# SCALING UP EXISTING SOCIAL SAFETY NETS TO PROVIDE HUMANITARIAN RESPONSE

## A case study of Ethiopia's Productive Safety Net Programme and Kenya's Hunger Safety Net Programme

HUMANITARIAN FUTURES PROGRAMME
planning from the future
KING'S College LONDON
CaLP
The Cash Learning Partnership

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The EU's humanitarian aid funds relief operations for victims of natural disasters and conflicts outside the European Union. Aid is provided impartially, directly to people in need, without discrimination of their race, ethnic group, religion, gender, age, nationality or political affiliation.

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# ACRONYMS

| | |
|---|---|
| **ASAP** | Arid and Semi-Arid Lands |
| **CaLP** | Cash Learning Partnership |
| **CTP** | Cash Transfer Programme/Programming |
| **EWS** | Early Warning System |
| **HFP** | Humanitarian Futures Programme |
| **HSNP** | Hunger Safety Net Programme |
| **NGO** | Non-Governmental Organisation |
| **POS** | Point of Sale |
| **PSNP** | Productive Safety Net Programme |
| **RFM** | Risk Financing Mechanism |
| **UN** | United Nations |
| **UNOCHA** | United Nations Office for Coordination of Humanitarian Assistance |

# INTRODUCTION

## The project

Since the 2004 Indian Ocean Tsunami there has been a progressive trend within the humanitarian sector at large to use cash transfers as a programme modality both in response to, and recovery from, conflict and disaster contexts. This research project, undertaken by the Humanitarian Futures Programme (HFP) in conjunction with the Cash Learning Partnership (CaLP), builds on this momentum. Based on various understandings of the changing humanitarian operating environment, it presents an analysis of what CTP might look like in the future (2025), and assesses the extent to which CTP and the actors involved are 'fit' for developments in the sector. The project's findings and assumptions are designed to serve as the basis for the development of a forward-looking action agenda, conceived under CaLP's leadership, and with support from a group of relevant experts formed to advise the project.

The first phase of the research delivered an analysis of the transformative factors likely to affect humanitarian action in the future and the potential trends in CTP. These factors were subsequently discussed in a Trends Analysis Meeting,[1] and included: the institutionalisation of cash; new actors, relationships, and partnerships; the increasing uptake and role of national governments; and advances in innovation and technology. The project's second phase examined implications of these trends for the future of CTP. It focused on four themes in particular which, following consultation with CTP actors and examination of existing research, were identified as critical topics for the future of CTP. These critical themes included: coordination systems and CTP; the future of financing CTP; the use of CTP by governments responding to national emergencies; and the potential links between social protection mechanisms and emergency response. The latter is the subject of this report. A final, overarching report synthesises the findings from phase 1 and the four thematic elements of phase 2, offering an emerging picture of CTP in a rapidly changing humanitarian landscape.

## This report

This paper focuses on the current discussion among humanitarian and development actors about using existing programmes to deliver emergency responses. The rationale for this view is that using existing social protection programmes could allow a quicker, more efficient, better coordinated and therefore more effective response, and that some of the distinctions commonly made between humanitarian responses and social protection (for example that humanitarian responses meet basic consumption needs in the short term while social protection supports human capital development in the long term) may not be quite so strong in practice. Interest in this opportunity is likely to grow, particularly as social protection programmes may grow given commitments to the Social Protection Floor and to the principle of 'no-one left behind' in the emerging post-2015/post-MDGs agenda. However, whilst social protection systems[2] are increasingly being used to deliver cash transfers,[3] particularly at scale, and countries with social protection systems may have structures in place to better employ pre-registration, targeting, and beneficiary tracking, there is a need to better understand the interface between social protection and humanitarianism through the examination of current experiences, challenges and good practices, especially in relation to how short-term cash responses can align with long-term social protection systems. The key question to be raised is whether long-term safety nets/social protection programmes designed for one purpose (i.e. poverty reduction, reducing vulnerability) can be effectively used

[1] See Trends Analysis Meeting report: http://www.cashlearning.org/2012-2014/-fit-for-the-future-

[2] Social protection is defined in different ways by different stakeholders. In general, it comprises a range of responses from poverty-targeted transfers to age-cohort based programmes such as social pensions and other forms of social insurance. Social protection can provide support through cash or in-kind transfers but is distinguishable from emergency response by its longevity. Social safety nets (SSN) sit somewhere between emergency responses and longer term social protection and are more commonly found in the poorest countries where long-term social protection is limited by financing constraints. In practice, social protection and safety nets often refer to the same thing but different organisations choose different terminology.

[3] Cash transfers are either unconditional or conditional transfers of a specified amount of money to a target group, enabling beneficiaries to purchase the items necessary for their basic needs (including but not limited to food).

for another (i.e. humanitarian response). Examining the targeting, caseload and location of beneficiaries is also important in understanding who is being targeted and whether the number of beneficiaries can be scaled up. At the same time, the effectiveness and potential of new technologies in the administration of cash transfer programmes should be looked into.

This paper uses a case-study approach to analyse the actual and potential role of social protection systems in humanitarian response, the extent that such mechanisms have been used for timely and at-scale humanitarian response, and opportunities/challenges for taking this forward. The specific focus of the analysis is on lessons from two major social protection programmes: Ethiopia's Productive Safety Net Programme (PSNP) and Kenya's Hunger Safety Net Programme (HSNP). Ethiopia and Kenya represent experiences in a part of Africa where there is a high level of humanitarian response and where a key driver of shocks is natural disasters. The countries also reflect many of the widespread experiences in low-income countries where there is limited capacity to deliver social protection. Whilst middle-income countries such as India, Brazil and Mexico have much larger social protection programmes and some, Mexico in particular, have been able to scale up social protection rapidly in the face of global shocks, the team felt it was important to use case studies of countries with lower capacity, where external assistance during emergencies was most likely to be needed.

