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

Is Emergency Cash Transfer Programming (CTP) ‘fit for the future’?
Acknowledgements

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The Humanitarian Futures Programme, King’s College, London, is very grateful to the Cash Learning Partnership, The Department for International Development, UK and the European Commission Humanitarian Office for the opportunity to develop this speculative analysis of the future of Cash Transfer Programming. HFP also would like to thank all those external advisors and experts, who in various ways contributed to this effort.

The ‘Fit for the Future’ Project was led within the Humanitarian Futures Programme by Joanne Burke and Lucy Pearson. Dr Randolph Kent, Justin Armstrong and Simon Bayley contributed key research, support and writing. These reports were edited by Sophie Evans.
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**Introduction**

The Humanitarian Futures Programme (HFP), in conjunction with the Cash Learning Partnership (CaLP), is undertaking research on the future of cash transfer programming (CTP) in 2020-2025. The study examines the implications for the institutionalisation of CTP by humanitarian actors, private sector, donors and governments, and the priority areas for further research and future actions in order for CTP to be ‘fit for the future’. The project’s findings are designed to serve as the basis for the development of a forward looking action agenda that will be conceived under CaLP’s leadership with support from a group of relevant experts formed to advise the project.

The first phase of the research provided an analysis of the transformative factors likely to affect humanitarian action in the future and the potential trends in CTP. This included discussion on the institutionalisation of cash; new actors, relationships, and partnerships; the increasing uptake and role of national governments; and advances in innovation and technology. The second phase examines implications of these trends for the future of CTP. It focuses on four themes, identified as critical topics for the future of CTP through consultation with CTP actors and examination of existing research. These include: coordination systems and CTP; the future of financing CTP, the use of CTP by governments responding to national shocks; and the potential links between social protection mechanisms and emergency response, the subject of this report.

This paper explores the first of these themes with a focus 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 and therefore more effective response. However, whilst social protection systems1 are increasingly being used to deliver cash transfers2, particularly at scale, and while 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 and 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 safety nets designed for one purpose (i.e. poverty reduction, reducing vulnerability) can be effectively used for another (i.e. humanitarian response). Examining the targeting, case load 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). The literature used for this study includes programme documentation, evaluations and analysis pieces. In addition, programme experts in the two countries were consulted for additional information.

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1 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.

2 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).
Context Analysis

In the Horn of Africa region, decades of regular humanitarian, and particularly climate-related, emergencies has 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 vulnerably households to withstand shocks; and
- 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 responses to the provision of a more predictable and sustainable safety net system. This new approach saw the establishment of the Productive Safety Net Programme (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% of beneficiary households) deliver 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 receive ‘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 and a new phase in currently under negotiation.

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3 Raisin, 2001; Smith and Subbarao, 2003
Is Emergency CTP ‘Fit for the Future?’: Scaling up existing social safety nets to provide humanitarian response

Table 1: Cash coordination challenges

<table>
<thead>
<tr>
<th>Program Summary</th>
<th>Productive Safety Nets Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>Ethiopia</td>
</tr>
<tr>
<td><strong>Implementing agency and key partners</strong></td>
<td>Government and donor group including World Bank, CIDA, DFID, EC, Irish Aid, RNE, SIDA, USAID &amp; WFP</td>
</tr>
<tr>
<td><strong>Duration and value</strong></td>
<td>2005-2014. Annual budget approx. US $347 million</td>
</tr>
<tr>
<td><strong>Key program objective/s</strong></td>
<td>Food security status for male and female members of chronically food insecure (CFI) households in CFI woredas enhanced</td>
</tr>
<tr>
<td><strong>Target beneficiaries and number</strong></td>
<td>7.57 million chronically food insecure (approx. 10% of total population)</td>
</tr>
<tr>
<td><strong>Social protection tool/s used</strong></td>
<td>Cash transfers, public works</td>
</tr>
<tr>
<td><strong>Other livelihood support offered</strong></td>
<td>Access to Household Asset Building Programme / Other Food Security Programmes</td>
</tr>
</tbody>
</table>

**Innovative elements**

**Crisis scalable? 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
- Need flexibility between cash and food transfers depending on context
- PSNP has greater impact when implemented together with the HABP

**Evidence of success in building resilience?**
- Household food security significantly increased
- Asset accumulation through increased investment in farming inputs and livestock
- Decreased need for distress sales of assets during times of crisis

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 8 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 deliver an emergency response becomes viable.

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. The target coverage for the

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4 Adapted from Slater et al, 2013.
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, the cash transfers are made through a private sector banking system.

