



How is social protection building resilience in Ethiopia?

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KEY POLICY MESSAGES

EVIDENCE ON THE IMPACTS

of Ethiopia's Productive Safety Net Programme (PSNP) on people's resilience to climate-related shocks remains patchy but nevertheless offers lessons about the resourcing and institutional capacities required to maximise social protection's contribution to resilience.

THE PSNP EXPERIENCE IN

ETHIOPIA usefully indicates what can be achieved at scale; the timeframes over which countries in Africa with existing social protection programmes can reasonably incorporate resilience-building objectives and activities; and the importance of a phased approach.

THE IMPACTS OF THE PSNP

on people's anticipatory, absorptive and adaptive capacities depends on the predictable, regular and reliable delivery of transfers to allow recipients to better plan and strategise their livelihoods activities.

BRACED aims to build the resilience of up to 5 million vulnerable people against climate extremes and disasters. It does so through 15 projects working across 13 countries in East Africa, the Sahel and Asia.

Box 1: What is BRACED and the Knowledge Manager?

Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED) is a UK-government funded programme which aims to increase the resilience of up to 5 million people.

The BRACED Knowledge Manager generates evidence and learning on resilience and adaptation in partnership with the BRACED projects and the wider resilience community. It gathers robust evidence of what works to strengthen resilience to climate extremes and disasters, and initiates and supports processes to ensure that evidence is put into use in policy and programmes.

This brief is one of three country studies (Ethiopia, Kenya and Uganda) that analyse the role of social protection programmes in building resilience to climate-related shocks and stresses.

SOCIAL PROTECTION IN ETHIOPIA

As part of the BRACED Knowledge Manager, this briefing summarises evidence from Kenya on how large-scale national social protection programmes contribute to resilience. In particular, the conceptual framework adopted here suggests evaluating resilience-building efforts on the basis of three outcomes: the capacity of both people and national systems to absorb, anticipate and adapt

to climate-related shocks and stresses (see Box 2). This allows us to break down a concept that is widely used yet difficult to define and operationalise, by assessing how programmes contribute to one or more of the three capacities.

Three main features make Ethiopia an insightful case study in terms of how social protection can and does contribute to resilience to climate-related shocks and stresses. First, despite impressive growth in the past decade or so, Ethiopia experiences high levels of poverty and vulnerability alongside high incidence of climate-related shocks and stresses. The lives and livelihoods of the vast majority of the poor are inextricably tied to the weather. Second, there is growing commitment by the government to make strategic linkages between economic growth and climate change adaptation in policies and planning, and social protection has been identified as a key pillar in the climate change and disaster risk management strategies (GFDRE, 2011). Third, in stark contrast with many countries in sub-Saharan Africa and especially in the Sahel, Ethiopia's main social protection programme has operated, at scale, for more than a decade.

The Productive Safety Net Programme (PSNP) dominates social protection in Ethiopia. Established in 2005 with an initial caseload of 5.5 million beneficiaries, at its outset the PSNP reflected a serious attempt by the Ethiopian government and development partners to move from regular annual emergency appeals for food aid, to a more predictable response to chronic

food insecurity. The programme's substantial public works component includes a number of activities, such as soil and water conservation, that are directly related to climate change adaptation. In addition, it is recognised that wider, complementary programmes and activities are required for the PSNP to provide more than a safety net that protects during lean times. The Household Asset Building Programme (HABP) provides agricultural credit to PSNP households with the goal of allowing them to build their productive household asset portfolios and translate these assets into improved and more productive livelihoods.

Box 2: Resilience can be broken down to three capacities

Absorptive capacity is the ability to cope with climate variability and extremes during and after a disturbance to reduce the immediate impact on people's livelihoods and basic needs.

Anticipatory capacity is the ability of social systems to actively anticipate and reduce the impact of climate variability and extremes through preparedness and planning.

Adaptive capacity is the ability of social systems to adapt to multiple, long-term and future climate change risks, and also to learn and adjust after a disaster.

Source: Bahadur et al. (2015).

ABSORPTIVE CAPACITY AND THE PSNP

Findings from the PSNP indicate that the cash payments made play a modest but important protective or absorptive role. Food security indicators improved modestly between 2011 and 2013, whereas levels of assets did not decline, even during the hungry season (Maxwell et al., 2013). Other analysis, viewing vulnerability as the likelihood of a shock (in this case drought) negatively affecting households and resilience as the speed at which households can recover following a shock, suggests the PSNP reduces vulnerability (to a drought) and

increases the level of resilience. 'When a household experiencing drought receives the mean level of PSNP payments (498 birr, approximately \$23 per year), their welfare drops less following a shock and recovers more rapidly' (see Knippenburg et al., 2016, including for more information on the measurement of vulnerability and resilience).

ANTICIPATORY CAPACITY AND THE PSNP

At the household level, the PSNP aims specifically to link beneficiaries to micro-finance institutions and rural savings and credit cooperatives through the HABP, and has increased access to savings and loans for beneficiaries (Berhane-Weldegebriel and Prowse, 2013).