The literature used for this study includes programme documentation, evaluations and analysis. In addition, programme experts in the two countries were consulted for additional information. These two case studies provide important insights into the opportunities and challenges for using existing programmes for humanitarian responses, but it should be noted that they represent only a very limited part of the spectrum of approaches to social protection. It is also worth noting that many of the findings from Ethiopia, where the programme delivers various combinations of cash and food transfers, are not specific to cash.

Part 1 examines the context of social protection systems in the Horn of Africa, specifically the PSNP and HSNP, and their use in emergencies. Part 2 assesses current obstacles and challenges to scaling up the PSNP and HSNP in theory and in practice. Part 3 describes potential challenges and opportunities for scaling up in the future, and Part 4 looks to the future and how what has emerged from this research can be taken forward.

## PART 1: CONTEXT ANALYSIS

In the Horn of Africa region, decades of regular humanitarian, and particularly climate-related, emergencies have brought about consensus among both national governments and donors that the predictability of crisis calls for a more predictable and longer-term response to food insecurity than annual humanitarian appeals. Social protection programmes, and specifically cash transfer programmes, are a mechanism by which predictable resources can be provided, with three possible linked outcomes:

- Meeting the immediate consumption needs of the poor.
- Increasing the ability of poor or vulnerable households to withstand shocks.
- Building the asset-base of poor households so they can invest in more productive and remunerative livelihoods activities.

This basic theory of change – namely that by providing long-term, regular transfers, people are better able to cope with shocks and stresses rather than reverting to harmful coping strategies – is at the heart of many social protection programmes in the region. Two particularly important examples are the Productive Safety Net Programme (PSNP) in Ethiopia, and the Hunger Safety Net Programme (HSNP) in Kenya. Both were established to provide an alternative response in situations where much of the hunger found was seasonal or chronic rather than unpredictable, and where the predominant food-based response was raising concerns about inefficiency.

In 2002-2003, drought in Ethiopia resulted in more than 13 million people requiring emergency food assistance. The government, moved by acknowledgement that the emergency appeal system too often resulted in late delivery of food assistance, established the New Coalition for Food Security and began to explore alternative approaches to tackling hunger. The focus switched from emergency response to the provision of a more predictable and sustainable 'safety net' system.[4] This new approach saw the establishment of the PSNP, beginning in 2005 with 5.1 million beneficiaries in four regional states (Amhara, Tigray, Oromia and Southern Nations, Nationalities and Peoples' Region [SNNPR]) (see Table 1). Beneficiaries were entitled to six months of transfers (meant to cover a seasonal food gap) as food, or cash, or a combination of food and cash for six months each year. Beneficiaries with labour capacity (approximately 80 per cent of beneficiary households) delivered public works activities such as soil and water conservation or the construction of classrooms and health clinics. Beneficiaries with no labour capacity in the household received 'direct support' with no work requirement. In subsequent years the PSNP extended coverage and, in some places where food security was particularly severe or prolonged, the length of coverage and/or the level of payment were increased (see Table 2). Phase 2 of the PSNP will run until the end of 2014 with around 7.5 million beneficiaries; a new phase is currently under negotiation.

### TABLE 1: PSNP AT A GLANCE[5]

| Programme summary | Productive Safety Nets Programme (PSNP) |
|---|---|
| **Location** | Ethiopia |
| **Implementing agency and key partners** | Government and a donor group including World Bank, CIDA, DFID, EC, Irish Aid, RNE, SIDA, USAID and WFP |
| **Duration and value** | 2005-2014. Annual budget approx. US $347 million |
| **Key programme objective/s** | Enhanced food security status for male and female members of chronically food insecure (CFI) households in CFI *woredas* |
| **Target beneficiaries and number** | 7.57 million chronically food insecure (approx. 10% of total population) |
| **Social protection tool/s used** | Cash transfers, public works |
| **Other livelihood support offered** | Access to Household Asset Building Programme/other food security programmes |
| **Innovative elements** | |
| **Crisis scalable?**<br>**Any evidence of use of crisis modifiers?** | Contingency budget and Risk Financing Mechanism |
| **Key lessons learnt during implementation** | • Regular, higher-value transfers have greater impact<br>• Need flexibility between cash and food transfers depending on context<br>• PSNP has greater impact when implemented together with the Household Asset Building Programme. |

It is important to note that the programme evolved over the years and made adjustments as necessary in response to unanticipated challenges: for instance, the denomination of the bank notes being transferred were initially of the wrong value, causing payment delays. The PSNP has been running for eight years and it could be argued that it has taken this long to 'get it right'. This has implications for how well-established a programme might need to be before using it to deliver an emergency response becomes viable.

[4] Raisin, 2001; Smith and Subbarao, 2003. We use the term 'safety nets' here as opposed to 'social protection' because the former dominated policies and programming at this time.

