Reaching the Poor and Vulnerable in Africa through Social Safety Nets
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Although there has been progress in improving socioeconomic conditions, poverty and vulnerability remain pervasive in Africa. Because of high population growth, the number of the poor rose from about 280 million to 390 million in the period 1990–2013 despite the falling poverty rate. Many people lack adequate water and sanitation, and many children are in poor health and lack quality education opportunities. Vulnerability to shocks is substantial because numerous households live in risky environments.

To tackle these challenges, every African country has established at least one social safety net program, and many have several. The number of new social safety net programs launched has increased in Africa over the last decade. Some countries, such as Senegal and Tanzania, have rapidly taken their programs to scale.

Program design varies across the region. Programs focused on cash transfers, public works, or school feeding are the most common. As programs have grown in number and size, design features have also evolved. Notable shifts include more use of cash, programs designed to respond to climate change, a concentration on productive capacity and resilience, and programs promoting human capital development. Countries have also been creating tools and systems to boost program efficiency and coordination.

Nonetheless, existing programs fail to cover most of the poor. Even if there were no errors in targeting the poor, not all needs would be met because poverty rates are higher than coverage rates in most countries.

To realize the full potential of social safety nets for addressing problems in equity, resilience, and opportunity for poor and vulnerable populations in Africa, programs need to be brought to scale and maintained at scale.
Despite Improvements, Poverty and Vulnerability to Shocks Are Widespread

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 was not sufficiently rapid to reach the 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.

Despite progress, two Africans in five are still living in poverty. These extreme statistics emphasize the critical challenge facing efforts to reduce poverty and share 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, Posărac, and Vick 2013).

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**Figure 1.1 Poverty Rates Are Falling in Africa, but the Number of the Poor Is Rising**

Income poverty is but one way to assess living standards. Well-being in Africa has also improved by many other dimensions. 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 a 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).

These 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 (Hill and Verwimp 2017). 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 1.2). With the decline in poverty has come an increase in the size of the vulnerable population (Dang and Dabalen 2018). 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 negative shock to household incomes of 16 to 26 percent 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 transiently poor, that is, moving into or out of poverty as their income fluctuates and they are exposed to shocks (Beegle et al. 2016).

In addition, refugees and internally displaced people who have been 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 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 2017; appendix C, table C.1). Rather than international refugees, forced displacement is mostly driven in the region by internal
displacement and security risks. 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 bear a growing burden of poverty (Watkins and Quattri 2016). Climate change will be an additional 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 net programs as part of a broader strategy to protect and promote the poor and the vulnerable. In this report, social safety nets—also sometimes known as social assistance programs—are defined as noncontributory benefits provided either in cash or in kind and intended to support the poor and the vulnerable (households and individuals particularly exposed to idiosyncratic and covariate risks and lacking sufficient coping mechanisms or resources to mitigate the impacts). 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, and some of the processes analyzed in this report focus more broadly on social protection systems.

Drawing on the 2012–22 World Bank Social Protection Strategy framework, social safety nets have the three broad objectives of improving the resilience, equity, and opportunities of households (World Bank 2012a, 2012b). Resilience is achieved if well-designed and well-implemented social safety nets help individuals insure against risks (such as illness and natural disasters) and avoid negative coping strategies. The equity objective of social safety nets aims to ensure that even the most vulnerable and poorest households reach a minimum level of consumption and cover basic needs. Some social safety net programs have been designed to promote income-generating opportunities and create productive links within local economies. Programs such as universal child grants or social pensions are included, as they are noncontributory and focus on groups perceived as vulnerable. The definition in this report also includes measures that facilitate the poor’s 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 social safety net initiatives in this report. This study divides programs into nine categories based on the type of benefit and the permanent or emergency nature of the programs or transfers (box 1.1).

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 2015b). Most of the recent surge has occurred in Africa (Cirillo and Tebaldi 2016). Mauritius was the first country in Africa to introduce a social safety net program, in 1950, in the form of disability pensions and basic noncontributory allowances for widows and guardians of orphans. The number had risen to 18 countries by 2000, then to 32 by 2008 at the onset of the economic crisis, to 36 in 2010, and to 45 in 2017. The average number launched each year rose from 7 in 2001–09
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, this report classifies social safety net programs into nine groups, building on Grosh et al. (2008), as follows:

1. Cash transfer programs: Cash transfer programs offer periodic monetary transfers to beneficiaries with a view to providing regular, predictable income support. This category includes poverty reduction programs; family and child allowances (including orphan and vulnerable children benefits); public-private charity; disability pensions, allowances, or benefits; war veterans’ pensions, allowances, or benefits; noncontributory funeral grants; burial allowances; entrepreneurship support and start-up incentives (grant, loans, training); and other cash programs. Both conditional and unconditional cash transfer programs are included in this category. This category excludes public works, emergency, scholarships, and social pension programs, which are covered in other categories. They are sometimes called “cash transfers” in the report.

2. School feeding programs: This category includes school feeding programs, which supply meals or snacks for children at school to encourage their enrollment and attendance and improve their nutritional status and ability to learn. It also includes take-home food rations for children’s families. They are sometimes called “school feeding” in the report.

3. Public works programs: This category includes public works, workfare, and direct job creation programs providing support in cash or food (including food-for-training or food-for-assets programs). Public works programs offer short-term employment at low wages on labor-intensive projects, such as road construction and maintenance, irrigation infrastructure, reforestation, soil conservation, and social services. Support is typically in the form of either cash or food transfers. They are sometimes called “public works” in this report.

4. Education interventions: In our typology, this category includes scholarships and targeted subsidies in education (e.g., OVC bursaries). It excludes general education interventions (e.g., free basic education). Educational fee waivers and scholarships assist households in meeting the cost of educational services. Fee waivers and scholarships may cover the entire fee or only part of it or other, selected expenditures. They are sometimes called “education” in this report.

