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Reducing Poverty and Investing in People

THE NEW ROLE OF SAFETY NETS IN AFRICA

Experiences from 22 Countries

OVERVIEW

THE WORLD BANK

Human Development *Africa*

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REDUCING POVERTY AND INVESTING IN PEOPLE: THE NEW ROLE OF SAFETY NETS IN AFRICA

Experiences from 22 Countries

The World Bank Africa Social Protection Strategy for 2012–22 highlights the need for a strong evidence base to inform the design and implementation of social protection programs in Africa (World Bank 2012a). Hence, since 2009, the World Bank has conducted comprehensive social safety net assessments in 22 countries in Sub-Saharan Africa. The findings of these assessments and other studies of safety net programs were recently synthesized into a regional review. This review provides an assessment of the current status of safety net programs in Africa and presents lessons on how they can be strengthened to better tackle poverty and vulnerability.

MAIN MESSAGE: The review finds that social safety nets are on the rise in Africa, and beginning to evolve from scattered stand-alone programs into safety net systems. Until recently, many African countries approached social protection on a largely ad hoc basis. But when the global economic crisis threatened recent progress in poverty reduction, safety nets increasingly began to be viewed as core instruments for poverty reduction in the region. Social protection programming has started to develop from emergency food aid programs to one-off safety net interventions, and then to regular and predictable safety nets, such as targeted cash transfers and cash-for-work programs. Some countries, such as Ghana, Kenya, Mozambique, Rwanda and Tanzania, now seek to consolidate programs into national systems. There is progress towards articulating national social protection strategies, which will serve as the basis for effective safety net systems. But as our review shows, there is still a long way to go.

Safety Nets as Tools for Poverty Reduction and Investing in the Poor

Over the past two decades, Africa's strong economic growth has paved the way for poverty reduction. Between 1995 and 2008, the percentage of the African population living in poverty fell from 58 percent to 48 percent (World Bank 2011). Nevertheless, high poverty levels persist, especially in rural areas, and the gap between income groups in terms of human capital and access to basic services is growing. In addition to *chronic poverty*—a situation where households are not able to improve their living standard and move out of poverty over time—vulnerability is high because environmental, economic, individual, and governance shocks frequently affect many households.

In the effort to increase the momentum in the progress toward sustainable poverty reduction, safety nets (for a definition see Box 1) **are an important tool in any country's development strategy.** The high levels of persistent poverty and the increasing inequality suggest that in speeding up poverty reduction, targeted interventions such as safety nets, which provide regular and reliable support to poor households and help the poor invest in productive and capital-forming activities,

BOX 1: Definition of Terms

Safety nets refer to noncontributory transfer programs targeted in some way to the poor or vulnerable (Grosh et al. 2008). Safety nets aim to increase households' consumption—either directly or through substitution effects—of basic commodities and essential services. Safety nets are targeted to the poor and vulnerable—that is, individuals living in poverty and unable to meet their own basic needs or in danger of falling into poverty, because of either an external shock or socioeconomic circumstances, such as age, illness, or disability. *Social safety nets* form a subset of broader social protection programs along with social insurance and social legislation. Hence, social protection includes both contributory and noncontributory programs, whereas safety nets are noncontributory.

may be important. Safety nets can also provide additional support in times of crisis to those who are temporarily thrown into poverty and can help them develop strategies to build their resilience and thus avoid drawing down on their assets during times of hardship. Hence, safety nets will be essential to achieve the new World Bank goals including reducing extreme poverty and boosting shared prosperity.

Until the recent urgency to strengthen safety nets for the poorest in the face of the global crisis and repeated droughts, social protection has been implemented only on an ad hoc basis in Africa. Over the past few years, in the wake of the global economic and food and fuel price crises, a number of countries have started to coordinate their separate safety net programs into a national system. There is also momentum throughout the region to rationalize public spending to provide more adequate and targeted support to the poorest. This effort responds to the growing body of evidence indicating that safety nets reduce chronic poverty and vulnerability and promote inclusive growth. Impact evaluations of safety net programs in Africa show that safety nets help households meet their basic consumption needs, protect their assets, and enable them to invest in human capital. Moreover, recent research on the productive aspects of cash transfer programs in Africa suggests that these effects may have the potential to boost well-being in the future through productive investments (see Box 2).

BOX 2: Can Cash Transfers Boost Household Productivity in Africa?

Most safety net programs focus on reducing current levels of poverty. However, they may also have the potential to increase productivity and reduce poverty in the long term. Public works are considered productive even in the short term because, besides transferring income to disadvantaged households, they help create small community investments. Cash transfer programs (often conditional) can help poor families invest in the human capital of their children, for instance, through more regular school attendance. However, some groups of the very poor and destitute may not be able to participate productively in society and may use income support to purchase food and other necessities (the protective role of safety nets). Improving consumption could, however, be considered productive in itself; for instance, better nutritional intake helps children develop and improve their future prospects. Old-age support to grandparents in Kenya and South Africa is used to support the schooling of their grandchildren.