[5] Adapted from Slater et al., 2013

The HSNP began in Kenya in 2007, and in its first phase ran as a (increasingly large scale) pilot with key design and implementation features tested until 2012, including different targeting mechanisms (proxy means testing, community-based, and age-based). The target coverage for the first phase was 69,000 households in four districts in the Arid and Semi-Arid Lands (ASAL) of northern Kenya: Mandera, Wajir, Marsabit and Turkana. The HSNP aimed to provide beneficiaries with regular and guaranteed cash transfers. Phase II, which started in January 2013, aims to benefit 100,000 of the poorest households. Despite the remoteness of much of the ASAL region, the presence of thin markets and high levels of mobility among beneficiaries (all of which are often put forward as an argument against using cash transfers) the HSNP sought to find alternative technologies to overcome the specific economic and geographical implementation challenges. The HSNP uses an innovative approach for payments – using point of sale (POS) devices and biometric cards – so that individual households are not restricted to single centres to receive transfers, and the system does not depend on frequently weak and highly dispersed public sector institutions. Instead, cash transfers are made through a private sector banking system.

### TABLE 2: HSNP AT A GLANCE

| Programme summary | Hunger Safety Nets Programme (HSNP) |
|---|---|
| **Location** | Kenya ASAL |
| **Implementing agency and key partners** | Ministry of State for Development of Northern Kenya and Other Arid Lands ASAL Secretariat in partnership with NGOs and private sector operators |
| **Duration and value** | 2007-2017, £80m (DFID), AUD22m (AusAID) |
| **Key programme objective/s** | To reduce extreme poverty, vulnerability and hunger |
| **Target beneficiaries and number** | Phase I (from 2007-2012) targeted 66,000 households with testing of different targeting mechanisms. Phase II (from 2012 to 2017) aims to reach up to 400,000 households. |
| **Social protection tool/s used** | Three types of targeting piloted in Phase I:<br>• Community-based targeting<br>• Dependency ratio<br>• Social pension<br>No conditionalities |
| **Other livelihood support offered** | Use of smartcard technology to access and process the payments |
| **Innovative elements** | Planned in second phase through layering of additional benefits/instruments but not additional caseload |
| **Crisis scalable?<br>Any evidence of use of crisis modifiers?** | Contingency budget and Risk Financing Mechanism |
| **Key lessons learnt during implementation** | • Need to trial alternative programme designs such as indexing payments to household size and/or inflation<br>• Phase II: improved targeting process based on lessons learned in previous phase |
| **Evidence of success in building resilience?** | Evidence is inconclusive at this stage. Some evidence of increase in food security and retention of livestock in the face of repeated cycles of drought |

## PART 2: CURRENT OPPORTUNITIES AND CHALLENGES TO SCALING UP IN THEORY AND IN PRACTICE

Whilst both these programmes are aimed at meeting predictable needs, they both have the potential to scale up during a crisis, including elements of scale up incorporated into design. Over time, the PSNP has drawn on two mechanisms for scaling up during a crisis – contingency funding and the Risk Financing Mechanism (RFM). The former was part of PSNP's original design, whereas the RFM was introduced in a subsequent re-design in order to better address contingency needs. These two mechanisms have resulted in three specific responses: the increase of transfer levels; the extension of the duration of transfers each year; and the addition of new beneficiaries (see Table 3).

### PSNP

In Phase 1 of the PSNP (2005-2009), the PSNP used contingency funds in order to respond to unpredictable increases in caseload. In theory, the contingency budget (about 20 per cent of total transfers) is not programmed on a multi-annual basis but kept available for unplanned increases in caseload and for increasing the size of the transfer to existing beneficiaries. In 2008, additional transfers were provided to 4.43 million beneficiaries in the context of severe drought in some PSNP *woredas* (districts) and rising food prices, enabling them to meet their consumption needs until the next harvest. The use of contingency funding in the PSNP faces some fairly frequent challenges. First, in practice the regular caseload of food-insecure households frequently exceeds the programming resources available for the regular caseload, so at regional and *woreda* level the contingency funds are usually used to increase the regular caseload, irrespective of whether any particular shock (such as drought, food price inflation etc.) is faced. In some *woredas*, particularly in SNNPR, even with the regular use of the contingency budget the resource envelope for PSNP still does not cover the number of households with food gaps of three months or more, and resources are split or diluted between a greater number of households so that each household receives only a share of the full transfer. Contingency budgets have also been used to extend the period over which households have received transfers (either for a limited period during a particularly difficult year, or in geographical locations where climate differences mean that the hungry months are regularly longer than in other locations) or to increase the value of the transfer in order to make a more meaningful impact on household consumption. Overall, in Phase 1 of the PSNP, the contingency budget was primarily used not as a mechanism to tackle unpredictable increases in need, but instead to augment the regular caseload.

**TABLE 3: CHANGES TO PSNP COVERAGE, BENEFIT LEVEL AND DURATION OF SUPPORT 2005-2013[6]**

| PSNP | Coverage/number of beneficiaries | Benefit levels and duration<br>(PW – public works beneficiaries;<br>DS – direct support beneficiaries) |
|---|---|---|
| 2005 | 4,838,405 | 6 birr/3kg food per day – PW<br>30 birr per person per month – DS |
| 2006 | 7,192,072 (inclusion of Afar region and scale up in existing regions) | 6 birr/3kg food per day<br>30 birr per person per month – DS |
| 2007 | 7,192,372 | 6 birr per day/3kg food for 6 months |
| 2008 | 7,355,043 (inclusion of Somali region)<br>4.43 million existing beneficiaries received extended payments under contingency budget | 8 birr per day for 6 months<br>Extension to 8 months |
| 2009 | 7,574,480.<br>6.42 million existing beneficiaries received extended payments under contingency budget | 10 birr per day for 6 months<br>Extension to 8 months |
| 2010 | No figure available | 10 birr per day for 6 months |
| 2011 | 7,535,496 planned<br>9.6 million beneficiaries in total – including 6.5 million regular and contingency, and<br>3.1 million additional beneficiaries under RFM | 10 birr per day for 6 months<br>Extension to up to 9 months for existing beneficiaries<br>Up to 3 months for additional beneficiaries |
| 2012 | 7.6 million<br>(expansion to additional 15 *woredas* in pastoral areas) | 14 birr per day for 6 months |
| 2013 | 6.9 million<br>(decrease due to households being graduated from PSNP) | |

