated financial instruments. In a number of countries in Africa, these financing strategies and shock-responsive safety nets are being developed or considered (box 5.7). Risk financing involves planning ahead and mobilizing resources to finance shock-responsive activities before a shock actually happens. To do so, governments have access to a menu of financial instruments and mechanisms that can help address varied needs and face different hazards. There are several financing options available to governments:

Contingency or reserve funds are established in many countries to finance relief, rehabilitation, reconstruction and prevention activities for national emergencies. Sovereign funds specifically dedicated to disaster response exist in Colombia, Costa Rica, India, Indonesia, the Marshall Islands, Mexico, the Philippines, Lao PDR and Vietnam, among others. In the Philippines, the National Disaster Risk Reduction and Management Fund finances a range of disaster-related expenditures, but is not able to disburse rapidly in response to a crisis. For that reason, the government created the Quick Response Fund, which focuses on emergency response. In Mexico, FONDEN was created as a budgetary tool to rapidly allocate federal funds for emergency response and rehabilitation of public infrastructure affected by disasters. A number of African countries are working on the establishment of similar funds. In Kenya, for example, the government is in the final stages of operationalizing a national contingency fund dedicated to drought emergencies. Efforts are also underway to establish such funds in Mozambique and Madagascar.

Box 5. 7: What are Shock Responsive Social Safety Nets?

Shock responsive safety nets are generally defined as systems that are ready to "meet the anticipated needs of vulnerable populations resulting from the impact of an endogenous or exogenous shock which adversely affects livelihoods and labor markets" (McCord, 2013). They have traditionally been used to assist the poor and help households manage risks (Grosh et al, 2008). Recently however, safety net programs are expanding their role around shocks, by serving as instruments to help cope with *covariate* shocks. Covariate shocks that hit multiple people at once, such as natural disasters, present particular challenges as they affect large groups simultaneously (OPM, 2015 p. 1).

A key feature of shock-responsive social safety net program is their scalability, i.e. their ability to rapidly expand coverage and support during crises, and contract afterwards (OPM, 2016; Ovadiya, 2014; Bastagli; 2014). This expansion can be done using a variety of options, laid out in Table 5.5:

Table 5. 5: There are Various Options for Expanding Safety nets in Response to Covariate Shocks

Name of Option	Description
Vertical Expansion	Increasing the benefit value or duration of an existing program which may include: (i) adjustment of transfer amounts or (ii) introduction of extraordinary payments or transfers.
Horizontal Expansion	Adding new beneficiaries to an existing program which may include: (i) extension of geographical coverage; (ii) extraordinary enrollment campaign; (iii) modifications of entitlement rules; and (iv) relaxation of requirements/conditionality.
Piggybacking	Using the administrative framework of social safety net to deliver assistance, but running the shock-response program separately (as in the

	Philippines with the extension of the Pantawid Program in response to typhoon Haiyan in 2013 or in Lesotho with the humanitarian response using the National Information System for Social Assistance to target support during the El Niño induced drought in 2015/16).
Shadow Alignment	Developing a parallel system that aligns as best as possible with social safety net programs (as in Kenya with the alignment of the value of assistance in Oxfam and Concern Worldwide's urban program)
Refocusing	Refocusing social safety net by centering them on people who are most vulnerable to shocks.

Source: authors, based mostly on OPM, 2015.

A number of countries have implemented these types of features to have scalable components that allow an expansion in response to shocks. While cash transfers are commonly used include a scalable component, food support and public works are also used as shock-responsive safety net programs. In Ethiopia, for instance, the Government regularly expands the PSNP to respond to drought since 2008. In particular, the program was successfully expanded during the Horn of Africa drought in 2011, supporting an additional 3.1 million beneficiaries for three months and extending the duration of transfers for 6.5 million of the existing 7.6 million beneficiaries. This response was credited with preventing the worst impacts of the drought, and emerging evidence shows that the program protects households from drought and enables them to bounce back faster after a shock.

In Kenya, the Hunger Safety Net Program registered all households in the four Northern counties (374,000 households) and issued bank accounts and debit cards to them. 27% of households in these counties are regular program beneficiaries. The others receive one-off payments only in the event of an increased risk of shock for each month they are deemed "at risk", depending on the geographical areas identified most at risk. Payment is triggered automatically by a vegetation condition index derived from satellite data that indicates which sub-counties are at risk or extreme risk. Accordingly, the program temporarily covers 50% or 75% of their population (OPM 2016).

