Children and Social Protection Systems: Building the African Agenda[1]
Discussion Paper Draft
African Union Expert Consultation

I. Introduction: Africa's commitment to social protection

African Union Member States have recognized social protection as a critical component of their social development and inclusive growth strategies. The 2004 Ouagadougou Declaration and Plan of Action on Employment and Poverty Alleviation in Africa acknowledged the need for increased coverage and enhanced effectiveness of social protection as a response to chronic poverty; the 2006 Livingstone Accords further recognized social protection as a human right, as well as included specific government commitments to social protection; and the 2008 Africa Union (AU) Social Policy Framework explicitly identified social protection as one of its core components. All these processes have contributed to building a critical momentum for social protection in Africa. In addition, despite increased economic growth in some parts of Africa, poverty, exclusion and inequality continue to prevail across the continent. There is consequently a heightened recognition of the need to redefine the social contract and reform or develop social protection systems to ensure inclusive and thriving societies.

Africa's momentum is also aligned with global developments. The 2009 establishment of the Social Protection Floor Initiative (SPF-I) by the UN system Chief Executives Board; the adoption of the Social Protection Floors Recommendation (No. 202) at the International Labour Conference 2012[2]; the launch of strategic frameworks and policies by international actors including the European Union, World Bank[3], and UNICEF[4]; and the recently released report from the High Level Panel on the Post 2015 Development Agenda, "A New Global Partnership: Eradicate Poverty and Transform Economies through Sustainable Development,[5] have all contributed to a strengthened international commitment to the expansion of social protection systems and their coverage.

There is without doubt a clear global and regional commitment to develop and strengthen social protection as a strategic priority for the realization of poverty eradication and equity goals. For many AU Members States, this commitment has translated into concrete actions, such as the adoption of social protection strategies and policies, the progressive expansion and scale-up of social protection programmes, consolidation and integration of existing programmes, as well as the move towards a systems approach to social protection.

In preparation for the AU Conference of Ministers of Social Development in May 2014, the African Union Commission (AUC) and the Government of South Africa, in collaboration with UNICEF, will host an Expert Consultation Meeting under the theme, *Children and Social Protection Systems: Building the African Agenda*. This event will bring together AU Member States, as well as continent-wide and international experts to discuss the current state of social protection in Africa, lessons learned from implementation, as well as discuss future strategies to fulfil AU commitments.

This technical document aims to provide key discussion themes to consider during the AU Expert Consultation Meeting. Part I discusses the current landscape of social protection in the continent, including some of the key emerging trends. Part II provides a summary on existing evidence on

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[1] African Union Technical Discussion Paper, on "Children and Social Protection Systems: Building the African Agenda," prepared jointly by the African Union Commission and UNICEF.
[2] International Labour Conference (2012) "Text of the Recommendation concerning social protection floors for social protection". International Labour Conference, one hundred and first session, Geneva.
[3] World Bank 2012, Social Protection and Labor Strategy. www.worldbank.org/spstrategy
[4] UNICEF 2012, Social Protection Strategic Framework. www.unicef.org/socialprotection/framework
[5] The Report envisions the expansion of social protection systems as an indicator of progress towards achieving indicative Goal 1, Ending poverty. (Indicative Goal 1)- http://www.post2015hlp.org/the-report/

impacts, as well as discusses key lessons from implementation and design. Part III presents key considerations and options to consider as the continent moves forward its Social Protection Agenda, including financing and sustainability.

Making the Case for Social Protection and Children in Africa

There are three key arguments to support the case for developing and strengthening of social protection systems children in Africa: (i) All children have the *Right to social protection*; (ii) social protection contributes to *poverty alleviation, and inclusive growth* and (iii) social protection enhances families' capacity to take care of their children, increasing investment in *human capital* and ensuring a healthy transition to adulthood.

Social Protection as a RIGHT: The Right to Social Protection has been recognized by a number of African and international conventions, including the Universal Declaration of Human Rights (Article 25) and the International Covenant on Economic and Social Cultural Rights (Article 9 and 10) to which most AU Member States are signatories. In addition, the Convention on the Rights of the Children (CRC) also recognizes that children have the right to social security, including social insurance. Social protection contributes to the realization of specific social security rights, as well as to other rights such a right to education and survival. (Articles 26 and 27)

Social Protection contributes to poverty alleviation and inclusive growth: Over the last decade Africa has been experiencing important achievements in terms of economic growth, as well as social development. The estimated region's average rate of economic growth between 2009 and 2012 was 4.2 percent[6], accompanied by a steady decline of young child mortality and the improving access to basic education across the region. However, despite progress, there are still significant barriers that prevent equitable access to basic social services, including persistent poverty, inequality and social exclusion. Indeed poverty rates and disparities are still among the highest in the world. In Sub-Saharan Africa, nearly half the population lives on less US$1.25 a day; in middle income countries, a considerable percentage live just above the poverty line and are extremely vulnerable to falling in poverty, while experiencing high levels of income inequities. Moreover, current economic and social vulnerabilities are further exacerbated by political instability, economic shocks, food insecurity, high HIV/AIDS prevalence, limited supply of services in remote and hard to reach areas, as well as vulnerability to disasters and disruptions as a result of climate change.