Subsequently, under Phase 2, a Risk Financing Mechanism (RFM) was introduced to the PSNP. The rationale was that, with the contingency budget largely committed to regular caseloads, and a range of ad-hoc responses to droughts from 2008-2010, there was a need for an improved mechanism to allow a rapid mobilisation of additional resources in the event of an emergency. The RFM was established in 2009 with a fund of US$160 million available and allowing for up to $80 million to be mobilised for a particular crisis each year. The RFM depends on an established Early Warning System (EWS) that is in place to monitor the situation and trigger the RFM when needed, and contingency planning occurs at the *woreda* level to expedite implementation once the funds are released. The idea is that beneficiaries receive the funds before the hardest effects of the crisis are felt, dramatically reducing the time typically associated with humanitarian response.

[6] Adapted from Slater et al., 2013

In 2011, the RFM was triggered. Support was provided to an additional caseload of 3.1 million additional beneficiaries to receive transfers for three months in PSNP *woredas* (identified through the PSNP contingency budget targeting procedures at village level where a [published] ranking takes place) and extended the duration of transfers for 6.5 million existing beneficiaries for an additional three months. In cropping areas beneficiaries received cash, whereas in pastoral areas they received food.

The critical thing to note is the timeliness of the additional assistance provided under the PSNP, compared to a parallel humanitarian appeal. The RFM was triggered in August 2011, with funds disbursed six weeks after the request was made. In contrast, the humanitarian appeal took far longer from assessment to disbursement. The appeal was launched in March 2011, a full five months after the semi-annual assessment was completed. Eventually, by December 2011, contributions to the appeal had achieved (a very credible) 94 per cent of the value of appeal, with disbursements over a far longer period.[7] (See Table 4).

Whilst the RFM has, thus far, been implemented only in PSNP *woredas*, it shows potential for non-PSNP *woredas* (i.e. those that tend to experience only transitory rather than chronic food shortages) to shorten the lead/response times normally seen in emergency humanitarian appeals. However, the RFM currently depends on the existing PSNP administrative and financial systems and these do not exist outside PSNP *woredas*. There simply are not the systems in place to deliver elsewhere. But, note that:

> *'Given the events of 2011, there is also reason to suggest that the RFM, as a stand-alone instrument, could be scaled up across Ethiopia to cover areas outside of the current PSNP. Prepositioning financing, capacity, institutions, plans and a strong early warning system across the entire country would lead to a faster, more effective response than is possible under the current system. Even without nationwide coverage, the RFM is the largest example of risk insurance in a humanitarian context in Africa, and the 2011 experience shows us that it works.'*[8]

Since 2011, the PSNP's RFM has not been triggered but the financial, institutional and administrative architecture remains in place to allow it to do so – it remains unclear what would happen in practice in a scenario where Ethiopia faced year-on-year serious shocks, and whether an expended RFM could and would be further replenished. Finally, whilst we know that the period from assessment to the delivery of transfers is faster through the RFM, we do not have robust evidence on whether the targeting of additional caseload meant that it was able to reach those worst affected by the shock.

## HSNP

In Kenya, it is far more difficult to trace the extent to which the HSNP has responded to new, additional caseload or increasing need on the part of existing beneficiaries. Whilst it is possible to track changes in programme coverage and increases in transfer size, it has proved difficult, particularly because of the timing of the programme (from 2008 onwards – with 2008 being a particularly unusual year) to unpick the extent to which these could be viewed as a response to an emergency versus a planned increase in caseload, or a shift in transfer value to bring Kenya's various social protection programmes to parity in terms of benefit level.

[7] Hobson and Campbell, 2012.
[8] Ibid.

**TABLE 4: COMPARING THE RFM AND 2011 HUMANITARIAN RESPONSES** [9]

| | 2010 | | | 2011 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | October | November | December | January | February | March | April | May | June | July | August | September | October | November |
| 2011 Humanitarian Appeal – non PSNP Districts | | | | | Humanitarian Requirements Document (HRD) released | Appeal financing sought | | Semi-annual seasonal assessment and revised HRD released | Appeal financing sought – ongoing (as at December 2011, funding had been secured for 94% of needs) | | | | | |
| | | | | | | Emergency transfers made when resources available | | | | | | | | |
| Risk Financing Mechanism Response 2011 – PSNP Districts | Establishing minimum criteria for RFM to be in place<br><br>Existing PSNP caseload and transitory caseloads' needs met through PSNP and contingency budgets | | | | | | | | | | Rapid verification of needs | RFM monies released for 100% of needs | | |
| | | | | | | | | | | | | RFM transfers using PSNP | | |

[9] Hobson and Campbell, 2012.