A number of factors are important in ensuring successful disaster response, including: (1) the existence of an established social safety net system to provide administrative capacity and infrastructure; (2) specific policy features, such as the integration of climate and disaster risk considerations into the planning and design of social safety net programs, links to an established early warning system and central registries for targeting or verification; (3) strong institutional capacity, that ensure effective communication channels, clearly defined roles and responsibilities, possible coordination through a single central agency, as well as pooling and smoothing of donor funds; and (4) a targeting mechanism that allows rapid horizontal expansion, since the target group of more permanent safety nets does not always coincide with that of emergency assistance, such as registries that collect information on vulnerable groups beyond existing program beneficiaries (OPM 2016; Ovadiya 2014; Bastagli 2014).

As discussed in chapter 3, political factors can affect the design and implementation of shock-responsive social safety net programs, for example through the political implications of expanding safety nets (vertically and horizontally) and of deciding to call for, and release, emergency funds. These factors need to be taken into consideration when designing shock responsive features of social safety nets.

This Box draws heavily from OPM (2016), both for the conceptual framework and examples cited.

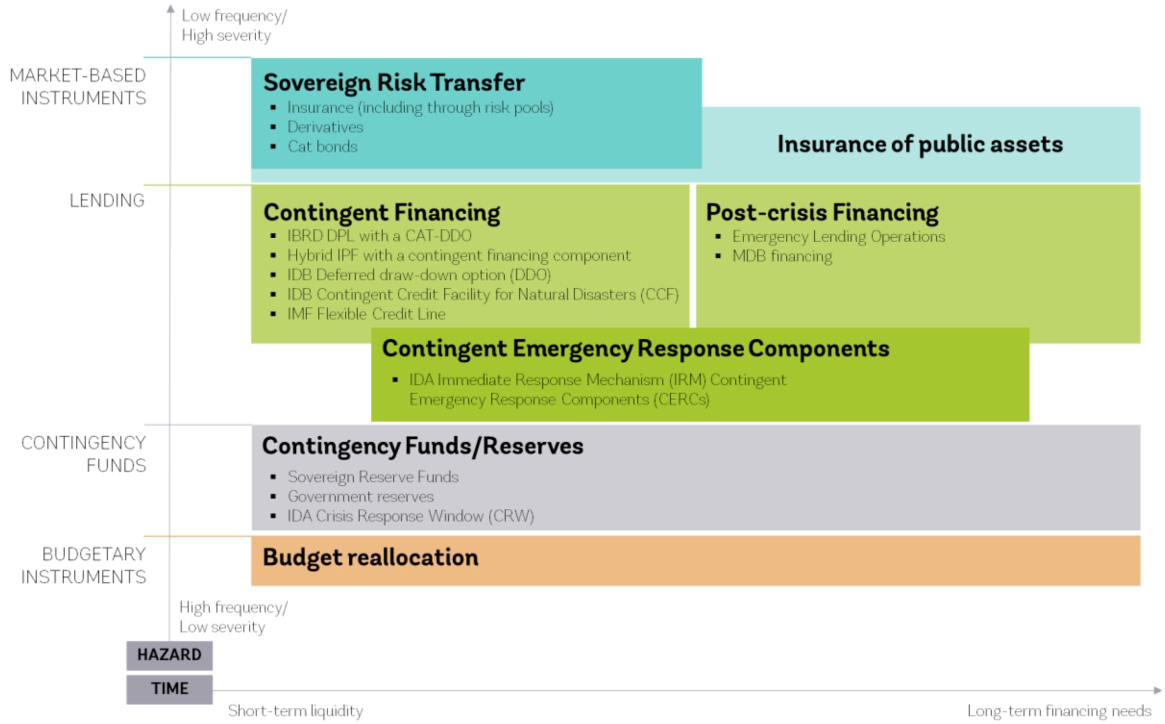
Contingent loans are financial instruments designed to give countries access to liquidity immediately following an exogenous shock, such as terms of trade shock, financial shock, or natural disaster. Contingent loans have been used by multilateral development banks to strengthen national capacity for risk management and give countries access to liquidity immediately following an exogenous shock.

These instruments promote early responses, which can help mitigate the risks of exacerbating crisis situations and reduce overall costs.

