



SCALING UP SOCIAL SAFETY NETS IN RESPONSE TO DISASTERS

The critical role of national programs

Thursday, November 19, 2015
African Union – Addis Ababa, Ethiopia



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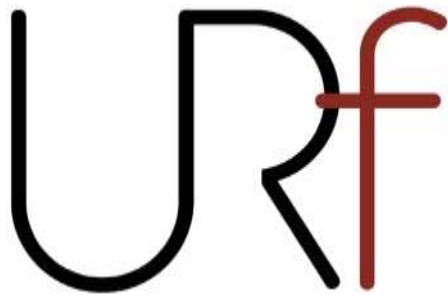
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*Kenya's Hunger Safety Net Programme
(HSNP): Experiences in Scaling Cash Transfers
in Response to Drought Shocks*

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Kenya's Hunger Safety Net Programme (HSNP): Experiences in Scaling Cash Transfers in Response to Drought Shocks

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November, 2015



Outline

- Background
- Progress in developing a shock responsive safety net
- Financing scalability
- HSNP scalability pilot
- Lessons Learned



Background

- Drought is the single most important natural hazard in Kenya,
- Over 80% of Kenya and semi-arid that are highly vulnerable drought impact and climate change impacts
- In the last 20 years there have been ten (10) drought events,
- Between 2008 and 2011 it caused damages and losses of an estimated USD 12.1 billion.
- Ending Drought Emergencies Strategy (2012) developed to end droughts by 2022



Hunger Safety Net Programme

- **HSNP Phase 2 (2013-17):** Operates in 4 poorest Counties in Kenya providing up to 100K HHs (*Group 1*) regular, unconditional electronic cash transfers (now Kshs 5,100 (2,550 pm), every 2 months)
- Designed to **scale up and down in response to weather shocks** (e.g. drought/ El Nino), an extra ~272K HHs eligible for emergency CTs (*Group 2*)
- **Approx. 95% of HHs in 4 counties were voluntarily registered, ~60% of beneficiaries are women**
- Payments are electronic, directly into fully functioning **bank accounts using biometric and pin enabled bank cards via banking agent network**



Target: ~372K HHs (2.1m people)

- **G1 target (100k): 84% active & paid (84.5K HHs (> 0.5m people))**
- **G2 target: (272k): 76% (207K HHs) active & 70% paid for either drought/ El Nino payments or both (>1.1m people).**

Progress in developing a shock responsive safety net

- Agreed guidelines developed
- cost models and operational spreadsheets developed
- Efforts to establish sustainable long term funding mechanisms ongoing
- This year 4 separate scale ups were done– all funded by DFID

Month 2015	# HHs Receiving Scaled Up CT in 2015					Reason for Scale up
	Turkana	Marsabit	Wajir	Mandera	Total	
<i>April</i>	5,045	14,452	42,122	29,029	90,648	Drought
<i>May</i>	-	8,591	20,469	9,901	38,961	Drought
<i>Oct (1)</i>	4,864	-	-	-	4,864	Drought
<i>Oct (2)</i>	46,350	29,435	50,694	64,736	191,215	Emergency Preparedness El Niño



Guiding Principles

- Shock response is **not** just about **responding to a crisis**, it's about **acting early to avoid a crisis**
 - Early response in spirit of 'No regrets'
- **For drought:** Scale up (and down) is triggered by remotely sensed (i.e. satellite data - VCI)
 - Quantitative, objective, early and financially acceptable
 - Will not wait for on ground assessments or validation.
- Scale up to pre-defined sets of households based on HSNP MIS wealth groups
- No targeting/ re-targeting during drought crisis (but possibly pre-targeting)
- Response may be imperfect but timely and can be enhanced by learning from implementation (effective M&E)
- **For El Nino:** blanket early no regrets