**TABLE 5: HSNP CHANGES IN COVERAGE, BENEFIT LEVELS AND DURATION OF TRANSFERS**[10]

| HSNP | Coverage/number of beneficiaries | Benefit levels and duration |
|---|---|---|
| 2008 | Target for Phase 1:<br>300,000 people or around 60,000 households | KES 2,150 per household every 2 months |
| 2009 | | KES 2,150 per household every 2 months |
| 2010 | 52,854 households | KES 2,150 per household every 2 months |
| 2011 | | KES 2,150 per household every 2 months increased to 3,000 from Sep/Oct<br>KES 4,300 per household as one-off payment in Jul/Aug |
| 2012 | 496,800 people<br>68,621 households | KES 3,500 per household every 2 months from Mar/Apr |
| 2013 | Target for Phase 2: | |

Whilst in 2011, both PSNP and HSNP responded to the drought by scaling up support, in Kenya the response was far more limited. The HSNP delivered additional emergency support to beneficiaries, doubling the amount transferred (within a planned expansion process), although the caseload remained the same. In Kenya, the challenges of scaling up social protection to provide an emergency response are far greater. There are some specific contextual factors, including the challenges of scaling up in far more remote areas and among mobile/ pastoralist beneficiaries, the relative 'fledgling' status of HSNP at the time, and the level of government involvement. Beyond this, four other factors appear to be important. First, targeting systems in the HSNP are not so easily extended to new beneficiaries because the HSNP has been testing different targeting systems in different locations and it is not clear which would be applied to identify new emergency beneficiaries. Second, whilst in Ethiopia the PSNP is by far the largest social protection programme, in Kenya the HSNP is only one part of the government's broader social protection strategy and sits alongside a range of other, growing, programmes such as cash transfers for orphans and vulnerable children, and social pensions. Third, there are plans to establish a National Drought and Disaster Contingency Fund but this is not yet operational and plans for an Early Warning System are not fully developed so the trigger mechanism is not in place. Finally, given the different ways in which the full range of Kenyan social protection programmes are targeted, establishing a risk finance mechanism with specific criteria for mobilising emergency resources, coordinated across a range of sectors, will be far more challenging than in Ethiopia. The implication for other countries facing humanitarian crises, even those where a social protection system is already established, is that it is not automatically or particularly straightforward to scale up. We will return to this point in the next section.

## PART 3: POTENTIAL FUTURE OPPORTUNITIES AND CHALLENGES TO SCALING UP

The experiences of the PSNP and HSNP are limited but as case studies they provide some insights into the potential for and challenges to using existing social protection programmes for additional emergency response. The lessons are discussed here in relation to four sub-headings:

- Caseload
- Pre-conditions
- Coordination
- Incentives, principles and procedures

[10] See: HSNP project website: www.hsnp.or.ke; Ndoka, 2013

## Caseload

In terms of caseload, one of the main challenges to using existing social protection programmes is the question of whether beneficiaries of existing social protection programmes have different characteristics to those affected by any given emergency. In a literature review of responses to the fuel, food and financial ('Triple F') crisis of 2007-2009,[11] it is concluded that existing social assistance systems may not necessarily function well as a basis for crisis response, given the different caseloads and support requirements. It is worth unpicking this argument and asking what the HSNP and PSNP experiences tell us.

McCord (2013) argues that given the different characteristics of the chronically poor, who are eligible for support under established instruments, and the new poor,[12] who are unlikely to be, there may be a tension in designing shock-responsive programming to meet the needs of both. So the type and location of shock are important. This argument stems from work focusing on financial shocks when the target group for emergency assistance tends to be more predominant in urban areas and includes formal and informal sector workers. In terms of food production shocks, especially those related to drought, there may be more overlaps in caseload (as seen in the case of HSNP, when it was deemed appropriate to double the support to existing beneficiaries in 2011); but in the case of food price shocks, the impacts may be felt more in urban areas. Put simply, it isn't possible to use an existing rural programme to tackle a shock that is felt predominantly in urban areas.

So, McCord's challenge appears to be less of a concern with the PSNP and HSNP than it might be in other programmes (such as social pensions) when the shock is a natural disaster or food production shock – since with both PSNP and HSNP, it is reasonable to expect rather similar caseloads for seasonal or chronic hunger and for emergencies. HSNP is found in a geographically quite discrete location, with few large urban areas or situations where the type of shock is likely to differ significantly and require a different type of response. In PSNP *woredas* there tend to be rather low levels of urbanisation and formal sector employment, buffering households at least partially against the impacts of broader global financial shocks.

Social protection programmes that target specific groups, such as older people and orphans, will not be particularly useful to draw on in terms of reaching the desired caseload in a humanitarian response, where the crisis is felt by all, regardless of age or social category. For example, in the absence of evidence that households with elderly people are far more adversely affected by a flood or drought than those without, and unless all households contain old people, using old age to target is unlikely to reach those most affected by a shock. The opportunities are greater in programmes such as the PSNP and HSNP that aim to target the poorest and often the most vulnerable to the impact of covariant (shared) shocks and so may be better placed to reach those most likely to be affected by a humanitarian crisis. However, further analysis and a broader range of case studies will be required to understand how the type of shock that households face affects the opportunity for emergency responses to use existing social protection programmes.

## Pre-conditions

A set of preconditions are critical if existing cash transfer programmes can be built on to provide emergency response. The first is to ensure that cash is appropriate in any given context. In situations where limited systems are in place to distribute cash it may be more feasible and cost-efficient to switch to alternatives, including food, for example through school feeding. The purchasing power of cash needs to be established. Cash transfers are best index-linked to market food prices to ensure that recipients can consistently access an adequate amount of food in the face of changing prices. But index-linking cannot, in practice, be unlimited. In Ethiopia in 2008, the price of staple foods increased to around 300-350 per cent of 2006 prices, eroding the real value of the cash transfer and necessitating a cash-plus-food combination because it was impractical to expect cash to keep up

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[11] It is also worth noting the financial crisis usually is not considered a humanitarian shock by humanitarians – we will return to the different perspectives of what constitutes a 'crisis' or 'shock' below.