Helping households become more productive is an increasingly important aspect of safety nets in Africa. This potential remains to be fully exploited, but some findings from impact evaluations and other research in a number of African countries show promising results. Initial findings of this work show that even a small amount of regular income support—even without any conditions—can help households diversify livelihoods and increase their consumption of "goods" (such as investment in assets, human capital, and small enterprise development) and move away from "bads," or negative coping strategies (such as reducing exploitive or risky employment and asset sales in times of distress). As such, safety nets can allow households to invest in higher-productivity, higher-return activities. Also, cash transfers were shown to boost the local economy through multiplier effects because beneficiaries spend transfers in the local market.

Safety nets are needed in Africa both to support the poor and to help them weather shocks. Africa has a long tradition of family and community-based safety nets. As countries prosper, inequalities rise and social structures may erode as a result of shocks and economic and social change. In most African countries, government-led social safety nets are a relatively new phenomenon, but governments have become aware of the need to provide safety nets for the poor and vulnerable to help them weather crises and to rise out of extreme poverty over time. However, given the vast extent of poverty and vulnerability in Africa, safety nets cannot reach all of the poor. They need to focus on the extremely poor and on specific vulnerable groups for maximum effect and affordability—not only helping protect them but also providing a ladder out of poverty in the longer term.

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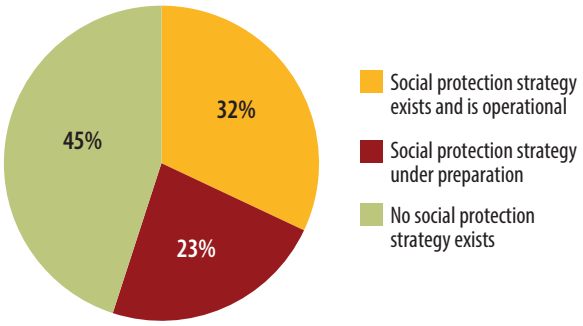
The Safety Net Experience in 22 African Countries

Safety nets have evolved differently across Africa in response to the specific political economy and sociocultural background in each country. Hence, the policy frameworks, approaches, and institutional arrangements that govern safety net systems are not homogeneous across the continent. For instance, middle-income countries (MICs) in southern Africa have strong government-led systems based on horizontal equity, whereas in fragile states and low-income countries (LICs), such as those in West Africa, the social protection agenda tends to be more donor influenced. Any measures to strengthen safety nets need to be designed in ways that take into account these context-specific factors.

Despite this heterogeneity across the continent, safety nets are taking hold as core poverty reduction instruments. More and more African countries are preparing social protection strategies to serve as the foundation on which to build effective and efficient safety net systems. Safety nets are also being placed higher on government agendas. The review shows that about three-fourths of the countries studied include safety nets as a component of their overall poverty reduction strategy and over half have prepared or are preparing a social protection strategy (Figure 1). Experience from some African countries, such as Rwanda, shows that clear action plans with careful costing and implementation plans are crucial for putting strategies into operation. In addition, advances in information and communication technology are quickly creating opportunities for African countries to adopt international best practices with regard to the use of management information systems, single beneficiary registries, and payment systems, among others.

FIGURE 1: More than half of the countries have prepared or are preparing social protection strategies (percent of countries)

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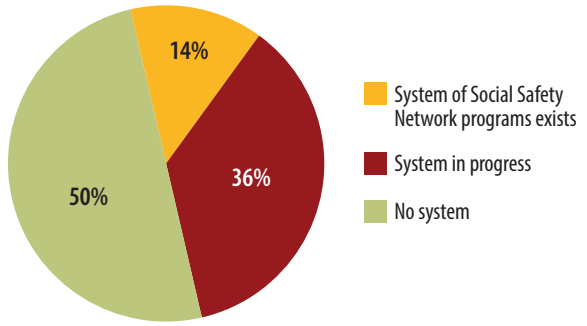
Although safety nets in Africa generally lack strong institutional homes and coordinating bodies, examples of robust implementation arrangements exist. Responsibility for government safety net programs is generally spread over a number of different ministries, such as the ministries of social affairs, women and family, and employment, as well as other cross-sectoral ministries that often lack significant political decision-making power within the government. The Ethiopia Productive Safety Net Program (PSNP) is, however, an example of how countries could create effective implementation arrangements that span multiple ministries. Meanwhile, fragmented donor support often leaves LICs with a host of small and isolated programs that lack coordination or a po-

litical champion. For instance, both Liberia and Madagascar have more than five different public works programs, each operated by different donor organizations and government agencies.