The evaluation of social protection programmes, mainly cash transfers, has highlighted their impact on chronic poverty, household resilience, risk management, economic dynamics at household and community levels, and on maximizing equitable outcomes in social sectors (see section III for review of evidence). These impacts are generated without evident economic distortions or disincentives - without creating dependency, discouraging labour market participation or causing price inflation. On the contrary, showing clear contribution to productivity and human capital accumulation:

- Predictable and long-term social transfers contribute to *alleviating chronic poverty*, addressing the social and economic factors that shape vulnerability to poverty. Impacts are clear on poverty reduction, and consumption smoothing at household level.
- Well-designed social protection also helps to decrease *income inequality*[7] and encourage social inclusion and social cohesion.
- Social protection has also proven to reduce and eliminate financial *and* social barriers to access services, particularly among the most vulnerable and excluded, and thus contributes to maximize *equitable outcomes* in key social sectors such as health, nutrition and education.

[6] World Bank – Development Indicators

[7] As examples, a recent World Bank study assessed the impact of social protection on inequality (GINI) indices, where in countries like Egypt and Mauritius, there were 6-7% reduction of Gini due to social transfers. No real change recorded in countries were transfers were still too low or covered only a small percentage of the populations such as Malawi, or Mozambique. See Fiszbein, A., R. Kanbur and R. Yemtsov (2013) Social Protection, Poverty and the Post-2015 Agenda, World Bank.

- Impacts are visible on demand stimulation, promoting investment in households' productive activities and creating income multiplier effects in local economies. In addition, social protection has also contributed to increased engagement in the labour market by decreasing loss of work due to ill health, supporting child care, and covering the economic costs of job seeking.
- Predictable social protection strengthens the capacity of households and families to respond, withstand and bounce back from a particular economic or social shock, while reducing the specific welfare losses when shocks occur.
- *The combination of impacts of social protection on human capital, poverty, equity, as well as on productivity and local economy effects make a strong case for scaling up and expanding coverage of social protection systems as a key ingredient to inclusive growth and social cohesion.*

Investing in child-sensitive social protection: the time is now for African children[8]: Children face multiple and compounding vulnerabilities: in addition to sharing many of the same sources of vulnerability as their care givers and communities, children also face age-specific deprivations such as increased vulnerability to malnutrition, disease or abuse. Even in middle income countries in the continent, children continue to face disparities and be disproportionately represented among the poor.

Social protection represents a crucial investment for children, particularly in helping families and children to overcome financial and social barriers. As a result of social protection, families and care givers are able to invest on children's well-being, increase expenditures in education and health, enhance dietary diversity and improve nutrition. At the same time, social protection can reduce negative coping mechanisms in times of stress with clear effects on children such as pulling children out of school to contribute to family income generating activities, reducing their diets, among others. Social protection can also contribute to increase the time that caregivers spend with their children, removing some of the social, legal and financial barriers to quality parental care.

Social protection's impacts on child development last beyond childhood, contributing to enhance the transition to adulthood, the accumulation of human capital, and the interruption of cycles of inter-generational poverty and exclusion. This is important as we consider the current and future youth population - in Sub-Saharan Africa half of the population falls between the ages of 15 and 29 years old, and in North Africa this proportion is growing. The cost of inaction in childhood, in terms of malnutrition, missed schooling or appropriate care will be difficult to cover from, exacerbating vulnerabilities throughout the life-cycle affecting adolescent development, and ultimately adult productivity and potential earnings.

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II. The African Social Protection Model: Context-specific design

The social protection trajectory in Africa is unique. While cognizant of advances and progress in other regions, African countries have developed their own social protection response to address context-specific and multiple vulnerabilities faced by their citizens throughout the lifecycle. Although following different trends and specific country-specific designs, there are some common features to the current landscape of social protection in Africa. These include a number of programmes that address chronic poverty broadly, as well as programmes that aim to address specific vulnerabilities, such as age, HIV/AIDS, or food insecurity. Most of the African programmes are unconditional- although there are some exceptions including cash for work and productive safety-nets. The design of these programmes has also recognized the imperative and crucial role played by community based structures and social networks, which many government programmes have built-upon and/or strengthened.

[8] UNICEF 2012, Integrated Social Protection Systems: Enhancing Equity for Children. UNICEF Social Protection Strategic Framework. UNICEF. New York.

Table I: Examples of Social Protection Programmes in Africa[9]

Universal grants	Universal old age pensions and near universal child grants: (Botswana, Lesotho, Namibia, South Africa, Swaziland, Uganda, Zambia)
Programmes addressing specific vulnerabilities	Multiple vulnerabilities: ultra-poor, labour constrained, Orphan and Vulnerable Children (OVC); children under 5 (Djibouti, Ghana, Kenya, Lesotho, Malawi, Mozambique, Zambia,)
Cash for work for able bodied; links with productive sector	Linked to productive activities (Benin, Ethiopia, Rwanda, Senegal, Sierra Leone)
Unconditional cash transfer programmes; some conditional schemes	Majority of programmes are unconditional, with the exception of programmes in Burkina Faso, Nigeria ,Tanzania, Tunisia
Cash in emergency settings	Democratic Republic of Congo, Mali, Niger, Somalia
Removal of user fees-particularly in education	Algeria (waivers for children with disabilities), Benin, Congo, Cameroon, Ethiopia, Ghana, Kenya, Malawi, Mozambique, Rwanda, Sierra Leone, Tanzania, Uganda, Zambia
Social Insurance Programmes- unemployment benefits; disability pensions/grants	Kenya, Mauritius, South Africa, Tunisia
Social health insurance	Ghana, Kenya, Nigeria, Rwanda
School Feeding Programmes	Burkina Faso, Cape Verde, Chad, Côte d'Ivoire, DR Congo, Egypt, The Gambia, Liberia, Madagascar, Mali, Mauritania, Namibia, São Tomé and Principe, Togo, Tunisia