Table 2: HSNP at a glance\(^5\)

<table>
<thead>
<tr>
<th>Program Summary</th>
<th>Productive Safety Nets Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>Kenya ASAL</td>
</tr>
<tr>
<td><strong>Implementing agency and key partners</strong></td>
<td>Ministry of State for Development of Northern Kenya and Other Arid Lands ASAL Secretariat in partnership with NGOs and private sector operators.</td>
</tr>
<tr>
<td><strong>Duration and value</strong></td>
<td>2007-2017, £80m (DFID), AUD22m (AusAID)</td>
</tr>
<tr>
<td><strong>Key program objective/s</strong></td>
<td>To reduce extreme poverty, vulnerability and hunger</td>
</tr>
<tr>
<td><strong>Target beneficiaries and number</strong></td>
<td>Phase I (from 2007-2012) targeted 66,000 households with testing of different targeting mechanisms and . Phase II (from 2012 to 2017) aims to reach up to 400,000 households.</td>
</tr>
<tr>
<td><strong>Social protection tool/s used</strong></td>
<td>Cash transfers</td>
</tr>
<tr>
<td><strong>Other livelihood support offered</strong></td>
<td>Three types of targeting piloted in Phase I:</td>
</tr>
<tr>
<td></td>
<td>• Community-based targeting</td>
</tr>
<tr>
<td></td>
<td>• Dependency ratio</td>
</tr>
<tr>
<td></td>
<td>• Social pension</td>
</tr>
<tr>
<td></td>
<td>No conditionalities</td>
</tr>
<tr>
<td><strong>Innovative elements</strong></td>
<td>Use of smartcard technology to access and process the payments</td>
</tr>
<tr>
<td><strong>Crisis scalable? Any evidence of use of crisis modifiers?</strong></td>
<td>Planned in second phase through layering of additional benefits / instruments but not additional caseload</td>
</tr>
</tbody>
</table>

\(^5\) Adapted from Slater et al, 2013.
### Program Summary

#### Key lessons learnt during implementation
- Need to trial alternative programme designs such as indexing payments to household size and/or inflation
- 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
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 its 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% 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 3 months or more, so resources are split or diluted between a greater number of households such 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 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 2005-20136

<table>
<thead>
<tr>
<th>PSNP</th>
<th>Coverage / number of beneficiaries</th>
<th>Benefit levels and duration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(PW – public works beneficiaries; DS – direct support beneficiaries)</td>
</tr>
<tr>
<td>2005</td>
<td>4,838,405</td>
<td>6 birr/3kg food per day – PW</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30 birr per person per month - DS</td>
</tr>
<tr>
<td>2006</td>
<td>7,192,072 (inclusion of Afar region and scale-up in existing regions)</td>
<td>6 birr/3kg food per day</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30 birr per person per month - DS</td>
</tr>
</tbody>
</table>

6 Adapted from Slater et al, 2013.
<table>
<thead>
<tr>
<th>Year</th>
<th>Coverage / number of beneficiaries</th>
<th>Benefit levels and duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>7,192,372</td>
<td>6 birr per day/3kg food for 6 months</td>
</tr>
<tr>
<td>2008</td>
<td>7,355,043 (inclusion of Somali region) 4.43 million existing beneficiaries received extended payments under contingency budget</td>
<td>8 birr per day for 6 months Extension to 8 months</td>
</tr>
<tr>
<td>2009</td>
<td>7,574,480. 6.42 million existing beneficiaries received extended payments under contingency budget</td>
<td>10 birr per day for 6 months Extension to 8 months</td>
</tr>
<tr>
<td>2010</td>
<td>No figure available</td>
<td>10 birr per day for 6 months</td>
</tr>
<tr>
<td>2011</td>
<td>7,535,496 planned 9.6 million beneficiaries in total (6.5 million regular and contingency; 3.1 million additional beneficiaries under RFM)</td>
<td>10 birr per day for 6 months Extension to up to 9 months for existing beneficiaries Up to 3 months for additional beneficiaries</td>
</tr>
<tr>
<td>2012</td>
<td>7.6 million  (expansion to additional 15 woredas in pastoral areas)</td>
<td>14 birr per day for 6 months</td>
</tr>
<tr>
<td>2013</td>
<td>6.9 million  (decrease due to households being graduated from PSNP)</td>
<td></td>
</tr>
</tbody>
</table>

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 case loads, 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.

In 2011, the RFM was triggered. Support was provided to an additional caseload of 3.1 million additional beneficiaries to receive transfers for 3 months in PSNP woredas and extended the duration of transfers for 6.5 million existing beneficiaries for an additional 3 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, a humanitarian appeal was launched in March 2011, five months after the semi-
annual assessment was completed and by December 2011 had achieved (a very credible) 94% of the value of
appeal,\(^7\)(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), in order 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 are simply
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.