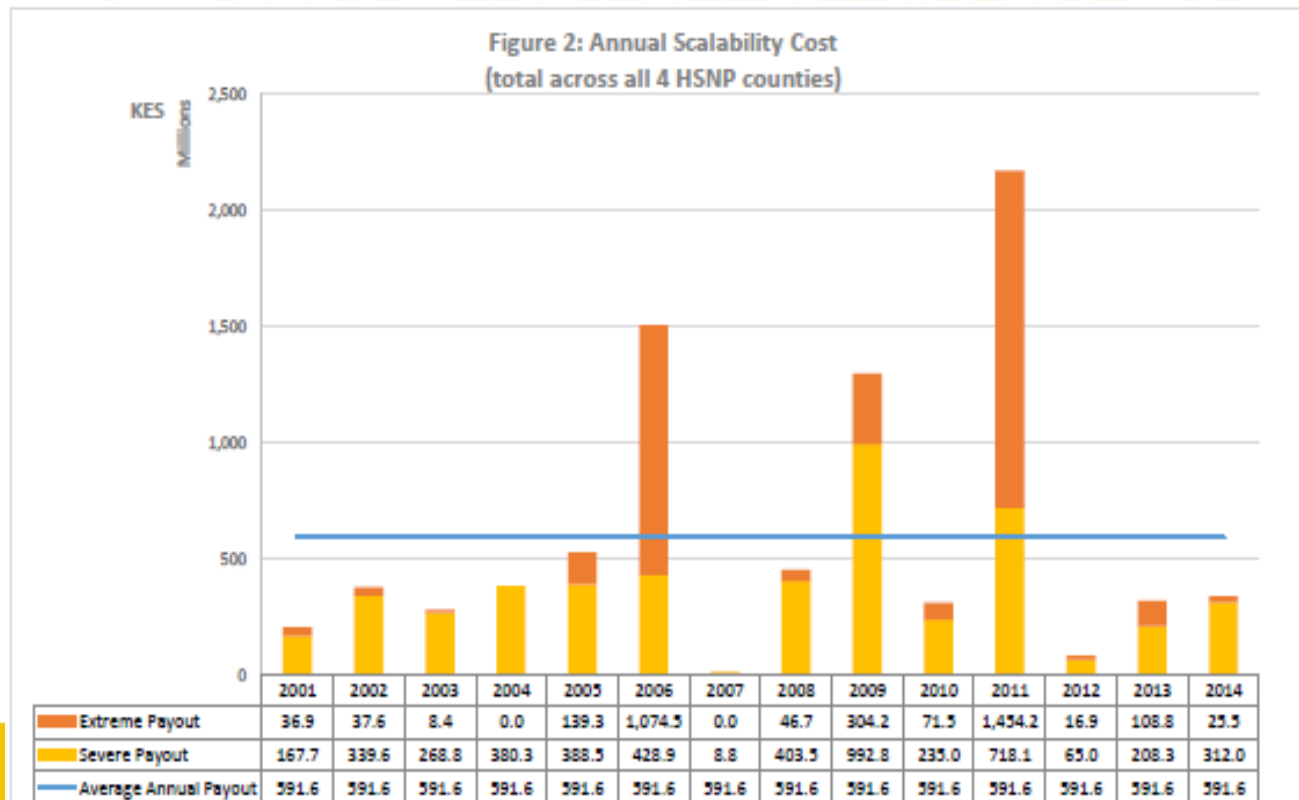
Financing Scalability

- NDMA has been supported by the World Bank Disaster Risk Finance team to assess the long term costs of scaling up HSNP. The average costs of the current scalability framework is US\$6-7m per year.
- An average annual cost can be generated to enable GoK and donors to plan funding needs.
- Establishing the National Drought Contingency Fund (NDCF) into which regular budgeted contributions can be made is a priority and has WB funding.



Financing Scalability cont'd

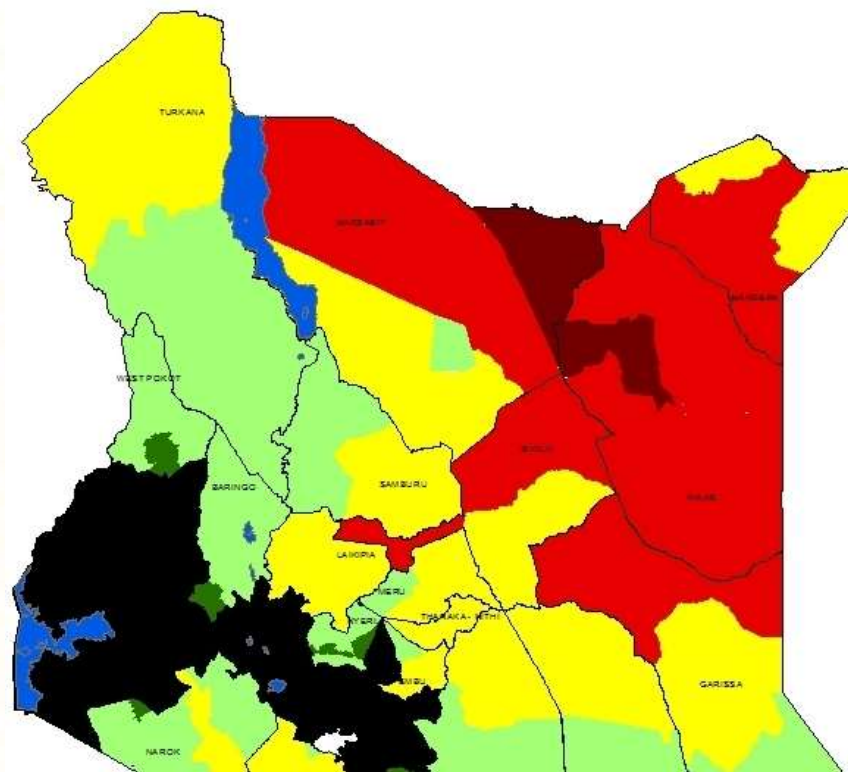
- In extreme years such as 2006 and 2011 some of the higher costs can be covered from disaster risk insurance mechanisms such as ARC (Kenya pays an annual premium of US\$9m).



HSNP Scalability Drought Response Pilots (April, May & Oct 2015)

When is a Scale up Triggered?

