



# REASONS FOR FAILURE OF SSN PROGRAMMES

## SOPROEN

SOCIAL PROTECTION ENGINEERING

*Committed to people*

**Paper written by Francisco V. Ayala, Susana Ponce and Niza Aragundi, SOPROEN**

**April, 2019**

**Technical Note**

10600 Griffin Road A-103, Cooper City, Florida, USA +1 352 2176235 (USA) +593 2260950 (Ecuador) [info@soproen.com](mailto:info@soproen.com)

## **GLOSSARY**

|            |                              |
|------------|------------------------------|
| <b>IEG</b> | Independent Evaluation Group |
| <b>IT</b>  | Information Technology       |
| <b>SP</b>  | Social Protection            |
| <b>SSN</b> | Social Safety Net            |
| <b>ToR</b> | Terms of Reference           |

**TABLE OF CONTENTS**

|  |           |
|--|-----------|
| <b>I. INTRODUCTION .....</b>                                     | <b>I</b>  |
| <b>II. REASONS FOR SOCIAL SAFETY NET FAILURE .....</b>           | <b>2</b>  |
| <b>A. DESIGN INAPPROPRIATENESS .....</b>                         | <b>3</b>  |
| <b>B. ADMINISTRATION INEFFICIENCY .....</b>                      | <b>3</b>  |
| <b>C. UNSUSTAINABILITY .....</b>                                 | <b>4</b>  |
| <b>III. CRITERIA OF EVALUATION OF SOCIAL SAFETY NETS .....</b>   | <b>4</b>  |
| <b>A. DESIGN APPROPRIATENESS.....</b>                            | <b>4</b>  |
| 1. Targeting efficiency.....                                     | 4         |
| 2. Programme coverage .....                                      | 5         |
| 3. Degree of ease of access / ease of accessibility.....         | 5         |
| 4. Adequacy of support.....                                      | 5         |
| 5. Absence of negative incentive effects .....                   | 6         |
| 6. Benefits take-up.....   | 6         |
| <b>B. ADMINISTRATION EFFICIENCY.....</b>                         | <b>6</b>  |
| 1. Percentage of program expenditure dedicated to benefits ..... | 6         |
| 2. Institutional coordination.....                               | 6         |
| 3. Institutional capacity .....                                  | 7         |
| 4. Physical infrastructure .....                                 | 7         |
| 5. Use of MIS .....  | 7         |
| 6. Monitoring and Evaluation.....                                | 8         |
| <b>C. SUSTAINABILITY.....</b>                                    | <b>8</b>  |
| 1. Extent of self-financing / progressive financing.....         | 8         |
| 2. Up-scaling.....   | 8         |
| 3. Degree of impact on household welfare .....                   | 9         |
| 4. Degree of impact on development .....                         | 9         |
| <b>IV. LESSONS LEARNT.....</b>                                   | <b>9</b>  |
| <b>A. DESIGN.....</b>  | <b>9</b>  |
| 1. Political will and decision-making .....                      | 9         |
| 2. Reliable information is vital .....                           | 10        |
| 3. Supply side availability and access .....                     | 10        |
| 4. Country and cultural sensitivity.....                         | 10        |
| 5. Clear and adequate targeting .....                            | 10        |
| 6. Appropriate benefits .....                                    | 11        |
| 7. Crisis situation.....   | 11        |
| <b>B. ADMINISTRATION AND IMPLEMENTATION.....</b>                 | <b>11</b> |
| 1. Coordination .....  | 11        |
| 2. Capacity.....   | 11        |
| 3. Participation.....  | 12        |
| 4. Transparency and Accountability.....                          | 12        |
| <b>C. SUSTAINABILITY.....</b>                                    | <b>12</b> |
| 1. Inclusion .....   | 12        |
| 2. Social Development.....                                       | 12        |
| 3. Long-term focus .....   | 13        |
| 4. Funding.....  | 13        |
| <b>V. CONCLUSION .....</b>                                       | <b>13</b> |
| <b>VI. BIBLIOGRAPHY.....</b>                                     | <b>15</b> |

## I. INTRODUCTION

In the last decades, Social Safety Nets (SSNs) are increasingly being used as a key measure to alleviate poverty and vulnerability among people in developing countries, not only to face short-term calamities but also for long-term development, contributing to a more self-reliant, economically viable population. While in 2009 only 19 countries possessed a national Social Protection (SP) strategy in place that outlines systemic approaches, currently around 68 do so (Abdurazokzoda, 2014). Further, many countries move from fragmented programmes to integrated SP systems. Also, more mechanisms that help policymakers monitor the effectiveness of the programmes have been developed (ibid).