Emerging trends in Social Protection in Africa

Because the development of social protection programmes and systems in Africa has been context-specific, there are diverse experiences within the region. Key trends such as the HIV/AIDS pandemic in Eastern and Southern Africa, the heightened vulnerability to emergencies and conflict in the Horn of Africa and the Sahel, as well as social transformation in many Northern African countries have also influenced the landscape of social protection systems in these AU regions. Despite a heterogeneous landscape, this section identifies some common trends across countries in Africa, although some are more pertinent in specific regions or sets of countries.

a. Expansion of social protection coverage: Ensuring inclusion and equity in social protection systems

In the last 10 years there has been a significant expansion of social protection programmes established by governments and/or a conscious effort to reform existing systems. The well-established national programs in the Southern part of the continent (South Africa, Botswana and Namibia) have gradually been enlarged and advanced, while more and more countries throughout the continent have introduced and are rapidly expanding a wide number of child grants and social cash transfers. At this point virtually every country in Eastern and Southern Africa has developed, or is in the process of developing, a social protection policy, as well as some form of government social transfer programme. Increasingly more countries in West, Central and Northern Africa are also embarking on similar programmes.

[9] This table is not meant to provide an exhaustive list of social protection programmes in the continent, but to provide examples of the diversity of interventions across countries.

A common trend in many African countries is the progressive expansion of their flagship social protection programmes aiming towards national coverage. As examples, the Governments of Kenya, Lesotho, Zambia and Senegal have committed to a significant expansion of coverage of their social protection programmes. In Lesotho, the Child Grant programme is expected to cover 25,000 poor and vulnerable households (60,000 children) by 2014 (up from fewer than 10,000 households in 2012). Zambia's expansion of the Social Cash Transfer Programme is expected to reach 190,000 households (approximately 1,000,000 beneficiaries) in 50 districts by end 2014 (61,000 in 19 districts in 2013). In Kenya, the government is planning to double the number of beneficiaries in all social cash transfer programmes, including the OVC-CT. Current coverage is at 150,340 beneficiaries. The government of Senegal has also committed to the progressive scale-up of their cash transfer programme benefiting households with children aged 6-12 years, to include children under 5 and double the number of beneficiary households to reach 250,000 by 2017. In Ghana, the programme expanded its reach from 1,650 households in 2008 to 71,000 in 2013. Plans for expansion are also underway in Mauritania, Mali, Malawi, Niger, and Zimbabwe, among others.

The process of expansion and scale-up has been heterogeneous. Different models and choices have been influenced by a combination of factors including political contexts, governance structures, and existing capacity at various levels to implement and monitor social programmes, political contexts, among others. As Member States move towards the expansion of social protection programmes and their progressive consolidation into a national system comprising an array of social benefits and interventions, they will need to consider and assess different options. The AU Expert Consultation Meeting will provide the opportunity to discuss the different pathways taken by countries currently undergoing expansion and scale-up processes, sharing lessons and exploring opportunities, challenges and implications of different choices in terms of effectiveness, and sustainability in their quest for ensuring the realization of the right to social protection for citizens.

Countries with established social protection systems have also started to assess their effectiveness and efficiency in terms of reach and equity. In Namibia, there are efforts in place to make sure the Child Welfare Grant, in place for several years, is expanded and effectively reaches all vulnerable children and families. In South Africa, a similar process is on-going to make sure eligible children and families are not excluded from Child Support Grant[10]. Improving efficiency and increasing equity of existing systems is also an important focus for a number of North African countries - see *Section e*. below for more discussion.

b. Development and Strengthening of Social Protection *Systems*

An emerging trend in many countries in the continent is the progressive move from fragmented programmes to *nationally-owned social protection systems*. Social protection systems provide a 'coordinated portfolio of interventions to address different dimensions of poverty and deprivation, among to reduce vulnerability across the life cycle, as well as ensure cumulative benefits across generations'[11]. A systems approach provides a comprehensive social protection response, offering beneficiaries a broad range of coordinated multi-sector interventions: *preventive, protective, promotive and transformative*[12]. Countries like Lesotho, Ghana and Kenya are moving towards a systems approach by bringing together programmes under a single social protection structure and linking them with essential services. Zimbabwe, Mali, Malawi, Rwanda and Mozambique are in the process of developing and strengthening key mechanisms and structures such as national case management systems, and management and information structures that would facilitate coordination and integration of different social protection programmes. These and other countries are also

[10] See for instance recent report of the South African Social Security Agency and UNICEF- 2013, 'Preventing Exclusion from the Child Grant: A study on Exclusion Errors Accessing CSG Benefits". Pretoria. UNICEF South Africa.
[11] UNICEF and World Bank (2013) Common Ground. UNICEF and World Bank Approaches to Building Social Protection Systems. Brief.
[12] Stephen Devereux and Rachel Sabates-Wheeler (2009) 'Transformative Social Protection". Working Paper, IDS.