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5. Health interventions: In our typology, this category includes targeted subsidies and fee waivers in health (e.g., reduced medical fees for vulnerable population). It excludes general health interventions (e.g., free health care/treatments and campaigns). Health fee waivers assist selected households in meeting the cost of health services. They are sometimes called “health” in this report.

6. Emergency programs: This category includes programs providing emergency support in cash and in-kind (including support to refugees/returning migrants). Emergency support programs supply cash or in-kind transfers to individuals or households in case of emergency or in response to shocks. The shocks may encompass weather shocks (drought, floods), pandemics, food insecurity, human-made crises, and economic downturns. The transfers are usually temporary, typically over a period of a few months. They are sometimes called “emergency” in this report.

7. Food-based programs: In our typology, food-based programs include programs providing food stamps and vouchers, food distribution programs, and nutritional programs that involve therapeutic feeding distribution and promote good feeding practices. This category excludes food-for-work programs, emergency in-kind transfer programs, and meals provided at schools, which are classified in other groups. They are sometimes referred to as “food” in this report.

8. Social pensions: This category includes old-age social pensions, allowances, or benefits. Social pensions are regular cash transfers provided exclusively to the elderly. Unlike contributory pensions or social insurance programs, social pensions do not require prior contributions. Social pensions may be universal or targeted to the poor.

9. Other programs: This category includes other noncontributory programs targeting the poor or vulnerable, such as programs distributing school supplies, tax exemptions, social care services, and other programs not included in the other eight categories.

Box 1.1 (continued)

The widespread adoption of social protection in general and social safety nets in particular is paralleled by the growing number of national strategies or policies (table 1.1; appendix D, table D.1). Social protection has been the focus of attention in numerous national poverty reduction and growth strategies. By 2016, 32 African countries had established national social protection strategies or policies, which include social safety nets as a core pillar. Draft strategies are in the approval process in another seven countries.
Figure 1.3  More Social Safety Net Programs Have Been Launched in Recent Years


Note: This figure considers regular programs (not emergency programs) that are still being implemented and for which information on the year of the launch is available.
Social safety nets are varied and numerous in Africa, but are often fragmented within countries. Every African country has at least one social safety net program. The average number of programs per country is 15, ranging from 2 in the Republic of Congo and Gabon to 54 in Chad and 56 in Burkina Faso (appendix E, table E.1). The countries in West Africa and lower-income countries typically implement more programs (appendix E, table E.2). The number and diversity of programs reflect the settings and country contexts. The Central African Republic and Chad are implementing more than 30 programs, but many of these are small or temporary initiatives implemented in isolation in narrow geographical areas or among discrete population groups. Program duplication also occurs, often within a weak institutional environment. This is the situation in Uganda and Zimbabwe, which are conducting 39 and 29 social safety net programs, respectively. Insufficient coordination among the development partners that often fund such programs exacerbates fragmentation and inefficiencies. Efforts to consolidate and rationalize programs are on the policy agendas of many countries.

### The Design of Social Safety Nets Varies across Africa

Cash transfer programs, as well as public works programs and school feeding programs, are being implemented in almost all African countries. Using the categories defined in box 1.1, among the 46 countries analyzed, 46 are implementing at least one cash transfer program; 33 are implementing at least one public works program; 20 are implementing education interventions; 15 run health interventions; 28 are implementing at least one school feeding program; 23 are implementing at least one food-based program; 22 countries are implementing emergency programs; and 12 countries are implementing social pensions as stand-alone programs (appendix E, table E.1). (box 1.2 offers more detail on public works programs.)

The composition of the social safety net portfolio varies across countries (appendix E, table E.1). Overall, cash transfers account for almost 41 percent of total spending, and this share is growing. Social pensions are more prevalent in upper-middle- and
BOX 1.2

How Do Public Works Work?

Public works programs have emerged as a critical type of social safety net in low-income settings and fragile states, as well as in middle-income countries (Grosh et al. 2008; Subbarao et al. 2013). These programs typically require that beneficiaries work before they may become eligible to receive a transfer in cash or in kind. The largest public works programs include the PSNP in Ethiopia and the Employment Guarantee Scheme in Maharashtra and the National Rural Employment Guarantee Act in India. 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 social safety net, or they may be primarily oriented toward supplying infrastructure (Subbarao et al. 2013). As a social safety net, the focus of public works are as a means of offering income support to the poor.

Public works programs usually involve labor-intensive activities, tend to operate mostly in rural areas (though some have recently been implemented in urban areas), offer modest wages so the poor self-target into the programs, and are often run 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 effort from 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 restart local economic activity quickly 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 PSNP 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 consumption among 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 to implement than simple cash transfer programs; 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).

Public works programs exist in almost all low-income countries and in Southern Africa. Public works programs exist in almost all low-income countries and fragile states, especially in West Africa, but are largely absent in middle- and high-income countries. In Central Africa and fragile states, social safety nets are widely used as responses to shocks, and emergency and food-based programs are the most common types of programs (figure 1.4).
Figure 1.4 The Composition of Social Safety Net Portfolios Is Diverse

The vast majority of social safety nets in Africa are targeted to children, either directly or indirectly by assisting households with children (appendix E, table E.3; appendix G, table G.6, presents data on spending). Among all programs, 29 percent 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. Among all programs, 31 percent target households more broadly; 19 percent target working-age individuals; 6 percent target the elderly; and 14 percent target other population segments, including the disabled, people living with HIV/AIDS, refugees, and internally displaced people. The relative importance of old-age and veterans’ social pensions varies from 7 percent of programs in upper-middle-income countries and 9 percent in Southern Africa to less than 1 percent in low-income countries. Programs are often not gender neutral (box 1.3).