The results of this review show that few African countries have well-planned safety net systems that are capable of taking a strategic approach to reducing poverty and vulnerability (Figure 2). Instead, a multitude of interventions exist that are fragmented, typically donor driven, and together do not effectively target the poor. In LICs, for example, in West Africa, safety nets are focused on emergency relief and food-related issues. Few provide continuous support to the large number of chronically poor, although such programs are more common in MICs (such as in South Africa, Botswana, and Swaziland) because of the prevalence of social assistance and social pension programs in those countries. Looking across countries, we find that the most common kinds of programs are school feeding programs, public works programs, in-kind emergency and nonemergency programs, categorical transfer programs, and general subsidies (Figure 3). National poverty-targeted cash transfer programs are not common, although some of the significant number of small programs are currently being expanded. For example, Rwanda is expanding the coverage of the Vision 2020 Umurenge Program, and in Kenya, the government is bringing five cash transfer programs into the National Safety Net Program.

FIGURE 2: Coordinated Safety Net Systems are Uncommon (percent of countries)



Lacking long-term, development-oriented safety nets, many LICs and fragile states still react to crises and disasters by providing emergency relief (Figure 4). These shock response mechanisms tend to be weak, inflexible, and unpredictable. Moreover, very little information is available about the effectiveness of food distribution and emergency relief programs that are common in West Africa (for

FIGURE 3: Various Types of Safety Net Programs (percent of countries)

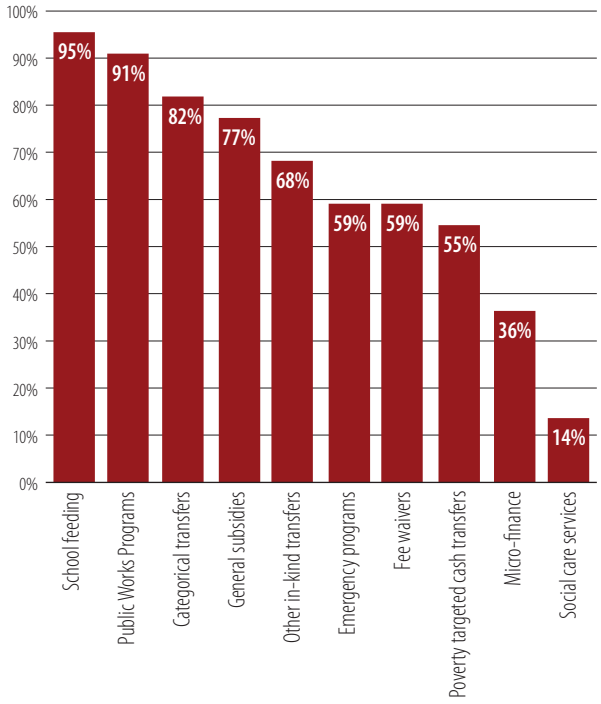
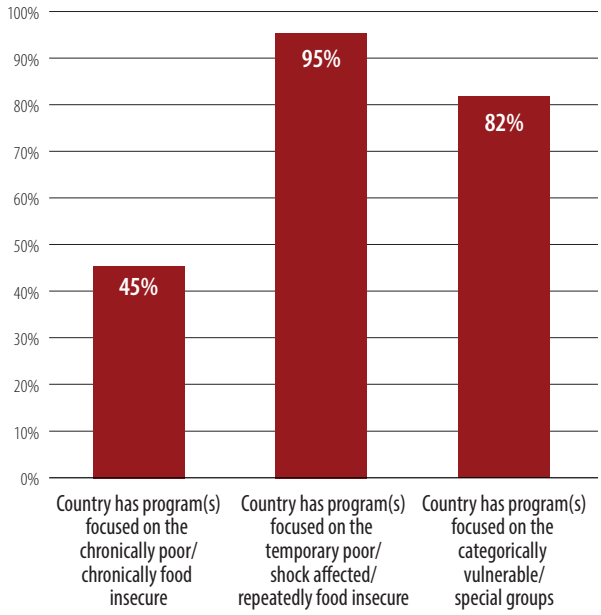


FIGURE 4: Focus of Safety Nets Programs (percent of countries)



example, in Benin, Burkina Faso, Cameroon, Mali, and Mauritania). Countries are increasingly looking to the positive experience of the risk-financing component of Ethiopia's PSNP.

More monitoring data on safety net programs in Africa would help assess their effectiveness. In general, little is known about the effectiveness of safety net programs in Africa, and lack of basic program information systems and data is a crucial weakness. Many countries do not have accurate administrative data on the number of beneficiaries reached and benefit levels provided by each of the programs. Programs that distribute food, for instance, in response to emergencies, particularly lack data. The body of evidence from impact evaluations of African safety net programs is however growing quickly. Many African governments, together with the World Bank and other donors are working actively to improve the impact evaluation evidence base from safety net programs.