encouraging the establishment or strengthening of effective linkages between social cash transfers and existing essential social services, e.g. health, nutrition, education, child protection for children and adolescents.

c. From targeting orphan and vulnerable children to inclusive systems reaching all vulnerable children: The impact of the HIV/AIDS pandemic in Eastern and Southern Africa

In parts of Africa, current economic and social vulnerabilities are further exacerbated by high HIV/AIDS prevalence. For instance, with only 5 per cent of the world's population, Eastern and Southern Africa is home to half the world's population living with HIV. Today the region continues to be the epicentre of the epidemic, with 48 per cent of the world's new HIV infections, 55 per cent of the world's new HIV infections among children, and 48 per cent of the world's AIDS related deaths[13]. Moreover, the population rate of double orphans is of 2.1 per cent in Africa (except North Africa) and this number continues to increase[14].

The toll of the HIV/AIDS pandemic has exhorted strong influence over social protection. Particularly in Eastern and Southern Africa, social protection programmes were motivated as a strategy to mitigate the negative impacts of the HIV epidemic, particularly on AIDS orphans. However, in many of these countries there has been a strategic shift from HIV-specific programmes to the design of *HIV-sensitive* interventions that would effectively reach vulnerable families and children, including those affected by AIDS. This strategic change in approach was influenced by lessons learned and evidence pointing to the need to ensure the progressive expansion of social protection interventions beyond the provision of social and economic assistance targeting orphans and other AIDS-affected populations, which has been shown to exacerbate HIV-related stigma and discrimination.[15] Further contributing to this shift is emerging evidence that points to the contribution of social protection not only to enhanced care of and support to HIV-affected people, but also to the prevention of HIV transmission and access to treatment.[16]

d. From cash transfers in emergencies, to flexible systems able to respond to multiple shocks: Social Protection as a component of resilience programming

In the last years, the poorest and most marginalized families and communities have been disproportionately impacted by cycles of crises (man-made and natural) and conflict, resulting in even greater vulnerability due to an increase in the frequency and magnitude of shocks. Recent examples of this challenge include the Horn of Africa and the Sahel crises. This has triggered two emerging trends.

This first has been the development of short-term cash in emergency programmes as a humanitarian response and their progressive evolution towards long-term development programmes. Sahel countries such as Mauritania, Senegal, Mali, Niger, and Burkina Faso, as well as Somalia, are now moving from short-term emergency cash transfer programmes, which are usually donor-funded and with a set time frame, towards the development of long-term social protection schemes in recognition of underlying chronic vulnerabilities and repeated shocks. Although still in early development of this process, this trend is underway and in line with the current regional and global discussions on resilience, aiming to breach divide between humanitarian and development work.

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[13] Unless indicated otherwise, all data are cited from *Getting to Zero: HIV in Eastern and Southern Africa. UNAIDS, 2013.*

[14] Belsey, M. & Sherr, L (2011) The definition of true orphan prevalence: Trends, contexts and implications for policies and programmes. Vulnerable Children and Youth Studies

[15] Roelen, Keetie et al., 'Child and HIV-sensitive Social Protection in Eastern and Southern Africa: Lessons from the Children and AIDS Regional Initiative (CARI)', Centre for Social Protection, Institute of Development Studies, Brighton, 2011. And UNICEF Social Protection Strategic Framework (2013).

[16] See for instance Cluver at al. (2013), Child-focused state cash transfers and adolescent risk of HIV infection in South Africa: a propensity-score-matched case-control study or Handa, S (2014) "Poverty Reduction and HIV Risk: Results from the Government of Kenya's Cash Transfer Program" ISSER and Carolina Population Center, University of North Carolina

In spite of their short-term duration, emergency cash transfer programmes have effectively responded to crises with substantial impacts. For instance, the project Cash Transfer to Protect Blanket Feeding in Niger showed positive outcomes in nutrition, local markets economy and community dynamics such as sense of belonging and social networks. The blanket feeding provided awareness and sensitization about dietary diversity to more than 90% women. At the same time, the programme had a positive effect in reducing negative coping mechanisms. Positive effects were seen on community dynamics, with about 5 per cent beneficiaries sharing their cash transfer with other community members.[17]

The second emerging trend is that a number of social protection schemes are embedding flexible structures that enable a rapid and flexible response in the event of a crises. In countries such as Lesotho or Ethiopia, social protection schemes have been developed to effectively respond to predictable, recurrent crises addressing underlying vulnerabilities (e.g. food insecurity) and to contribute to household resilience. Both systems have developed a built-in flexible mechanism that is able to respond and adapt in times of crises. As a result, the impacts of the 2011 drought in Ethiopia were significantly reduced due to the existence of the Productive Safety Net, where the PNSP support was extended to reach not only its regular beneficiaries, but also to provide 3 months of support to an additional 3.1 million people. In Lesotho, the design of the system allowed a rapid response in the event of a food crisis and a disbursement of emergency food grants to 15,000 additional affected households and families.

e. The North African countries - a different reality and a time of opportunities: From regressive subsidies to progressive social spending