Though the number of social safety net programs has increased, coverage is often limited. The combined coverage of programs in Africa is 10 percent of the

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**BOX 1.3**

The Links between Social Safety Nets and Gender

The substantial gender inequality in Africa is well documented. Huge gaps exist in many spheres of life. Empowering women and girls is thus a critical aspect of economic development. Social safety nets can be a tool for confronting gender inequality. A growing body of evidence indicates that the impact of these programs is not always gender neutral (World Bank 2014). Social safety nets have been shown to empower women, including by reducing the physical abuse of women by men, increasing women’s decision-making power, and curbing risky sexual behavior (Bastagli et al. 2016). Paying cash transfers directly to women has been shown in some contexts to lead to greater household spending on children’s needs, a reflection of greater empowerment and differential preferences in spending among men and women. This will not be the case everywhere. The channels through which these impacts occur are complex and depend on gender norms and the roles assigned to women by society (World Bank 2014).

Social safety net programs can be more effective at achieving gender-relevant impacts if they are thoughtfully designed with this aim. Common gender-sensitive provisions in public works programs include more flexible working hours, as in the Tanzania Social Action Fund, quotas on women’s participation, less strenuous works for women, and the availability of childcare facilities (Tebaldi 2016). Other gender-sensitive design features include accommodating lower levels of literacy; allowing more flexibility in the requirements for official documents, such as birth and marriage certificates; and locating services near women’s homes.
total population (figure 1.5; appendix F, tables F.1 and F.2; appendixes B.2 and B.3 for methodology). Despite the limited number of social pension programs in Africa, these programs exhibit one of the highest coverage rates among those age-eligible, according to the country program criteria, reaching 19 percent of the elderly. School feeding programs reach 15 percent of children ages 5–14. Cash transfers reach 6 percent of the total population. Less-extensive coverage is achieved by public works programs (3 percent of the population), emergency programs (2 percent), food-based transfers, and other social safety nets (1 percent each).

However, these averages mask important variations by type of program. With few exceptions, richer countries tend to run larger programs. Coverage is greater in upper-middle-income countries across all program types, except public works programs and emergency programs, which show greater coverage in lower-middle-income countries (see figure 1.5). This mirrors the composition of program portfolios in lower-income countries, which tend to be geared toward food programs and public works programs. Similarly, food programs and one-time emergency programs are the largest programs in terms of coverage in countries characterized by fragile settings.

Coverage varies across population groups. Programs targeting children—such as school feeding programs, education fee waivers, and nutrition programs—reach an average of 15 percent of children ages 0–14. Social pensions and veterans’ benefits reach the equivalent of 16 percent of the elderly population (population older than 64 years) (figure 1.6). These averages are driven up by social pensions in Southern Africa. Some individuals may benefit from multiple programs, which would result in double counting. In addition, survivor pensions and veterans’ pensions may also be received by the non-elderly, which artificially increases the coverage estimate. Appendix H shows the largest programs in the region by program typologies based on coverage rates and number of beneficiaries.

Cash transfer programs targeted to households on the basis of well-being are the most rapidly growing type of social safety net programs. Such programs have been steadily expanding in Lesotho, South Africa, and Zambia. There are also success stories of rapid efforts to increase the scale of programs in the region that are unique in the developing world. The Livelihood Empowerment against Poverty Program (LEAP) in Ghana, the cash transfer of the Orphans and Vulnerable Children (OVC) Program in Kenya, the Programme National de Bourses de Sécurité Familiale (National Program of Family Security Transfers, PNBSF) in Senegal, and the Productive Social Safety Net (PSSN) Program in Tanzania have been expanding rapidly in a short time. The annual growth rate in the number of beneficiary households in the Tanzania program is the highest in the world, even relative to mature cash transfer programs in comparator lower-middle-income countries in Asia.
Figure 1.5 Program Coverage Varies by Type and Country Group

a. Average and four subregions

Combined social safety net coverage (% of population)

- All
- Cash transfers
- School feeding
- Public works
- Education
- Health
- Emergency
- Food
- Social pensions
- Other programs

- Average
- Central Africa
- East Africa
- West Africa
- Southern Africa

b. Average and four income categories

Combined social safety net coverage (% of population)

- All
- Cash transfers
- School feeding
- Public works
- Education
- Health
- Emergency
- Food
- Social pensions
- Other programs

- Average
- Low income
- Lower-middle income
- Upper-middle income
- High income

Note: See methodology in appendixes B.2 and B.3 and more details in appendix F, table F.2.
Figure 1.6  Children and the Elderly Are the Most Covered Groups

(a. Average and four subregions)

(b. Average and four income categories)


Note: See methodology in appendixes B.2 and B.3 and more detailed information in appendix F, table F.2.
and Latin America (figure 1.7). However, these are exceptions, and programs, even the more mature ones (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 social pension programs in Southern and East Africa. With the exception of the PSNP in Ethiopia, established public works programs have not expanded much.

**Figure 1.7 Flagship Programs in Africa Are among the Most Rapidly Growing**


Note: 4Ps = Pantawid Pamilyang Pilipino Program; BISP = Benazir Income Support Program; LEAP = Livelihood Empowerment against Poverty; OVC = Orphans and Vulnerable Children; PKH = Program Keluarga Harapan; PNBSF = Programme National de Bourses de Sécurité Familiale; PSSN = Productive Social Safety Net Program.

**Social Safety Nets Are Evolving**

There are several other trends in social safety nets in Africa. First, there has been a shift toward the greater use of cash benefits in social safety net programs. Second, program objectives have been evolving; an expanding role is being played by social safety nets in response to climate change and human-made shocks. Third, a rising number of programs are emphasizing building the productive capacity and resilience of beneficiary households. Fourth, there has been an increasing focus on promoting human capital development. Fifth, social safety nets have been appearing in urban areas. Sixth, countries have been
gradually concentrating on developing tools and systems to improve program efficiency and coordination.