[12] The new poor are those who have lost their jobs due to the contraction of formal sector employment associated with financial crisis.

with price inflation. The HSNP doubled the size of transfers to existing beneficiaries in response to the 2011 drought, which was necessary to meet their immediate needs. Notwithstanding the importance of ensuring that a cash response is appropriate, building emergency responses on existing social protection programmes may help to embed a cash-first (rather than food-first) approach because social protection programmes tend to face less opposition or reluctance to deliver cash (as opposed to food) compared to emergency programmes.

In Ethiopia, four pre-conditions for efficient scale-up are identified by Hobson and Campbell:

- Early warning
- Contingency plans
- Contingency financing
- Institutions and capacity

The Ethiopia example shows that there is potential for existing social protection programmes to increase in scale during an emergency far faster than existing humanitarian systems, as long the necessary preconditions are in place. However, the Ethiopia case is unusual and in other countries the preconditions are rarely present. For example, under humanitarian systems, needs assessments are conducted only once the effects of a crisis have manifested themselves, so early warning is rarely early enough. Similarly, the lag between needs assessments, an appeal for funds and subsequent resource-mobilisation can be a major constraint.[13] The challenge is not just assessing whether the whole system can expand, but also ensuring that money is sitting in bank accounts, earmarked for this purpose and ready to be moved.

## Coordination

The preconditions identified by Hobson and Campbell point to a wider range of institutional and financial arrangements that are required. Experiences in Kenya and Ethiopia show that cash transfers can be a useful instrument and can be scaled up, but only if data is available on those in need, the mechanisms are in place to deliver the transfer and additional resources are available (and pre-positioned). For all these elements to be in place, coordination between all sorts of actors is critical. Intra-agency coordination (between different parts of bilateral agencies), inter-agency coordination (for example between different parts of the UN), agency-government coordination, intra-ministerial coordination (between departments within ministries) and inter-ministerial coordination (between ministries) and government coordination are all important.

The HSNP and PSNP case studies suggest that it is easier to scale up vertically (providing larger transfers or transfers of longer duration) to existing beneficiaries than horizontally (new beneficiaries), especially in areas without existing targeting and delivery systems. As indicated above, whilst the PSNP was able to scale up in terms of numbers of beneficiaries in response to the 2011 drought, the HSNP did not do so. However, in Phase 2 of the HSNP, all households in the four targeted districts have been registered (of which around one-quarter receive the transfer), which means that their poverty rankings are recorded and information is available to other potential programming, which could be utilised in the event of a humanitarian emergency. This highlights the importance of having adequate data on poverty indicators in order to scale up. According to the Independent Evaluation Group of the World Bank:

> *'Existing CT lack institutional flexibility in intake process and management information to quickly absorb households with different poverty characteristics from the chronically poor whom the programmes conventionally serve.'* [14]

[13] Hobson and Campbell, 2012
[14] McCord, 2013

So, wider poverty assessments or community wealth ranking beyond the targeted beneficiary lists must already exist. But what happens if geographical targeting systems are part of a targeting system and the shock is outside existing social protection programme locations? In case of the PSNP, the programme is geographically targeted first, and then depends on community-based wealth ranking. Even in PSNP *woredas*, there are villages that receive benefits and others that do not. Hobson and Campbell suggest that the future priority should be working out how an RFM tailored to Ethiopia's pastoralist context might be established and the use of RFM outside PSNP districts. This would require some sort of household wealth or food insecurity ranking at *woreda* and/or *kebele* level in all parts of Ethiopia, not just in PSNP-designated *woredas*. The PSNP provides an important insight into the limits to delivering crisis scalability in countries where existing social protection programmes are geographically targeted:

> *'Any humanitarian response attempting to utilise existing PSNP administrative and financial systems should therefore take this into account, as the target group in a humanitarian emergency may not necessarily follow the same geographical targeting as established in social protection programmes. It is not particularly feasible to carry out new targeting on a large scale in the context of an emergency.'* [15]

But the PSNP experience also says something about opportunities. It shows us what can be achieved where there is a well-functioning donor coordination process and close links with a range of government departments.

Whilst the HSNP experience has yielded relatively little insight about scaling up existing social protection programmes to provide an emergency response, it does provide some important lessons about specific design features and the use of new or alternative technologies to deliver cash transfers. The HSNP has piloted new technologies which have made it considerably easier and faster to deliver transfers to beneficiaries. A network of Equity Bank agents uses biometric point-of-sale machines, making payments reliable and secure. Other technologies in rural Kenya (especially M-Pesa) provide another example of how CTPs might be scaled up. In the case of HSNP, it is important to note that transfers depend on biometric cards. The collection of biometric information, the production of cards and the delivery of cards to beneficiary populations takes months, rather than weeks, so this presents a constraint to the speed at which additional caseloads can be added to existing programmes.

## Alignment of objectives, incentives and principles

There are **three key points** to make about the extent to which the objectives, incentives and principles that drive humanitarian and development actors are aligned or different, and the subsequent tensions or opportunities that this can give rise to.