SSNs significantly enhance people's livelihoods in the face of multiple and growing risks, ranging from systemic shocks such as economic crises or natural disasters, to unemployment, disability, and illness. Well designed and effective SSNs improve both, the population's opportunities to escape poverty and their resilience to crisis.

Despite the exponential expansion of SSNs in recent years around the world, more than two-thirds of the world's 1.2 billion poorest people, those living on less than US\$1.25 per day, are still not covered (The World Bank, 2014). Lower income countries face the greatest gaps in reaching the poorest people.

Indeed, designing, implementing and managing programmes that contribute to human development still constitute enormous challenges for many developing countries. Although Government willingness and readiness are existent, the main reasons for miscarriage is the lack of institutional capacity, physical infrastructure, and financial resources to meet high demand (The World Bank, 2013). The absence of insight into population's socio-economic characteristics, localization and, most importantly, needs constitutes a further issue. This is the result of non-existent, inaccurately maintained, poorly utilized and/or multiple fragmented databases (DBs). Hence, Governments often struggle in making decisions about the type, affordability, and sustainability of SP initiatives, including how to efficiently gather information, administrate SSNs and achieve the desired impacts.

A successful SSN can be measured by the totality of the impact on the poor and, to a greater extent, on the development of a country's society and economy as a whole. Further SSNs need to be designed in such as was so as to be operational and serve people during both, times of crisis and stability (The World Bank, 2013).

However, existing SSNs are perceived to have a number of shortcomings that substantially reduce their effectiveness. These entail:

- Failure to reach the intended target group – the poorest households.

- Composition of a myriad of small, uncoordinated, and duplicative transfer programs
- Unnecessarily high cost of transferring resources to households due to a combination of operational inefficiencies and corruption
- Failure to generate a sustained decrease in poverty.
- Small transfers and low programme coverage that hinder meaningful impact on poverty.

Compiling the criteria used by different studies dealing with SSN assessments (Irfan, 2003), (Ajwad, 2007), (Pasha, Jafarey, & Lohano, 2000), (Behrendt, 2000), key aspects that affect the success of a SSN and therefore can also be the reason for SSN failure, can be summarized to the following:

- Targeting efficiency;
- Extent of programme coverage;
- Degree of ease of access / ease of accessibility;
- Adequacy of support
- Incentive effects;
- Benefits take-up
- Percentage of programme expenditure dedicated to benefits;
- Institutional coordination
- Institutional capacity
- Physical infrastructure
- Management Information System
- Monitoring and Evaluation
- Extent of self-financing / progressive financing;
- Up-scaling
- Degree of impact on Household Welfare;
- Degree of impact on development.

The aforementioned criteria will determine the degree of effectiveness and efficiency of SSN, i.e. of failure. Most of the countries' Governments contract external consultants or organizations for providing support in the design and in some cases implementation of SSNs. When the latter occurs, they often fail to elaborate comprehensive Terms of Reference (ToRs). ToRs consistently lack clarity regarding the specific objectives of the SSN for both Operational and Information Technology (IT) consultants.

This document provides in-depth details on the causes of failure of SSNs and the consequent criteria that have been elaborated for measuring success of SSNs. The document concludes with lessons to be learnt from past errors.

## II. REASONS FOR SOCIAL SAFETY NET FAILURE

If a SSN fails, this primarily means that the country's poor population remains poor, i.e. that the SSN did not achieve to reduce significantly the number of people living in extreme poverty within the country. According to a World Bank Report of 2014, in low- income countries where 47 percent of the population is extremely poor, less than 10 percent have a SSN support. The three primary reasons for this, according to the report, are (Abdurazokzoda, 2014):

- Reduced Up-scaling: A lack of scaled-up SSN programmes in both low and middle-income countries.
- Targeting inefficiency: The fact that SSNs may not be specifically targeted at the income-poor, but instead focus more on improving nutrition or providing old age security.
- Low programme coverage: There are about 50 countries where programme coverage is below the scale of the poverty challenge.

Further reasons for programme failure based on international experience (Sumarto & Suryahadi, 2001), (LEAD, 2012), (Gentilini, Mainstreaming Safety Nets in the Social Protection Policy Agenda: A New Vision or the same Old Perspective? 2005) can be subdivided in three categories:

1. SSN Design Inappropriateness;
2. SSN Administration inefficiency; and
3. SSN Unsustainability.

The following sections detail the reasons that can be found in each of the aforementioned categories.