The social transformation in North African countries has opened concrete opportunities for governments to strengthen and improve social protection, particularly in its effectiveness and efficiency to reach vulnerable populations. The need for social inclusion and a new contract between states and citizens is now at the forefront of many governments in the region. North Africa governments have traditionally invested important resources in social spending (for example, the social protection expenditures in Egypt and Tunisia amount to 9 per cent and 5 per cent of GDP respectively[18]), yet better efficiency of social transfers and quality of spending are needed in order to effectively assist the most vulnerable populations. Social protection schemes in the region are often characterized by leakages, limited programme integration, and a dearth of impact evaluations of programme effectiveness, all of which reduce their effectiveness for poverty reduction. Spending on highly regressive subsidies – fuel subsidies in particular – pose a severe fiscal strain. For instance, in Egypt, the spending on fuel subsidies alone constitutes 6 per cent of GDP[19], highlighting how this biases the figure on overall social protection spending. These measures come at a very high fiscal cost and questioned sustainability as well as the risk of crowding out spending space vis-à-vis other social protection programmes. Other Social Safety Nets in North Africa are in fact highly under resourced (the data available indicates that this is usually less than 1% of GDP) and are fragmented among many small programmes with significant overlaps.[20]

In this context the reform of subsidies towards more pro poor and progressive social protection programmes is a top policy item for the region’s governments, given the extent of State intervention on consumption and energy prices. Unless properly designed, energy and food subsidies tend to benefit the wealthy as they account for higher shares of consumption: as an example, according to the

[17] Poulsen, L. and D. Fabre (2011) UNICEF Emergency Project Niger Cash Transfer for Protection of Blanket Feeding. Independent Final Evaluation. Channel Research.
[18] Joana Silva, Victoria Levin, Matteo Morgandi, Inclusion and Resilience The Way Forward for Social Safety Nets in the Middle East and North Africa, the World Bank, 2012
[19] Although it must be noted that currently efforts are underway to reform this.
[20] Joana Silva, Victoria Levin, Matteo Morgandi, Inclusion and Resilience The Way Forward for Social Safety Nets in the Middle East and North Africa, the World Bank, 2012

World Bank food subsidies in Egypt have significant leakages to the non-poor (although they also contributed to lift 9 per cent out of poverty in 2008).

The AU Member States in North Africa engaging in subsidies reform are currently Egypt, Libya and Tunisia. This represents a unique opportunity for more efficient and effective integrated social protection which better reaches vulnerable populations.

III. Social Protection works in Africa: State of the Evidence

Almost every country in Eastern and Southern Africa now has some form of government cash transfer programme, and more and more countries in West and Central and North Africa are also embarking on such programmes. Many of the newer programmes have been accompanied by state-of-the-art impact evaluations, with results and sophisticated evidence which is better suited for African-led programmes. The result has been significant evidence which clearly reveals that social protection *can* and *does* work in Africa.

This robust body of evidence from a large number of government-owned programmes in Africa demonstrates that social protection works for children and their families, and that it is affordable. The evidence comes from programmes as large as the Productive Safety Net Program of Ethiopia, which regularly reaches over 7 million food insecure beneficiaries and the Child Support Grant in South Africa, which reaches over 11 million children each month, as well as from smaller, but significant programmes, such as the Kenyan Cash Transfer for Orphans and Vulnerable Children, which now delivers assistance to over half a million children or Ghana's Livelihood Empowerment Against Poverty Program, which benefits around a quarter million children in over 70,000 households.

Existing evaluations consistently show the positive impact of social protection, mainly of child grants and social cash transfers but also other programmes such as pensions and user fee removal/exemptions, on multiple dimensions of human development. Significant improvements in food consumption and dietary diversity have been reported from Ethiopia, Kenya, Lesotho, Liberia, Malawi, Mozambique, South Africa, Uganda and Zambia; improved access to HIV treatment, care and support has been found in Ghana, Kenya, Malawi, South Africa and Zambia; increase in seeking curative and preventive care among children and adults is apparent in Ethiopia, Ghana, Kenya, Lesotho, Liberia, Malawi and Zambia. Similarly, increases in household expenditure and impact on early childhood development indicators have been noted in Kenya, Lesotho, Malawi, South Africa, Uganda and Zambia; together with increases in primary school enrolment, grade completion and reduced repetition and absences due to household expenditure in the same countries as well as in Ethiopia, Ghana and Liberia.

Evaluations have also found positive economic and social outcomes at the household and community level. For example, Ghana's Livelihood Empowerment Against Poverty led to an increase in the likelihood of holding savings of 11 percentage points and a significant increase in gift giving of 1.60 Ghanaian cedi.[21] In Zambia, the Child Grant Programme significantly reduced the number of people living below the poverty line by 5.4 percentage points, as well as the intensity and depth of poverty by 10.9 percentage points.[22] In terms of economic productivity, evaluations found an increase in investment of agricultural and livestock inputs in Ethiopia, Ghana, Kenya, Lesotho, Malawi and Zambia. Positive effects on re-engagement of social networks and community activities have been found in Ghana, Kenya, Lesotho, Liberia, Malawi and Zimbabwe, contributing to a sense of belonging and community solidarity. For example, the Child Grant Programme in Lesotho led to an

