Policy Brief

Social protection in pastoral areas: promoting inclusive growth at the margins

Summary

Vulnerability and poverty levels remain stubbornly high and arguably are deepening in many pastoral areas of the Horn of Africa. This is in spite of galloping livestock commercialisation in these areas and their closer incorporation into wider systems of marketing, trade and investment. The fact remains that the benefits of recent growth and investment in pastoral areas have yet to result in wider benefits for addressing food insecurity and poor nutrition. Chronically food insecure, poor or vulnerable people with limited assets cannot engage in or contribute to more productive livestock-keeping or other growth-oriented economic activities that are the intended focus of the New Alliance. Thus, strengthening social protection systems in the region is a prerequisite for realising more inclusive growth at the pastoral margins. This brief details the role of social protection in agendas to promote agricultural growth, highlighting areas of innovative programme design and implementation where further efforts might focus.

Scale and scope of social protection in pastoral areas

Over the past decade social protection programmes and projects have mushroomed across the region. Here social protection refers to safety nets, social security, insurance (including market-based insurance targeted to the poor) and labour programmes. Social protection programmes and projects range from localised, highly innovative initiatives such as weather-indexed insurance for herders and farmers in northern Kenya and southern Ethiopia, to some of the largest safety net programmes of their kind in sub-Saharan Africa, notably the Productive Safety Net Programme (PSNP) in Ethiopia. Yet social protection coverage is still patchy, particularly in pastoral areas. There are only three social transfer programmes in the region that could be considered to be national (or that cover a region that is greater than a cluster of districts/counties) and that cover dryland areas as well (Box 1). Most programmes are small, typically covering a number of adjoining districts/counties at the sub-national

Box 1: Large-scale, predictable safety net programmes

Programme (year established)	Number of people covered/ geographic reach	Targeted vulnerabilities	Amount and frequency of payments	Budget and source of funding
Productive Safety Net Programme (2006), Ethiopia	7.6 m (in 2009), though scalable up to 8.3m Covers chronically food insecure woredas (districts) of Afar and Somali Regional States as well as lowland (pastoral) woredas of Oromiya State	Chronically food insecure households who have faced a food gap of 3 months or more for 3 consecutive years Community-based targeting	3 kg grain or ETB255 (US$13.50) per household member per month (for a 6-month period)	US$2.1bn from a multi-donor trust fund for 2010–2014 US$183 million from Ethiopian Treasury, covering 8.4% of programme costs
Hunger Safety Net Programme (2008), Kenya	100,000 households Covers four counties in northern Kenya (Turkana, Marsabit, Wajir and Mandera)	Poorest households (determined by triangulating different approaches including monthly consumption and community-based wealth rankings) 2/3 of recipients are women	KSH 2,300 (US$26) per month per household (assuming a household size of 7.2), delivered in 6 payments per year (every 2 months); payment set to rise to KSH2,700 per month by 2017	US$141.5m from DFID for 2013–2017 US$55m from Kenyan Treasury for 2013–2017
Social Assistance Grants for Empower-ment (2010), Uganda	600,000 people in 95,000 households Covers 15% of households in 14 targeted districts (out of 77 districts nationally)	Two transfer types: -Senior Citizens Grant to all elderly 65 and older (60 and older in pastoral Karamoja region) -Vulnerable Families Grant targeted to households with low labour capacity and high dependency ratio	UGX23,000 (US$9) per month per individual, delivered in 6 payments per year (every 2 months)	US$43m in 2014, rising to US$110m by 2016 (or 2.8% of the total Government of Uganda budget by that time) Donors include DFID, Irish Aid and Unicef, as well as the Ugandan Treasury

level. Many began as alternatives to perennial emergency food aid distributions, which had done little to stem the tide of worsening vulnerability or to help people rebuild their livelihoods.

Although experimentation with social protection is expanding, general food distributions still dwarf the budgets of existing programmes and projects. For example, in Kenya, average spending on its General Food Distribution Programme amounted to over half of all safety net spending between 2005 and 2010. Further, a large proportion of funding continues to come from donors in spite of increasing government investment in social protection. Ethiopian Treasury support to the PSNP covers about 8.4 percent of the programme's costs. In 2013/14, the Kenyan Treasury allocated US$3.65m in funds for the Hunger Safety Net Programme (HSNP), whose geographic focus is the drylands. It plans to double this allocation in each financial year, rising to US$29.2m in 2016/17. Uganda, heavily donor dependent overall, spends a majority of its funds for social protection on its civil service pensions, leaving donors to support a variety of social assistance programmes that cover pastoral northern areas of the country.