The progressive shift away from food and in-kind transfers toward cash benefits likely reflects a mix of factors, among which were greater perceived efficiency and less complexity in coordination across institutions. Changes in technology, the greater concentration of people in urban areas, and greater market integration are likewise more conducive to the use of cash transfers (World Bank 2016a, 2016b; Garcia and Moore 2012). Cash benefits are becoming more common in long-running institutional programs, but also in emergency and crisis situations and in wider discussions of humanitarian assistance (Bailey and Harvey 2017; ODI 2015; World Bank 2016b). Cash transfers have become the primary response in support of disaster-affected populations and the preferred option if markets are functioning adequately.

Social safety net programs are increasingly used to respond to climate change and other disasters and shocks (box 1.4). By design and in their delivery

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**BOX 1.4**

**What Are Shock-Responsive Social Safety Nets?**

Shock-responsive social safety nets are systems that are ready to “meet the anticipated needs of vulnerable populations resulting from the impact of endogenous or exogenous shocks 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, the role of social safety net programs has been expanded to serve as instruments to help cope with covariate shocks, such as natural disasters. These shocks represent special challenges because they affect many large groups of people simultaneously (OPM 2015).

A key feature of shock-responsive social safety net programs is their scalability; that is, the coverage and support they provide may be scaled up rapidly during crises and then scaled back thereafter (Bastagli 2014; Ovadiya 2014a, 2014b; Watson 2016). The rapid expansion can be accomplished in various ways (table B1.4.1).

Several countries have implemented programs with scalable components that allow expansion in response to shocks. While cash transfers are commonly involved in such approaches, food support and public works are also used in shock-responsive social safety net programs. In Ethiopia, for instance, the government has regularly expanded the PSNP to respond to droughts since 2008. Thus, the program was successfully expanded during the Horn of Africa drought in 2011 to support an additional 3.1 million beneficiaries for three months and to extend 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 helped protect households from the effects of drought and enabled them to bounce back more quickly after the shock.

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Box 1.4 (continued)

Table B1.4.1 Options for Expanding Social Safety Nets in Response to Covariate Shocks

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
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<tbody>
<tr>
<td>Vertical expansion</td>
<td>Increasing the benefit value or duration of an existing program, which may include (a) adjustment of transfer amounts or (b) introduction of extraordinary payments or transfers.</td>
</tr>
<tr>
<td>Horizontal expansion</td>
<td>Adding new beneficiaries to an existing program, which may include (a) extension of geographical coverage, (b) an extraordinary enrollment campaign, (c) modifications of entitlement rules, and (d) relaxation of requirements or conditionality.</td>
</tr>
<tr>
<td>Piggybacking</td>
<td>Using the administrative framework of a social safety net to deliver benefits, but running the shock-response program separately (as with the extension of the Pantawid Pamilyang Pilipino Program in response to Typhoon Haiyan in 2013 in the Philippines or with the humanitarian response using the National Information System for Social Assistance to target support during the drought in 2015–16 in Lesotho).</td>
</tr>
<tr>
<td>Shadow alignment</td>
<td>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 transfers in the Urban Early Warning Early Action Project).</td>
</tr>
<tr>
<td>Refocusing</td>
<td>Refocusing social safety nets by centering them on the people who are most vulnerable to shocks.</td>
</tr>
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Source: OPM 2015; elaboration based on various sources.

In Kenya, the Hunger Safety Net Program (HSNP) preregistered all 374,000 households in the four northernmost counties and opened bank accounts and issued debit cards on their behalf. Among these households, 27 percent are regular program beneficiaries. The others receive one-time 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 as most at risk. Payment is triggered automatically by a vegetation condition index derived from satellite data that indicate which subcounties are at risk or extreme risk. Accordingly, the program may temporarily cover 50 percent to 75 percent of the population of these counties (Watson 2016).

A number of factors are important for 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 to ensure effective communication channels, clearly defined roles and responsibilities, possible coordination through a single central agency, and the pooling and smoothing of development partner funds, as discussed in chapter 4; and (4) a targeting mechanism that allows rapid horizontal expansion because the target group of more permanent social safety net programs does not always coincide with emergency initiatives, such as registries that collect information on vulnerable groups beyond existing program beneficiaries (Bastagli 2014; Ovadiya 2014a, 2014b; Watson 2016).

Political factors can affect the design and implementation of shock-responsive social safety net programs, including through the political implications of the vertical and horizontal expansion of social safety nets and of deciding to call for and release emergency funds. These factors need to be taken into consideration in designing shock-responsive features of social safety nets, as discussed in chapter 3.

Source: Based on information in Watson 2016.
systems, shock-responsive social safety nets include mechanisms to address the effects of slow-onset events such as droughts or environmental degradation and rapid-onset events such as floods, cyclones and hurricanes, and pandemics. In some countries, social safety net programs may be modified to respond quickly to predictable shocks or sudden disasters. They may thus combine regular, predictable transfers for the chronically poor and scalable mechanisms that allow the programs to be temporarily expanded to new people or new areas. In other countries, separate programs are set up to be activated in emergencies and then reabsorbed once the crisis is over. In Madagascar, the Intervention Fund for Development was used to deliver cash transfers 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.

Social safety net programs were also used to help address 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 program and a cash transfer program were launched to reach over 10,000 poor youth and 10,000 poor households, respectively. In Guinea, the cash-for-work activity continued operating throughout the epidemic, providing 12,000 temporary jobs. Scalable mechanisms have the potential to reduce the cost of emergency response. If crises are recurrent and predictable, it may be more cost-effective to invest in social safety net programs or components that may be activated as needed than to rely on emergency aid. Social safety nets will not eliminate the need for humanitarian action because the magnitude of some shocks may still require emergency interventions beyond those provided through social safety nets. Social safety nets are also being considered to support forcibly displaced population groups, which face additional challenges of identification, registration, and social inclusion.