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\(^7\) Hobson and Campbell, 2012.
\(^8\) Ibid.
<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>June</td>
</tr>
<tr>
<td>November</td>
<td>July</td>
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<tr>
<td>December</td>
<td>August</td>
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<tr>
<td>January</td>
<td>September</td>
</tr>
<tr>
<td>February</td>
<td>October</td>
</tr>
<tr>
<td>March</td>
<td>November</td>
</tr>
</tbody>
</table>

**Table 1 Comparing the RFM and 2011 humanitarian responses**

<table>
<thead>
<tr>
<th>2011 Humanitarian Appeal – non PSNP Districts</th>
<th>2011 Humanitarian Appeal – non PSNP Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>June</td>
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<tr>
<td>November</td>
<td>July</td>
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<tr>
<td>December</td>
<td>August</td>
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<tr>
<td>January</td>
<td>September</td>
</tr>
<tr>
<td>February</td>
<td>October</td>
</tr>
<tr>
<td>March</td>
<td>November</td>
</tr>
</tbody>
</table>

**Risk Financing Mechanism Response 2011 – PSNP Districts**

- Establishing minimum criteria for RFM to be in place.
- Existing PSNP caseload and transitory caseloads’ needs met through PSNP and contingency budgets.
- Appeal Financing Sough
- Semi-Annual Seasonal Assessment and Revised HRD Released
- Appeal Financing sought – ongoing (as at December 2011, funding has been secured for 94% of needs)
- Emergency Transfers made when resources available

- Rapid verification od needs
- RFM monies released for 100% of needs
- RFM transfers using PSNP

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9 Hobson and Campbell, 2012.
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 (see Error! Reference source not found.), 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.

Table 2 HSNP Changes in coverage, benefit levels and duration of transfers\(^\text{10}\)

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

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, although the caseload remained the same. In Kenya, the challenges to scaling up social protection to provide an emergency response are far greater. There are a number of reasons for this. First, targeting systems in the HSNP are not so easily extended to new beneficiaries. Second, whilst in Ethiopia, the PSNP is by far the largest social protection programme, in Kenya, the HSNP is one only 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

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\(^{10}\) See: HSNP project website: [www.hsnp.or.ke](http://www.hsnp.or.ke); Ndoka, 2013.
the trigger mechanism is not in place. Finally, given the different ways in which Kenyan programmes are targeted, establishing a risk finance mechanisms 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.
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.

Caseload

In terms of caseloads, 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\(^1\), 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\(^2\), 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 lean towards urban areas and includes formal and informal sector workers. In terms of food 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 support to existing beneficiaries in 2011).

So, McCord’s challenge appears to be less of a concern with the PSNP and HSNP than in other programmes (such as social pensions), particularly if the focus is on natural disasters or food shocks 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 urbanization 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. 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.

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\(^1\) 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.

\(^2\) The new poor are those who have lost their jobs due to the contraction of formal sector employment associated with financial crisis.
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% 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 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 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. But the Ethiopia case is unusual and in other countries the preconditions are rarely present. An example is whether early warning is early enough. 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 and can be a major constraint. 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) 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 long 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 II of the HSNP, all

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13 Hobson and Campbell, 2012.
households in the 4 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 IEG:

‘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 programs conventionally serve.’\textsuperscript{14}

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 safety net 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 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.’\textsuperscript{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 safety net 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 MPESA) 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 beneficiaries populations takes months, rather than weeks though, 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.

A commonly-used framework for framing 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

\textsuperscript{14} McCord, 2013

\textsuperscript{15} Ibid
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.

Transformative social protection can also include seeking to change the structural underpinnings of particular power regimes, to tackle social exclusion and marginalization, to enhance social cohesion or to strengthen state-citizen relations. These are highly political objectives. Humanitarian aid agencies often work outside national government systems, at times undermining government capacity to respond to disasters (Harvey, 2009) in contrast to social protection programmes which 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. Given the central role of national governments in designing safety net programmes, it is inevitable political motivations influence design features such as selection of beneficiaries, 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**

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 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.

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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 international and national 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 RFM. It remains unclear at present whether earmarking will protect the existence of the capacity to respond in an emergency or 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’ 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 possibilities to labourers in public works programmes

In June 2012, the following question was posted to the CaLP:

‘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 of their work.

So: who covers the health insurance or is responsible for any work accident? Are agency aware of the national legislation that regulate 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 agency 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. A particular example included the following view:

‘CFW is not an employment scheme. It’s a tool under ‘cash-based programming’ to allow people 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.

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 messages are particularly important.

The type and location of shock matter. 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 significant more difficult to reach people who are affected by shocks.

There are important preconditions. It is only possible to scale up existing social protection programmes if they have a high coverage and are well established 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 systems, procedures, rule and principles. This includes working with governments whose social protection goals and objectives that are distinctly political or politically aligned.

Overall, the most important lesson is that 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. But 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. There are a numerous interesting and important research questions, such as exploring 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 (USD $58,734,000) and the management/administration costs were 78,442,080 ETB (USD $4,150,000) or about 7% of the total budget. How does this 7% compare with administration costs in emergency CTPs?

Unfortunately, there are some rather major constraints to using empirical evidence and experiences to allow progress to be made: in practice there are simply too few examples of the use of social protection programmes for emergency responses in low income countries that can be researched. 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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Annex 1: References


World Bank (2011) Implementation Completion and Results for Ethiopia Productive Safety Net Project APL III


World Bank (2013) Implementation Completion and Results for Ethiopia Productive Safety Net Project APL I