Across the region, the emphasis at the moment is on scaling up existing programmes. The HSNP is set to expand greatly, nearly doubling its coverage, as it is brought under Kenya's new National Safety Net Programme (NSNP) which includes the four other main cash transfer programmes in Kenya. In Djibouti, a Unicef conditional cash transfer programme is being taken on by the national government. Even in Somalia, with a lack of functioning central government, NGOs want to scale up temporal, responsive programmes to be long-term and predictable. There are also efforts to strengthen quality. For example, in Kenya, the NSNP is meant to improve the targeting and timeliness of payments, strengthen coordination (through, among other things, a single registry) and ensure that complaints and grievance mechanisms are functioning.

However, with the accelerating pace of change, and the impetus often still coming from development partners rather than governments, some observers have cautioned against programming running ahead of the formulation of policy and institutional development. Therefore, the current focus in many countries on putting social protection policies in place is a positive development. This includes Ethiopia and Kenya, which both adopted national policies for social protection in recent years. Establishing a policy and institutional framework for social protection is a necessary step toward encouraging national governments in the region to allocate greater public spending for long-term social assistance programmes and facilitating the establishment of an appropriate institutional architecture for social protection.

Challenges in programme design and delivery

The design of social protection programmes is predicated on a set of assumptions about how society and households function as well as the existence of infrastructure and structures that can support delivery. Many programmes were formulated for implementation in agrarian contexts, where basic government structures are more present and infrastructure is in place to deliver assistance (i.e. roads, telecommunications, schools, health centres and banks). However, infrastructure and basic services are missing in many pastoral areas. A further challenge is the very different social dynamics present in pastoral areas, which test fundamental assumptions in programme targeting. Social protection programmes that were initially designed for agrarian settings are not easily transplanted to pastoral contexts.

In thinking about appropriate social protection interventions in pastoral areas, the diversity of livelihoods in these areas must be recalled. While some approaches are clearly suited to pastoral areas, such as Index-Based Livestock Insurance (Box 2), a blanket prescription of social protection measures and approaches will be less helpful than identifying the appropriate mix and balance of interventions that fit the livelihoods and livelihood situations apparent in any particular setting.

It is also worth bearing in mind the distinction between social protection for *pastoralists* and social protection for *pastoral areas*. The former would entail the use of a narrower range of instruments such as livestock insurance alongside complementary, timely interventions financed through contingency funds in destocking and restocking, emergency feeding and watering of livestock, and rangeland reseeding. The overall aim would be to protect livestock-owning households from falling below a minimum subsistence level as well as a threshold under which their continued involvement in livestock-keeping as the basis of their livelihood is compromised. Thus, social protection would ensure the continued delivery of critical inputs to sustain herds during disaster periods as well as support livestock owners to rebuild herds as conditions improve again.

Social protection for *pastoral areas* implies the need for a broader, more mixed approach, encompassing assistance for populations no longer significantly reliant on livestock-keeping for their livelihood. Many cannot return to pastoralism, either because they do not want to and/or because there is no possibility they can acquire the minimal level of assets needed to engage in more profitable forms of livestock marketing and trade. Given the lack of alternative livelihoods outside of pastoralism in many drylands, and persistently high levels of vulnerability in these places, predictable safety nets will be needed in pastoral areas for the foreseeable future. However, the impact of discrete cash and food transfer programmes alone, implemented in isolation of wider efforts, is questionable. This is not to diminish the importance of unconditional assistance for certain categories of the poor who are especially vulnerable. However, minimal direct transfers provided through safety nets will not deliver opportunities for the destitute to shift into alternative livelihoods.