[21] Oxford Policy Management – OPM (2013) *Qualitative Research and Analyses of the Economic Impacts of Cash Transfer Programmes in Sub-Saharan Africa.* Ghana Country Case Study Report, Rome: FAO, From Protection to Production (PtoP).
[22] Government of Zambia (2013) *Zambia Child Grant Program: 24-Month Impact Report.* American Institutes for Research.

increase of beneficiary households sharing cash and in-kind support to other community members by 12 percentage points.[23]

South Africa's Child Support Grant (CSG) is an important example of how social protection programmes can achieve multiple results, with impacts on early childhood development, health, nutrition, schooling, productive activities, as well as decrease of risky-behaviours among adolescents. For instance, stunting among children whose mothers completed at least eight years of schooling decreased, as well as a significant reduction of delayed entry into school and higher scores in math and reading tests particularly among girls. Importantly, early and longer enrolment of children in the CSG improves results, which are even sustained into the future, showing for instance in a reduction in sexual activity and number of partners, along with a decrease in the incidence of early pregnancy and use of drugs and alcohol among adolescents. This highlights the importance of providing social cash transfers at early stages of life and the positive effects of cash assistance on the multiple dimensions of poverty and exclusion. These child and household level outcomes are complemented by macro level effects: social transfers reduced South Africa's poverty gap by 47%[24], and the CSG also helped to reduce the impact of the financial crisis in 2009 – it is estimated that the percentage increase in poverty headcount as a result of the crisis would have been doubled without the presence of the CSG[25].

Evidence from the impact of social protection programmes operating at scale in so many countries is providing a strong impetus for scaling them up, while strengthening their articulation with other government policies as a critical building block for the establishment of integrated national social protection systems.

IV. Long-term impacts depend on effective operations: Lessons from Implementation

Despite national and regional commitment and a robust body of positive evidence, countries in the region are still challenged by fragmentation, low coverage, and limited linkages with existing services. There are also challenges in how to design the most appropriate, effective, and sustainable systems at national scale to maximize desired outcomes. What are the most appropriate and cost-effective design options to better address multiple vulnerabilities faced by children and their families in Africa? How to move from fragmented programmes to an integrated social protection response? How to build systems that respond to and benefit from strong community structures and social capital, increased economic growth and investment, changing demographics and the potential of a young dynamic population? How can transfers better foster effects in the local economy and productivity, especially in areas of widespread poverty?

Impact assessments of social protection schemes, mainly cash transfers, in Africa, have been also accompanied by operational reviews that assess operational efficiency, as well as targeting and coverage. In addition, some countries have also commissioned specific studies to assess exclusion errors; the extent to which social protection programmes reach children affected by AIDS, and others. A review of these studies have shown that there are some key elements that contribute to maximize the potential impacts of social protection programmes on the poorest and excluded. These include:

Targeting and coverage: A recurrent debate in social protection policy and programming is around universalism versus targeted approaches to social protection. From a human rights perspective, every person is entitled to social protection, and thus countries should aim to develop systems able to provide social protection to all. There is a however a recognition that countries are at different stages

[23] Pellerano, L., M. Moratti, M. Jakobsen, M. Bajgar and V. Barca (2014) CGP Impact Evaluation Follow-up Impact Report. Commissioned by UNICEF/FAO for the Government of Lesotho. Oxford, England: Oxford Policy Management.

[24] Economic Policy Research Institute (2004), Final Report 5: The Social and Economic Impact of South Africa's Social Security System, EPRI Research Paper 37, Cape Town: EPRI, South Africa Department of Social Development

[25] UNICEF South Africa and the Financial and Fiscal Commission of South Africa (2010) The Impact of the International Financial Crisis on Child Poverty in South Africa.

of development of their social protection responses, and that also, making social protection available for all involves developing different types of social protection programmes for different needs. Thus there is a need to define the most appropriate path for each country that would progressively lead to universal coverage. Although there is a broad consensus that social protection should prioritize reaching the poorest and most vulnerable, there are different approaches and methods for defining who the poorest and most vulnerable are and thus, how programmes or systems should reach them. These range from narrow poverty targeting, to including also social vulnerabilities (i.e.: HIV/AIDS, age, disability) to geographic or categorical near universal approaches. All of these with their respective costs in terms of inclusion (ensuring those not eligible do not benefit), and exclusion of eligible groups. Emerging lessons from experience in the continent reflect on the additional human and financial capacity required to develop narrow-poverty targeting and their under-attention to exclusion errors; as well as the potential role of community based targeting in identification of the poor and excluded, particularly when used in combination with other targeting methodologies. However, even in the most comprehensive and inclusive programmes such as the South African Child Grant, there are still challenges on how to reach all eligible children.

The ultimate choice of the most appropriate design largely lies on the programme's objective and long-term vision around social protection. In addition, such choices need to be constantly reviewed and assess to make sure expected outcomes in terms of reach, as well as on welfare outcomes are being effectively achieved. What are the most effective targeting methods (or mix of methods) in different African contexts where vulnerabilities constantly change? What can we learn from the African experience? While most social protection programmes remain targeted, how ambitious can African countries be in terms of coverage and access of social protection systems?