Coverage of the poor and vulnerable by existing safety net programs is low, although growing in some countries. Taken together, each country's safety net programs cover only a very small share of the total number of poor and vulnerable people. For example, in Benin, the net coverage rate of all safety net programs is estimated to be only about 5 to 6 percent of the poor. In Kenya, estimates show that cash transfers reached about 9 percent of the poor population in 2010, but the government is planning to expand coverage so that by 2018, 17 percent of the poor will be reached. The exception is universal social pensions programs common in southern Africa, which cover a large share of the elderly population. However, the coverage of poverty-targeted programs in many MICs is still limited. To achieve their goals at a reasonable cost, safety nets need to be well targeted, cover the identified groups, provide adequate benefits, and be flexible enough to adjust to changing needs and to respond to the types of shocks that are now being addressed in many countries.

Targeted programs are still not widely available in Africa. Poverty-targeted programs are rare and mainly practiced in small and new pilot initiatives, with only 20 percent of the programs reviewed using some form of means testing (based on actual consumption income) or proxy means testing to target the poor (Table 1). In practice, safety nets in Africa use a wide range of targeting mechanisms and often combine more than one — 57 percent of programs combine at least two methods. Evidence shows that, in some cases, community-based targeting can identify the poorest households for safety net support. A key question is how well African safety nets are able to identify and reach the poor and vulnerable, especially those in extreme poverty and vulnerability, given data and capacity constraints. Improving the extent to which safety nets can reach the poor also depends on political viability.

TABLE 1: Safety nets in Africa use a wide range of targeting mechanisms (percent of programs)

Targeting method	Frequency
Multiple	57%
Geographic	49%
Self-targeted	32%
Community-based/validated	30%
Categorical	26%
PMT/means-tested	20%
Universal (excluding subsidies)	12%

With better analysis of safety nets, in part from safety net assessments, several countries are on a path toward developing more effective safety net systems. Our review suggests that 36 percent of the countries analyzed are building a system whereas half still need to make more progress (Figure 2). A number of countries are actively increasing the effectiveness and the scale of their existing programs, including some that are relatively well targeted (such as the programs run by the Tanzania Social Action Fund, Ghana's Livelihood Empowerment against Poverty program, and Kenya's Cash Transfer Program for Orphans and Vulnerable Children) (Box 3). In a handful of countries, such as Rwanda and Tanzania, sustainable and more institutionalized programs are starting to appear, backed by influential ministries such as the ministries of finance, economy, and planning. Also, more countries are moving toward building safety net systems and programs that are predictable and are flexible enough to respond to crises (for example, Cameroon, the Republic of Congo, Guinea, Mali, Mozambique, Niger, and Senegal). Ethiopia's PSNP has long been a pioneer in this respect.

BOX 3: Examples of African Safety Net Programs

Ethiopia's Productive Safety Net Program (PSNP) was launched in 2005 to transform the historic food aid-based system into a more predictable safety net that produces productive assets in poor communities. The PSNP provides cash and food transfers to food-insecure households through labor-intensive public works for households with able-bodied members (80 percent) and direct transfers to households that are unable to fulfill a work requirement (20 percent). Estimated annual transfers per household are equivalent to about 40 percent of their annual food needs. The PSNP reaches more than 7 million people, or about 10 percent of the population, and implements about 34,000 small works projects per year. The PSNP's public works have rehabilitated over 167,000 hectares of land and 275,000 kilometers of stone and soil bund embankments and have planted almost 900 million seedlings, all of which will help to mitigate the effects of future droughts. Rigorous evaluations of this program have confirmed that it has made significant transfers to the poor in times of need.

Ghana's Livelihood Empowerment against Poverty (LEAP) Program is a social cash transfer program that provides cash and health insurance to extremely poor households across Ghana to alleviate short-term poverty and encourage long-term human capital development. Eligibility is based on poverty and having a household member in at least one of three demographic categories: a single parent with an orphan or vulnerable child, an elderly poor person, or a person with an extreme disability who is unable to work. LEAP started in a trial phase in March 2008 and, as of June 2013, 71,000 households are enrolled. Beneficiaries receive bimonthly cash transfers of between US$4 and $8 per month. An impact evaluation is currently ongoing. The objective is to scale up LEAP to 1 million households over the next three years.