At a systems level, anticipatory capacity is high. The PSNP has two main mechanisms through which it can scale up coverage in case of a shock. First, contingency funds, initially held at local, state and national level, comprise around 20% of the total budget. In practice, these have frequently been used to cover a permanent caseload of people facing chronic food shortages, rather than an emergency caseload to tackle transitory hunger. Second, a Risk Financing Mechanism (RFM) was established in 2011 to pre-position financial resources and establish mechanisms to trigger a scale-up of the PSNP in the case of a shock.

ADAPTIVE CAPACITY AND THE PSNP

The evidence on adaptive capacity is patchy and mixed. While the public works activities within the PSNP are not having a significant effect on agricultural production, Hoddinott et al. (2012) find that, in combination, transfers from the PSNP and the HABP allow for improvements in agricultural practices that are likely to contribute to increased productivity. They do not find the same improvements in agricultural practices for the PSNP alone. It appears that the PSNP transfers enable households to make the most of their HABP benefits, and to move from using the support they receive from solely ensuring their basic consumption to also investing in livelihoods. While some research

suggests caution about the extent to which the PSNP generates increased household assets that in turn can enable adaptation into more resilient livelihoods (see for example Maxwell et al., 2013 and Berhane-Weldegebriel and Prowse, 2013), others suggest the PSNP can and does have broader economy-wide effects, such as raising national agricultural production or non-farm household incomes in PSNP areas (Filipski et al., 2016).

Not all adaptation is inherently positive: the jury is out on whether the PSNP is linked to maladaptation – where the PSNP leads to changes in livelihood activities that can, ultimately, have negative environmental and well-being consequences – in specific contexts. For example, the PSNP has been linked to an increase in non-farm income generated from natural resource extraction (Berhane-Weldegebriel and Prowse, 2013) but there are few methodologically rigorous evaluations or assessments of this.

POLICY IMPLICATIONS

Ethiopia's experience with social protection and resilience provides particularly valuable practical lessons about what is possible, under what conditions and over what timelines.

Three discernible phases of the PSNP (2005–10, 2010–15 and 2015–20) demonstrate a steady increase in the extent to which the PSNP can contribute to resilience-building: over time, the programme design and the operational systems through which resilience-building might be achieved have gradually been enhanced (Ulrichs and Slater, 2016). In the first phase, the focus was on providing transfers in a timely way and enabling households to graduate out of food insecurity. Reflections on that first phase now point to the challenges of attempting to do too much too soon, the fact that people can slide back into food insecurity as easily as they move out of it and the importance of getting the transfer system – especially the institutional and financial mechanisms – working well so it delivers transfers predictably, regularly and reliably. The second phase saw the launch of both the HABP and a RFM –

broadening the scope of the PSNP to contribute not only to absorptive capacity but also to anticipatory and adaptive capacity. The third phase incorporated lessons from the Climate-Smart Initiative into the redesign. The PSNP was cited as a key pillar in disaster risk management, donors increasingly articulated the rationale for and objective of the PSNP in the language of climate action and adaptation and climate funding was increasingly used to resource the PSNP.

The implications of this phasing, both for Ethiopia and for other countries in Africa where there are attempts to enhance the contribution of social protection to resilience, are also threefold. First, that getting transfers right – that is, delivering them when they are needed, with the right amount of cash to meet people's need and with regularity – should be the first priority. For stakeholders involved in the design or redesign of programmes this means focusing on the core objective, usually ensuring basic consumptions first and only later attempting to add further objectives associated with resilience to climate change. Second, that social protection's contribution to resilience is enhanced where it is used alongside other policies and programmes. And third, that it takes time – in Ethiopia's case more than a decade – to reach a point where social protection systems have the institutional capacity to work effectively and collaboratively alongside other projects and programmes. For those stakeholders that BRACED seeks to support – especially non-governmental organisations engaged in advocacy around enhancing resilience – there are two key roles to play: first, helping expectations of the PSNP (and other social protection programmes in other countries) to remain realistic so that the sorts of phasing seen in Ethiopia can be followed elsewhere; and second, supporting the coordination that is required for social protection to work along other projects or programmes to enable the whole to become greater than the sum of the parts.

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ACRONYMS

- BRACED
Building Resilience and Adaptation to Climate Extremes
- HABP
Household Asset Building Programme
- PSNP
Productive Safety Net Programme
- RFM
Risk Financing Mechanism

This brief is part a series of publications which form part of BRACED Knowledge Manager work on social protection and resilience:

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How can social protection build resilience? Insights from Ethiopia, Kenya and Uganda. BRACED Working Paper. London: ODI.

Ulrichs, M. and Slater, R. (2017)
How is social protection building resilience in Kenya? BRACED Policy Brief. London: ODI.

Ulrichs, M. and Slater, R. (2017)
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processes to ensure that evidence is put into use in policy and programmes. The Knowledge Manager also fosters partnerships to amplify the impact of new evidence and learning, in order to significantly improve levels of resilience in poor and vulnerable countries and communities around the world.

The Knowledge Manager consortium is led by the Overseas Development Institute and includes the Red Cross Red Crescent Climate Centre, the Asian Disaster Preparedness Center, ENDA Energie, ITAD, Thomson Reuters Foundation and the University of Nairobi.

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