Finally, market-based instruments – derivative contracts, insurance contracts, or catastrophe bonds – can be used to transfer the risk of specific meteorological or geological events (droughts, hurricanes, earthquakes, and floods) or commodity price shocks to actors in the market (insurance companies, reinsurance companies, banks, and investors) who are willing to accept them. These market-based risk transfer products use scientific information and actuarial modelling to estimate losses that would be sustained due to a specific event and "price" the risk. Payments are triggered by the performance of a pre-specified underlying parametric index such as levels of rainfall, length and intensity of drought, or commodity price movements.

Each instrument serves different purposes and governments are advised to take a strategic approach by combining instruments with different characteristics. Depending on the frequency and severity of risks to be managed, governments can combine (or layer) financing instruments that address different needs and have different cost implications. Such an approach prioritizes cheaper sources of funding, ensuring that the most expensive instruments are only used in exceptional circumstances. For example, sovereign insurance may provide cost-effective cover against extreme events (though it could be prohibitively expensive in countries frequently affected by extreme events), but it may be inefficient and costly to protect against low intensity and recurring events. For such disasters, a dedicated contingency fund may be a more appropriate solution. Figure 5. 11 provides a graphic representation of this risk layering approach. Combining instruments also enables governments to take into account the evolving needs for funds – from emergency response to long term reconstruction. For example, a government could decide to purchase (ex-ante) quick-disbursing risk transfer instruments to ensure immediate liquidity in the aftermath of extreme events, but raise the larger sums required to finance reconstruction efforts through (ex-post) budget reallocations or by issuing bonds.

Figure 5. 11. Government Can Layer Financing Instruments that Address Different Needs



Source: World Bank Disaster Risk Finance & Insurance Program, 2017

In addition to natural disasters, safety nets can play a central role during economic contractions. In the face of macroeconomic shocks, demand for social safety nets typically rises, while governments are often required to operate on a tighter budget. During these times, safety net spending need to be protected and even increased to prevent the long-lasting negative impacts of not protecting the poor. Several countries have made efforts in this direction. The government of Ghana also set targets for social safety net spending to mitigate the impact of fiscal consolidation under its arrangement with IMF in 2015–18.

Choosing the appropriate financing mix for sustainable safety nets

Governments in Africa must find the appropriate financing mix to ensure that safety nets are funded sustainably and resources are available when needed. Each option explored in this chapter has advantage and disadvantages (Table 5. 6), which largely depend on country contexts.

Table 5. 6. Options for Increasing Social Safety Net Resources are Available

Financing methods	Advantages	Challenges
Increased efficiency in administration of social safety nets	• Increases overall efficiency of public spending • Increases acceptability of safety nets	• Hard to implement administrative reforms • Amount saved often insufficient to finance entire scaling-up
Reallocation of expenditure towards desired beneficiaries and goals	• No need to gather additional resources • Can increase productivity of government outlays and	• Requires significant commitment from the government to implement changes and face trade-offs • Would require a detailed analysis of public expenditure programs and

Financing methods	Advantages	Challenges
	efficiency by reducing unproductive expenditure • Feasible in the short term on a small-scale basis particularly where "low hanging fruits" can be identified	medium-term commitment by government • Might imply "winners and losers" between past and new beneficiaries, leading to potential political discontent
Increased domestic revenue: - strengthening fiscal policy - integrating humanitarian and SP funding	• Most sustainable option in the medium to long term • May have a positive redistributive effect • Might increase overall productivity of government if achieved through tax reform • Might increase effectiveness of humanitarian response by focusing on prevention and resilience	• Improved tax management is challenging in limited capacity environments • If done through increased taxation, may have direct and indirect effects on economic growth and ultimately the poor • Tax increase may have limited return given narrow fiscal base and be politically unpopular.
Direct investment by the private sector (diaspora bonds, development impact bonds, CSR, PPPs)	• May help mobilize resources without increased taxation (in short run) • Potentially, improvement in efficiency if best practices from the private sector are adopted	• Private sector actors will only be able to invest in projects with a financial return • Need coordination between private firms and development partners to align objectives • Cyclicality of funding might imply unpredictable investment flows
Development and humanitarian financing from external donors	• Provide financing in the short and medium term • Usually come with technical assistance to design reforms	• Cyclicality of funding and downward trend can imply unreliable support • Bureaucratic and/or policy requirements might hinder government's ownership • Donor coordination might be a challenge
Financing for emergencies (post disaster budget reallocation, contingency funds, contingent loans and credits, market based instruments)	• Different risk financing instruments are used to cover risks that vary in frequency and severity	• Choice among instruments requires careful risk assessment and financial planning during "normal times" (risk layering strategy)