- When VCI hits the **Severe** or **Extreme** threshold in any Sub-County in a County
- This generates a quota of households (HHs) to receive a scaled up payment based on;
 - Sub-Counties in **Severe** drought = 50% of all HHs minus - Routine beneficiary HHs
 - Sub-Counties in **Extreme** drought = 75% of all HHs minus - Routine beneficiary HHs



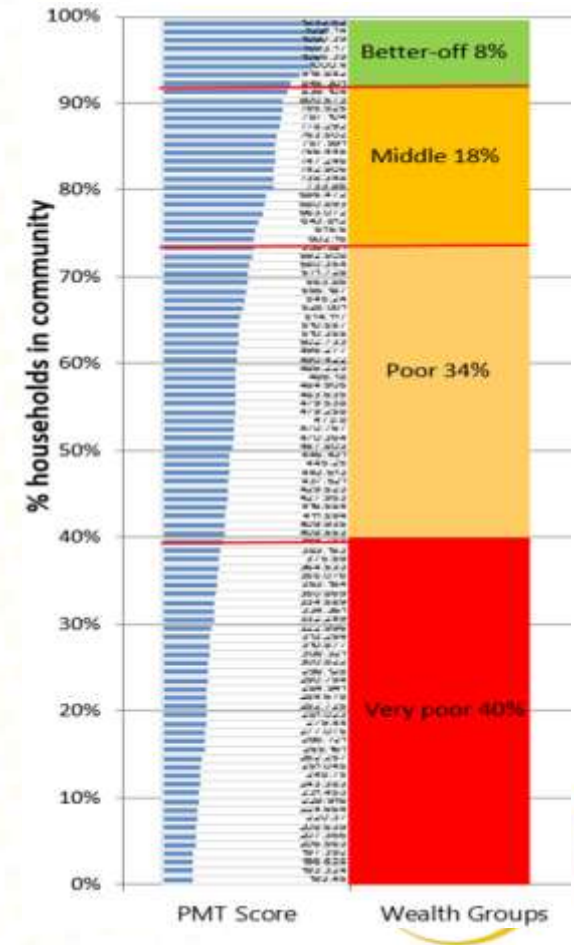
HSNP Scalability Drought Pilot

How are Households Selected?

- For each pilot scale up individual HHs for scale up were taken in wealth order from the HSNP MIS
- Only HHs with active bank accounts could receive the scale up payment

How much is the Payment?

- The amount is based on the standard payment of Ksh 2,550 (approx US\$25) per HH per month



Post payment monitoring findings

- A post-distribution survey confirmed that on average 58% of HHs with active bank accounts received cash (during the scale up period) – up from the usual coverage of 26%
- The majority of cash received (58%) was spent on food, followed by school expenses (13%)
- There was no discernable impact on the price or availability of staple food in local markets.
- There is a need to improve communication to communities about how scalability works. Also targeting and selection processes need review



Independent evaluation perspectives

- **Using VCI, MIS and Formula approach to targeting for drought payments:**
 - County officials see this as potentially objective, fast and cheaper relative to the previous post rains assessment, but “top down”
 - Allocation formula adapted in response to concerns on equity & political acceptability
 - Cost of implementing PMT debated, given marginal difference between household poverty status
- **Promote communication to build trust in the VCI:**
 - More dialogue with county stakeholders required to explore targeting options and build understanding
 - Remains to be seen if community validation will improve perceptions
- **Promote Choice in payment mechanisms:**
 - Recipients want more choice in payment modalities
- **Promote linkages between SP, livelihoods & resilience:**
 - Need to build links between social protection intervention and actions aimed at promoting poor households’ ability to maintain and build assets
- **Ensure we understand impacts on the market :**
 - So far no impacts on price detected but more work is needed to understand the market implications and local economy impact of switching from food aid to state-delivered cash transfers during drought crises
 - Independent Impact Evaluation will provide some evidence in this regard.

Lessons Learned



1. The value of mass registration and bank account opening exercise.
2. Early warning can translate into early action.
3. Financial & budgetary instruments should be the servant of the plan (not the other way around).
4. Scientific and speedy approaches do not ensure political acceptability.
5. Need to expand linkages and reduce vulnerability before a crisis starts.



Other drought early response mechanisms in the Country

- Drought Contingency Fund (EU supported)
 - web based system
 - Triggered by drought stage and requisition based on drought contingency plans
- Africa Risk Capacity
 - Annual premium of USD 9 million
 - Medium pay out of \$15m (1 in 7-10 yrs)
 - Maximum pay out of \$30m (1 in 30 yrs)
- index based livestock insurance



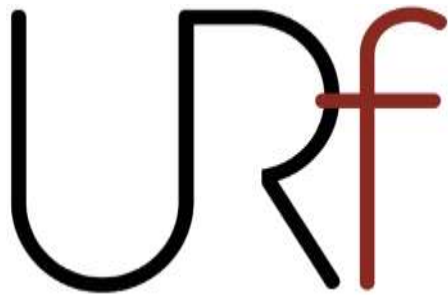


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Northern Uganda Social Action Fund NUSAF 3
Disaster Risk Financing Component

MARTIN JOHN OWOR

Commissioner, Disaster Preparedness and
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Northern Uganda Social Action Fund

NUSAF 3

Disaster Risk Financing Component

Mr. Martin Owor
Commissioner, Disaster Preparedness and
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Office of the Prime Minister (OPM)

NUSAF 3 Project Development Objective



“to provide income support to and build the resilience of poor and vulnerable households in Northern Uganda.”