Kenya's Cash Transfer for Orphans and Vulnerable Children (CT-OVC) was initiated in response to concerns about the wellbeing of orphans and vulnerable children, particularly AIDS orphans. The objectives of the program are to encourage the fostering and family retention of children and to promote their human capital development. Eligible households, which are those who are poor and contain an OVC, receive a flat monthly transfer of US$21. The program reached 150,000 households, including 495,000 OVC across the country as of June 2012, about 24 percent of the estimated number of households with OVCs. Impact evaluations have found significantly higher expenditures on food and health services among beneficiary households. The impact of the program on schooling is concentrated on the secondary level, where enrollment was increased by 9 percentage points and children from beneficiary households were less likely be behind a grade and more likely to progress to the next grade.

Rwanda's Vision 2020 *Umurenge* Program (VUP) combines public works (50 percent), cash transfers (20 percent), and microfinance loans (30 percent) to targeted poor households in the poorest sub-districts. Managed by the Ministry of Local Government, the public works encompass land productivity and irrigation, mainly terracing, ditches, small dams and forestry, as well as construction of roads, school classrooms, and health centers. Wages are set at the district level and vary by project type but with a guideline that they should be less than or equal to the market rate for similar work. As of 2009, wages averaged about US$1.50 per day. As of FY2010/2011, the government spent about 0.7 percent of the national budget on VUP public works and employed 522,856 people, half of whom were women. This is equivalent to about 5 percent of the national population. VUP public works were found to have reduced extreme poverty in the areas covered by the program.

South Africa's Social Grants is the largest cash transfer program in Sub-Saharan Africa. It includes several types of means-tested grants targeted to the older people, poor families with children, foster families, people with disabilities, and war veterans. Roughly 15 million people receive a social grant, or about 30 percent of the national population. The child support grant (CSG) reaches about 10 million people, while the old age grant, which applies to poor people over 60 years of age, reaches about 2 million people. According to household survey data, social grants make up over 60 percent of the income of the poorest 20 percent of recipient households, with child grants being the largest contributor. Children who were enrolled in the CSG at birth completed significantly more grades of schooling and achieved higher scores on a math test than children who were enrolled at the age of six. These effects were particularly significant for girls. Enrollment in the CSG reduced the likelihood of illness among children by 9 percentage points. The main effects on adolescents were reduced sexual activity and teen pregnancies and less drug and alcohol use.

Source: World Bank (2012b)

Well-targeted safety nets are affordable in Africa, especially if inefficient universal and categorical spending can be reduced and redirected to the extremely poor and to specific vulnerable groups and if fragmented programs can be harmonized. In most African countries, especially LICs, spending on social safety nets is low in comparison to other countries in the world (Table 2).

- In LICs, because poverty is high and government income low, attracting donor funds to support the safety net agenda will continue to be vital in both the short run and the longer run. With the exception of universal programs such as old-age benefits and general subsidies, donors finance a large share of safety nets in Africa−–for example, over 80 percent of safety net spending in Burkina Faso, Liberia, Mali, and Sierra Leone (Table 2).
- In MICs, however, current public budgets are sufficient to provide adequate support to the poorest. For instance, in Cameroon, estimates indicate that it would cost only 0.5 percent of gross domestic product to provide an adequate safety net to half the chronic poor.
- General subsidies are costly mechanisms for redistributing income and often do not benefit the poor, as is true, for example, of the fuel subsidies in Cameroon, Mauritania, and Sierra Leone and the Farmer Input Support Program in Zambia. Reducing poorly targeted programs and subsidies can make fiscal space for more effective and better-targeted safety nets. Likewise, well-performing safety nets providing support to the most vulnerable groups can be important mitigating mechanisms to facilitate reform of expensive general subsidies.
- Growing natural resource discoveries across Africa (see World Bank 2013) are likely to provide additional fiscal space for safety nets.