**First,** a commonly-used framework for illustrating the range of objectives in social protection programmes is that of Devereux and Sabates-Wheeler (see Box 1). The distinction is relevant here because humanitarian programming tends to focus on protective and preventive objectives and not on promotive or transformative objectives. In other words, humanitarian responses typically seek to protect the basic consumption needs of households and prevent households from adopting negative strategies in response to shocks; they do not aim to promote poverty reduction or transform institutions that otherwise result in unequal access to social and economic resources and opportunities. Humanitarians are also likely to be far less focused on responding to slower-onset, less acute shocks to household consumption – particularly those relating to financial shocks such as unemployment, inflation or food price increases. So the priorities or focus of different actors can be divergent. Hobson and Campbell suggest that a 'paradigm shift in how the humanitarian community looks at slow-onset humanitarian crisis' is needed.

[15] McCord, 2013

Transformative social protection can also include seeking to change the structural underpinnings of particular power regimes, to tackle social exclusion and marginalisation, to enhance social cohesion or to strengthen state-citizen relations. These are highly political objectives. Humanitarian aid agencies often work outside national government systems (and, it is argued by some, at times undermining government capacity to respond to disasters [Harvey, 2009]) whereas social protection programmes aim to work closely with governments. For humanitarian actors, with their commitment to neutrality and impartiality, it can be difficult to operate in a programming environment that is, partially at least, driven by political incentives or has political outcomes. For example, in 2010, Human Rights Watch claimed that the targeting of the PSNP depended on support for political parties. Given the central role of national governments in designing social protection programmes, it is inevitable political motivations influence design features such as selection of beneficiaries (targeting), thus compromising a truly needs-based agenda. Humanitarian actors may find themselves compromised if they work within government programmes.

### BOX 1 OBJECTIVES OF SOCIAL PROTECTION PROGRAMMES[16]

**Devereux and Sabates Wheeler (2004) classify the objectives of social protection policies and programmes as protective, preventive, promotive and transformative; or a combination of these which allows households to better manage and cope with vulnerability and risk, and to bridge the gap between their immediate consumption needs and their longer-term strategic investments in making a living.[17]**

**Protective social protection most often involves cash or in-kind transfers or fee-waivers to ensure basic consumption needs are met such as food and health care, thus alleviating chronic or transitory poverty.**

**Preventive social protection involves insurance schemes such as pensions, or risk-pooling mechanisms such as health and unemployment insurance, in order to prevent a drop in living standards during crises or at less productive times of the lifecycle. Both protective and preventive measures can help households avoid distress strategies[18] in times of crisis, such as selling productive assets or withdrawing children from school.**

**Promotive social protection may include productive transfers, insurance and credit schemes, labour market interventions, investment in public assets and access to education or skills training. This provides the basis for economically vulnerable households and those who experience transitory poverty to invest more securely in human capital and livelihoods, leading to higher productivity and incomes.**

**Transformative social protection aims to change discriminatory laws, policies and/or practices that result in unequal access to social and economic resources and opportunities. This may include, for example, rights-based approaches to social protection such as employment guarantee schemes, redistribution of land to poor or marginalised groups, price controls or protecting women's inheritance or employment rights. In this paper we focus almost all our attention on protection, prevention and promotion because the programmes that we review have few transformative objectives.**

[16] Slater et al., 2013

[17] IFAD et al., 2010

[18] Distress strategies are those which people use to meet their basic needs but are a sign of a failure to cope because they rely on activities which have long-term negative effects –activities which 'undermine future means of livelihood, dignity or nutritional health, increase long-term vulnerability, or are illegal or not socially acceptable.' UNHCR 2004. There is no unambiguous line delineating distress strategies (see below). For references: UNHCR/WFP 2004 Joint Assessment Guidelines (with Tools and Resource Materials). Geneva/Rome.

**Second,** a relatively recent discussion on the Cash Learning Partnership further highlights how humanitarian and social protection actors may view their responsibilities to beneficiaries very differently (Box 2). The example in the box shows that some humanitarian actors did not think their activities (public works programmes) were or should be subject to national policies or legislation on labour rights or terms and conditions of employment. The lesson is that we need to beware of assuming that humanitarian and social protection actors share the same objectives, incentives, and rules and procedures. This is true within government, among donor agencies and NGOs.

**Third,** given the differences in orientation identified here, it will also be important to find the right balance of resources for regular and emergency programming and we cannot expect agencies to automatically put aside their specific priorities to achieve this balance. In Ethiopia, the RFM had specific donors earmark funds for it. It remains unclear at present whether earmarking will protect the existence of the capacity to respond in an emergency, or whether it will mean that specific donors could undermine the support for the chronic caseload element and the fundamental principle of getting off the emergency appeal 'merry-go-round'[19] by only funding the RFM. At present there seems to be an opportunity to find an appropriate balance between long-term and emergency caseloads, rather than a risk that the PSNP slides back into the former emergency response mode. Furthermore, the donors that earmarked RFM resources provided resourcing in cash, rather than in food pledges.

### BOX 2 DIFFERENT PERSPECTIVES REGARDING RESPONSIBILITIES TO LABOURERS IN PUBLIC WORKS PROGRAMMES

**In June 2012, the following question on cash-for-work (CFW) was posted to the CaLP Discussion Group:**

***'People that are working for any agency in a CFW scheme, how could they be considered? They are neither employees, nor casual labourers (there is not any contract linking them to the agency), but they however are paid in exchange for their work. So: who covers the health insurance or is responsible for any work accident? Are agencies aware of the national legislation that regulates the employment of people? Is CFW considered as a special case within the norms? Could they be considered part of the agency? Should they therefore respect the code of conduct of the agency? Did any of the agencies have some lesson learnt to make sure that international labour rights are respected even in emergency contexts? All these unanswered questions have a direct implication on HR policies of each agency, don't they? At least to make our colleagues from HR dept. understand and accept CFW as a consolidated activity and promote internal guidelines.'***