Project Components:

- 1.1 Labor Intensive Public Works
- 1.2 Disaster Risk Financing
- 2.1 Improved Household Income Support Program
- 2.2 Sustainable Livelihoods Pilot
- 3. Transparency, Accountability and Anti Corruption
- 4.1 Safety Net Mechanisms
- 4.2 Project Management

NUSAF 3 Disaster Risk Financing (DRF)



The Government of Uganda (GoU) is developing a scalable social protection mechanism through NUSAF 3's DRF sub-component to address the impacts of disasters on the poor in northern Uganda

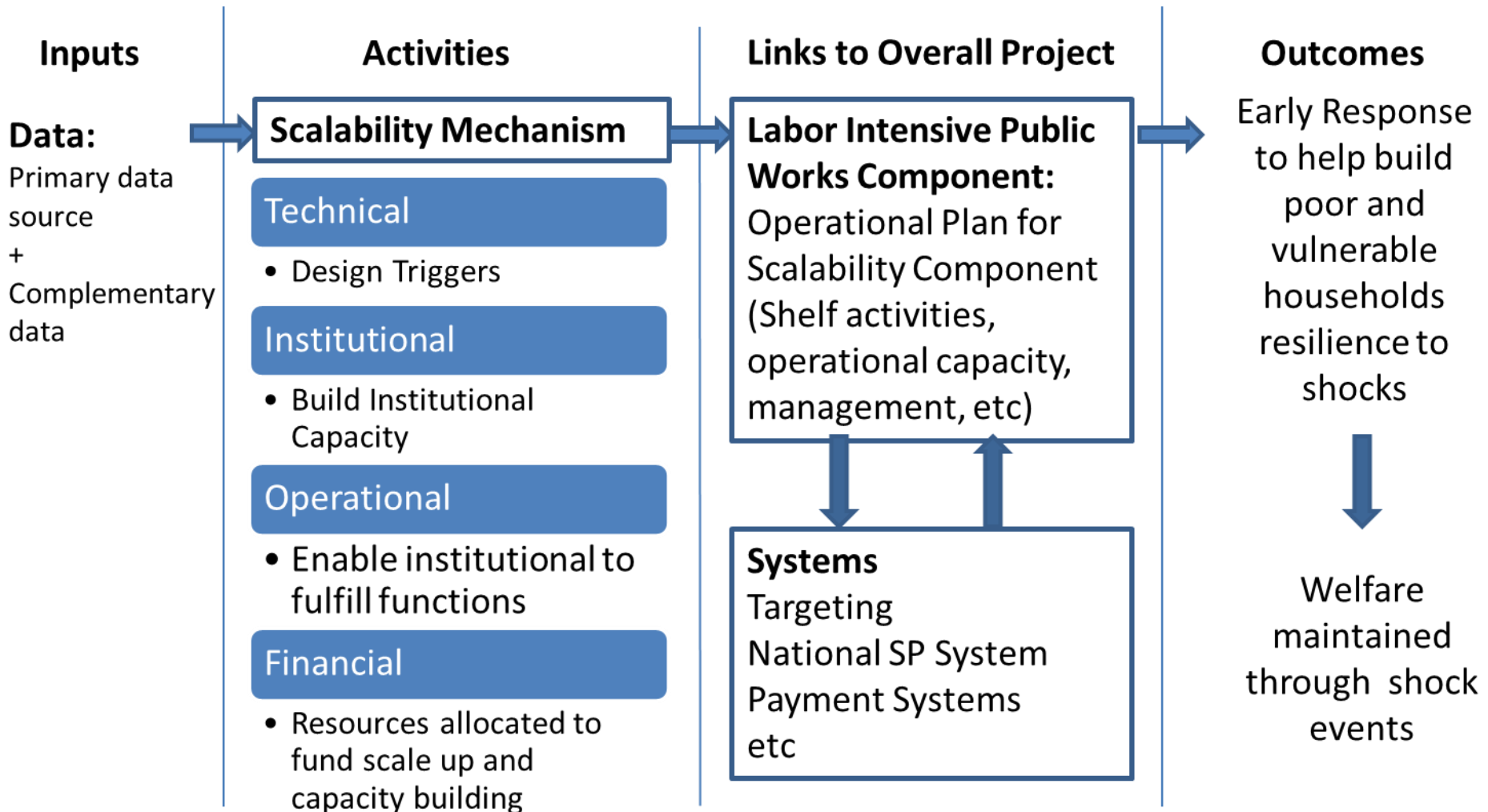
DRF Component will be implemented by **National Emergency Coordination and Operations Centre (NECOC) in the Office of the Prime Minister**