A growing number of social safety net programs include additional activities to support beneficiary livelihoods. As chapter 2 shows, social safety nets can promote beneficiaries’ income-generation capacity. In addition, various approaches are used to foster the productive inclusion of beneficiaries, such as enrolling beneficiaries in agricultural development projects, extension services, microinsurance schemes, financial services, or skills training programs to help foster income-generating activities. The PSNP in Ethiopia and the Vision 2020 Umurenge Program (VUP) in Rwanda link beneficiaries to financial services, while the HSNP in Kenya and the Rural Development Public Works Program in Mali link beneficiaries to rural development programs. In other contexts, programs offer additional components—such as training, start-up capital,
and savings support—to promote productive capacity. Thus, the BRAC approach, which combines social safety net transfers with elements of livelihood development and access to finance through asset transfers, technical skills training, and life skills coaching, has been piloted in several countries (Hashemi and de Montesquiou 2016). This approach is currently being tested in five Sahel countries. Some programs, in particular public works programs, also contribute to the development of community assets to increase resilience to shocks. In some contexts, the productive focus may also respond to political concerns that social safety nets might create dependence among beneficiaries.

Social safety net programs are increasingly being leveraged to promote investments in human capital, especially among children, to reduce the intergenerational transmission of poverty. Programs have demonstrated positive impacts on child health and education, as described in chapter 2. Programs may promote the adoption of good practices in nutrition, early childhood development, hygiene, education, health care, and so on. They may also stimulate the use of specific basic services by encouraging or requiring health care visits, growth monitoring sessions, or school attendance. These mechanisms or conditionalities used to promote positive behavior or service use include requirements to participate in promotion sessions and to conform with a particular desirable behavior, with or without any verification of compliance, and with or without sanctions for noncompliance. Efforts to encourage human capital investments have become more 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 mechanism to promote human capital investments (32 if scholarships are included). Table 1.2 presents a few examples, and box 1.5 discusses these mechanisms in more detail.

As Africa becomes increasingly urbanized, more attention is being 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 social safety nets in Africa have typically been designed with a rural focus. There is a need to create innovative social safety nets to fit the urban context. Following the 2007–08 food price rises, however, a few programs were launched in urban areas, such as the voucher system in Burkina Faso, 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 the urban poor more effectively. Ethiopia and Tanzania are beginning to implement urban programs, while Mali and Nigeria are planning to do so. Nuts-and-bolts challenges include the
### Table 1.2  Mechanisms to Encourage Human Capital Investments in Selected Cash Transfer Programs

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Country</th>
<th>Program</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation in promotion sessions</td>
<td>Burkina Faso</td>
<td>Burkin-Nong-Saya</td>
<td>The program requires participation in social and behavioral change communication activities related to nutrition and early childhood development.</td>
</tr>
<tr>
<td></td>
<td>Mauritania</td>
<td>Tekavoul (national social transfer program)</td>
<td>The program requires participation in sessions of social promotion, with a focus on early childhood development, education, health care, and civil registration.</td>
</tr>
<tr>
<td></td>
<td>Niger</td>
<td>Social Safety Net Project</td>
<td>The program requires participation in social and behavioral change communication activities related to nutrition and early childhood development.</td>
</tr>
<tr>
<td></td>
<td>Togo</td>
<td>Cash Transfer for Vulnerable Children</td>
<td>The main transfer is not conditional. A bonus transfer is provided for those attending information sessions.</td>
</tr>
<tr>
<td></td>
<td>Sierra Leone</td>
<td>Social Safety Net Program</td>
<td>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). Workshop participation is not mandatory to receive the transfer.</td>
</tr>
<tr>
<td>Adoption of particular behaviors:</td>
<td>Ghana</td>
<td>Livelihood Empowerment against Poverty (LEAP)</td>
<td>Beneficiaries are entitled to free registration for the national health insurance scheme and should register and use pre- and postnatal care, skilled delivery, newborn and child health care, full vaccination, and birth registration. Fulfillment of these activities is not monitored.</td>
</tr>
<tr>
<td>Compliance is not monitored</td>
<td>Senegal</td>
<td>Programme National de Bourses de Sécurité Familiale (PNBSF)</td>
<td>The program explicitly specifies three conditions around school attendance, vaccination, and birth registration. However, these are not monitored. Instead, the program uses the participation in promotion sessions as a condition for the receipt of transfers. (The program falls between this category and the category above.)</td>
</tr>
<tr>
<td>Adoption of particular behaviors:</td>
<td>Kenya</td>
<td>Cash transfer of the Orphans and Vulnerable Children (OVC) Program</td>
<td>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 noncompliance. However, despite the absence of penalties, 84 percent of beneficiaries believe they must follow rules to continue receiving payments.</td>
</tr>
<tr>
<td>Compliance monitored, and penalties assessed</td>
<td>Guinea</td>
<td>Cash Transfer for nutrition and girls education</td>
<td>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 because of willful neglect, the grant is suspended. Reintegration after suspension is possible if the children show improvement in weight-to-height measurements. The transfers for health care are conditional on quarterly health checkups among children ages under 6. Cash transfers for education require 90 percent school attendance among children ages 7–14.</td>
</tr>
<tr>
<td></td>
<td>Tanzania</td>
<td>Productive Social Safety Net (PSSN) Program</td>
<td>The program imposes conditions on the use of health care and education services. To monitor compliance, data from health centers and schools are entered into the program management information system every two months. Payments are made every two months. Compliance is tracked after the first payment cycle. Penalties are deducted from the subsequent payment cycle.</td>
</tr>
</tbody>
</table>
Cash Transfer Programs: Mechanisms to Promote Investment in Human Capital