**The responses were varied and there were strong commitments to not employing children and ensuring Health and Safety at work. However, there were other perspectives that suggest strong differences in approach between humanitarian agencies seeking to save lives in the immediate term, and developmental actors for whom alignment with rights and government labour legislation was critical. For example:**

***'CFW is not an employment scheme. It's a tool under 'cash-based programming' to allow people to earn money under humanitarian context. Therefore CFW is not subject to employment-related regulation designed by the local government.'***

**The suggestion here is that the rules for emergency CTP are somehow outside of other programming procedures and rules, that responsibility for beneficiaries is somehow different. This suggests that linking emergency CTPs to existing programmes may be more difficult than some of the rhetoric assumes.**

[19] Raisin, 2001

## PART 4: LOOKING FORWARD

The case studies presented here provide modest but useful insights into the extent to which social protection programmes can be used to deliver a humanitarian or emergency cash transfer response. Three key technical messages/recommendations are particularly important:

- The type and location of shock matter, and need to be better understood by humanitarian actors. In some cases, notably where shocks overlap with the caseload and geographical location of existing social protection programmes, there is potential for social protection to support emergency programming. The greatest opportunity is in rural areas where social protection is dealing with chronic and seasonal food shortfalls (HSNP and PSNP are both good example of this). In situations where the shock is located in a different context, for example in urban areas in the face of financial crisis or recession, or where existing programmes are targeted based on social or age cohort categories (for example social categories), it is likely to be significantly more difficult to reach people who are affected by shocks.
- When considering using existing social protection programmes to deliver a humanitarian response, actors need to establish whether key preconditions are in place. It is only possible to scale up existing social protection programmes if they have a high coverage and are well-established[20] and where the financial and administrative architecture for early warning, contingency planning and pre-positioning resources are in place. Whilst the PSNP meets these criteria, the HSNP, in its current phase, does not. Similarly, targeting or wealth-ranking systems must also be in place, otherwise emergency responses risk creating confusing tiers or layers of targeting at village level.
- The differences in objectives, priorities and operating rules between different actors must be acknowledged in design. Humanitarian agencies may find themselves operating in a system with different processes, procedures, rules and principles. This includes working with governments whose social protection goals and objectives are distinctly political or politically aligned.

Two broader lessons/recommendation are as follows:

- All actors need to think through the opportunities and challenges associated with linking emergency responses to existing social protection programmes far more carefully than has been the case to date.
- Linked to this, actors must keep their expectations of social protection in perspective, and recognise that those countries in receipt of the highest levels of humanitarian assistance are likely to be years, if not decades, away from having social protection programmes in place that could be utilised to enable a humanitarian response.

Achieving more nuanced thinking that is located within the practical realities of social protection programming in countries may be easier said than done. It would be easy to recommend actions that include further research, and there are certainly an important range of questions on which research might be (and in some cases is already) based, including:

- Which is more cost-efficient – social protection programmes expanded to cover emergency needs, or emergency CTPs from scratch? For example, data from the triggering of the RFM in Ethiopia in 2011 shows us that the resource requirement for the cash transfer was 998,478,000 ETB (US$58,734,000) and the management/administration costs were 78,442,080 ETB (USD $4,150,000) or about 7 per cent of the total budget. How does this 7 per cent compare with administration costs in emergency CTPs?
- How far can the experiences of the PSNP's RFM be replicated in other countries?
- What examples can be found of rapid scale up of social protection programmes that could inform faster, leaner needs assessments and shorter timelines for humanitarian appeals?

[20] McCord, 2013

- How far are the opportunities to use existing social protection programmes for a humanitarian response limited to middle-income countries where capacity is greater, and can more examples be identified from low-income countries (particularly those which are major recipients of humanitarian assistance)?

Unfortunately, there are some rather major constraints to using empirical evidence and experiences to allow progress to be made: in practice there may simply be too few examples that can be researched of the use of social protection programmes for emergency responses in low-income countries. Even in richer countries which have very large humanitarian expenditures and large-scale social protection programmes (for example, Indonesia, Pakistan, Iraq), there has been very little or no experience or experimentation with using social protection programmes for emergency responses. For the time being, it will be important to look for opportunities to learn from attempts to use social protection programmes in this way, as and when they occur.

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The Cash Learning Partnership

This thematic report has been undertaken as part of a 2013 research study entitled, *Is Cash Transfer Programming 'Fit for the Future'?* The research was commissioned by the Cash Learning Partnership (CaLP) and undertaken by the Humanitarian Futures Programme (HFP), King's College London. The overall project intends to understand how changes in the broader global and humanitarian landscape may evolve in the future (up to 2025), and how these changes might shape cash transfer programming (CTP). The analysis examines these issues in the context of ongoing global dialogue on the future of humanitarianism, including the post-2015 Millennium Development Goals processes, the deliberations for the next iteration of the Hyogo Framework for Action, and the World Humanitarian Summit 2016.

It is hoped that the products from this project will be widely disseminated, and their conclusions and recommendations debated at all levels within the sector. This process should result in a set of priorities that can serve as the basis for a forward-looking action agenda. Ideally, this agenda should be conceived by the full network of actors identified in this analysis who have an interest and role in the evolution of CTP.

This thematic report has been developed as a stand-alone document, and is just one of the products developed under this project. The project's other outputs can be found in an Annex Package, and a Final Report pulls all the research together. An Executive Summary of the Final Report is also available.

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Humanitarian Aid and Civil Protection

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