The objective DRF:

- Reduce **vulnerability & food insecurity** and further support livelihoods
- **Safeguard household welfare**, including productive assets such as livestock
- Enable Government to **cost-effectively** and **rapidly increase financial assistance to affected households immediately following a shock event.**
- Establish a **delivery channel** to channel additional resources to poor HHs immediately during shock events
 - GoU can directly target poor/vulnerable HHs
 - Donors can supplement GoU funds

The mechanism will enable the **Labor Intensive Public Work Program** to **scale up** in response to shocks in the Northern Uganda

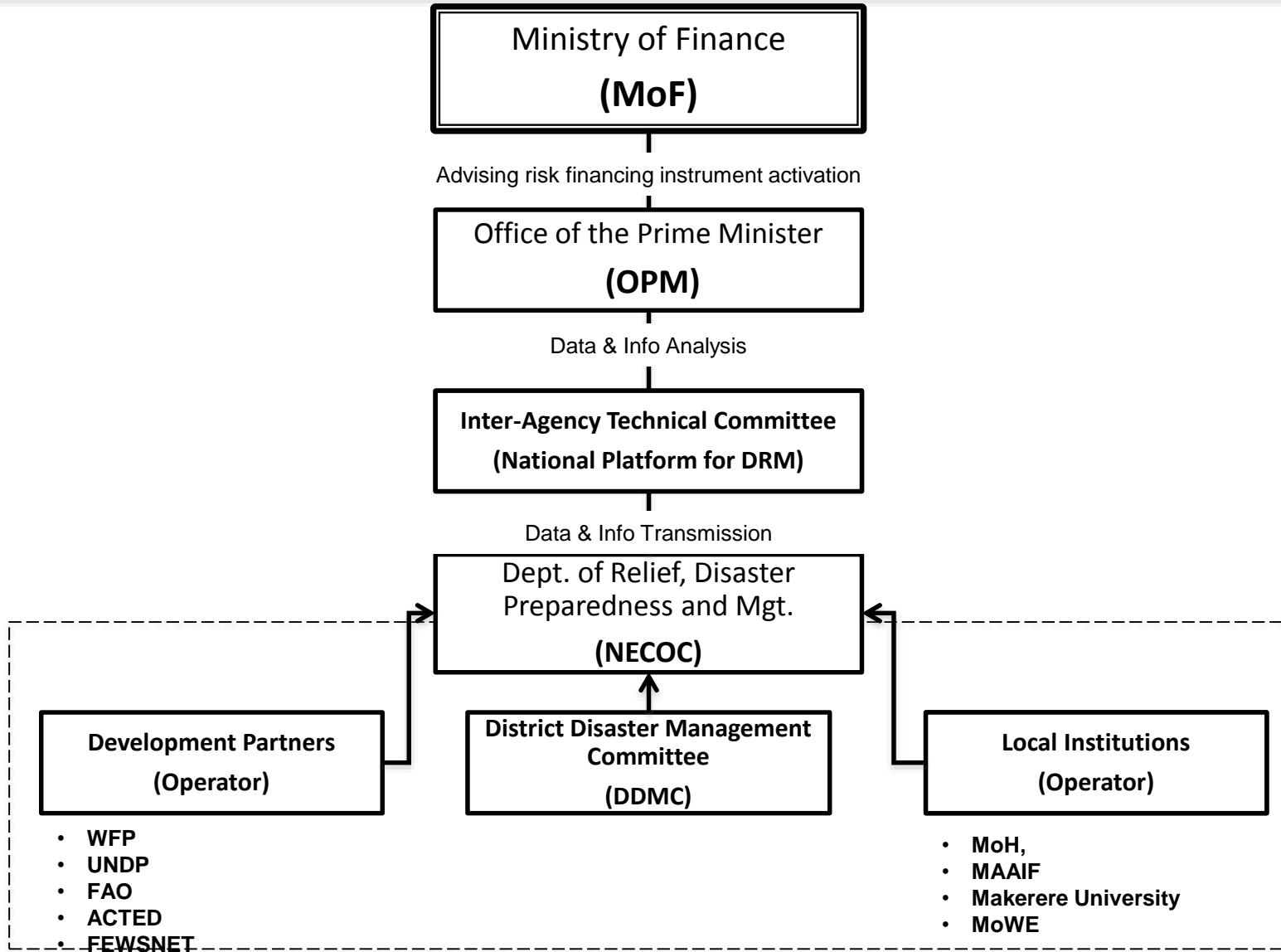
DRF Sub-Component will scale up the labor intensive public works (LIPW) component and channel additional payouts to HHs through NUSAF 3 payment system





- US\$12 million has been allocated to this sub-component to develop the scalability mechanism
 - US\$10 million will be used to fund scale-up
 - US\$2 million will be used to build the system and to fund capacity building.
 - Key capacity building activities will include:
 - Organizational capacity build and developing collaboration mechanism
 - Data systems and communication technology to gathering reliable and timely data for risk analysis and for triggering scalability
 - Developing specialized courses on a diversity of topics related to the component, including primary data analysis, index definition, designing the rules of scaling up the LIPW, and more general risk financing knowledge