Benefit structure and size: Defining the structure (e.g. frequency, benefit differentiation based on household size, etc.) and the size of a particular benefit, require careful consideration. A couple of things to consider include: (i) potential trade-offs between a simple and easy to manage benefit structure, and a more sophisticated design that may allow for nuanced impacts; (ii) potential unintended effects on intra-household dynamics when the payee (parent, care-giver, mother, etc.) is selected; (iii) heterogeneity of the beneficiary in terms of age and gender may influence certain outcomes (e.g. households with adolescents).[26] Moreover, operational assessments of social cash transfers in Africa have also indicated that transfers need to be *predictable and timely* to have a positive impact on consumption levels and poverty.

In terms of transfer size, recent evidence shows that changes in food consumption as well as economic/ productive impacts are seen when size transfer is at least 15-20 per cent or more than household food consumption. The definition of these parameters would require a detailed analysis of labour market dynamics (e.g. minimum wage level); local markets and price structures, as well as spending patterns at household level. However, questions remain: Is this threshold applicable to all programmes, despite differences in coverage and systems development? What are the benefits and trade-offs (socio-economic and political impact) of prioritizing increasing size of transfer vis-à-vis expansion of coverage?

Graduation and exit strategies: Many countries are discussing the possibility of integrating 'graduation' or 'exit strategies' into the design of their programmes. These strategies appear attractive in the context of budgetary constraints, as well as linked with notions of dependency linked with social assistance. In this process, there a couple of issues to consider.

First, as a human right, graduation in principle may not be the ultimate goal: As a right, every citizen is entitled to social protection, and should be able to access it when required and needed. Secondly, the notion of dependency creation is progressively eroding. As discussed in section III, evidence from the impact of social assistance programmes on household and community levels show that these

[26] UNICEF 2012 (ibid)

programmes do not generate dependency and/or discourage beneficiaries form entering the labour market. On the contrary, even the poorest households are able to boost their consumption levels, invest in key productive and economic activities, and in some instances, transfers facilitate transition from wage to non-farm labour, as well owning of business assets.[27] There is also evidence that transfer programme participants are actually more likely to be engaged in the labour market[28]. Some of these beneficiaries could eventually 'graduate' from social assistance programmes, but not all. On the one hand, social protection by itself cannot lift communities out of poverty. This process entails other strategic complementary interventions, including labour intermediation policies, rural development interventions, among others. In addition, it is important to realize that social protection would benefit the poorest and most vulnerable sectors of society, which may not be able to graduate given their vulnerabilities- age, HIV/AIDS, health status, disability, etc. There is still an on-going debate around graduation including its definition and scope, potential impacts, thresholds and monitoring, as well as whether it can be considered as a sustainable strategy. What can we learn from AU Member States' experience to date? What are the elements to consider in defining sustainable graduation thresholds?

Institutional capacity: Institutional and administrative capacity at national, sub-national, and local/community levels to design programmes, monitor implementation, facilitate scale-up and expansion, and establish effective linkages with other sectors is critical for the effectiveness and sustainability of social protection systems. How can national and sub-national institutional capacities be strengthened? What does experience from different African nations, particularly those with long-established national programmes show?

Linked with capacity are issues around coordination. There are several models that are currently in place across the continent. In some countries, a ministry of social development is responsible for setting policy, while a special agency has been set up to manage and implement a wide and well developed system of social grants. In other countries, a special unit has been established in the Office of the Presidency to lead on the implementation of flagship social protection initiatives, while a few countries have delegated the management and delivery of social transfers to an existing, albeit revamped, social action fund. There are instances in which a social welfare ministry is vested with the main role for policy coordination and monitoring, but this is combined with a fair degree of decentralization which accords substantial responsibility to local governments and local community organizations for key aspects of programme implementation. The degree of both horizontal and vertical coordination across government departments as well as between different spheres of government varies widely from country to country. This creates ample space for exploring the advantages and disadvantages of various institutional designs, and how they can contribute to or hamper the expansion and consolidation of social protection initiatives in Member States.

Community participation: Many African countries have prioritized the role of the community in the implementation of programmes, including their participation in the identification and registration of beneficiaries, social support and awareness raising, and providing social accountability. Effective community involvement requires adequate information, training, as well as commitment from community representatives. What are the challenges of community involvement, particularly in terms of objectivity, equity, politicization of processes and/or elite capture? What are different models involving local actors and structures – e.g. local committees, traditional community structures, civil society and member organizations, etc.?

[27] See for instance analysis in 7 countries in Sub-Saharan Africa on Productive Impacts, under the 'From Protection to Production' initiative (FAO). http://www.fao.org/economic/ptop/en/

[28] Economic Policy Research Institute 2004 (ibid); Barrientos, A. (2008) Social Transfers and Growth: A Review. Manchester: Brooks World Poverty Institute.

V. Social Protection is affordable in Africa: Lessons from Financing

The AU Social Policy Framework for Africa encourages Member States to design context-specific measures, as well as to ensure at a minimum, a ‘minimum package of social protection’ which should cover essential health care, benefits for children, informal workers, the unemployed, older persons and persons with disabilities. In line with the Social Protection Floor Initiative, this minimum package is considered as the starting point for progressively broadening and extending social protection. Moreover, the same Framework recognizes that such a minimum package has shown to be *affordable* with domestic resources, even in low income contexts. Key recommendations come out of this Framework, including: (i) development and operationalization of costed national plans for social protection; (iii) guaranteeing long-term financing for social protection through national resources with specific and transparent budget lines; and (iii) coordination and strengthening of development partners support for sustainable financing of social protection.