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 had risen to 27 by 2008 and 64 by 2014. While there are important differences in implementation across countries and regions, the programs share one important feature: they encourage beneficiaries to adopt positive behaviors. Globally, they typically aim to promote school attendance, improve nutrition practices, or encourage regular immunization and health care visits. Some programs in Africa also focus on 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 along two dimensions: first, depending on the type of action that is required (participate in a promotion session; comply with a simple, punctual behavior; adopt a more complex, continuous behavior; and so on) and, second, depending on the extent to which compliance is compulsory, verified, and associated with the imposition of penalties. In addition to actual program design, the perception of beneficiaries is also important. Some programs do not impose strict conditions, but communicate strongly around specific behaviors. As a result, beneficiaries perceive a conditionality. 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 are perceived by many beneficiaries as actual conditions (see chapter 2). For each dimension, there is a range of alternative program options. A few examples include the following:

- **Programs that foster 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 Social Safety Net Project, and Sierra Leone’s Social Safety Net Program. A social safety net program in Togo conditions a bonus transfer on attendance at information sessions as an addition to its main unconditioned cash transfer for pregnant women and mothers of children under age 2. Sessions often cover prenatal and postnatal care, nutrition, early childhood development, child health, education, civil registration, and hygiene. Some programs make participation in these sessions compulsory (for instance, in Mauritania), while others simply encourage participation (Sierra Leone). In practice, even if participation is officially compulsory, it is not always rigorously monitored. Evaluations show that, even in the absence of active monitoring,
Box 1.5 (continued)

attendance rates tend to be high. In Cameroon and Niger, for instance, 95 percent of beneficiaries attend the sessions even though there is no rigorous verification.

- **Programs that formally require the adoption of certain behaviors, but do not monitor compliance.** These programs typically announce that beneficiaries must adopt certain behaviors, usually linked to the use of basic services to improve children's education, nutrition, and health status. In the cash transfer program in Cameroon, heads of beneficiary households sign moral contracts that lay out specific actions in 15 areas, including health care, schooling, nutrition, civic action, participation in community public works, and training in income-generating activities. Other programs clearly identify and inform beneficiaries that they need to adopt a set of behaviors—such as school enrollment and attendance, vaccination, and birth registration in the case of Senegal’s PNBSF—but do not monitor compliance. (The PNBSF has also recently made participation in promotion sessions compulsory.) In Ghana, LEAP formally lays out certain expectations of beneficiaries in the program operations manual for households with under-15-year-olds. (It does not specify these for poor elderly or disabled beneficiaries.) However, it does not monitor the adoption of these behaviors and actions.

- **Programs that require the adoption of certain behaviors, monitor compliance, and impose penalties for noncompliance.** In Guinea, cash transfers are conditioned on quarterly health checkups for children under the age of 6 and on 90 percent school attendance among 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 of the OVC Program involved monitoring and the application of penalties for noncompliance with conditions on primary-school attendance, immunizations, and health checkups among children. This pilot was, however, discontinued in 2017 due to a number of operational challenges related to implementing the pilot. The Madagascar Human Development Cash Transfer Program requires beneficiaries to ensure a minimum of 80 percent attendance by at least two of their children of primary-school age. If households do not comply with the condition, they are penalized through the removal of part of the benefit. The Tanzania PSSN 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 (or penalized). In East and Southern Africa, programs tend to be closer to the Latin American model, wherein conditions are monitored and penalties are enforced for noncompliance.

**Sources:** Aline Coudouel, based in part on Baird et al. 2014; Fiszbein and Shady 2009; World Bank 2015b.
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.

Enhancing the efficiency and coordination of social safety net programs has become a central pillar of national strategies in many countries. Many governments aspire to improve the impact of the programs by strengthening coordination and investing in shared systems to reduce cost-inefficiencies and the duplication of effort. Delivery platforms such as social registries, interoperable management information systems, and shared payment systems allow administrative cost savings and facilitate planning. Social registries can help improve the identification and targeting of beneficiaries within social safety net systems. These systems support outreach, the collection and processing of needs assessment data, and registration and eligibility information for social safety net programs. These registries also represent a platform so individuals or households may be considered across various programs (Karippacheril, Leite, and Lindert 2017).

Registries are currently used in 26 countries and are being developed in an additional 16 countries (see appendix D, table D.2). The stage of development and the scale of the registries differ. Coverage ranges from 89 percent and 52 percent of the population in Rwanda and Lesotho to 0.1 and 0.3 percent in Zambia and Mozambique, respectively (figure 1.8). Many countries use social registries as a gateway for coordinating registration and eligibility assessments.

Figure 1.8 Social Registries Are Often Small

![Social Registries Are Often Small](image)

Note: See appendix table D.2.
across social programs, including social safety nets, health care, and other social programs. The national household registry being developed in Ghana is intended to replace existing systems to identify the beneficiaries of the LEAP cash transfer program and the indigent beneficiaries of the National Health Insurance Scheme, among other programs. Similarly, in Senegal, the registry of poor households is used by social safety net programs and the subsidized health insurance program. In Rwanda, the Ubuehe social registry update was completed in 2017, and the registry covers 2.4 million households and 10.4 million people (almost the entire population). Key building blocks of social safety net delivery systems—especially targeting mechanisms, social registries, and payment systems—are also critical to the development of shock-responsive programs.