Photo credit: Claudia Rodriguez Alas/The World Bank

TABLE 2: Cost and Financing of Safety Nets in Africa

Country	Spending on Safety Nets (percent of GDP; incl. government and donor spending)			Percent of total government spending (excl. subsidies)	Percent financed by		Notes
	Excluding general subsidies	Including general subsidies	General subsidies only		Government (excl. subsidies)	Donors	Years
Benin	0.3	0.9	0.5	1.1	35	65	Ave. 2005-10
Botswana	3.7	3.7	0.0	9.5	100	0	Ave 2009/ 10-2012/13
Burkina Faso	0.6	1.3	0.7	<1.0	20	80	Ave. 2005-09
Cameroon	0.2	1.6	1.4	1.5	23	77	Ave. 2008-10
Ethiopia	1.2[a]	1.2[a]	0.0	.	0	100	2009
Kenya	0.8	0.8	0.0	1.0	29	71	2010
Lesotho	4.6	4.6	0.0	8.0			2010/11
Liberia	1.5	1.5	0.0	4.4	6	94	Ave. 2008-11
Madagascar	1.1	1.1	0.0	5.0	.	.	2010
Mali	0.5	0.5	0.1	.	40	60	Ave. 2006-09
Mauritania	1.3	3.2	1.9	4.6	62	38	Ave. 2008-13
Mauritius	4.4	5.2	0.8	9.0	.	.	2008/09
Mozambique	1.7	3.1	1.4	.	38	62	2010
Niger	.	.	.	1.0-5.0	33	67	Ave. 2001-06
Rwanda	1.1	1.1	0.0	.	.	.	2010/11
Sierra Leone	3.5	5.6	2.1	13.1	15	85	2011
South Africa	3.5	.	.	.	.	.	2010
Swaziland	2.1	2.1	0.0	.	.	.	2010/11
Tanzania	0.3	0.3	0.0	1.0	.	.	2011
Togo	0.5	1.3	0.8	1.8	25	75	Ave. 2008-10
Zambia	0.2	2.1	1.9	.	25	75	2010/11
Average	1.7	2.2	0.6	4.4	32	68	.
Ave. LICs	1.1	1.7	0.6	3.7	27.5	72.5	.
Ave. MICs	2.7	3.2	0.7	7.0	49.3	50.7	.
Ave. Established systems	3.9	4.5	0.4	9.3	100	0	.
Ave. Emerging systems	1.5	1.7	0.2	2.8	28	72	.
Ave. Early stage/ No plans	1.0	2.1	1.0	4.5	26.4	73.6	.
Ave. ECA	1.8[b]	1.8[b]	.	.	.	.	Latest 2008-10
Ave. LCR	1.1[c]	1.1[c]	.	.	.	.	2010
Ave. MNA	0.7	6.4[d]	.	.	.	.	Latest

Sources: Country safety net assessments, Silva et al. (2013), Woolard and Leibbrandt (2010), World Bank (2012b), World Bank (2012c)

Notes: Numbers may not add up due to rounding errors. The spending data presented include donor financing except general budget support but excludes funding by the private sector.

[a] Only includes PSNP and does not include spending on other safety net programs.
[b] Government spending only, includes subsidies in very rare cases, where data is available, latest year 2008-11.
[c] Year 2010 for 10 countries in Latin America and the Caribbean.
[d] Latest year available for 11 countries in the Midde East and North Africa region. Spending includes general subsidies and ration cards.

Moving Forward to Strengthen Safety Nets in Africa

Data collection and the monitoring systems that support safety net programs need to be improved systematically across Africa. Basic and core data on the number and type of beneficiaries reached and information about program outcomes and impact are imperative to improve the design and coordination of programs, to keep decision makers informed, and to attract financial resources and donor support. The impact of safety nets on poverty and welfare indicators, where known, has generally been positive but mixed. More and more impact evaluations are being undertaken, thereby contributing to a growing body of evidence on safety net programs in Africa. Although in the past most impact evaluations have been for small donor pilots for research purposes, such as Malawi's Zomba cash transfer program or Mali's Bourse maman, larger programs, such as those in Ethiopia, Kenya, and Tanzania, are now benefiting from impact evaluations.

Harmonizing and coordinating safety net programs into a coherent system should be a priority. Within a given country, a small number of coordinated and well-functioning programs can effectively and feasibly meet the needs of the poorest, as happens in Rwanda. Also, African governments, with the support of international donors, should continue to prepare social protection strategies that link, consolidate, and harmonize programs and put the strategies into operation.

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Safety nets should be built on the basis of strong operational tools to ensure effective program implementation and monitoring and establishment of institutional and coordinating bodies in charge of organization and planning. Basic operational tools, such as beneficiary registries, targeting methods, payment systems, and monitoring and evaluation systems, provide a platform that enables programs to deliver support effectively to targeted groups. More work is needed to understand how existing food-based programs and their infrastructure should play a part in new and improved safety net systems in Africa.

These systems need to be built during stable times so that they are ready and can respond quickly to crisis. Establishing such systems takes time. Most countries in Africa (including Benin, Cameroon, Mauritania, and Sierra Leone) did not have safety nets capable of effectively responding to the recent global crises but had to resort to inefficient and expensive universal handouts.

More accurate targeting of African safety net programs is likely to involve a combination of targeting methods that together can distinguish the appropriate households and individuals. Which targeting approach is chosen will depend on the program's objective and the institutional capacity of the implementing agencies, and the approach will have to be customized to the particular poverty profile and political economy of the country in question. Household-level income and consumption data are often not precise enough to be reliable as the sole basis for identifying those most in need. Assessing the targeting accuracy of programs is important, irrespective of which targeting method is used.