Investment in infrastructure and improved access to basic services is also necessary to improve the effectiveness of social protection in pastoral areas. Public works programmes are gaining in popularity throughout the region, including in pastoral areas, both as a way to move vulnerable groups (particularly young people) into productive work as well as to establish needed infrastructure for communities. However, the effectiveness of these programmes in pastoral areas is both a matter of design and implementation. Some programmes have been criticised for promoting inappropriate projects. The timing of public works in some places has not accounted for the need for pastoral mobility. Further, tension between members of the community now depending on sedentary activities and pastoralists have been found to increase due to programmes that build assets on lands that were previously governed by communal tenure.[1] However, public works programmes can create useful infrastructure to generate economic value from herds and crops. In the Ethiopian lowlands, road building through the PSNP has been widely welcomed by communities. So has the construction of

Box 2: Index-Based Livestock Insurance in Kenya and Ethiopia

Efforts in recent years to extend insurance to livestock-keepers in Kenya and Ethiopia is a promising development in the field of social protection in the Horn of Africa. One of the best known projects in the region is Index-Based Livestock Insurance (IBLI), which provides payments to livestock owners that are indexed to projections of how much vegetation is available for livestock to consume. Satellite imagery is assessed to observe changes in vegetation cover and a payout is made when herders are expected to be losing more than 15 percent of their herd. IBLI began in 2010, and was sold in eight counties in northern Kenya. Sales of IBLI tailed off after initial sales between 2010 and 2012 exceeded expectations. Implementation issues included poor compensation for sales representatives; poor roads and infrastructure to reach remote areas and, hence, a lack of marketing in these areas; and a payout trigger that was set too high.

IBLI has since expanded over a wider area of northern Kenya and southern Ethiopia and is the only insurance programme in the region that is tailored for livestock-keepers. Its expansion in north-eastern Kenya has been accomplished through a partnership with Takaful Insurance of Africa, a sharia-compliant provider, which is important in ensuring that the product is not just appropriate for pastoral systems but also culturally appropriate. One of the significant innovations of IBLI has been the use of satellite imagery to estimate herd mortality, which helps to overcome problems of moral hazard, adverse selection and transaction costs that make traditional insurance unfeasible in pastoral settings.[2] The livestock mortality index at the heart of the program appeared to work. The fatality rates predicted by the satellite assessments of forage loss closely tracked surveys of animal deaths on the ground. The IBLI contract triggered payments to all active clients in October 2011 and in two of the five divisions covered in Marsabit County in northern Kenya in March 2012. Compared to uninsured households, insured households experienced a 33 percent drop in negative coping strategies (such as selling livestock or reducing the number of meals eaten each day) and a 50 percent drop in distress sales of livestock assets. A 33 percent drop in food aid reliance was also observed.[3]

IBLI provides an important protective function for those who still have a sizeable herd (who are not poor) but are vulnerable. By offering protection against livestock losses, insurance can make a significant contribution to a household's efforts to rebuild following a drought, either by acquiring new livestock for breeding and trading or by investing in other livelihood activities. Thus, it is one way to strengthen the resilience of livestock-based livelihoods. Further, it is likely to be more cost-effective over the long term than other responses including food aid and safety nets by preventing some households from falling under a threshold below which they require external support to cope.

classrooms and schools, health clinics and housing for community health workers and educators. Ultimately, the development needs of people living in pastoral areas are not that dissimilar from people elsewhere.

Highlighting innovation

Recent innovations in the design and delivery of social protection in the Horn of Africa point to areas where further advances can be made. One innovation is the extension of insurance to livestock-keepers as well as smallholders. Besides IBLI, a further example of insurance in the region is the Rural Resilience Initiative in Ethiopia. It includes drought insurance to build community works to reduce risk, and a credit and savings mechanism to help drive investments in livelihoods. It uses a Weather Indexing System developed from satellite imagery, rainfall simulators and statistical tools and calibrated to the local crop calendar and rainfall amounts. In 2012, over 12,000 farmers benefitted from payouts, three-quarters of which were funded by farmer premiums. Compared with non-participants, farmers who bought insurance planted more seeds, used more compost, seemed to switch to high-yielding varieties at higher rates, used less family labour and more hired labour, diversified their income sources and experienced smaller losses of livestock.

A second area of innovation is the incorporation of instruments to scale up programmes during crises to address heightened needs amongst beneficiaries as well as transitory needs amongst a wider non-beneficiary population. A novel feature of the PSNP is that its budget explicitly recognises the significance of transitory shocks and, accordingly, includes a Contingency Budget as well as a Risk Financing Mechanism (RFM) and budget. While the PSNP is intended to address chronic food insecurity, the Contingency Budget and RFM enable the programme to be scaled up to a pre-determined ceiling in response to transitory shocks that create needs for assistance in households which in normal years maintain their livelihoods without recourse to the PSNP or the emergency response system. A similar mechanism is now being incorporated into the HSNP.