Social Safety Nets Are Reaching Some, but Many of the Poor Are Not Covered

Although programs have been expanded, most of the poor in Africa are still not covered by social safety nets. Even if all existing social safety nets were perfectly targeted to the poor, not all poor households would be reached at the current scale of programs (in addition, benefits are typically low compared to needs). This is because poverty rates are higher than coverage rates in most countries (figure 1.9; appendix C, table C.1, and appendix F, table F.1). In practice, in addition, some programs might not target the poor exclusively and may have broader objectives, such as universal social pensions, school feeding programs for all primary-school students, scholarships 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. The benefit incidence of selected programs that target on the basis of poverty, welfare, or vulnerability are generally pro-poor, and the performance of programs in Africa is in line with international experience. For instance, more than 60 percent of the households benefiting from the South Africa child support grants programs belong to the poorest two consumption quintiles, and over 60 percent of beneficiaries of the Malawi MASAF Public Works Program (PWP) are among the poor (figure 1.10). However, a certain share of resources goes to richer households. Some limitations in targeting are technical because it is hard and costly to assess the welfare status of households effectively and dynamically. However, the decision to target particular groups is also a political one. Indeed, selecting eligible groups is sometimes driven by the need to generate support among the population and decision makers for social safety net programs.
Figure 1.9 Social Safety Net Coverage Is Not Proportionate to the Extent of Poverty


Note: See methodology in appendices B.2 and B.3. Social safety net coverage rates are approximated by summing the number of direct and indirect beneficiaries of cash transfers, food-based transfers, and public works programs only. The beneficiaries of the other six program types (social pensions, school feeding, emergency programs, health care and education fee waivers, and other programs) are not included because their beneficiaries are more likely to overlap with those in other programs, which would result in overestimated coverage rates. For more details see appendix tables C.1 and F.1.
Within Africa, 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 the coverage 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 percent to 100 percent by 2030, suggesting increasing 

**Figure 1.10  Flagship Programs Benefit the Poor, but also the Nonpoor**

![Image of bar charts showing share of beneficiaries by poverty line and quintile]


Note: CGP = Child Grant Program; CSG = Child Support Grant; MASAF PWP = Malawi Social Action Fund Public Works Program; PSNP = Productive Safety Net Program; VUP = Vision 2020 Umurenge Program.
future needs (Cervigni and Morris 2016). Coverage among internally displaced people and refugees is also limited (World Bank 2017).

Benefit amounts are low relative to the needs in low-income countries. Average benefits from cash transfer programs—food, in-kind, and fee waiver programs are not included because the value of the transfers is not directly measurable—vary by program and country groups (table 1.3). Benefits usually take into account the cost of basic food items, services, and, sometimes, household size, and are often adjusted for urban or rural settings. The highest benefits are usually offered through public works or social pensions. The latter reach $299 and $84 a month in upper-middle-income countries such as Mauritius and South Africa, representing about 5 percent and 2 percent of per capita gross domestic product (GDP) in these countries, respectively (2011 purchasing power parity [PPP] U.S. dollars; appendix I, table I.3). Public works benefits are usually paid per day or per week and are seasonal. Assuming that rotation would allow the same beneficiary to work 24 days, monthly amounts would be equivalent to $73 in the Malawi MASAF public works program, $155 in the Ethiopia UPSNP, and $153 in the Youth Employment and Skills Development Project in Burkina Faso (in 2011 PPP U.S. dollars; appendix I, table I.2). The daily wage is generally similar to the minimum wage. In Ghana, the compensation paid in 2015 by the Labor-Intensive Public Works Program for a six-hour working day averaged $5 in 2011 PPP U.S. dollars, similar to the minimum wage for an eight-hour working day. In low-income countries, cash transfer programs targeted to the poor provide an average of about $30 in 2011 PPP U.S. dollars a month, equivalent to around 4 percent of per capita GDP and 10 percent of the national poverty line in these countries (table 1.3 and appendix I, table I.1). About $20 in 2011 PPP U.S. dollars a month is provided in Tanzania and Uganda. The South Africa child support grant program is among the most generous large cash transfer programs, supplying an average of $84 in 2011 PPP U.S. dollars a month, equivalent to 2 percent of per capita GDP. Inflation will reduce the value, though few programs index benefits to price indexes, the minimum wage, or other anchors.

Some Countries Spend Heavily, but Programs Need to Be Brought to Scale and Sustained

African countries spend an average of around 1.2 percent of GDP on social safety nets, compared with a global average of 1.6 percent in the developing world (appendix G, table G.3; World Bank 2015b). This represents about 4.6 percent of total government spending. While richer countries invest more on social safety nets on average, the level of government commitment varies across countries with similar GDPs. Indeed, spending may be high even in
Table 1.3 | Benefit Amounts Are Low Relative to Needs in Low-Income Countries

<table>
<thead>
<tr>
<th>Country group</th>
<th>Program type</th>
<th>Number of programs (countries)</th>
<th>Monthly benefit ($, 2011 PPP)</th>
<th>As a share, %</th>
<th>GDP per capita</th>
<th>National poverty line</th>
<th>National poverty gap</th>
<th>$1.90 a day poverty line</th>
<th>$1.90 a day poverty gap</th>
<th>Minimum wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low income</td>
<td>Cash transfer</td>
<td>20 (13)</td>
<td>30</td>
<td>4</td>
<td>10</td>
<td>1</td>
<td>9</td>
<td>1</td>
<td>1</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td>Public works</td>
<td>16 (13)</td>
<td>141</td>
<td>23</td>
<td>57</td>
<td>5</td>
<td>47</td>
<td>4</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Lower-middle income</td>
<td>Cash transfer</td>
<td>12 (8)</td>
<td>63</td>
<td>5</td>
<td>12</td>
<td>1</td>
<td>22</td>
<td>3</td>
<td>11</td>
<td>153</td>
</tr>
<tr>
<td></td>
<td>Public works</td>
<td>4 (3)</td>
<td>227</td>
<td>18</td>
<td>37</td>
<td>3</td>
<td>83</td>
<td>11</td>
<td>153</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social pension</td>
<td>5 (5)</td>
<td>25</td>
<td>2</td>
<td>7</td>
<td>1</td>
<td>10</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Upper-middle income</td>
<td>Cash transfer</td>
<td>14 (3)</td>
<td>196</td>
<td>5</td>
<td>29</td>
<td>5</td>
<td>92</td>
<td>284</td>
<td>284</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Public works</td>
<td>2 (2)</td>
<td>235</td>
<td>6</td>
<td>62</td>
<td>5</td>
<td>112</td>
<td>22</td>
<td>142</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social pension</td>
<td>4 (4)</td>
<td>133</td>
<td>3</td>
<td>30</td>
<td>3</td>
<td>63</td>
<td>340</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Note: Monthly amounts are in constant 2011 international dollars. Amounts are converted to international dollars using PPP rates based on the International Comparison Program 2011 round. Monthly amounts for public works programs are estimated on the assumption of 24 days of work in a month. The benefit per capita is estimated by dividing the total benefit level by the average household size.
countries with low GDP per capita (figure 1.11). Chapter 5 argues that expanding the scale of social safety nets to cover all the poor and vulnerable requires a strong commitment to prioritize social safety nets in national budgets to realize allocative and administrative efficiency gains.