Programs that are well targeted and are serving the poor effectively should be scaled up, whereas ineffective programs should be gradually phased out. As mentioned previously, because of Africa's widespread poverty and vulnerability, safety nets cannot reach all the poor but need to focus on the poorest and most vulnerable to ensure maximum influence and affordability. The allocation of safety net spending on scattered emergency programs shows that, typically, neither donors nor governments have focused on safety nets for addressing long-term chronic poverty. This situation is now starting to change. Ethiopia, Kenya, Mozambique, Rwanda, and Tanzania are moving to harmonize programs for enhanced efficiency and coverage.

Photo credit: Arne Hoel/World Bank

The role of safety nets in the context of subsidy reform and use of mineral resource proceeds should be further explored with the unique political economy of each country in mind. In moving forward with efforts in Africa to rationalize public spending for better reaching the poorest, safety nets are an important mitigating aspect that countries may want to have in place. Careful political economy considerations are important when balancing tightly targeted programs with other investments that can benefit a wider set of people and contribute to improved social outcomes. As more and more African countries are benefiting from newfound mineral resource wealth,[1] getting the balance right between effectively targeting those funds to the poorest through safety nets or other investments in social services and building both a fiscally and politically sustainable social protection system will be especially important.

Implementing the Vision: What Can Other Countries Learn?

Countries need to pursue the reform agenda most suitable to their context. One size does not fit all. The path of safety net development and reform should be based on careful analysis of each country's specific needs and challenges. Our review develops a typology of countries to help translate the experience of the 22 reviewed countries into practical recommendations for other countries.

The following recommendations apply to countries that are classified in the typology used in this review as ***"early stage or no plans"*** because they have no solid plans for a national safety net system or no adequate programs in place.[2] (Mainly this group consists of LICs and fragile states, but it also includes some MICs whose main form of income redistribution is through general subsidies.)

- *Develop and put into operation a safety net strategy.* This strategy should assign clear institutional responsibilities for safety net programs and policies with specific roles and responsibilities for involved ministries and agencies. The strategy should be used as the basis for building strong financial and political support for the safety net agenda. It should also be embedded in the country's broader poverty reduction strategy.
- *Build key organizational tools for safety net programs*, such as a basic monitoring system, identification and targeting mechanisms, and a payment system that can channel transfers from the country's various programs to the targeted poor and vulnerable groups.

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- *Coordinate scattered donor support.* Safety net development in this group of countries will continue to depend on donor support, at least in the medium term. With the long-term view of moving toward a coordinated system of safety nets, these countries must begin harmonizing the funding given and approaches taken by donors, guided by the government's safety net strategy and the establishment of underlying systems. In postconflict countries, establishing government systems to track and monitor existing donor programs can offer a practical foundation for government interventions and can build country ownership in low-capacity and fragile contexts.
- *Develop a few key safety net programs that are based on a careful analysis of the country's needs.* This small number of key safety net interventions should (a) provide regular support to people in chronic and extreme poverty and (b) be able to expand and contract to provide assistance to poor and vulnerable households in the case of emergencies or seasonal fluctuations in income and consumption. Which programs are chosen and how they are implemented should be based on the country's poverty profile, the experience of pilot programs, and feasibility studies. Particular efforts should be made to develop robust targeting methods for these programs so that, when the programs are considered functioning well and when the political economy and fiscal resources allow, they can be scaled up to become efficient national programs. However, this expansion does not necessarily have to take place right away. Other existing smaller programs should be strengthened, especially to gather basic monitoring data to inform decisions about their future.
- *Countries with generous general subsidies and with emergency aid programs should consider reallocating some of these funds to more targeted interventions.* Moreover, because human development outcomes tend to be poor in this group of countries, policy makers should seek to establish synergies between safety nets and health, education, and nutrition interventions.

The following recommendations apply to countries that are classified as ***"emerging"*** because their safety net systems are in the process of being developed.[3] (This group consists mainly of LICs but also some MICs.)

- *Continue to reform existing categorical, universal, and ad hoc food emergency programs to make them more effective and efficient tools for reducing poverty.* Improving poverty targeting is especially important. For instance, social pension programs could be more cost-effective if they were targeted only to elderly people and people with disabilities who are also poor, and grants for orphans and vulnerable children should target only children in poor and vulnerable families. Efforts to reallocate universal subsidies and expensive ad hoc emergency programs toward better-targeted and development-oriented safety net support should continue.
- *Continue scaling up a few key relatively well-targeted programs.* Experience from the 22 countries shows that a small number of complementary and well-coordinated programs are often sufficient for meeting the needs of the poor. Which programs are selected will vary by country, but they should provide regular support to chronically poor families or individuals and be flexible enough to scale up and down to provide shorter-term or repeated support to poor groups in response to shocks. As these programs are being scaled up, they should be continuously assessed to ensure that vulnerable groups are being adequately supported. It may also be appropriate to supplement these core programs with smaller complementary programs and services that focus on helping beneficiaries engage in productive and promotive activities, such as investing in the health and education of children.
- *Continue harmonizing and consolidating fragmented safety net programs.* Even if countries have prepared safety net or social protection strategies, they also need to prepare well-costed action plans. While the core programs are being implemented, these countries should continue to harmonize and consolidate the objectives and operational tools of their various programs. Unique beneficiary registration systems should be explored to reduce duplication and overlap. The capacity to develop robust information systems, monitoring and evaluation systems, and payment systems will need to be strengthened or built.