### **A. DESIGN INAPPROPRIATENESS**

Design inappropriateness refers to the inadequacy of decisions and choices made during the development of the SSN programme such as:

- Heavy concentration on just income poverty for targeting: In many contexts, income or income alone cannot be a measure of poverty. In fact, sometimes income is difficult to measure since people exchange one good for another one. Also, people might be poor because of chronic illnesses and do not have access to health centers.
- Limited conceptualization of vulnerability, which tends to classify vulnerability according to a range of risks or shocks that affect one or more of a variety of livelihood assets. However, rather than focusing on risk as an exogenously given factor to be managed, vulnerability should be conceptualized as emerging from and embedded in the socio-political context, no longer focusing on how to design a policy so that various groups face less risk in a given context, but on how to change this context to minimize risk for a range of vulnerable groups.
- Failure to reach the intended target group – the poorest households and chronic poor due to (i) a lack of information about the country's population and/or (ii) corruption and/or (iii) poor and inefficient targeting mechanisms.

### **B. ADMINISTRATION INEFFICIENCY**

Administration inefficiency refers to the low capacity in managing and implementing the SSN programme. The main reasons for the latter are:

- No well-designed, publicly accessible real-time information system for effective targeting so as to assist

efforts to address the needs of either the traditionally poor or the newly poor resulting from a crisis, due to a lack of up-to date, complete and accurate data.

- Inadequate Government spending as a result of a lack of committed funding and transparency in terms of the level of discretion which exists with high-level functionaries in allocating funds from the SSN programme.
- Weak governance and monitoring due to low administrative capacity.
- Lack of coordination amongst different agencies and institutions due to a composition of a myriad of small, uncoordinated, and duplicative transfer programmes.
- Unnecessarily high cost of transferring resources to households due to a combination of operational inefficiencies, low cost-effectiveness of delivery mechanisms and corruption.

### **C. UNSUSTAINABILITY**

Unsustainability refers to the fact that SSNs are not viable on the long-run. Causes can be found among others under the followings:

- Small transfers and low programme coverage which result in a failure to generate a sustained decrease in poverty as only a little percentage of the country's population benefits from the SSN programme and transfers are not high enough so as to improve significantly wealth and living conditions of the beneficiaries.
- Creation of a state of dependency among recipients that reduces the incentive to search for productive work: This is when programmes last for too long and/or do not have clear graduation/ exit strategies or (in rare cases) when benefits are higher than the national market wage.
- Fiscal unaffordability: Governments possess limited budgets and often depend largely on external, time-restricted funding.

Based on the reasons for SSN failure, exhaustive evaluation criteria for the assessment of SSNs have been developed. These will be exposed in Chapter III.

### **III. CRITERIA OF EVALUATION OF SOCIAL SAFETY NETS**

Chapter II exposed the principal reasons for the failure of SSNs. In order to determine the degree of failure, i.e. successfulness of a SSN, a series of criteria have been elaborated by various evaluation reports and assessment studies. With reference to the reasons of SSN failure, these criteria can be sub-divided in three categories, namely:

1. SSN design appropriateness;
2. SSN administration efficiency; and
3. SSN sustainability.

In the following, each category and its sub-criteria will be described.

## A. DESIGN APPROPRIATENESS

If Governments are not clear about the objectives they want to achieve with the SSN programme, drawing an inclusive strategy for the SSN will turn out challenging, resulting in an inappropriate design and thus an inadequate SSN scheme.

### 1. Targeting efficiency

Generally speaking, SSN always face budget constraints. Therefore, the available budget should be ideally delivered to the country's neediest population segment. Targeting efficiency is measured by the extent to which a programme's expenditure actually reaches poor people rather than the relatively well-off segments of the population.

Poorly targeted programmes result in high inclusion and exclusion errors, thus having poor people not receiving benefits and rich people being beneficiaries. As a consequence, poverty cannot be reduced to the same extent as if only poor people would be benefit recipients.

### 2. Programme coverage

The main policy challenge is to ensure that SSNs include a sufficient amount of people. In this context, programme coverage refers to the proportion of poor households which receive benefits from the SSN.

Ideally all households in a country, living below the poverty line, should be beneficiaries of social assistance. While in 57 countries SSN coverage corresponds with the scale of poverty (often measured by national poverty line), like in Guatemala (49% out of 54% of the population that lives below the poverty line benefits from SSN programmes), in around 50 countries coverage is below the scale of the poverty challenge. One is Madagascar, where out of the 75% living below national poverty line, only one percent is covered. Another is Burundi, where of the 67% of the poorest people, only 5% have some kind of social safety (Abdurazokzoda, 2014).