Spending levels vary greatly across the region and program type. Upper-middle-income countries in Africa spend an average of 2.2 percent of GDP (6.9 percent of total government expenditures), while low-income countries spend 1.4 percent of GDP (4.8 percent of total government expenditures). Southern Africa spends five times more than Central Africa and two times more than East Africa and West Africa. Non-resource-rich countries devote more than seven times as much to social safety nets (2.1 percent of GDP, or 5.4 percent of government expenditures) as oil-rich countries (0.3 percent of GDP, or 1.8 percent of total government expenditures). Countries with higher exposure to droughts allocate more resources to these programs than countries with low or medium exposure (appendix G, table G.3). When considering all spending going to social safety nets in Africa, the largest category of programs are cash transfer programs, which account for 41 percent of all spending (followed by social pensions, with 26 percent, and public works, with 16 percent), though there are significant regional variations (appendix G, table G.6). Also, the bulk of overall spending is channeled through programs that are targeted according to the poverty, vulnerability, or well-being status of beneficiaries (77 percent), once again with significant variations across country groups (appendix G, table G.6).

Social safety net spending is low relative to government spending on energy subsidies (figure 1.12; appendix G, table G.1). For instance, in Central Africa, the spending on energy subsidies is more than three times the spending on social safety nets. The equivalent of almost 2.20 percent of GDP in Cameroon is spent on subsidies compared with the 0.10 percent of GDP spent on social safety nets. About 1.90 percent of GDP in the Democratic Republic of Congo is spent on subsidies, compared with 0.7 percent of GDP on social safety nets. In oil-rich countries, energy subsidies are sometimes used as policy instruments to distribute oil revenues among the population. Energy subsidies benefit all population groups, but are often regressive because richer households consume larger quantities of energy.

Humanitarian assistance represents the main source of funding in emergency situations, and development partners remain critical in many low-income and fragile contexts. The average amount of humanitarian assistance flowing to fragile countries (3.9 percent of GDP) is larger than the social safety net spending of the governments of these countries (1.4 percent of GDP). The Central African Republic and South Sudan are the largest recipients of humanitarian aid (21.6 and 11.3 percent of GDP, respectively), followed by Burundi, Chad, the Democratic Republic of Congo, Liberia, Mali, Niger, and Sierra Leone (appendix G, table G.1). In these countries, humanitarian action provides
Figure 1.11 Social Safety Nets Are Affordable at All Income Levels


Note: See methodology in appendix B.4 and more details in appendix G, tables G.1 and G.2. Social safety net spending estimates are moderately different than those in World Bank (2018) due to data updates in this report and different treatments of outlier data points. PPP = purchasing power parity.
Figure 1.12 Spending on Energy Subsidies Is Greater Than Spending on Social Safety Nets


Note: See methodology in appendix B.4 and more details in appendix G, table G.1. Data do not reflect reductions in subsidies which have taken place since 2015. Social safety nets spending estimates are moderately different than those in World Bank (2018) due to data updates in this report and different treatment of outlier data points.
the core of support to beneficiaries, and social safety nets play a smaller role. While social safety net spending is channeled through government budgets and government agencies, the resources for humanitarian aid are provided through more diverse channels. Humanitarian aid tends to be supplied through dedicated streams flowing from development partners or the United Nations system, which typically involves operational humanitarian agencies, not governments. In an effort to integrate humanitarian aid through short-term emergency interventions and regular, predictable, long-term social safety net programs, the resources are sometimes distributed from official government delivery platforms if social safety net programs have been established.

The role of development partners in expanding social safety nets is critical because they are the main funders of social safety nets in Africa. Development assistance through bilateral and multilateral organizations represents more than half the social safety net financing in the majority of African countries. Some of the important multilateral institutions are the European Union, the United Nations Children’s Fund, the World Bank, the World Food Programme, and several bilateral organizations. Dependence on external financing can jeopardize sustainability if programs are 100 percent funded by development partners, though some programs have transitioned from full funding by development partners at inception to gradually increasing support by domestic resources. For instance, Kenya has undertaken a long-term commitment to support safety net programs with domestic resources through its National Safety Net Program, which fully funds some programs and covers more than half the cost of others. Still, in several countries, social safety nets are mostly funded by external financing (the PSNP in Ethiopia and the PSSN in Tanzania) and emergency social safety nets in the Central African Republic (appendix G, table G.5).

Despite progress in reducing poverty in recent decades, the cost of eliminating poverty in Africa will still be 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 15 percent of GDP among people living below the national poverty line. The poverty gap has been falling as the poverty rate has declined. Still, the average poverty gap as a share of domestic resources (GDP) is large, indicating that domestic resources in most countries are unlikely to be sufficient to end poverty.4

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. The most recent

3. Definitions of social protection vary, but the term 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).

4. 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.

References