- *Coordinate donor funding and technical assistance into one collective financing envelope or "basket."* As occurred in Ethiopia, such coordination can minimize duplication and maximize effectiveness as a first step toward the government taking over financing of the safety net system in the medium to long term. To build sustainability, countries must secure a medium-term funding envelope from domestic sources. Donor support and technical assistance are likely to remain important in the short and medium run to strengthen systems and scale up programs.

The following recommendations apply to countries that are classified as ***"established"*** and that already have a national safety net and social protection system in place.[4] (These countries are mainly MICs.)

- *Strengthen the existing safety net and social protection system to ensure that it is reaching the extremely poor.* Even when countries have well-established programs, some gaps can remain, with some members of the poorest and most excluded groups not receiving sufficient support. Within the existing budget, it is entirely possible to refine the targeting mechanisms used by universal and categorical programs to provide adequate support to the poorest families and individuals within these groups.
- *Continue harmonizing and consolidating fragmented safety net programs.* As in countries with emerging systems, more effort is needed even in this group of countries to integrate the individual programs into one national system. This effort may require policy makers to reduce the number of existing programs by assessing their individual targeting effectiveness and impact vis-à-vis other interventions within the safety net system.
- *Continue strengthening the effectiveness of targeting, monitoring and evaluation systems, grievance systems, and payment systems.* This effort includes incorporating information technology for better management, accountability, and governance of programs and linking program eligibility and registries to national identification databases.

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An Agenda for Learning

Strong monitoring and information systems are necessary elements of the safety net learning agenda, but they will need to be complemented by analysis based on nationally representative surveys and rigorous impact evaluations. Although this basic information is critical and generated only through program monitoring systems, it is only a part of the necessary information and will have to be complemented by other types of data and analysis, such as (a) data collection and analysis through representative household surveys of how safety net benefits reach households and (b) impact evaluations and testing of various delivery mechanisms and program features for closing knowledge gaps and providing more information of what works for safety nets in Africa. Potential areas for future evaluation and research in Africa, some already ongoing, include the productive aspect of safety nets, the relative effectiveness of conditional and unconditional cash transfers, and synergies between climate change and social protection.

The World Bank is contributing to this learning agenda by promoting and facilitating knowledge generation and sharing. The Bank is helping generate new knowledge through new analytical work. Currently, more than 20 World Bank–supported impact evaluations are ongoing in the social protection sector in Africa, and several more are in the planning stages. Moving beyond the 22 safety net assessments included in this review, future country-level assessments should cover the broader social protection sector, including contributory social insurance and labor market programs. Many opportunities for South-South learning exist within and beyond the continent. The World Bank is already actively supporting this kind of exchange of knowledge through the annual South-South Learning Forum on social protection and by supporting initiatives such as the recent Communities of Practice on cash transfers among researchers and implementers and bilateral study tours and visits. Nineteen countries regularly meet in the Community of Practice for cash transfer programs in Africa, and another nine countries will soon join.

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1 Monchuk, Victoria (2013). "The New Role of Safety Nets in Africa for Poverty Reducation and Investing in the Poor: Experiences from 22 Countries" World Bank, Washington D.C. The countries reviewed are Benin, Botswana, Burkina Faso, Cameroon, Ethiopia, Ghana, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Niger, Rwanda, Sierra Leone, Swaziland, Tanzania, Togo and Zambia.

2 During the spring meetings in April 2013, the Development Committee endorsed the World Bank Group's new goals of reducing the number of people living on less than US$1.25 per day of purchasing power parity to 3 percent by 2030 and boosting shared prosperity by focusing on the bottom 40 percent of the population.

3 It is estimated that over the next 10 years, some 30 Sub- Saharan African countries will be dependent on mineral resources (over 20 percent of exports), not counting oil and gas exports (World Bank 2013).

4 Among the 22 countries, this group includes Benin, Burkina Faso, Cameroon, Liberia, Madagascar, Malawi, Mauritania, Sierra Leone, Togo, and Zambia, although countries can change groups over time.

5 Among the 22 countries, this group includes Ethiopia, Ghana, Kenya, Lesotho, Mali, Mozambique, Niger, Rwanda, Swaziland, and Tanzania, although countries can change groups over time.

6 Among the 22 countries, this group includes Botswana and Mauritius, although countries can change groups over time.

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