Organizational Structure for DRF Component



Data Collection and Information Generation

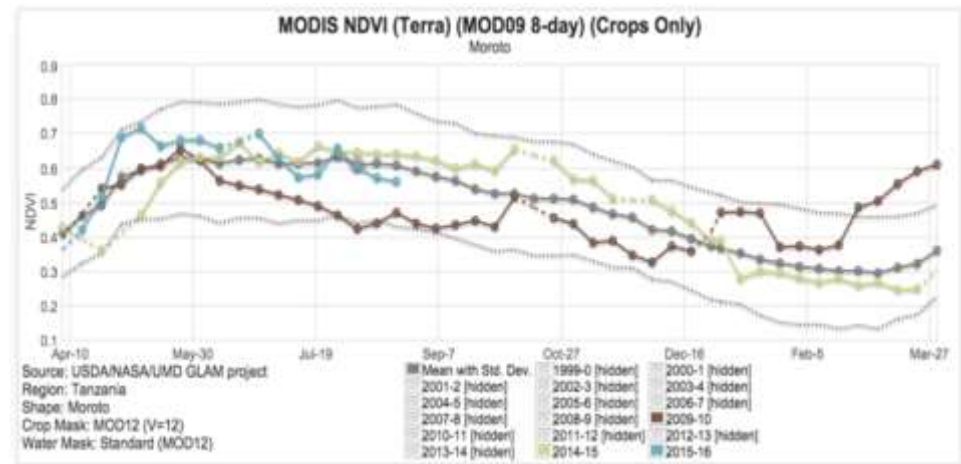
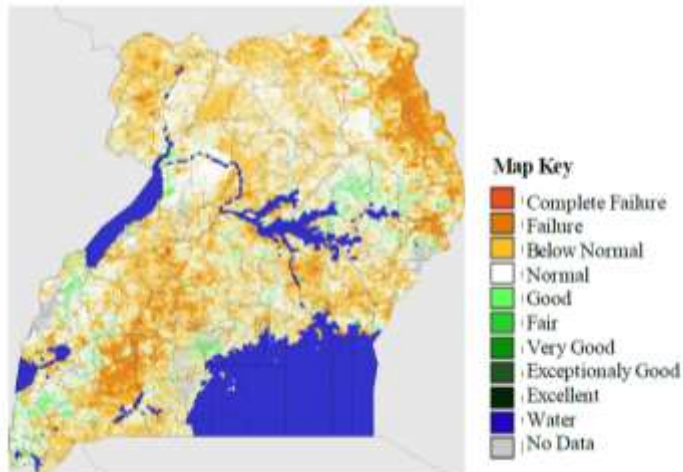
Current NECOC-OPM



Real-time monitoring & Reporting

- **Will use Satellite based data to triggers for DRF:** Objective, tamper proof and simple
- **+ Ground Indicators** to contextualize shocks (ground data **electronically sent** from project areas)
- Will disseminate early warning information to line ministries, districts and the community
- Coordinate Response and Emergency operations to disasters across the country

Below are examples of satellite derived NDVI and field information from Karamoja produced by NECOC-OPM



Building System for Implementing DRF



Enhancing NECOC's Capacity

- Develop tailor made **short courses** on application of RS for crop & disaster monitoring for OPM Staff
- Enhance **network of field data collectors** including district agricultural officers
- Develop systematic monitoring and reporting
- Acquisition of **Very High resolution satellite images** and **UAV images** for Karamoja for better monitoring
- **Beef up Equipment and Software packages**
 - **Android Tablets** for field data collection using GeoODK
 - Field Equipment including GPSs and Field laptops



Real-time *DATA* leading to immediate **Informed
*DECISION and Action- Scaling up with DRF***



***UAV aerial photo of Sorghum fields in
Nadunget, Sub-county Moroto
August 2015***



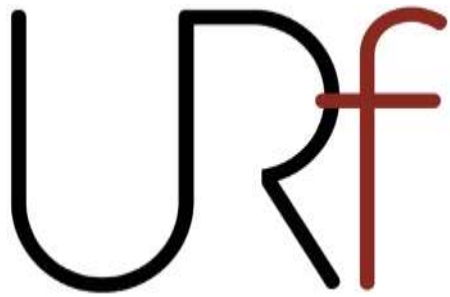
***UAV aerial photo of a failed Sorghum
fields in Rupa Sub-county, Moroto
August 2015***



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Ethiopia's PSNP and its Role in Disaster Risk Management

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What is the PSNP ?

- An instrument that aims to contribute to implementation of Ethiopia's GTP and four key Government policies/strategies (SP, DRM, NNP and CRGE).
- A Safety Net that provides transfers to chronically & transitory food insecure households, strengthens livelihoods and builds community assets.