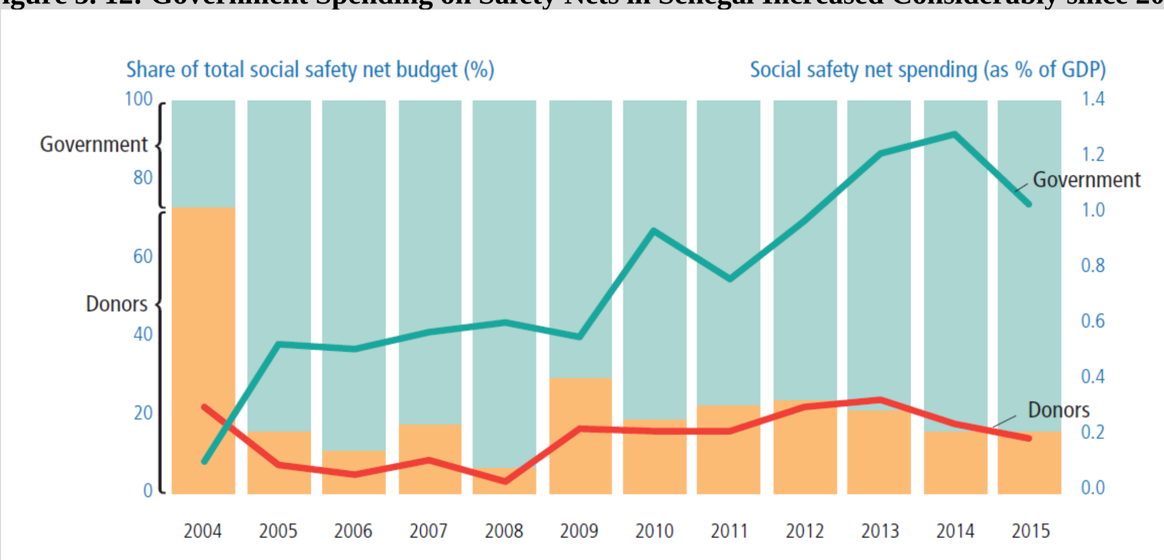
Source: Authors' elaboration.

Donor financing can play an important role in financing initial investments (tools and procedures). it can also be a catalyst to gather domestic resources: in Mozambique, development partners played a central role in advocating an increase in budget allocations for the social protection strategy and plan (Bastagli, 2015). Responsibility for financing can gradually shift to governments once initial investments have been made and country systems are in place. Financing and implementation of safety nets have gradually been taken over by the government in Ethiopia, Lesotho, and Senegal (box 5.8). Ethiopia's Productive Safety Nets Program is an example of the successful integration of government and donor funding, as well as of donor harmonization. In particular, 11 donors coalesced and created effective implementation arrangements that span multiple ministries and provide a unified stream of technical advice in support of the government-led program (Monchuk 2014).

Box 5. 8: How did Senegal Take Over Most Financing for its Core Social Safety Net Program?

In the mid-2000s, social safety net spending in Senegal was very low, around 0.4 percent of GDP in 2004. Safety net funding was largely dependent on donor financing: out of the nine programs with funding information, donors financed 62 percent of costs (World Bank 2013). Since then however, government spending on social safety nets has increased significantly (figure 5.12). This follows the adoption by the Government of its flagship social cash transfer program as a key element of the national development strategy in 2012. Government leadership has resulted in the mobilization of significant national resources, with development partners mostly focusing on supporting the development of tools, instruments and systems (see chapter 3).

Figure 5. 12: Government Spending on Safety Nets in Senegal Increased Considerably since 2004



Source: Spending from ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (database), World Bank, http://datatopics.worldbank.org/aspire/. Other data: World Development Indicators

Over time, government can seek to fund a larger share of the safety net over the medium term through a mix of efficiency improvements, increased fiscal revenue, leveraging non-traditional and private sector financial source and use of risk financing mechanisms. Governments can leverage the various sources of financing by exerting leadership in elaborating national social protection strategies and plans that include all the actors The sustainability of social safety net systems can be facilitated through close cooperation among governments, development partners, and the private sector.

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