### 3. Degree of ease of access / ease of accessibility

Accessibility of the programme is crucial to guarantee that eligible households actually make use of the services and are not demotivated and discouraged by the level of transactions costs imposed in accessing to the programme. Obstacles that could hamper the participation of eligible households to the programme are:

- The complexity and ambiguousness of procedures
- The extend of documentation requirements
- A low level of discretion with programme officials in the disbursement of benefits.
- A high distance to Transfer Agencies, Update desks and Compliance institutions.

### 4. Adequacy of support

Adequacy of support refers to the extent to which benefits provided by the Programme meet the beneficiaries' needs so as to reduce poverty of recipients. Two types of cases can occur:

- Benefits are not generous enough so as to cover the needs of the household.
- The type of benefit does not match the real needs of the household (e.g. cash transfer in a region where starving is the primary reason for poverty due to scarcity of food and/or the inability to access available food).

Transfers that are out of proportion can distort consumption choices of beneficiaries. For example, an open-ended subsidy on a good or service may lead to over-consumption and waste. Therefore, transfers should be equal to cash transfers.

For example, if the programme objective is to meet the food needs of the population, the transfer amount must be equal to the difference between the food needs of the population and the share of these needs they can cover by their own means without resorting to harmful coping strategies.

To establish the value of a transfer the following aspects must be considered:

- Objective of the funds: food, other necessities, buying stocks / tools, etc. for the restoration of livelihoods.
- Prices increases: The price of food and other items may increase during the program.
- Type of assistance needed: technical support, advice, cash or assistance in kind.
- Amount of assistance already received: Coordination of interventions regarding transfer amounts / benefit types.

### 5. Absence of negative incentive effects

SSNs should positively influence the behavior of beneficiaries and their communities. As such, school food programmes raise school participation and reduce dropout rates.

However, anti-poverty interventions can involuntarily provoke negative comportment, i.e. not intended actions. For example, an unemployment benefit, if set too high, may reduce the motivation for job search.

Therefore, SSN should be carefully planned in order to avoid contradictory behavior which reduces both, cost-effectiveness and long-term impact of the programme.

### 6. Benefits take-up

Even if social assistance schemes cover the entire population and guarantee an adequate benefit, poverty may still occur if benefits are not claimed by those who are eligible to receive them. Public policies only have a limited influence on the question of take-up, as the process of claiming cannot entirely be controlled by the SSN programme. Ultimately, the question of take-up, is largely governed by individual actions on the part of potential claimants, although individual perceptions and behavior are strongly influenced by public policies. There is a broad array of possible causes of non-take-up that relate to a direct or indirect impact of public policies on non-take-up. Basically three factors can hamper take-up, each closely associated with public policies. First, people may not be aware of benefits available and their entitlement to these benefits (ignorance). Second, claimants

may fear stigmatization when claiming benefits (stigma). Finally, social assistance regulations and the claiming process may be fashioned in a way that impedes the full take-up of benefits (complexity).

## **B. ADMINISTRATION EFFICIENCY**

Good SSN programmes require investments in their administrative systems. Both, excessively high overheads as well as insufficient systems are undesirable. Investments should be adequate enough to allow programmes to become the most effective and deliver the most value for the money.

### **1. Percentage of program expenditure dedicated to benefits**

SSN programmes are most effective when the main part of the allocated programme budget is spent on benefits for beneficiaries rather than on administrative costs.

### **2. Institutional coordination**

Coordination, which takes place at different levels and involves different actors, aims at avoiding a duplication of work and functions, maximizing complementary distributions of responsibilities, preventing overlaps and imbalances so as to make the best use of limited resources.

The SSN programme must give emphasis to dialogue and coordination with:

- Governments and local authorities
- Community leaders
- Local committees

Coordination with other implementation agencies reduces to a minimum the risk of conflict between the different approaches and avoids that one organization distributes financial aid exceeding those distributed by another, or offers conditional transfers where others offer unconditional transfers.

It is therefore necessary to establish a dialogue with:

- The United Nations
- International and national NGOs
- The Payment Agencies
- Donor organizations

### **3. Institutional capacity**

Societies require effective public and private institutions in order to meet the social, economic and civic needs of their people. Building the capacity of institutions to effectively and efficiently implement SSNs, responding to local demand and providing quality services are at the heart of successful SSNs.

### **4. Physical infrastructure**

There is confusion around the terminology used to define and describe the specific IT set-up for integrating data and information management at sector and cross-sector levels. For example, the terms MIS and DB or Registry are often used interchangeably. Also, while the literature often only refers to one concept (e.g. the "SR"), two components need

to be distinguished when referring to data management. These are:

1. The database where information on potential and actual beneficiaries is compiled—also called **Single Registry (SR)**.
2. The application software that allows for data to be systematized, transformed into information, linked to other databases, analyzed and used. This is the role of the **Management Information System (MIS)**.