PSNP IV Goal & Outcome

Goal:

Resilience to shocks and livelihoods enhanced and food security and nutrition improved for rural households vulnerable to food security

Outcome:

Enhanced participation in improved rural safety net, livelihood and nutrition services by food insecure female/male headed households



Percolation ponds for water harvesting, recharging underground water table



Check dams for water harvesting



PSNP Scale and Scope

- Current phase of PSNP is designed to be able to cover 10 million clients (8.3 mln chronic and 1.7 mln transitory food insecure clients)
- PSNP will support a total of 411 districts in six regions.
- PSNP will construct over 45000 community based infrastructure projects a year aiming to improve community resilience.
- PSNP will be able to graduate a million people into food security every year.

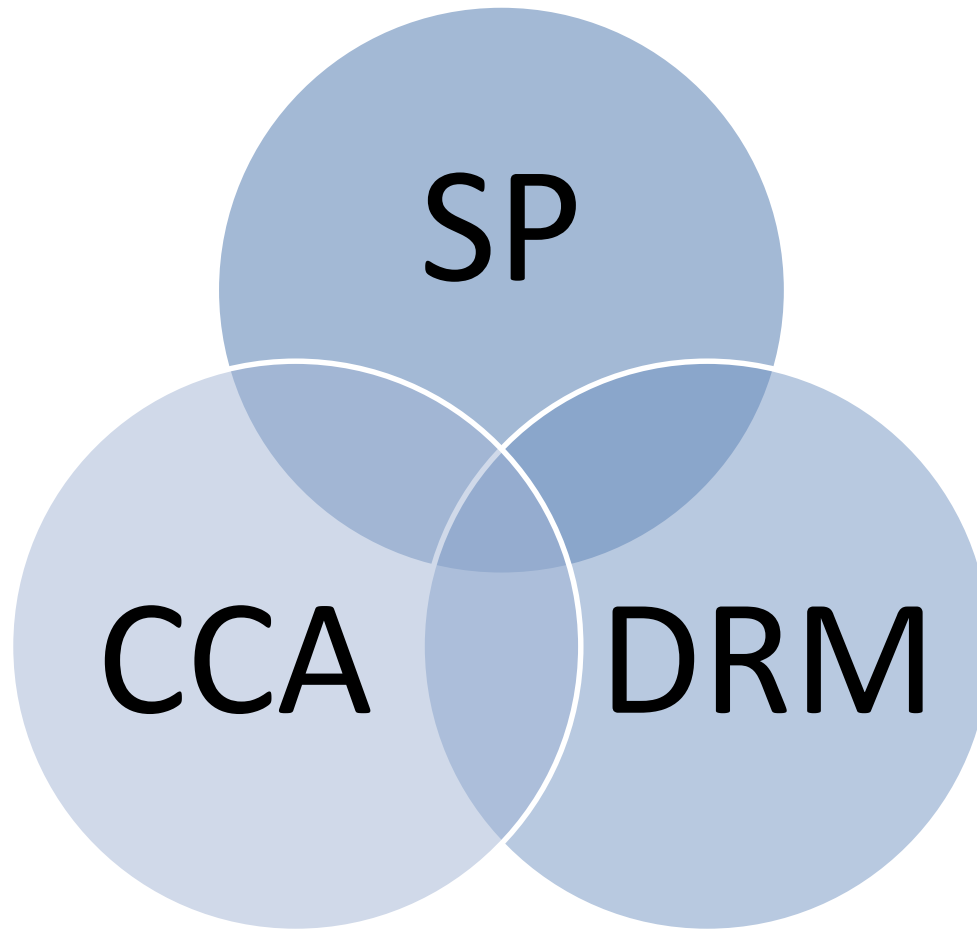


PSNP IV Scale and Scope cont'd

- As clients graduate, new clients will be added on a needs basis as long as there are unmet needs.
- Program will focus on food insecurity and poverty as key criteria for selection of clients. However, tailored support services will be offered to groups with specific needs (elderly, youth, pregnant and lactating women etc.)
- Budget estimated at 3.6 bln USD for 5 years



HOW CAN THE PSNP CONTRIBUTE TO RESPONSE AND RESILIENCE?



PSNP plays a Key Role

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- Protecting the poor and vulnerable from disaster impacts and supporting their recovery
- Enhancing the ability of the poor and vulnerable to withstand disaster impacts and adapt to new and increased risks as a result of climate change



PSNP – A Key Role

- Predictable cash transfers can mitigate the vulnerability of the chronic poor who will be increasingly exposed to climate-related shocks
 - ➔ By providing an income while they seek ways to adapt and diversify their livelihoods
 - ➔ Formation of informal savings groups
- Additionally, SP measures can help increase capacity and resilience by supporting community assets, agricultural activities, environmental conservation, etc (e.g. Supporting small irrigation, afforestation, etc.)