To date, overall spending on social protection varies across the continent: low in Sub-Saharan Africa in comparison with other regions globally, though increasing; significantly higher in North African countries, but concentrated in inequitable and inefficient programmes. As a percentage of GDP, there is a wide distribution of public social security spending (excluding health expenditures), ranging from less than 2 per cent in Chad, Guinea and Sudan to 17 per cent, 15 per cent and 12 per cent in Seychelles, Liberia and South Africa respectively[29].

But the trend is moving. Increased commitment and economic growth has created significant fiscal space to increase social protection coverage. As examples, countries such as **Kenya, Lesotho, Zambia**, among others, are moving towards *nationally-owned and financed systems* recognizing social protection as an essential investment for poverty reduction, human capital and inclusive growth. For instance, in Zambia, the government has started a massive expansion of social cash transfer coverage, predominantly funded through tax revenue: the government budget allocation to cash transfers increased from about US$4 million in 2013, to nearly US$30 million in 2014 and is expected to reach US$40 million in 2015 and US$50 million in 2016. In Kenya, the country is now in the process of combining existing cash transfer programmes (5) into the National Safety Net Programme NSNP, a flagship programme for the government. In 2012/13, the government funded 47 per cent of the total costs of the NSNP and this will rise to around 70 per cent in 2013/14. This corresponds with increasing national ownership and prioritization. In Lesotho, the government is expected to cover all operational costs as well as all benefits costs for 25,000 households by 2014.

What have been the key determinants behind these commitments? A couple to consider include:

- Political commitment towards social protection, as reflected in AU processes and declarations; recognizing social protection as an investment in addition to being a social expenditure
- Impressive results and impacts highlighted by impact evaluation studies of national programmes;
- An expanding institutional setup for social protection, with clear mandates and responsibilities and with increasing technical capacities in country that are able to deliver results.
- Advocacy efforts from different stakeholders, including beneficiaries, civil society, and development partners
- Technical support from different stakeholders in the development of costing models and funding scenarios
- Economic growth, strategic opportunities around extractive industries, reform of subsidies and inefficient expenditure, etc. have increased potential government revenue and fiscal space.
- Triggers related to crises- e.g.: Social Protection floor initiative at country level after Financial Crises in 2009.

[29] Global Extension of Social Security Database- http://www.ilo.org/gimi/gess/ShowWiki.action?wiki.wikiId=673#ancre1

What is the cost of a minimum package for social protection? Can countries afford it? The short answer is yes. A 2008 ILO study estimated that a minimum package for social protection- excluding access to essential health care- was estimated to lie between 2.2 and 5.7 per cent of GDP in 2010[30].
The long answer implies the need to identify tailored reforms and strategies, based on the specific characteristics and expected effects on the population, as well as existing fiscal space and financing options.

On financing options, several reviews and studies for the region have shown different financing options including the re-allocation of current public expenditures after a thorough assessment of current budget allocations, in terms of efficiency, impact and welfare gains. Countries such as Mozambique, Ghana and Zambia have scaled down regressive subsidies to finance social protection systems. As an example, fuel subsidy reform allowed for increased fiscal space for social protection and led to increase in the size of the LEAP transfer to 150,000 households. Similar options are currently being considered in other countries in the region, including Egypt. Exploring increase in tax revenue and tax base as well as improving efficiency in tax collection can also yield promising results. Another key opportunity is presented by the extractive industries discussion.

Can social protection programmes with broad coverage be funded out of general taxation, or do they require specially earmarked funds? Is there scope for reducing or phasing out regressive subsidies and channeling the savings towards poverty-reducing social cash transfers? Where donor financing is initially needed, how can African countries define a medium to long-term financing trajectory involving rising shares of domestic financing? And how can aid-dependent countries diversify their sources of external financing to increase their leverage in defining the vision for social protection in their respective countries?

Conclusions

This technical discussion document highlights key issues to consider based on evidence and the experience of African Member States. These issues should be considered as starting points for discussion during the AU Expert Consultation Meeting.

In summary, key messages arise from these initial/brief review:

- African Member States are **committed** to the development, strengthening and expansion of *nationally-owned, integrated, inclusive and sustainable social protection systems*
- Africa is building its own '***social protection model***': social protection systems that respond to the specific vulnerability profiles and country contexts in Africa
- *Social protection has been recognized – at global and regional levels- as a crucial component of* ***equitable growth and development****.*
- ***Social Protection works in Africa and generates impacts on poverty reduction, social inclusion and human development*** outcomes for children and families- impacts are visible not only in contributing to the capacity of families to take care of their children, but also creating important multiplier and economic impacts at community and national levels. In addition, well-designed programmes are able to contribute to social inclusion and a fairer distribution of resources among citizens.
- ***Sustainable impacts depend on effective design and reach***, in other words systems should be able to provide a comprehensive response to the multiple economic and social vulnerabilities faced by children and their families; and should aim to progressively reach universal coverage
- ***Social Protection can be sustainably financed,*** and an increasing number of African member states are making use of multiple national financing options.

[30] ILO 2008, ***Can low-income countries afford basic social security?*** *Social security policy briefings; Paper 3* International Labour Office, Social Security Department – Geneva: ILO.