However, the MIS is only a tool that serves to fully tap the potential of the SR since the data stored in the SR can also be managed with little more than pencil and paper or using Excel-files. It has yet been internationally proven that MIS are the best instrument to achieve highest efficiency in SR administration and monitoring of its data. Nonetheless, without a well-established and comprehensive SR with its clearly defined and designed processes, no MIS can be developed, fact that is also often misunderstood by Governments and donors when hiring consultancy services.

### **5. Use of MIS**

MISs are indispensable to manage data for programme processes, from operations and supervision to evaluation and redesign, rapidly and efficiently. When needed, updates, storage, editing, viewing and manipulating of information can be undertaken. Further, MISs provide a mechanism to automate: transfer calculations, lists and reconciliation as well as generate forms and identify errors. It is also a powerful instrument to facilitate evidence-based decision-making and to guarantee programme oversight and accountability, all of which contribute to better programme results.

SSN programmes that use paper or Excel-based tables and lists face more problems in terms of human errors and corruption. Moreover, the whole administration and implementation process of the SSN programme automatically becomes less time efficient and more cumbersome.

### **6. Monitoring and Evaluation**

An appropriate monitoring framework is essential to track programme effectiveness, monitor the activities involved so as to follow up on their progress, analyses and evaluate their efficacy, identify potential problems, and take corrective measures for reaching the established objectives.

## **C. SUSTAINABILITY**

Above all, if Governments want SSNs to be successful, they have to be financially, and operationally sustainable but also create long-term impacts on the individual households and the country's society and economy as a whole. The ultimate goal consists of a responsive state able to provide long-term, reliably delivered and tax financed social assistance to its most vulnerable citizens as part of broader social protection and development strategies.

### 1. Extent of self-financing / progressive financing

SSN Programmes that mostly depend on external donor funding and/or loans are less sustainable as they raise uncertainty about the future of the programmes.

Therefore, funds provided by national regular social expenditures not only guarantee independence from external volatile funding but also increase ownership of the SSN programme. However, national funds, can raise questions of politics and opportunity costs such as funds spent on the programme that could have been allocated elsewhere.

Further, programmes which raise funding through well-defined and earmarked sources are likely to be more sustainable fiscally. A program is more secure if it is supported by higher income households rather than general budgetary sources which are vulnerable to inflation and cut-backs when the fiscal position worsens.

### 2. Up-scaling

Both, pilot interventions and well-established programmes need to be upscaled region and ideally country wide so as to increase their effectiveness and impact. Indeed, scaling up—expanding, adapting, and sustaining successful SSN programmes over time—can substantially intensify poverty reduction nation-wide. One constraint that needs to be overcome is that SSN programmes (except some large examples like in Brazil and India) are all too often like small pebbles thrown into a big pond: they are limited in scale, short-lived, and therefore have little lasting impact (Hartmann & Linn, 2007).

More than anything else, scaling up is about political and organizational leadership, about vision, values and mindset, and about incentives, accountability and spaces to grow (fiscal, political, economic, capacity, cultural, partnership and learning spaces)—all oriented to make scaling up a central element of individual, institutional, national and international development efforts.

Without long-term commitment on the part of institutions, donors, and individuals, and a SSN design that survives changes in government, scaling up will remain impossible.

### 3. Degree of impact on household welfare

SSNs are primarily meant to increase household welfare of beneficiaries. Enhanced household welfare suggests better living standards.

For measuring household welfare, the focus can be put on household income or household consumption expenditures. Income measures are considered less appropriate especially in developing countries where much of the population are involved in non-market activities and where income is subject to considerable seasonal variability with much income deriving from agriculture. Consumption is often considered to be a better indicator of the general welfare (as households smooth their consumption over time) and to contain smaller measurement error compared with income (Brück, Danzer, Muravyev, & Weißhaar, 2008).

If the SSN does not achieve to increase household welfare significantly, the programme would miss its primary objective which is to reduce poverty.

### 4. Degree of impact on development

The final goal of SSN programmes is to create significant impacts on the country's development by (IEG, 2011):

- Reducing Chronic Poverty and Inequality
- Developing Human Capital
- Protecting against Idiosyncratic Shocks
- Protecting against Systemic Risks
- Cushioning Effects of Economic Reforms.

## IV. LESSONS LEARNT

Based on the reasons of failure of SSNs and the respective criteria to measure the degree of success, i.e. failure of a SSN, Chapter IV draws the lessons learnt for design, administration and implementation, and sustainability of SSNs.

### A. DESIGN

Comprehensive SSN design represents the fundament of a successful SSN programme. SSN design needs to be well thought out by all stakeholders as well as appropriate for the context where it is supposed to be implemented, including clear and suitable design parameters.