A third area is the use of new technologies as well as different ways of using existing technologies in programme delivery. Delivering transfers that are not tied to a particular distribution point is essential in pastoral areas where there is skeletal banking infrastructure and where populations are mobile. One innovation is the use of smart-cards and mobile phone technology in the HSNP. These technologies help to overcome the problem of long distances to paypoints, a problem that has bedevilled other social transfer programmes by raising opportunity costs of accessing benefits that create difficulties, especially for the most vulnerable (such as the chronically ill, the elderly, pregnant women and nursing mothers). They are also more accountable than other delivery mechanisms. A particular strength of the smart-cards is that they can be used to deliver access to a wider range of services, including animal health, livestock insurance, microfinance, healthcare and education.[4] Data from smart-cards can also be used to capture household characteristics and feed these into a single registry, such as the one currently under development in Kenya. Single registries generate efficiencies in public resource allocation, reduce 'double dipping' and strengthen coordination and the harmonisation of multiple, parallel efforts (Ibid).

Policy recommendations

Social protection for pastoralists and in pastoral areas is critically important to ensure that people with limited assets can engage in and contribute to more productive agriculture or other growth-oriented activities. For the foreseeable future, it is also an essential part of any wider strategy to strengthen food security and nutrition in these areas. Policy action is needed in the following areas to ensure that social protection enables the poorest in pastoral areas to attain more secure livelihoods:

Expanding and joining up investment in public goods

Extending social protection and access to basic services in pastoral areas will be more transformative for the sizeable vulnerable populations in pastoral areas who are not benefitting from commercialisation trends and who seek secure livelihoods. Social protection in pastoral areas should not only aim to expand the choices available for different vulnerable populations to make a living. A complementary aim should be to provide a service that is timely, predictable and matched with adequate extension and technical support to educate people on making decisions that strengthen sustainable transitions into and away from livestock keeping. Joining up different investments is also necessary to ensure there is the appropriate coverage and mix of interventions and that these are complementary.

Creating an enabling environment for innovation in programme design and delivery

Scaling up often localised and experimental programmes and projects will require creative approaches to respond to the limited delivery capacities of states in remote pastoral areas. Basic infrastructure is often missing in these places, including electricity to run electronic equipment needed for programme administration and beneficiary verification and payment, as well as mobile phone coverage and banking services for sending cash transfers. Yet in places where there is mobile phone coverage, solar technologies and other ways of operating off the grid have the potential to overcome some of these difficulties. An additional challenge is that, in part because of limited access to or lack of basic services, staff turnover tends to be higher in remote pastoral areas, with the resulting loss – continually – of detailed knowledge of programme implementation. Incentives must be in place to draw the best and brightest civil servants and other implementers to such 'hardship' posts and to keep them there. Further, routine staff training as well as simpler programme implementation manuals are clearly needed.

Embracing a broader-based notion of risk

One limitation common to existing insurance programming is the assumption that weather risks are necessarily the primary obstacle facing livestock-keepers and smallholders. Yet weather risks are not the only variable or necessarily the most important one that people face. Fluctuating prices of input prices, the lack of roads and/or poor quality roads, limited access to markets and import/export bans are also serious challenges. It is unclear whether insurance initiatives can take a broad-based approach to risk, addressing more systemic problems. A needed step is to integrate insurance within broader programmes, similar to what the Rural Resilience Initiative is seeking to do by linking up risk transfers (insurance payouts) with risk reserves (savings) and prudent risk taking (credit and livelihoods diversification).

Link social protection to more effective early responses to shocks

The effectiveness of social protection interventions in pastoral areas rests on early warning systems providing reliable and timely information to trigger responses as well as administrative mechanisms to release funds and coordinate responses that are timely and appropriate for different settings and situations. Substantial investments have been made in the region in establishing early warning systems as well as drought contingency funds. Yet funding bottlenecks often compromise the intention of such structures to provide assistance that is both rapid and appropriate to context. More research is needed on the functioning of Ethiopia's Risk Financing Mechanism in pastoral areas as well as Kenya's proposed National Drought Contingency Fund. The institutionalisation of the National Drought Management Authority in Kenya is a positive development in creating a government structure whose purview covers safety nets as well as contingency planning and financing.

End Notes

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[5] Institute of Development Studies, Brighton, UK

[6] National Drought Management Authority, a state corporation whose mandate is to coordinate drought management and efforts to end drought emergencies in Kenya

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