PSNP and DRM Resource Continuum

- PSNP is part of the continuum of support for vulnerable people
- PSNP contingency budget is one tool in the DRM toolkit, allowing an early response through a temporary expansion of the PSNP:

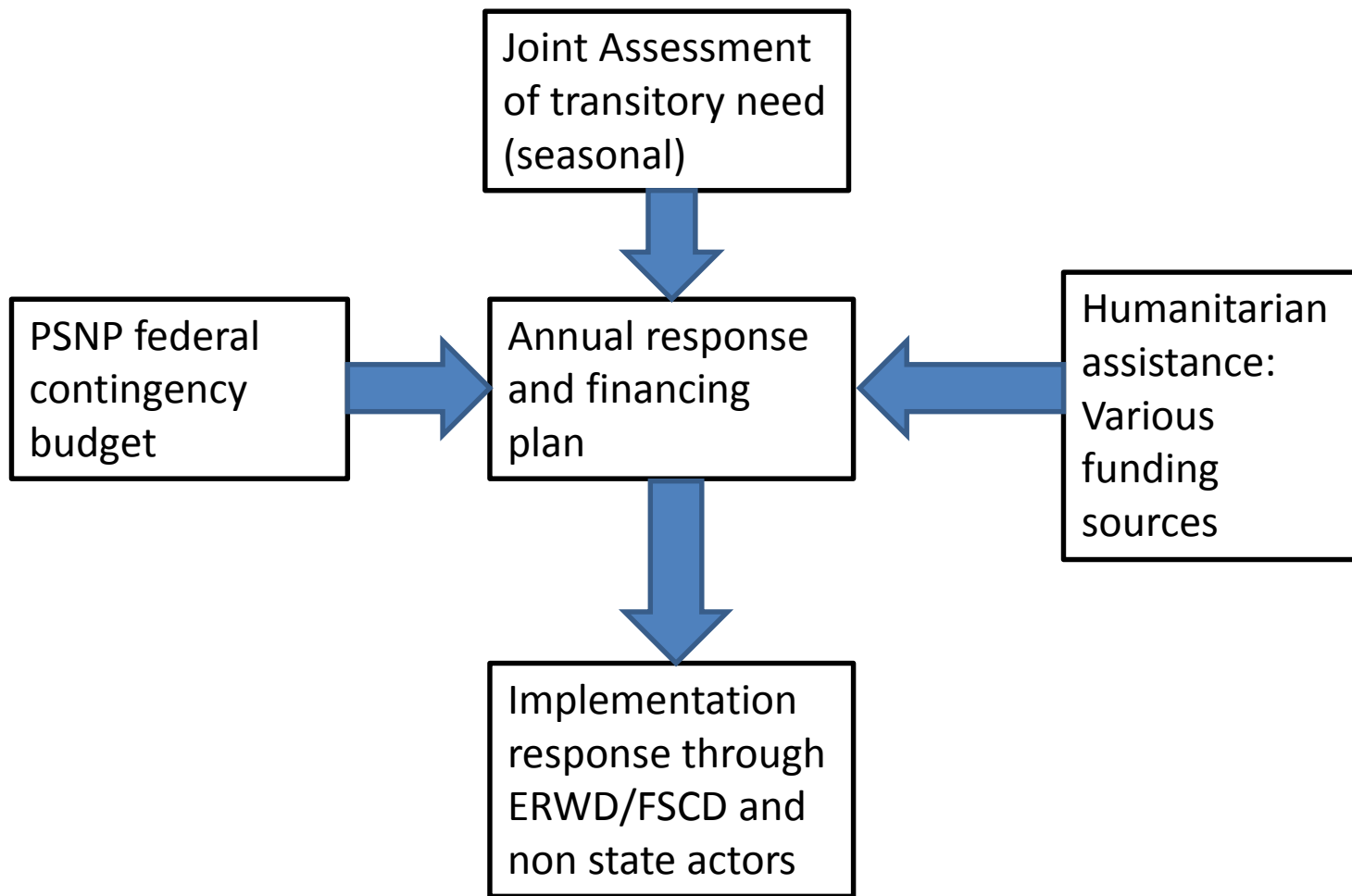
Funding Source	Trigger	Implementation Responsibility
Woreda Contingency (5% annual core program budget)	Ongoing EW in line with DRM-SPIF	PSNP areas; FSCD/EWRD
Federal Contingency (11% of annual core program budget)	Annual Needs Assessment (HRD)/ Early Warning Info	PSNP and Non PSNP areas in PSNP regions; FSCD/EWRD
Humanitarian Response Process (Annual fundraising)	Annual Needs Assessment (HRD)/ Early Warning Info	FSCD, EWRD + hum actors



Key Features Continuum

- One joint assessment of transitory need (tools: EW info and seasonal assessments).
- One response plan to cover transitory need.
- One comprehensive financing plan for the response plan (PSNP RFM one source of funding).
- One decision making structure





Challenges and opportunities

- Bringing SP, DRM & CCA agencies together to learn from each other and identify programming opportunities
 - Eg in the Ethiopian context there are many different actors with different mandates .. We are therefore in the process of setting up a dedicated coordination agency!
- Linking ad-hoc disaster relief/recovery support with more permanent SP/SSN systems



Thank you



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Donor Discussion

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