#### 1. Political will and decision-making

Designing a SSN for a country requires primarily political will (Gentilini & Omamo, 2009). A productive dialogue with the Government is crucial to help guide choices, prioritizing and sequencing interventions, better clarifying and mapping capacities of different actors with regard to different SSN tasks, and enabling national ownership of the programmes (Gentilini, 2005).

Convincing decision-makers is not enough. Decision-makers need to be fully informed, both advocates and critics of SP. A more balanced and pragmatic approach is required – based on technical partnerships, free from pre-packaged agendas, and genuinely owned and demanded by national governments and actors.

Conceptual issues are often overemphasized, underplaying administrative and implementation constraints. Decision-makers face difficult trade-offs, some of which can be minimized while others are more difficult to reconcile. Introducing and expanding SP systems do not allow for shortcuts or easy choices. Ignoring possible trade-offs makes debates naïve at best, and misguided at worst.

#### 2. Reliable information is vital

Accurate information provided by a complete national system such as a Single Registry (SR) which is regularly updated and complemented by data from other organizations, NGOs, and donors plays a key role in establishing effective SSN programmes as it permits to



efficiently target poor and vulnerable population groups, reducing exclusion and inclusion errors.

### **3. Supply side availability and access**

Before implementation of SSNs, and especially for CCTs, Governments must ensure that the sufficient infrastructure in acceptable conditions is available. This entails compliance institutions, payment agencies and other service providers. By already having service providers in the market, this attracts other competitors which in turn promotes a healthy competition.

Further, accessibility of services to remote areas and the costing formula needs to be established so that the beneficiaries are not exploited (LEAD, 2012).

### **4. Country and cultural sensitivity**

Approaches need to be fully compatible with prevailing cultural, social and economic factors since countries have followed different pathways to introduce and expand SSN systems. Context-specific factors should be fully recognized, and approaches tailored accordingly. There is a scope for learning from each other, but it is not appropriate to simply replicate models developed in other contexts (Gentilini & Omamo, 2009). Indeed, although a simple design is important, there must still be some allowance for local flexibility.

In this context, it is now widely recognized that the choice of the most appropriate safety net transfers – in cash, food or vouchers – hinges on proper assessment of context specific factors. These include programme objectives (e.g. nutrition, income transfer), the spatial and temporal functioning of markets, the availability of implementation capacities and delivery mechanisms, cost efficiency, analysis, and beneficiaries' preferences (Gentilini & Omamo, 2009). Proposing a rapid institutionalization of SSNs into national budgets and structures, requires consideration of countries' diverse capacities and priorities.

As pre-fabricated models cannot simply be replicated in other countries, centrally planned administrative guidelines also often prove to be socially unacceptable at the community level. Therefore, it is vital to cooperate with local communities who at the end will be the main owners of the SSN programme.

### **5. Clear and adequate targeting**

The targeting mechanism must be adapted to the country's local context. Static administrative targeting is unable to catch the newly poor, or shocked, households whereas geographic and community targeting combined with a PMT better identify the neediest. At the same time, it promotes community involvement which in turn increases local acceptance and ownership of the SSN programme.

Targeting rules must be clearly defined and communicated to stakeholders and beneficiaries so as to avoid conflicts and misunderstandings. This also reduces corruption and stimulates beneficiaries to assert their rights.

### **6. Appropriate benefits**

In order to maximize the programmes' impact, benefits should be high enough to significantly increase household welfare and living conditions but sufficiently low so as to avoid creating negative incentives. As such, a public works programme should set wage rates below the prevailing market rate. This will allow for the element of "self-selection" since only those in serious difficulty will be willing to work for the low wages being offered.

### **7. Crisis situation**

Designing and implementing large social safety net programs in a crisis situation at the central government level requires institutional commitment, supported by clear objectives and simple design. However, SSNs should be ideally designed during good times and available before shocks occur. This is to shift from ex-post to ex. ante measures (Gentilini, 2005).

## **B. ADMINISTRATION AND IMPLEMENTATION**

Even though a SSN has been well designed, if it is not correctly managed, and its implementation not supervised and monitored, this will result in an extensive loss of resources that could have been distributed to the needy beneficiaries.

### **1. Coordination**

Frequently, several different SSN programmes are being provided by different actors with different lines of responsibility and accountability, resulting in patchwork governance and management. This may generate duplication of efforts, gaps in coverage and poor institutional coordination. In other cases, programmes are implemented in isolation and lack a coherent policy framework.

Therefore, a broad range of potential actors and partnerships needs to be explored, and it's essential that international agencies collaborate. Decisions, administration and implementation need to be made commonly and based on clear and structured communication and report guidelines.

In addition to a sound coordination between public agencies, Government, private sector and civil society need to collaborate effectively. The focus of the Government should be on financing such as financing framework, financial planning and integrating platforms of different programmes, while the focus of the civil society should be on facilitation, capacity building and promoting behavioral change (LEAD, 2012).

### **2. Capacity**

In general, SSN in countries with limited systems seems to lack the institutional flexibility for rapid relief response. Programmes are sometimes "lost in transition", slow to tackle development problems while being unable to meet relief needs adequately (Gentilini & Omamo, 2009).

A key driver in shaping different models of SSNs is the level of national capacity – the country’s institutional, administrative, financial and technical ability to introduce and sustain SSN programmes. Implementation in the regions depends upon the capacity of local government and local community groups.

This is why appropriate, easy to understand training plans need to be developed and intensive capacity building undertaken before programme implementation. Later, on-going training in the form of regularly occurring single events to update staff on new procedures and developments helps them to stay interested and motivated, which in turn contributes to reduce staff turnover and programme efficiency.

Ideally, training events should be certified and accredited to have the most long-term value to employees.

### **3. Participation**

Successful implementation of projects that focus on the most marginalized and disadvantaged populations are dependent on community mobilization and involvement - including political and social leaders, religious figures, parents, school teachers, health workers - from the early stages of the project.

Communities can be involved in beneficiary selection, monitoring and supervision of the programme. Further, communities can promote and participate in general activities that increase not only programme performance but also overall community well-being.

### **4. Transparency and Accountability**

SSNs involve the transfer of large amounts of cash between ministries, payment agencies and beneficiaries. Therefore, the right and deserving people must be targeted and transparency, financial monitoring and accountability must be maintained through regular operational and financial reports, spot checks and other mechanisms to verify that the programme is running and that resources are used as planned.

## **C. SUSTAINABILITY**

SSN are not meant to be one-off interventions but long-term efforts that achieve long lasting results on the population and the society as a whole.

### **1. Inclusion**

As a OECD policy statement put it, “[donor] actions in [social protection] must be harmonized and aligned with national policy, in line with the Paris Declaration on Aid Effectiveness and Accra Agenda for Action” (OECD, 2009). SSNs are not just a residual to the growth process. They should be an integral part of the country’s poverty reduction and growth strategy.

If a national SP policy does not exist or lacks in consistency and comprehensiveness, the latter first needs to be revised and approved on a mutual agreement between ministries before a SSN can be designed.

### **2. Social Development**

SSN programmes should facilitate social development and promote more extended horizons. SSNs need to include measures that increase the chances that individuals and households will be in a position to contribute positively in future, otherwise they would miss their major objective and their supporters could be accused of perpetuating poverty on a massive scale.

A key instrument is Social Mobilization through which communities are empowered to contribute to social well-being and increase the effectiveness of SSN programmes.

Additional benefits are obtained through the spaces of community participation and the active role played by beneficiaries to improve their quality of life, beyond the strict compliance of commitments and compliance with requirements.

Especially in the case of Unconditional Cash Transfers, it must be regularly verified how benefits are used and if these contribute to increased household and individual well-being and access to opportunities to improve their living conditions. It must be considered that poor households might use transfers to buy alcohol, tobacco, or other “temptation goods”, thus hampering the impact of SSN programmes (Evans & Popova, 2014).

### **3. Long-term focus**

Financing schemes require long-term commitment in terms of time, financial resources and infrastructure. The key problem is sustaining these schemes once the donor funding finishes. A rapid and massive scale-up of SSN transfers in poor countries may neglect medium-term investment priorities. The design of interventions that create incentives for growth in the medium to long term, while meeting short-term needs in ways that are compatible with those incentives is crucial to sustainability (Gentilini & Omamo, 2009).

The other challenge is to ensure that these schemes promote good behavioral practices and self-reliance amongst the receipts. These schemes should not be seen as a permanent solution but as a step to reformation (LEAD, 2012).

### **4. Funding**

Governments often rely heavily on short-term or volatile external support, and have limited possibilities for financing SSNs domestically. Top-down, externally funded programmes are more likely to fail in reducing poverty.

In this context, a sequential or progressive approach to social protection is likely to be more appropriate than the shock therapy sponsored by some actors (Gentilini & Omamo, 2009).

## **V. CONCLUSION**

Successful SSNs are those which are fully appropriately designed, well administered and implemented and make prove of sustainability. If SSN do not comply with these main characteristics, there will fully or partially fail in reaching their main objective: to reduce significantly the number of

people living in extreme poverty within the country and to a greater extent, to enhance the development of a country's society and economy as a whole.

National ownership of SSNs is often limited, at both the conceptual and the implementation levels. This is to result of actors that seem more interested in replicating already existing SSN models than in informing Government decision-makers about real context specific opportunities and limitations (Gentilini & Omamo, 2009).

In fact, the experience of higher-capacity countries shows that there are different pathways for introducing SSN systems, and that these have been anything but linear (Lindert, 2005). Neither has the process been spontaneous, but rather the result of continuous adjustments as a country's specific conditions change over time. Overall, national systems have been introduced gradually to be generally consistent with – among other factors – the level of growth that the country can generate over time. As some developing countries are advised to introduce SSN systems according to a different sequence and modality – that is, before rather than after sustained growth and adequate capacities have been established, and mostly with external rather than domestic funding – these initiatives may not necessarily lead to the same results (Gentilini & Omamo, Unveiling Social Safety Nets, 2009).

Therefore, Governments, donors and consultants must be clear about (i) when to make the shift between different SSN components and how to make this process smoother, (ii) how to better mainstream SSN programmes across different ministries and how to better coordinate them, (iii) the specific design of SSN schemes in different country contexts, and (iv) how to improve mechanisms to reach and better serve people living in marginalized, remote rural areas. In addition, advocacy efforts are also needed to make sure that SSNs are adequately covered in national poverty reduction strategies, where they can ultimately play an active role for both human and economic development.

**BIBLIOGRAPHY**

- Abdurazokzoda, F. (2014, May 13). *World Bank Finds Huge Hole in Social Safety Nets*. Retrieved from <http://www.ipsnews.net/2014/05/world-bank-finds-huge-hole-social-safety-nets/>
- Ajwad, M. I. (2007). *Performance of Social Safety Net Programs in Uttar Pradesh*. Washington: World Bank.
- Behrendt, C. (2000). *Holes in the safety net? Social security and the alleviation of poverty in a comparative perspective*. Helsinki, Finland: International Social Security Association (ISSA).
- Brück, T., Danzer, A. M., Muravyev, A., & Weißhaar, N. (2008). *Determinants of Poverty during Transition: Household Survey Evidence from Ukraine*. Manchester: Brooks World Poverty Institute.
- Evans, D. K., & Popova, A. (2014). *Cash transfers and temptation goods: a review of global evidence*. Washington DC: World Bank.
- Gentilini, U. (2005). *Mainstreaming Safety Nets in the Social Protection Policy Agenda: A New Vision or the same Old Perspective?* Manchester: Chronic Poverty Research Centre.
- Gentilini, U., & Omamo, S. W. (2009). *Unveiling Social Safety Nets*. Rome, Italy: World Food Programme.
- Hartmann, A., & Linn, J. F. (2007). *Scaling Up: A Path to Effective Development*. Washington: INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE.
- IEG. (2011). *Social Safety Nets: An Evaluation of World Bank Support, 2000–2010*. Washington, DC: Independent Evaluation Group, the World Bank Group.
- Irfan, M. (2003). *Poverty and Social Safety Nets: A Case Study of Pakistan*. Islamabad, Pakistan: Pakistan Institute of Development Economics.
- LEAD. (2012). *Providing Health Services to the Ultra Poor Through Social Safety Nets*. Lahore: LEAD.
- OECD. (2009). *Making economic growth more pro-poor: The role of employment and social protection*. In *Promoting pro-poor growth: Social protection*. Paris, France.: OECD.
- Pasha, H. A., Jafarey, S., & Lohano, H. R. (2000). *Evaluation of Social Safety Nets in Pakistan*. Karachi, Pakistan: Social Policy and Development Centre.
- Sumarto, S., & Suryahadi, A. (2001). *Principles and Approaches to Targeting with Reference to the Indonesian Social Safety Net*. Jakarta, Indonesia: ASEAN.
- The World Bank. (2013, April 11). *World Bank Support to Social Safety Nets*. Retrieved from <http://www.worldbank.org/en/results/2013/04/11/world-bank-support-to-social-safety-nets>
- The World Bank. (2014, May 13). *Social Safety Nets Expand but Can Do Better at Reaching the Poorest*. Retrieved from <http://www.worldbank.org/en/news/press-release/2014/05/13/social-safety-nets-expand-better-reaching-poorest>

**SOPROEN**

SOCIAL PROTECTION ENGINEERING

10600 Griffin Road A-103, Cooper City, Florida, USA +1 352 2176235 (USA) +593 2260950 (Ecuador) [info@soproen.com](mailto:info@soproen.com)

We take ethics seriously and our work is aligned with the following SDGs

